

## Progress in the Approach for Mixed-use Properties

### JMF-Bldg. Tenjin Nishi-dori 01 (Fukuoka-shi, Fukuoka)

Mixed-use



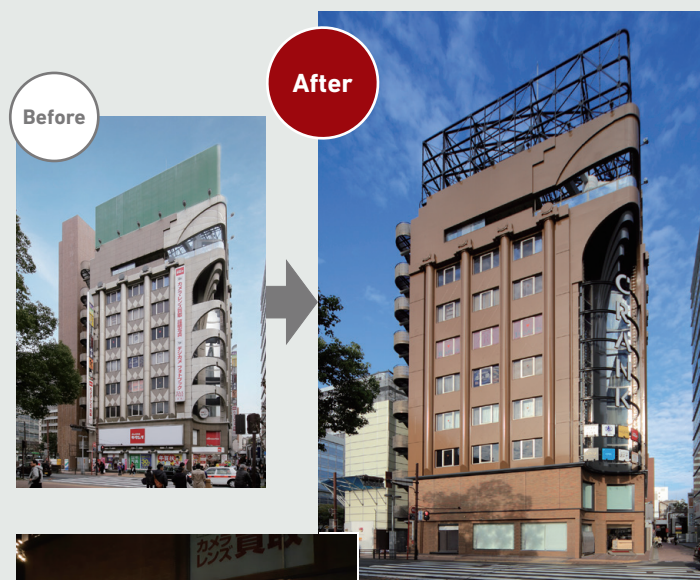
### Restaurant and bar complex in Tenjin, the largest downtown in Kyushu, renovated into an environment-friendly mixed-use property

JMF-Bldg. Tenjin Nishi-dori 01 was considered for either reconstruction for redevelopment purposes or for renovation of the existing building, with the aim of using the 32-year-old building in the most effective manner possible following the changes in the surrounding environment triggered by the Tenjin Big Bang Project\* initiated by the city of Fukuoka, as well as shifts in social and consumer spending due to the COVID-19 pandemic. As a result, JMF made the decision to renovate the existing building with the environment and the local community in mind, and to use the existing building without demolishing it.

After reviewing the property's positioning in the Tenjin area, JMF restructured the tenancy mix by bringing in shared office and service industry tenants, thereby transforming from a restaurant and bar complex into a mixed-use property.

In addition, we decided to renovate the outer wall and common areas, and revise the signage plan to improve visibility throughout the building, which had been an issue. In September 2022, the building was reborn as a mixed-use property both retail stores and offices.

\*Tenjin Big Bang: The project aims to create new spaces and jobs in the Tenjin district of Fukuoka by stimulating the renovation of private-sector buildings via deregulation.



Entrance with revised signage

Recycled bricks in the lower exterior sections of the building

▼ACCESS MAP



#### Approach for Mixed-use Properties

JMF is not limited to existing uses when considering the optimal uses for properties. We are working to enhance asset value by converting properties from single-use to mixed-use buildings.

#### Examples of Converting from Retail to Mixed-use

New Name	
JMF-Bldg. Midotsuji 01	New luxury brand tenant moved in with the intention of using the building as both retail and office space
JMF-Bldg. Umeda 01	The first and second floors are now occupied by a life insurance company, which has turned the space into a value-experience facility used to disseminate information and offer advice
JMF-Bldg. Daikanyama 02	Attracted an apparel brand who is using the space as an office and showroom
JMF-Bldg. Jingumae 03	A global fashion brand specializing in e-commerce uses the building's restaurant block as a showroom.

#### Reconstruction with consideration for the environment and community

- Unified color and texture schemes in renovated outer walls and common areas
- Installation of large arrow signs in the entrance to improve visibility
- Use of recycled bricks as exterior materials for the lower floors, reduction of transportation-related energy consumption through the use of bricks manufactured in Kyushu



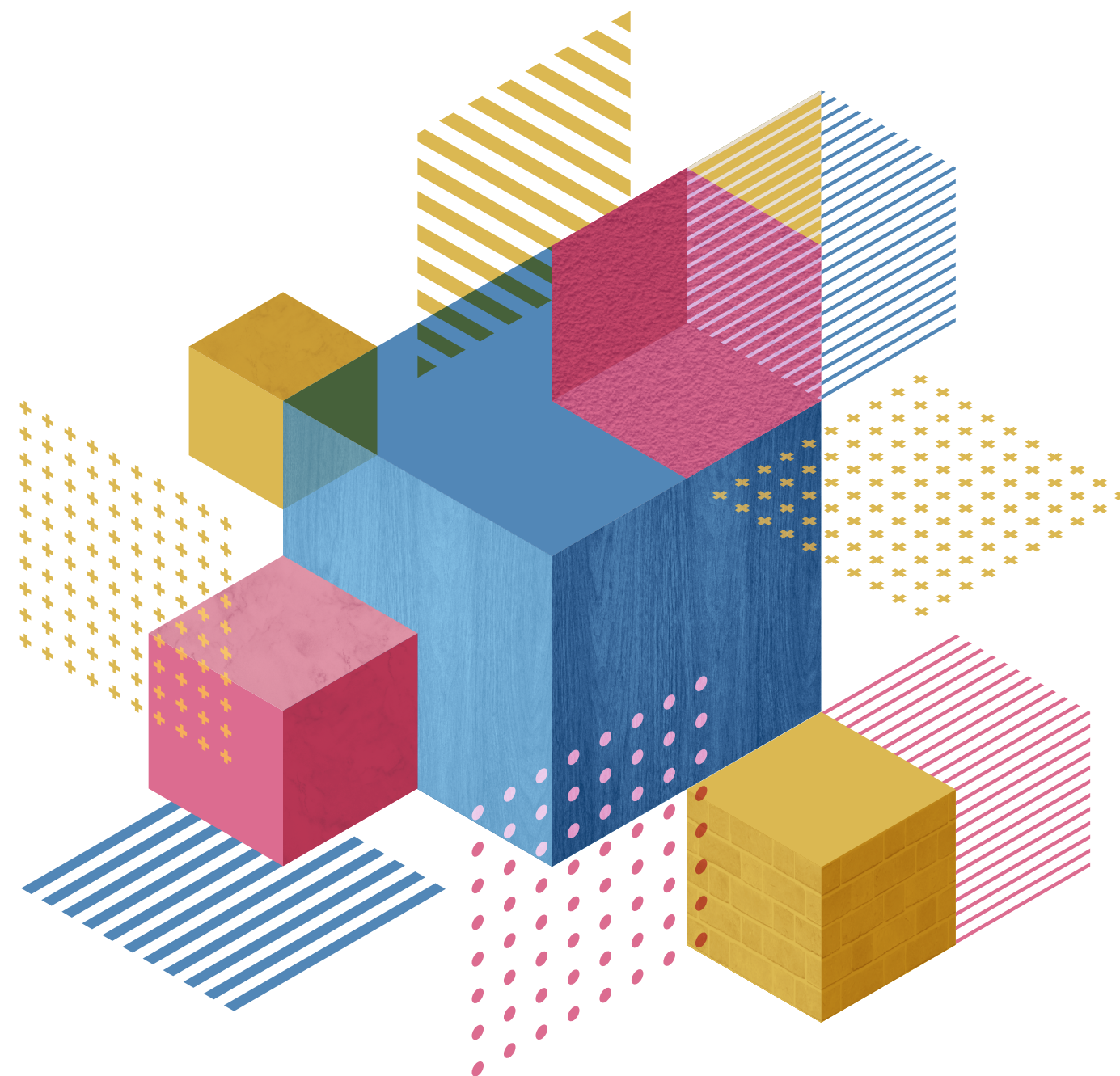
41<sup>st</sup>

Fiscal Period Ended  
August 31, 2022

## SEMI-ANNUAL REPORT

March 1, 2022 – August 31, 2022

Securities code 8953



Japan Metropolitan Fund Investment Corporation

<https://www.jmf-reit.com/english/> Tokyo Building 7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan

Japan Metropolitan Fund  
Investment Corporation

Tokyo Building 7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan



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## Support metropolitan life (live, work and consume) in Japan from the perspective of real estate

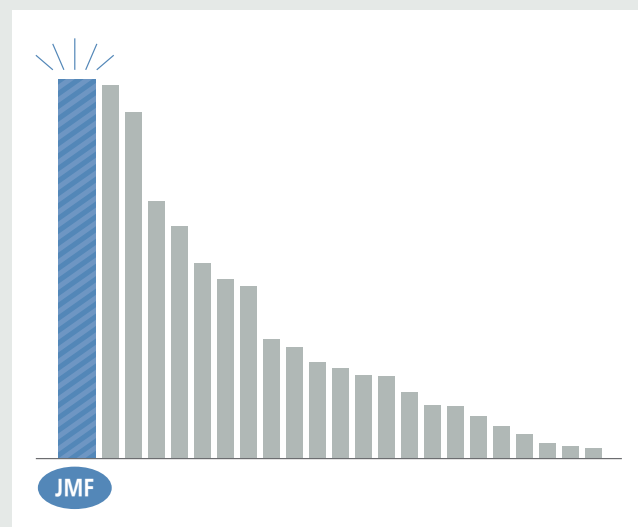


**Largest scale of assets among diversified REITs**

**One of the largest diversified J-REIT**

The Japan Metropolitan Fund Investment Corporation (JMF) was established on March 1, 2021 as one of the largest diversified J-REIT to support metropolitan life (live, work and consume) in Japan from the perspective of real estate through investing in such properties.

The largest asset size in diversified J-REIT

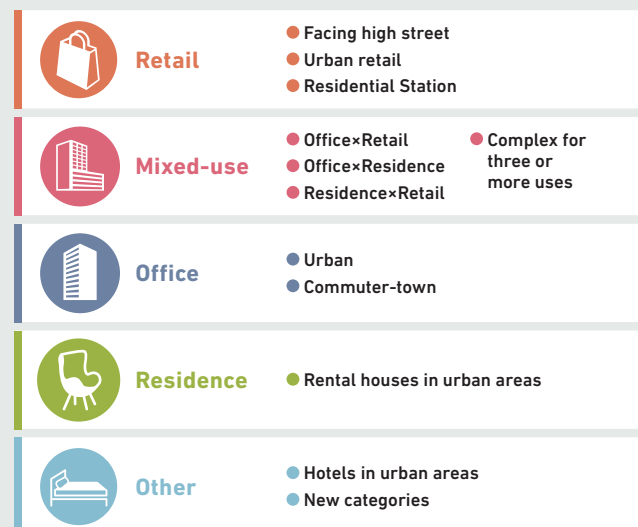


**Enhanced stability and growth acceleration**

**Pursuing a portfolio that can respond to environmental changes**

JMF aims to stabilize its portfolio by expanding its investment universe and investing in “locations where people gather” with social needs over the medium to long term and also aims to achieve sustainable growth in response to environmental changes by building its own unique acquisition scheme.

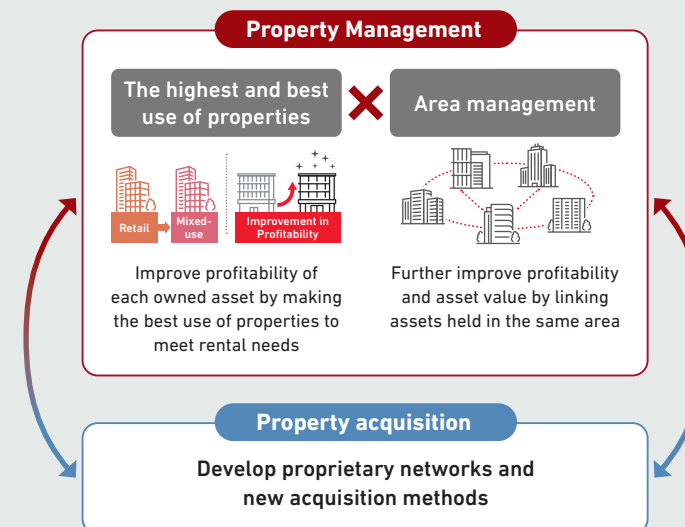
Expanding our investment universe targeted toward urbanization and diversification



**Maximizing profitability and asset value**

**Management professionals**

Our aim is to improve profitability of owned assets and maximize asset value by leveraging our acquisition and management capabilities to build a portfolio that spans a variety of uses and heightens mutual use among assets held in the same area, while responding flexibly to environmental changes.



I would like to take this opportunity to express my sincere gratitude to all investors for their ongoing support. Japan Metropolitan Fund Investment Corporation recently closed its 41st fiscal period (ended August 31, 2022). We attribute our success in this period to the support of our investors, for which we are sincerely grateful.

Going forward, we will continue our efforts to meet the trust and expectations of unitholders through growth in unit value. We look forward to your continuing support.

*Masahiko Nishida*

**Masahiko Nishida**  
Executive Director  
Japan Metropolitan Fund Investment Corporation

01

**Distribution per unit of 2,263 yen for the fiscal period ended August 2022 (41st)**

- The increase in revenue-based rent due to retail recovery contributed to a result which was 13 yen higher than the announced forecast of 2,250 yen

02

**Asset replacement with transactions worth 200.0 billion yen is half-way complete**

- Announced acquisition of five properties worth a total of 10.5 billion yen through a variety of acquisition methods. In addition, we disposed of four retail properties (partial execution), securing approximately 4.8 billion yen in gain or loss on sales
- Asset replacement strategy progressed, reducing the retail ratio of our portfolio to 61% from 71% at the time of the merger in March 2021

03

**Progress on leasing in each sector, with a portfolio occupancy rate of 99.1%**

- Leasing of urban retail properties progressed with a clear recovery in retail sales
- Lease-up of offices and residential properties is steady

04

**Build a strong financial base and proactive efforts to tackle ESG issues continued**

- Maintained low financial costs backed by high creditworthiness even after sponsor change
- Steadily implemented measures to achieve medium- to long-term targets for our ESG initiatives and obtained the highest possible ESG scores from external organizations

**No. of properties**
**127** properties

**Asset size**
**1,207.4** bn yen

**Occupancy rate**
**99.1** %

**NOI yield**
**4.4** %

**NOI yield after depreciation**
**3.4** %

**Market capitalization**
**772.9** bn yen

**Unrealized gain**
**157.2** bn yen

**NAV per unit**
**109,600** yen<sup>\*1</sup>
**Credit ratings**

Japan Credit Rating Agency  
**AA (Stable)**
**Avg. interest rate**
**0.57** %

**Total interest-bearing debt**
**549.6** bn yen

**LTV**
**44.0** %

**GRESB rating**
**5 stars**<sup>\*2</sup>
**Environmental certification acquisition rate**
**76.8** %<sup>\*3</sup>

The values and indices used here were current as of August 31, 2022. The same applies below, unless otherwise stated.

<sup>\*1</sup> (Net assets + unrealized losses/gains – total distributions) ÷ number of investment units issued

<sup>\*2</sup> The GRESB rating is as of October 18, 2022.

<sup>\*3</sup> The percentage of properties that have acquired environmental certifications is based on total floor area.

**Investment Performance/Forecasts for Operating Results**

	Aug. 2021 (39th) fiscal period Results	Feb. 2022 (40th) fiscal period Results	Aug. 2022 (41st) fiscal period Results	Feb. 2023 (42nd) fiscal period Forecast
Operating Revenue	40.3 bn yen	40.5 bn yen	41.1 bn yen	40.9 bn yen
Operating Income	15.5 bn yen	18.8 bn yen	17.6 bn yen	17.6 bn yen
Net Income	13.5 bn yen	16.9 bn yen	15.7 bn yen	15.7 bn yen
Distribution per Unit	2,286 yen	2,284 yen	2,263 yen	2,280 yen

**Asset Management Company Introduction**
**Achieving Further Growth with New Sponsor**

On April 28, 2022, the asset management company to which we contracted the management of JMF assets became a member of the KKR & Co. Inc (KKR) Group, one of the world's leading investment management companies, following a change in parent companies. As a result, the trade name of the asset management company has changed to "KJR Management," which is an acronym for KKR Japan Realty Management.

Under the new structure, Naoki Suzuki, who has served as Deputy President & Representative Director since 2019, has been appointed President & Representative Director. There have essentially been no changes in JMF's management teams and policies, including those of its employees, and Keita Araki will continue to serve as Head of Metropolitan Business Division, which is in charge of JMF's asset management. Under our new sponsor, JMF will continue efforts to increase unitholder returns to achieve further growth.


**Naoki Suzuki**

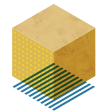
President & Representative Director  
KJR Management


**Keita Araki**

Head of Metropolitan Business Division  
KJR Management

**KJRM** KKR Japan Realty Management





## Development of Acquisition Network and Realization of Steady External Growth

Progress in property acquisitions through the acquisition network developed after the merger

### > Plan to acquire five new or relatively new residential properties (total of 10.5 billion yen)



#### Reciprocal transaction

- Exchange of assets consistent with mutual strategic interests



JMF-Residence  
Kita-Shinagawa

Location	Shinagawa-ku, Tokyo
Acquisition price	1,900 mn yen (Scheduled)
NOI yield	4.2%
Acquisition date	March 1, 2023 (Scheduled)



JMF-Residence  
Osaka Fukushima

Location	Kita-ku, Osaka-shi, Osaka
Acquisition price	1,518 mn yen (Scheduled)
NOI yield	4.2%
Acquisition date	March 1, 2023 (Scheduled)



#### Collaboration with a sponsor of private REITs we invest in

- Acquisition of properties developed by sponsors of private REITs investees



JMF-Residence  
Ikebukuro  
1-chome

Location	Toshima-ku, Tokyo
Acquisition price	1,670 mn yen (Scheduled)
NOI yield	4.0%
Acquisition date	March 1, 2023 (Scheduled)

\*Image



#### Initiatives with developers

- Acquisition of properties developed for exit by developers



JMF-Residence  
Osaka Noda

Location	Fukushima-ku, Osaka-shi, Osaka
Acquisition price	1,450 mn yen (Scheduled)
NOI yield	4.1%
Acquisition date	Dec. 23, 2022 (Scheduled)



JMF-Residence Machida

Location	Machida-shi, Tokyo
Acquisition price	4,059 mn yen (Scheduled)
NOI yield	4.0%
Acquisition date	Oct. 2, 2023 (Scheduled)

\*Image



#### Partnership with KKR

- Joint participation in large-scale deals

# KKR

Jointly participate in deals with sponsors and obtain preferential negotiation rights

JMF is now participating in a large scale portfolio deal with KKR that met JMF's investment criteria (as of October 19, 2022)

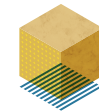
### > Plan for additional acquisition of expanded portion of existing buildings (0.7 bn yen)



#### Collaboration with tenants

- Increase floor space to enhance property value

Kaden sumairukan YAMADA Fukuoka Shime Honten (Kasuya-gun, Fukuoka): Expansion of existing building by utilizing outdoor parking and additional acquisition planned following expansion in March 2023



## Diversification of Gains on Disposal of Four Properties and Progress on Asset Replacement Strategy

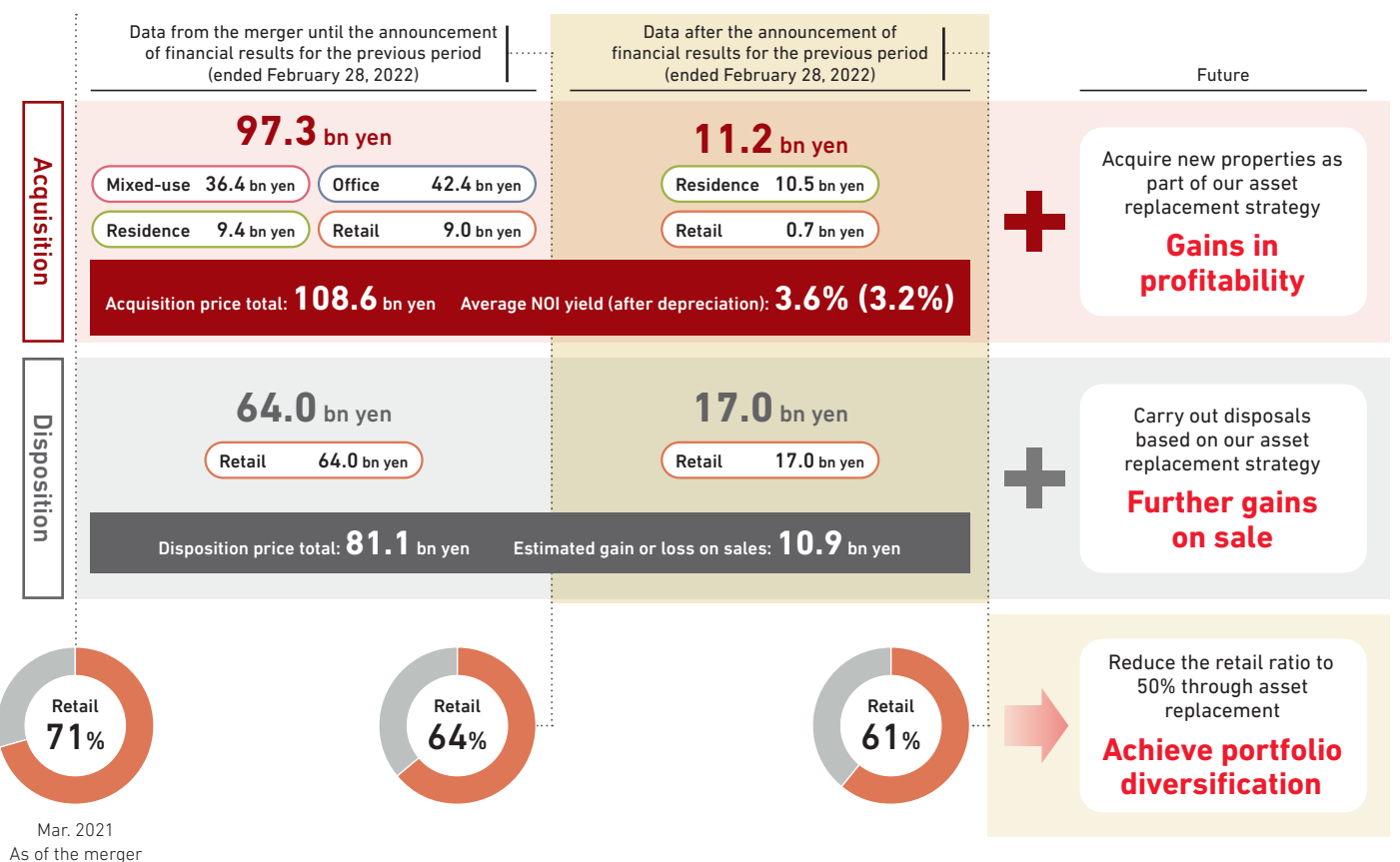
Assets transferred since the announcement of financial results for previous fiscal year (ended February 28, 2022) and diversification of gains on sale

Assets Transferred Since the Announcement of the Financial Results for the Previous Fiscal Year				
Disposition	Total disposition price (planned)		Total gain (loss) on disposition (planned)	
4 properties	17 bn yen		Approx. 4.8 bn yen	
Assets transferred	Disposition price (Scheduled)	Disposition date (Scheduled)	Result	
G-Bldg. Jingumae 02	1.85 bn yen Approx. -0.4 bn yen	April 2022	Offset loss on disposal against other gains on disposal to control distribution per unit for the 41st period	
LIFE Kishibe (Land with leasehold interest)	2.6 bn yen Approx. +0.6 bn yen	March 2023	Securing gain on disposal of 43rd fiscal period	
Round1 Stadium Takatsuki	3.32 bn yen Approx. +1.3 bn yen	April 2023		
AEON MALL Sapporo Naebo	9.3 bn yen Approx. +3.2 bn yen	August 2024, etc.	Secured gain on disposal for four periods (45th to 48th Period)	

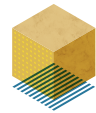
\*The '+' represents gains on sale and the '-' represents loss on sale.



200.0 billion yen asset replacement with transactions strategy is half-way complete







## Portfolio Status

JMF invests in carefully selected assets, especially in the three major metropolitan areas of Tokyo, Osaka, and Nagoya, as well as other government-designated cities. Target properties include retail properties, offices, residential houses, hotels, and mixed-use properties that combine these categories.



### Mixed-use

Properties located in urban areas and used for multiple purposes, such as retail properties, offices, hotels, or residences



KAWASAKI Le FRONT



Twin 21



JMF-Bldg. Hiroo 01



### Office

Office buildings located in and around major business areas



JMF-Bldg. Yokohama  
Bashamichi 01



JMF-Bldg. Akasaka 02



### Residence

Rental housing near rail stations in densely populated areas



JMF-Residence  
Gakugeidaigaku



### Urban retail

Retail properties located on main streets in major business areas, urban retail properties with the potential for conversion to other purposes or mixed-use, and supermarkets and other retail properties near rail stations in densely-populated areas



GYRE



mozo wonder city



### Other

Hotels in urban areas, new categories, etc.



OM03 Tokyo Akasaka



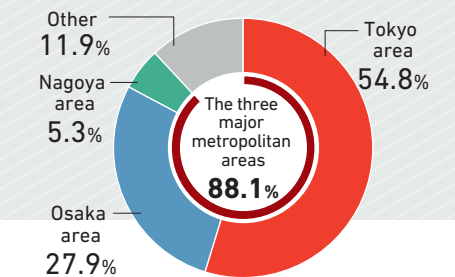
### Suburban retail

Suburban retail properties classified as non-urban

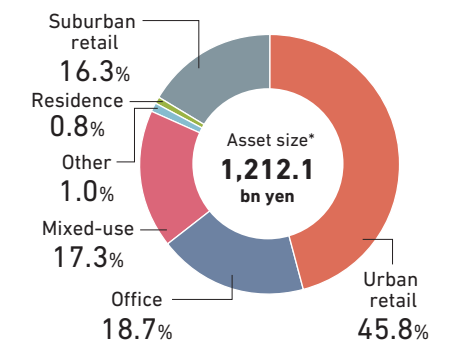


AEON MALL Musashi Murayama

#### Distribution by area

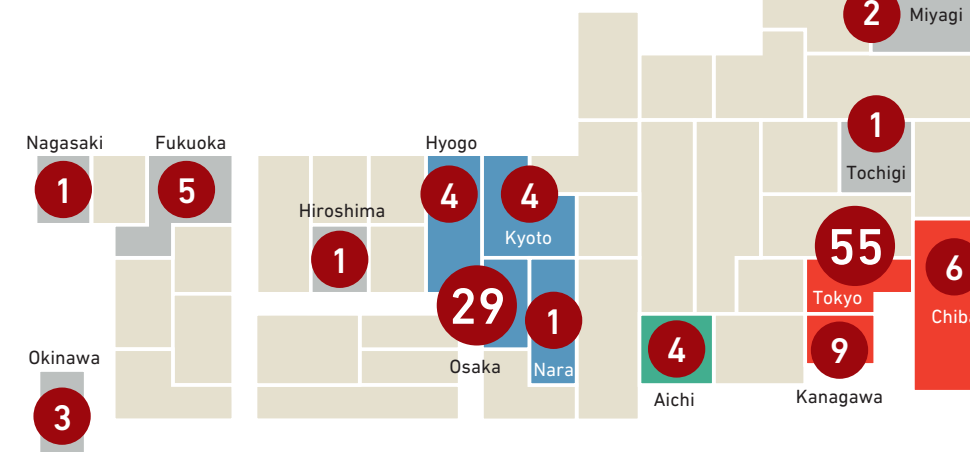


#### Diversification of asset type

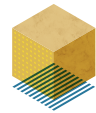


As of August 31, 2022

\*Asset size includes the acquisition price of private REITs investment units







## Operating Status

### Status of our portfolio and examples of initiatives in each sector

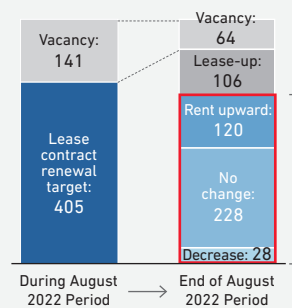
#### Occupancy rate

August 2022 **99.1%**  
(98.5% at the end of the previous fiscal period)

	August 2022 (end of the previous fiscal period)	August 2022 (end of the previous fiscal period)
<b>Retail</b>	<b>99.6%</b>	(99.1%)
<b>Office, Mixes-use</b>	<b>96.6%</b>	(94.7%)
<b>Residence</b>	<b>98.1%</b>	(98.6%)
<b>Hotel</b>	<b>100.0%</b>	(100.0%)

#### Actual rent increase due to lease contract renewal

(Number of spaces)



Rent increase  
**+84 mn yen/fiscal period**

Effect on distribution per unit:  
**+12 yen/fiscal period**



### Urban retail

#### ► mozo wonder city (Nagoya-shi, Aichi)

**Large-scale renewal carried out in stages since March 2022 was completed, resulting in a facility that supports more sustainable consumption behavior**

- In July 2022, a new Takeout Food & Beverage Zone “mozo Food Marché” opened featuring local outlets that are popular in Aichi Prefecture
- Accelerated SDG-related initiatives and promoted collaboration with a local university

##### mozo Food Marché Initiatives

- Water supply system designed to facilitate bottle washing
- Adoption of recyclable and reusable containers (some tenants)
- Floor maps and movable pop-up wagons created in collaboration with architecture and interior students from the Nagoya University of The Arts



Takeout Food & Beverage Zone  
“mozo Food Marché”

A movable pop-up wagon designed  
by Nagoya University of the Arts students



Kyoto Family

#### ► Kyoto Family (Kyoto-shi, Kyoto)

#### ► KAMISHIN PLAZA (Osaka-shi, Osaka)

##### Attracted MUJI stores to large blocks in two properties

- Promptly understood strategies for opening tenant stores in retail facilities adjacent to residential areas under the COVID-19 pandemic at KAMISHIN PLAZA, and succeeded in attracting the stores to large blocks (opened in October 2022)
- Information collaboration between properties enabled store openings in the Kyoto Family property (opened in June 2022)

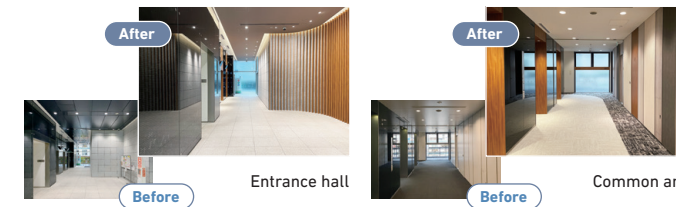


### Office

#### ► JMF-Bldg. Shibuya 02 (Shibuya-ku, Tokyo)

**Over 1,000-tsubo of vacant space was occupied again just three months after being vacated**

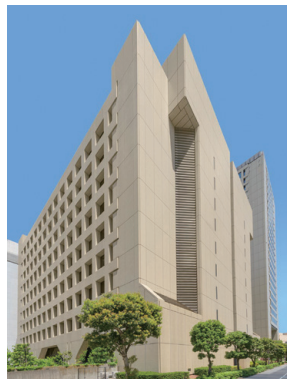
- Major tenant vacated a floor space over 1,000-tsubo in April 2022
- Renovation of the facility common areas was conducted with the intention of increasing tenant needs
- A neighboring major IT firm moved in for their office expansion, occupying the vacancy



#### ► JMF-Bldg. Kawasaki 01 (Kawasaki-shi, Kanagawa)

**Filled back over 300-tsubo vacancies and achieved full occupancy**

- Vacancies were prolonged due to changes in Kawasaki office market
- Achieved full occupancy through flexible leasing
- Remodeled some floors to improve satisfaction of existing tenants

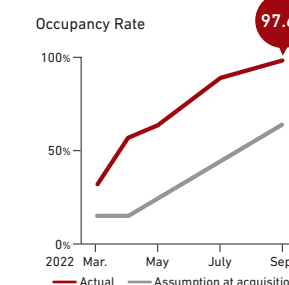


### Residence

#### ► JMF-Residence Gakugeidaigaku (Setagaya-ku, Tokyo)

**Achieved higher number of move-ins than expected at the time of acquisition**

- Acquired as a new building in March 2022
- Obtained tenancy contracts at a quicker pace than expected at the time of acquisition, increasing the occupancy rate



### Mixed-use (residential areas)

#### ► JMF-Bldg. Ichigaya 01 (Chiyoda-ku, Tokyo)

**Met demand for tenancy through renovation work in residential areas**

- Renovated a 1R-type room that had been used as a small office/home office (SOHO) into an LDK-type room when it was vacated, to make it available also as a residence
- Achieved an early tenancy contract after the renovation



Example of renovation (kitchen)



### Mixed-use

#### ► JMF-Bldg. Ginza Chuo-Dori 01 (Chuo-ku, Ginza)

**Attracted BOUCHERON; opened one of the world's largest flagship stores**

- Attracted BOUCHERON by utilizing the network with luxury brands, which opened one of the world's largest flagship stores
- Replaced tenant without lowering the rent level on a stable earnings base, even with the declining market rents in Ginza











## ESG materiality and KPIs

ESG materiality	Target	KPI
Response to climate change	Reduction in CO <sub>2</sub> emission	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions per unit by 50% by 2030 (compared with 2015 level)</li> <li>Aim to achieve carbon neutrality by 2050</li> </ul>
Response to sustainability certifications	Improve acquisition rate of environmental certifications	Acquiring certifications for over 75% of the total portfolio (total floor area base)
	Improving sustainability activities through participation in external evaluation institutions	<ul style="list-style-type: none"> <li>GRESB Acquiring “5 stars”</li> <li>CDP Acquiring more than “B”</li> </ul>
Building resilience	Implementing disaster prevention measures	<ul style="list-style-type: none"> <li>Preparing emergency supplies at 100% of the properties where such supplies can be kept</li> <li>Developing an emergency communication network that covers 100% of properties</li> <li>Collecting engineering reports (ERs) regularly for 100% of properties</li> </ul>
Energy efficiency	Improvement in energy consumption	Reduction in electric consumption per unit by 20% compared with 2015 (Target year: 2030)
	Introduction of renewable energy use	Renewable energy ratio of electricity used in business activities to 20% (Target year: 2030)
Ensuring the health, well-being, and convenience of people (tenants)	Improvement in tenant employee space	Improving communication space and break room at the time of renewal
	Visualization of health and comfort	Considering acquisition of wellness certification


## External evaluation & percentage of initiatives for ESG

<p>GRESB Real Estate Assessment</p>  <p><b>5 stars</b> (Highest Rank)</p>	<p>CDP Climate Change Program</p>  <p><b>A-</b> (Leadership level)</p>	<p>MSCI ESG Rating</p>  <p><b>BBB</b></p>
<p>Environmental certification acquisition rate</p>  <p><b>73 properties, 76.8%</b> (total floor area base)</p>	<p>Ratio of renewable energy introduction</p>  <p><b>11.5%</b> (percentage of portfolio)</p>	<p>Percentage of female employees in the asset management company</p>  <p><b>36.2%</b> (excluding officers and temporary employees)</p>

The inclusion of JMF in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of JMF by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

## Conduct scenario analysis based on TCFD recommendations

As part of our response to climate change, we established the 4°C and 1.5°C scenarios based on TCFD recommendations. For more information, please visit the JMF website.

 The website explains SDGs that are closely related to the ESG materiality.  
[https://jmf-reit\\_sustainability.disclosure.site/en/](https://jmf-reit_sustainability.disclosure.site/en/)

## ENVIRONMENT & SOCIAL

### Installation of digital signage in restrooms to improve tenant and user satisfaction

To prevent restroom crowding, we have installed restroom queue mitigation media service VACAN AirKnock Ads in approximately 30 JMF properties including office and retail buildings.

Digital signage installed in restroom stalls provides real-time occupancy data and stall usage times, thereby reducing long stays in the restroom and improving tenant and visitor satisfaction levels. We are also using this service to display ads for facilities and tenants, with a portion of the ad revenue sent to international NGO WaterAid Japan to support their efforts to realize Sustainable Development Goal 6: “Clean Water and Sanitation”.



AirKnock Ads digital signage



### Achievement of practically zero CO<sub>2</sub> emissions and efforts to conserve biodiversity



Beekeeping (Western honey bees)

The GYRE facility (Shibuya-ku, Tokyo) acquired approximately 2.43 million kWh of FIT\* non-fossil fuel certificates in FY2021. Combined with green power previously purchased, this brings the facility’s renewable energy ratio to 100%, and reduces its CO<sub>2</sub> emissions to zero.

We have also started beekeeping on the facility’s rooftop to conserve biodiversity. Urban beekeeping is attracting interest as a means of achieving Sustainable Development Goal 15: “Life on Land”, as the movement of honey bees in urban environments stimulates ecosystems and contributes to greening.

\*An energy efficiency certification that guarantees that electricity has been produced by FIT-approved sources, such as solar power, wind power, small hydropower, or biomass energy

## GOVERNANCE

### Governance system and the holding of General Meeting of Unitholders and Board of Directors

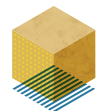
JMF is operated by a committee consisting of one executive director and two supervisory directors. Certain matters concerning JMF are decided at the General Meeting of Unitholders (convened at a certain time once every two years), which comprises the unitholders.

In addition, the Board of Directors meeting is held during the fiscal period as indicated below to fully discuss the status of legal compliance and the internal control system.

General Meeting of Unitholders (Date of latest meeting)	Nov. 26, 2021
Number of board meetings/attendance rate (March 1, 2022 – Aug. 31, 2022)	16 times/100%

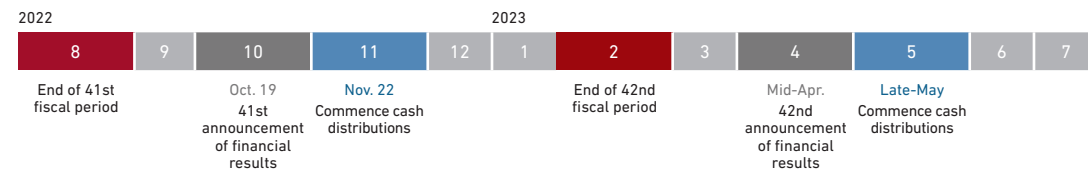


Supervisory Director Masaharu Usuki    Executive Director Masahiko Nishida    Supervisory Director Osamu Ito



## Unitholder Information

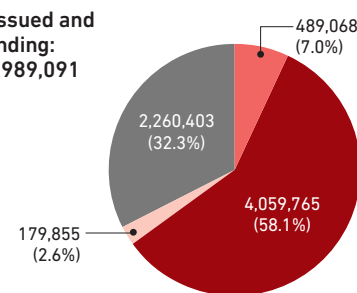
### IR schedule



\*Videos of financial results presentations are available on our website. <https://www.jmf-reit.com/english/ir/account.html>

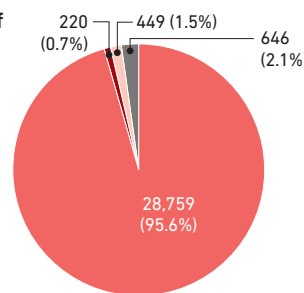
### Unitholders' attribute (As of August 31, 2022)

Units issued and outstanding:  
total 6,989,091



■ Retail investors/Others ■ Financial Institutions (including financial instrument service operators) ■ Other Corporations ■ Overseas Investors

Total number of unitholders:  
30,074

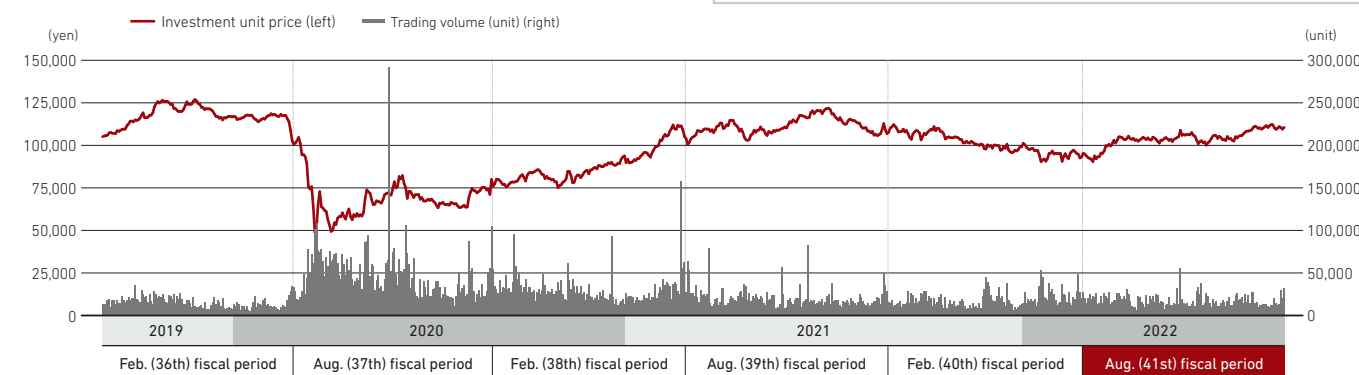


### Changes in investment unit prices

(September 1, 2019 – August 31, 2022)

Market capitalization 772,993 million yen (as of August 31, 2022)

Fiscal period ended August 31, 2022 Highest during the period 112,200 yen (Aug. 19, 2022)  
Lowest during the period 90,400 yen (Mar. 9, 2022)  
Closing price at the end of the period 110,600 yen (Aug. 31, 2022)

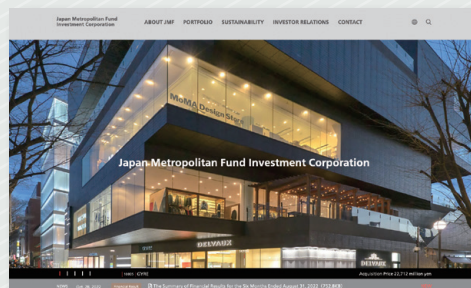


\*1 Tokyo Stock Exchange closing price basis

\*2 As we split each investment unit into two investment units with an effective date of March 1, 2021, figures prior to February 24, 2021, the last day of trading at the pre-split price, have been revised.

Source: Bloomberg

### You can view the latest information about JMF from your PC or smartphone

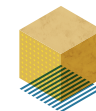


JMF provides individual investors with easy-to-understand explanations of JMF policies, features, and concepts. In addition, you can access detailed information on the website from QR codes\* at various places in this Semi-Annual Report.

\*The word "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.



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



## About the Asset Management Company

### A professional real estate asset management company which have the both ability to discerning property acquisition and developing them.

KJR Management, JMF's asset management company, is succeeded the asset management company which was established in 2000 and had been entrusted with managing the assets of JMF and Industrial & Infrastructure Fund Investment Corporation.

The balance of assets under management for the two investment corporations has expanded to approximately 1.5 trillion yen, which is one of the biggest totals in the J-REIT asset management industry.

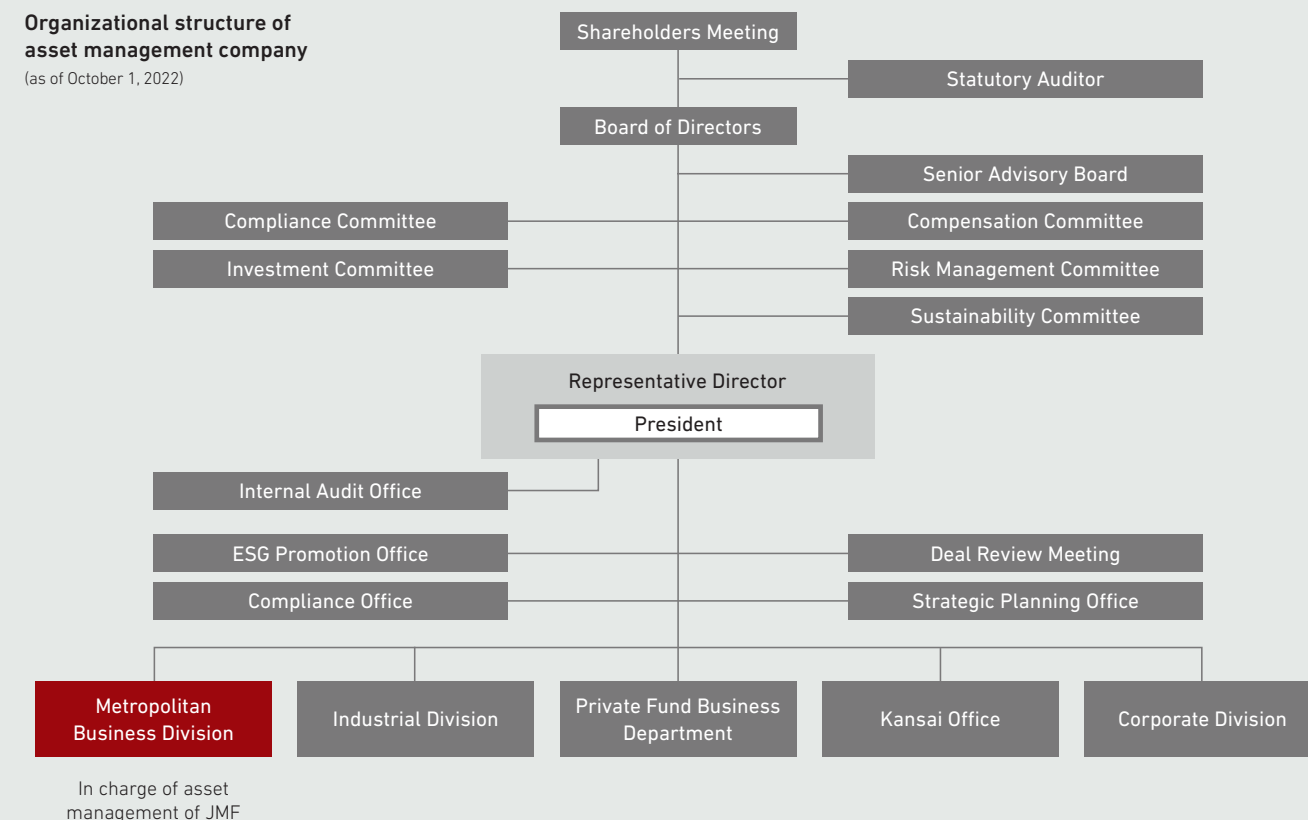
The asset management company has established a system that enables proactive and sustainable real estate management by recruiting specialists with extensive careers and a wide range of qualifications in real estate management, as well as experience in planning, design, and tenant leasing.

### Introducing our sponsor KKR

KKR is a leading global investment firm that boasts USD491.0 bn of assets under management. With over 45 years of investment experience, the firm invests in a wide range of assets, including private equity, credit, and real estate. KKR's investment strategy has included real estate for over 40 years. The firm has on-the-ground presence in Japan with an office in Tokyo since 2006. By leveraging KKR's strengths in addition to its investment capabilities developed over many years as an asset management company, we aim to provide asset management services that will allow unitholders to invest with peace of mind, utilizing various investment methods in line with market conditions.



### Organizational structure of asset management company (as of October 1, 2022)





# I. ASSET MANAGEMENT REPORT

## Outline of asset management operation

### 1. Operating results and financial position

Fiscal period			37th	38th	39th	40th	41st
As of /for the six months ended			August 31, 2020	February 28, 2021	August 31, 2021	February 28, 2022	August 31, 2022
Operating revenues	(Millions of yen)		30,848	30,518	40,360	40,598	41,112
(Rental revenues)	(Millions of yen)		(29,061)	(29,392)	(38,022)	(37,812)	(39,006)
Operating expenses	(Millions of yen)		17,020	17,013	24,800	21,790	23,417
(Rental expenses)	(Millions of yen)		(13,691)	(13,842)	(17,239)	(16,995)	(18,245)
Operating income	(Millions of yen)		13,828	13,505	15,560	18,808	17,694
Ordinary income	(Millions of yen)		12,116	11,897	13,549	16,924	15,723
Net income	(a)	(Millions of yen)	12,116	11,896	13,549	16,924	15,722
Net assets	(b)	(Millions of yen)	433,725	433,967	623,671	624,859	624,776
(Period-on-period change)		(%)	(-0.4)	(+0.1)	(+43.7)	(+0.2)	(-0.0)
Total assets	(c)	(Millions of yen)	903,461	903,221	1,235,720	1,247,439	1,248,964
(Period-on-period change)		(%)	(+0.4)	(-0.0)	(+36.8)	(+0.9)	(+0.1)
Unitholders' capital		(Millions of yen)	411,878	411,878	411,878	411,878	411,878
(Period-on-period change)		(%)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Number of investment units issued and outstanding	(d)	(Units)	2,602,483	2,602,483	6,989,091	6,989,091	6,989,091
Net asset value per unit	(b)/(d)	(Yen)	166,658	83,375	89,234	89,404	89,393
	Note 2						
Total distributions	(e)	(Millions of yen)	11,711	11,711	15,977	15,963	15,816
Distribution per unit	(e)/(d)	(Yen)	4,500	4,500	2,286	2,284	2,263
(Profit distribution per unit)		(Yen)	(4,500)	(4,500)	(2,286)	(2,284)	(2,263)
(Distribution per unit in excess of profit)		(Yen)	(-)	(-)	(-)	(-)	(-)
Ratio of ordinary income to total assets	Note 3	(%)	1.3 (2.7)	1.3 (2.7)	1.3 (2.5)	1.4 (2.7)	1.3 (2.5)
Return on unitholders' equity	Note 3	(%)	2.8 (5.5)	2.7 (5.5)	2.6 (5.1)	2.7 (5.5)	2.5 (5.0)
Ratio of net assets to total assets	(b)/(c)	(%)	48.0	48.0	50.5	50.1	50.0
(Period-on-period change)		(%)	(-0.4)	(0.0)	(+2.5)	(-0.4)	(-0.1)
Payout ratio	(e)/(a)	(%)	96.9	98.4	118.0	94.3	100.6
Additional information:							
Rental net operating income (NOI)	Note 3	(Millions of yen)	20,807	20,950	26,944	26,840	26,736
Net profit margin	Notes 3 and 4	(%)	39.3	39.0	33.6	41.7	38.2
Debt service coverage ratio	Notes 3 and 4	(Multiple)	14.0	14.6	12.8	15.4	14.7
Funds from operation (FFO) per unit	Notes 3, 4 and 5	(Yen)	6,081	6,230	2,833	2,985	2,974
FFO multiples	Notes 3, 4 and 5	(Multiple)	13.3	16.8	19.0	15.5	18.7
Distributable income per unit after adjustment for taxes on property and equipment	Note 6	(Yen)	4,653	4,609	2,280	2,276	2,261
FFO per unit after adjustment for taxes on property and equipment	Notes 4, 5 and 6	(Yen)	6,067	6,217	2,828	2,977	2,973

Note 1 Figures less than the unit indicated in each column have been rounded down for amounts and rounded for ratio unless otherwise indicated.

Note 2 JMP executed a two-for-one unit split (the "Unit Split") on March 1, 2021 as the effective date. 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.

Note 3 Figures are calculated using the formulas below. Percentages in parentheses are annualized using 184,181,184,181 and 184 days for the 37th, 38th, 39th, 40th and 41st fiscal period, respectively. FFO multiples are unaudited.

Ratio of ordinary income to total assets	Ordinary income/Average total assets Average total assets = (Total assets at beginning of period + Total assets at end of period) ÷ 2
Return on unitholders' equity	Net income/Average net assets Average net assets = (Net assets at beginning of period + Net assets at end of period) ÷ 2
Rental net operating income (NOI)	(Rental revenues - Rental expenses) + Depreciation
Net profit margin	Net income/Operating revenues
Debt service coverage ratio	Net income before interest expenses, amortization of bonds issuance costs and depreciation/Interest expenses
Funds from operation (FFO) per unit	(Net income ± Loss or gain on sales of property + Depreciation + Other depreciation related property + Amortization of goodwill + Amortization of deferred assets ± Extraordinary losses or gains)/Number of units issued and outstanding
FFO multiples	Market price per unit at end of period/Annualized FFO per unit

- Note 4 Net income used for calculation of “Net profit margin”, “Debt service coverage ratio” and “FFO multiples” does not include deferred income taxes.
- Note 5 From the 40th fiscal period, JMF has changed the calculation method of FFO to “Net income ± Loss or gain on sales of property + Depreciation + Other depreciation related property + Amortization of goodwill + Amortization of deferred assets ± Extraordinary losses or gain”. FFO per unit from the 37th fiscal period to the 41st fiscal period listed in the table above are calculated by new method.
- Note 6 The figures indicate pro forma distributable income per unit and pro forma FFO per unit assuming that taxes on property and equipment were not capitalized but charged to income in the periods in which were incurred. These figures are unaudited.

## 2. Outline of asset management operation for the 41<sup>st</sup> fiscal period

### (1) 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 on 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, 2022, as in the previous fiscal year, JMF promoted asset replacement, one of growth strategies after the Merger, and acquired two properties and disposed of three properties. JMF also acquired investment units of a private residential REIT.

As a result, the total assets managed by JMF as at the end of the 41st fiscal period (fiscal period ended on August 31, 2022) amounted to 1,207.4 billion yen (the total acquisition price <sup>(Note)</sup> for 127 properties). The total acquisition price including investment securities such as the silent partnership interests related to Nagoya Lucent Tower, the investment units of Nisshin Private Residential Reit, Inc., and the investment units of Hoosiers Private REIT Investment Corporation is 1,221.5 billion yen.

Note: Acquisition price refers to the purchase price stated in each contract for the assets held by JMF except as otherwise noted (excluding acquisition costs, settlement of taxes and public dues, etc., consumption taxes, and leasehold deposits, etc.). For the properties owned by MMI, the acquisition price is based on the appraisal value as of the end of February 2021, which was the accepted price at the time of the Merger. The same applies hereafter.

### (2) Investment environment and results

#### i. Investment environment

##### (Macroeconomic trends)

During this fiscal period, the Japanese economy improved significantly thanks to a recovery in personal consumption and an increase in corporate capital investment resulting from the easing of restrictions on activities associated with the spread of COVID-19. The quarter-on-quarter gross domestic product (GDP) growth rate was +0.9% (+3.5% annualized) in the April to June 2022 quarter (secondary preliminary figures announced on September 8, 2022). However, the outlook remains uncertain due to the sharp depreciation of the yen caused by the accelerated pace of interest rate hikes in Europe and the U.S., soaring resource prices caused by the protracted situation in Ukraine and other factors, and no end of the COVID-19 pandemic in sight.

In capital markets, the Nikkei Stock Average fluctuated since the beginning of the fiscal period, reflecting domestic and foreign monetary policies and macroeconomic trends, and stood at 28,091 yen at the end of August 2022, the end of the current period. On the other hand, in the J-REIT market, the Tokyo Stock Exchange REIT Index started at 1,884 points on March 1, 2022, the beginning of this fiscal period, and rose sharply as fears over the spread of COVID-19 variants eased and domestic and international interest rates rose, but it subsequently fell sharply, affected



by accelerated monetary tightening in Europe and the U.S. in June. Since then, the index had been on an upward trend toward the end of the period, reaching 2,033 points at the end of August 2022, the end of this fiscal period.

(Real estate trading market)

Under the weak yen and low interest rate environment in Japan, Japan's real estate continues to attract considerable attention, not only because the impact of the COVID-19 pandemic on the real estate trading market has been relatively small but also because of the country's political and economic stability, and the acquisition environment continues to be challenging, with investment appetite remaining strong among domestic and overseas investors.

(Real estate leasing market)

Sales of retail properties were strong from March 2022 onward due to a decrease in the number of new COVID-19 infections and the complete lifting of priority measures to prevent its spread, but sales in home appliance and clothing specialty stores declined slightly starting in July, when the number of newly infections began to increase. However, the impact on the overall recovery trend was limited due to the suspension of measures that would have resulted in restrictions on activities. Luxury brands continued to show strong interest in opening stores on high streets in central Tokyo or Shinsaibashi in Osaka, and there was also ongoing demand for pop-up stores by such brands. Further relaxation of immigration restrictions is also being considered, which is expected to provide a tailwind for the recovery of inbound tourism.

In offices, the rise in vacancy rates showed signs of leveling off, as vacancies had been filled due to relocations for expansion and moves to expand floor space within the same property, but vacancy rates rose again, mainly in large-scale offices, because several new buildings were completed, leaving some floor space unoccupied. On the other hand, vacancy rates for small and medium-sized offices continued to rise at a more moderate pace against the backdrop of firm demand for company expansion and relocation and new openings.

ii. Results

In this environment, JMF completed the acquisition of two new properties (JMF-Residence Gakugeidaigaku and a 50% quasi-co-ownership of trust beneficiary right to the JMF-Residence Chihaya) and the disposition of three properties (a 30% quasi-co-ownership of trust beneficiary right to the G-Bldg. Ginza 01, Summit Store Nakano Minamidai, and G-Bldg. Jingumae 02) in this fiscal period as part of its portfolio property replacement strategy. In addition, JMF acquired the investment units of Hoosiers Private REIT Investment Corporation, a private residential REIT, as a measure to achieve growth through new initiatives.

As a result, the assets managed by JMF at the end of the fiscal period totaled 127 properties with a total value of 1,207.4 billion yen on an acquisition price basis and 1,307.6 billion yen on an appraisal value basis. The total leasable area was 2,533,128.62 m<sup>2</sup> with the total number of tenants standing at 1,675, and the occupancy rate of the overall portfolio was 99.1%.

Primarily as a result of acquisition of new properties with unrealized gains, disposition of existing properties with unrealized losses/gains, decline in cap rate of certain existing properties, etc., the unrealized losses/gains <sup>(Note)</sup> of the overall portfolio at the end of the fiscal period decreased by 4.4 billion yen from the end of the previous fiscal period to 157.2 billion yen.

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

(3) Funding

To fund the repayment of existing borrowings, JMF borrowed the same amount as those borrowings,

a total of 28.37 billion yen, consisting of 25.87 billion yen in borrowings that came due in the current fiscal year, and 2.5 billion yen in prepayments. In addition, JMF took on long-term borrowings of 6.0 billion yen to fund the redemption of 6.0 billion yen of investment corporation bonds that matured in May 2022.

In addition, in June 2022, JMF issued the 3rd JMF Green Bond (3rd Unsecured Investment Corporation Bond) in the amount of 4.0 billion yen and prepaid borrowings of 4.03 billion yen for the purpose of further strengthening sustainability activities.

As a result, JMF's interest-bearing borrowings outstanding at the end of the fiscal period amounted to 549.6 billion yen, consisting of short-term borrowings of 6 billion yen, long-term borrowings of 481.1 billion yen <sup>(Note 1)</sup> and investment corporation bonds of 62.5 billion yen <sup>(Note 2)</sup> (including Green Bonds <sup>(Note 3)</sup>).

Consequently, the ratio of long-term borrowings <sup>(Note 4)</sup>, ratio of fixed interest rates <sup>(Note 5)</sup>, and LTV <sup>(Note 6)</sup> were 98.9%, 94.6% and 44.0%, 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.

#### (4) Results and distributions

The operating revenue for the period was 41,112 million yen, and operating income was 17,694 million yen after deducting operating expenses such as property taxes and asset management fees. Ordinary income was 15,723 million yen, and net income was 15,722 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 (Law No. 26 of 1957; as amended).

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 more than 31 million yen reversal amount onto the dividend.

In addition, with respect to the additional tax burden arising from the discrepancy between accounting treatment and tax treatment, JMF will reduce the accrual of income taxes by making distributions through the reversal of voluntary reserves (reserves for adjustment of temporary differences, etc. or reserves for dividends) and distributions in excess of earnings (distributions equivalent to the increase in allowance for adjustment of temporary differences, etc.).

In accordance with this distribution policy, it was decided to distribute, as a distribution of profit, a total of 15,722 million yen, calculated by adding 93 million yen of the reversal of retained earnings for temporary difference adjustments to, the unappropriated retained earnings at the end of the period of 15,816 million yen. As a result, distribution per unit amounted to 2,263 yen.



### 3. Changes in unitholders' capital

The changes in unit holders' capital and number of investment units issued and outstanding for last five years until August 31, 2022 were as follows:

Date	Capital transaction	Number of investment units issued and outstanding		Unitholders' capital (Millions of yen)		Note
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
February 9, 2018	Retirement	(49,181)	2,618,017	-	411,878	Note 1
August 18, 2020	Retirement	(15,534)	2,602,483	-	411,878	Note 2
March 1, 2021	Split of investment units	2,602,483	5,204,966	-	411,878	Note 3
March 1, 2021	Allocation of investment units through merger	1,784,125	6,989,091	-	411,878	Note 4

Note 1 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 2 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 3 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 4 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.

### Fluctuation in market price of the investment securities:

The market price of the investment securities on Tokyo Stock Exchange REIT Market fluctuated during each fiscal period as follows:

(Yen)					
Fiscal period	37th	38th	39th	40th	41st
As of /for the six months ended	August 31, 2020	February 28, 2021	August 31, 2021	February 28, 2022	August 31, 2022
Highest price	210,700	225,600	123,400	112,600	112,500
Lowest price	97,700	149,200	99,300	87,000	90,400
Closing price at end of period	159,900	Note 105,300	106,900	93,100	110,600

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

## 4. Distributions

In accordance with the distribution policy in JMF's article of incorporation 26, Paragraph 1, Item 2, JMF makes distributions in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan. From the six months ended August 31, 2017, JMF has also commenced to reverse retained earnings for temporary difference adjustment, equal to or more than ¥31 million every fiscal period, and appropriate the reversals to distributions by applying the revision of the Ordinance on Accountings of Investment Corporations as well as the regulations of the Real Estate Investment Trusts and Real Estate Investment Corporations as stipulated by The Investment Trusts Association, Japan.

For the six months ended August 31, 2022, JMF declared a total of ¥15,816 million cash distributions consisted all of retained earnings at the end of the period amounting to ¥15,722 million after reversal retained earnings for temporary difference adjustment amounting to ¥93 million. As a result, distribution per unit amounted to ¥2,263 for the six months ended August 31, 2022. Distribution in excess of profit prescribed in the article of incorporation 26, Paragraph 2 is not made.

Retained earnings (including reserve for dividends and reserve for reduction entry of property) shown in below table will be distributed mainly when; (a) a net of gain or loss on sales of property due to strategic replacement of investment assets in same fiscal period and loss on disposal of property due to a large-scale renewal for replacing tenants results in loss, or (b) additional income tax expenses due to differences between accounting profit and taxable profit are charged.

Fiscal period	37th	38th	39th	40th	41st
As of /for the six months ended	August 31, 2020	February 28, 2021	August 31, 2021	February 28, 2022	August 31, 2022
Net income (Thousands of yen)	12,116,300	11,896,522	13,549,190	16,924,222	15,722,673
Retained earnings (including reserve for dividends and reserve for reduction entry of property) (Thousands of yen)	7,285,311	7,470,660	5,042,789	6,003,928	5,910,288
Total distributions (Thousands of yen)	11,711,173	11,711,173	15,977,062	15,963,083	15,816,312
(Distribution per unit) (Yen)	(4,500)	(4,500)	(2,286)	(2,284)	(2,263)
Profit distributions (Thousands of yen)	11,711,173	11,711,173	15,977,062	15,963,083	15,816,312
(Profit distribution per unit) (Yen)	(4,500)	(4,500)	(2,286)	(2,284)	(2,263)
Unitcapital refunds (Thousands of yen)	-	-	-	-	-
(Unitcapital refunds per unit) (Yen)	(-)	(-)	(-)	(-)	(-)
Unitcapital refunds from retained earnings for temporary difference adjustment (Thousands of yen)	-	-	-	-	-
(Unitcapital refund per unit from retained earnings for temporary difference adjustment) (Yen)	(-)	(-)	(-)	(-)	(-)
Unitcapital refunds from deduction of unitcapital under tax rules (Thousands of yen)	-	-	-	-	-
(Unitcapital refund per unit from deduction of unitcapital under tax rules) (Yen)	(-)	(-)	(-)	(-)	(-)

## **5. Management policies and Issues**

On a short-term basis, the economic fundamentals and corporate performance should continue to be closely monitored amid the significant depreciation of the yen, soaring resource prices due to the protracted situation in Ukraine, and the ongoing prevalence of the new variants of COVID-19. In the retail sector, demand is expected to recover, as signs of a recovery in consumer sentiment continue, and immigration restrictions are scheduled to be lifted. In the office sector, there have been moves to search for a new office styles in anticipation of the end of the COVID-19 pandemic, and steady demand is expected to continue.

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.



## 6. Subsequent events

### *Disposition of properties*

JMF disposed of the following property on September 1, 2022.

Property name:	G-Bldg. Ginza 01 (40% of quasi-co-ownership in trust beneficiary interest)
Use:	Retail facilities
Disposition amount:	¥3,600 million
Completion date of contract:	November 30, 2021
Disposition date:	September 1, 2022
Purchaser:	Hulic Co., Ltd.

#### Notes:

Gains on sales of property of approximately ¥1,345 million will be recognized in profit as operating revenues for the six months ending February 28, 2023.

JMF entered into sale agreements for the following properties on October 19, 2022 and October 21, 2022.

Property name:	Round1 Stadium Takatsuki (Trust beneficial interest) <sup>(i)</sup>
Use:	Retail facilities
Disposition amount (Scheduled):	¥3,320 million
Completion date of contract:	October 19, 2022
Disposition date (Scheduled):	April 4, 2023
Purchaser:	Not disclosed <sup>(iii)</sup>
Property name:	LIFE Kishibe (Land with leasehold interest) (Real property) <sup>(ii)</sup>
Use:	Retail facilities
Disposition amount (Scheduled):	¥2,600 million
Completion date of contract:	October 21, 2022
Disposition date (Scheduled):	March 1, 2023
Purchaser:	Not disclosed <sup>(iii)</sup>

#### Notes:

- (i) Gains on sales of property of approximately ¥1,364 million will be recognized in profit as operating revenues for the six months ending August 31, 2023.
- (ii) Gains on sales of property of approximately ¥637 million will be recognized in profit as operating revenues for the six months ending August 31, 2023.
- (iii) Name of the purchaser is not disclosed because the consent from the purchaser has not been obtained.

## **(Additional information)**

### ***a. Acquisition of properties***

JMF is going to acquire the following properties.

Property name	Use	Location	Acquisition amount (Scheduled)	Acquisition date (Scheduled)
JMF-Residence Osaka Noda (Trust beneficial interest) (Note 1)	Residence	Fukushima-ku, Osaka-shi, Osaka	¥1,450 million	December 23, 2022
Karuizawa Commongrounds karuizawa (Land with leasehold interest) (Real property) (Note2)	Mixed-use	Karuizawa-machi, Kitasaku-gun, Nagano	¥499million	February 15, 2023
JMF-Residence Ikebukuro 1-chome (Trust beneficial interest) (Notes 3 and 4)	Residence	Ikebukuro, Toshima-ku, Tokyo	¥1,670 million	March 1, 2023
JMF-Residence Osaka Fukushima (Trust beneficial interest) (Note 5)	Residence	Kita-ku, Osaka-shi, Osaka	¥1,518 million	March 1, 2023
JMF-Residence Kita-Shinagawa (Trust beneficial interest) (Note 6)	Residence	Kita-shinagawa, Shinagawa-ku, Tokyo	¥1,900 million	March 1, 2023
Kaden sumairukan YAMADA Fukuoka Shime Honten (an expanded portion) (Note 7)	Retail facilities	Shime-machi, Kasuya-gun, Fukuoka	¥701 million	March 6, 2023 (Note 8)
JMF-Residence Fujisawa (Trust beneficial interest) (Note 9)	Residence	Fujisawa-shi, Kanagawa	¥1,270 million	March 30, 2023
JMF-Residence Machida (Real property) (Note 10)	Residence	Machida-shi, Tokyo	¥4,059 million	October 2, 2023 (Note 11)

Note 1 The purchase agreement of the property is considered to be a forward commitment, etc. which is defined as a postdated sales and purchase agreement which provides for the delivery and settlement to take place one month or more from the effective date of the agreement or any other related agreements under the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators (the "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. The appraisal value of the property by an independent appraiser as of October 1, 2022 is ¥1,560 million.

Note 2 The purchase agreement of the property is considered to be the Forward Commitment, etc. If JMF cannot meet its forward commitment, 20% of the expected purchase price shall be paid as a penalty for breach of contract. The appraisal value of the property by an independent appraiser as of August 31, 2022 is ¥532 million.

Note 3 The purchase agreement of the property is considered to be the Forward Commitment, etc. If JMF cannot meet its forward commitment, 20% of the expected purchase price shall be paid as a penalty for breach of contract. The appraisal value of the property by an independent appraiser as of August 1, 2022 is ¥1,830 million.

Note 4 An agreement has been reached with the seller that the property will be established a trust with the property as trust assets by the time of the acquisition and JMF will acquire the trust beneficiary right of the trust

Note 5 The purchase agreement of the property is considered to be the Forward Commitment, etc. If JMF cannot meet its forward commitment, 20% of the expected purchase price shall be paid as a penalty for breach of contract. The appraisal value of the property by an independent appraiser as of October 1, 2022 is ¥1,690 million.

Note 6 The purchase agreement of the property is considered to be the Forward Commitment, etc. If JMF cannot meet its forward commitment, 20% of the expected purchase price shall be paid as a penalty for breach of contract. The appraisal value of the property by an independent appraiser as of October 1, 2022 is ¥2,250 million.

Note 7 The appraisal value of the expanded portion is ¥1,270 million which is the survey price after the expansion based on the survey

report prepared based on this expansion plan with August 31, 2022, as the date of the survey, less the appraisal value of the existing building as of August 31, 2022.

- Note 8 “Acquisition date (Scheduled)” of the property represents the execution date of the position transfer agreement under the subcontract.
- Note 9 The purchase agreement of the property is considered to be the Forward Commitment, etc. If JMF cannot meet its forward commitment, 20% of the expected purchase price shall be paid as a penalty for breach of contract. The appraisal value of the property by an independent appraiser as of September 1, 2022 is ¥1,330 million. As the acquisition of the property is part of a bulk deal covering a total of 10 properties, and if KKR, which is Asset Manager’s sponsor, does not acquire the nine properties other than the property through a private placement fund, there is a possibility that JMF will not be able to acquire the property.
- Note 10 The purchase agreement of the property is considered to be the Forward Commitment, etc. If JMF cannot meet its forward commitment, 20% of the expected purchase price shall be paid as a penalty for breach of contract. The appraisal value of the property by an independent appraiser as of October 1, 2022 is ¥4,290 million.
- Note 11 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.

### ***b. Disposition of properties***

JMF entered into a sale agreement for the following property on July 29, 2022.

Property name	Use	Disposition amount (Scheduled)	Completion date of contract	Disposition date (Scheduled)	Purchaser
AEON MALL Sapporo Naebo (Trust beneficial interest)	Retail facilities	¥9,300 million	July 29, 2022	20% of quasi-co-ownership in trust beneficiary interest August 30, 2024	Aeon Hokkaido Corporation
				20% of quasi-co-ownership in trust beneficiary interest February 28, 2025	
				20% of quasi-co-ownership in trust beneficiary interest August 29, 2025	
				40% of quasi-co-ownership in trust beneficiary interest February 27, 2026	



## Outline of JMF

### 1. Investment unit

Fiscal period	37th	38th	39th	40th	41st
As of	August 31, 2020	February 28, 2021	August 31, 2021	February 28, 2022	August 31, 2022
Number of investment units authorized (Units)	8,000,000	8,000,000	16,000,000	16,000,000	16,000,000
Number of investment units issued and outstanding (Units)	2,602,483	2,602,483	6,989,091	6,989,091	6,989,091
Number of unitholders (People)	22,856	22,240	30,692	31,233	30,074

### 2. Unitholders

Major unitholders as of August 31, 2022 were as follows:

Name	Address	Number of investment units owned (Units)	Ratio of number of investment units owned to total number of investment units issued (Note) (%)
Custody Bank of Japan, Ltd. (Trust Account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	1,310,566	18.75
The Master Trust Bank of Japan, Ltd. (Trust Account)	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo	1,197,912	17.13
The Nomura Trust and Banking Co., Ltd. (Investment Trust)	2-2, Otemachi 2-chome, Chiyoda-ku, Tokyo	331,300	4.74
SSBTC CLIENT OMNIBUS ACCOUNT	ONE LINCOLN STREET, BOSTON MA USA 02111	165,584	2.36
STATE STREET BANK WEST CLIENT – TREATY 505234	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A.	144,708	2.07
SMBC Nikko Securities Inc.	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	138,857	1.98
BNYM AS AGT/CLTS 10 PERCENT	240 GREENWICH STREET, NEW YORK, NEW YORK 10286 U.S.A.	128,683	1.84
Mizuho Securities Co., Ltd.	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo	124,070	1.77
Japan Securities Finance Co., Ltd.	2-10, Nihonbashi-Kayabacho 1-chome, Chuo-ku, Tokyo	119,584	1.71
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo	97,181	1.39
Total		3,758,445	53.77

Note Ratio of number of investment units owned to total number of investment units issued is calculated by rounding down to the second decimal place.

### 3. Officers

#### (1) Directors and independent auditor

(Thousands of yen)

Post	Name	Major additional post	Compensation or fees for the six months ended August 31, 2022 (Note2)
Executive Director	Masahiko Nishida	President of Marks group Co., Ltd. Certified public accountant / Tax accountant	2,527
Supervisory Director	Masaharu Usuki	Professor at Graduate School of Economics of Nagoya City University	1,627
	Osamu Ito	Partner of United Fuso Law Office, Attorney	1,627
Independent auditor	PricewaterhouseCoopers Aarata LLC	–	30,500

Note 1 There is no investment unit of JMF held by the Executive Director nor the Supervisory Directors in their own name or that of others. Although Supervisory Directors may have additional posts in other companies than those listed above, there is no conflict of interests between those companies including listed above and JMF.

Note 2 Compensation for Directors indicates actual payments, and the independent auditor's fees consist of estimated audit fees on an accrual basis and ¥5,500 thousand of fees for English financial statement audit and issuance of a comfort letter with respect to issuance of investment corporation bonds in June 2022.

#### (2) Policy for dismissal or refusal of reappointment of independent auditor

If necessary, the Board of Directors shall dismiss the independent auditor in accordance with the Act on Investment Trusts and Investment Corporation of Japan. The Board of Directors shall also decide reappointment of the independent auditor considering audit quality, fees or other various factors.

#### (3) Matters concerning compensation agreement between directors, etc. and investment corporation

None

### 4. Directors and officers liability insurance agreement

Outline of the Directors and officers liability insurance agreement entered into by JMF is as follows:

Scope of the insureds	Outline of agreement
All Executive Directors and Supervisory Directors	<p>(Outline of insured event to be covered) The agreement covers compensation for damages and court costs, etc. incurred by the insured as an officer of JMF to a certain extent.</p> <p>(Percentage of insurance premiums to be paid) JMF pays all of the insurance premiums.</p> <p>(Measures to ensure that the appropriateness of the execution of duties) The agreement does not cover damages incurred by the insured due to criminal act or acts executed with knowledge that they violate laws and regulations.</p>

## 5. Name of asset manager and other administrator

Classification	Name
Asset manager	KJR Management
Custodian	Mitsubishi UFJ Trust and Banking Corporation
Agency for unit investment securities transference and special account administrator	Mitsubishi UFJ Trust and Banking Corporation
General administrator (regarding book keeping)	Mitsubishi UFJ Trust and Banking Corporation
General administrator (regarding investment corporation bonds)	MUFG Bank, Ltd. Mizuho Bank, Ltd.
General administrator (regarding income and other taxes)	PwC Tax Japan

# Condition of investment assets

## 1. Composition of assets

Classification of Assets	Region		As of February 28, 2022		As of August 31, 2022	
			Total of net book value (Note 1)	Composition ratio	Total of net book value (Note 1)	Composition ratio
			(Millions of yen)	(%)	(Millions of yen)	(%)
Real property	Retail facilities	Tokyo metropolitan area	13,507	1.1	13,506	1.1
		Osaka and Nagoya metropolitan areas	6,880	0.6	6,876	0.6
		Other areas	4,432	0.4	4,426	0.4
		Sub-total	24,820	2.0	24,810	2.0
	Mixed-use	Tokyo metropolitan area	5,318	0.4	5,304	0.4
		Sub-total	5,318	0.4	5,304	0.4
	Total of real property		30,138	2.4	30,114	2.4
Trust beneficial interest in real property	Retail facilities (Note 2)	Tokyo metropolitan area	323,163	25.9	307,001	24.6
		Osaka and Nagoya metropolitan areas	307,183	24.6	285,681	22.9
		Other areas	70,973	5.7	70,300	5.6
		Sub-total	701,320	56.2	662,983	53.1
	Office Building	Tokyo metropolitan area	201,274	16.1	201,303	16.1
		Osaka and Nagoya metropolitan areas	20,921	1.7	20,842	1.7
		Other areas	6,802	0.5	6,862	0.5
		Sub-total	228,998	18.4	229,008	18.3
	Residence	Tokyo metropolitan area	-	-	1,574	0.1
		Other areas	1,715	0.1	3,412	0.3
		Sub-total	1,715	0.1	4,987	0.4
	Hotel	Tokyo metropolitan area	7,959	0.6	7,937	0.6
		Other areas	4,410	0.4	4,395	0.4
		Sub-total	12,369	1.0	12,333	1.0
	Mixed-use (Note 2)	Tokyo metropolitan area	101,402	8.1	110,112	8.8
		Osaka and Nagoya metropolitan areas	75,382	6.0	95,790	7.7
		Other areas	4,960	0.4	5,037	0.4
		Sub-total	181,746	14.6	210,940	16.9
	Total of trust beneficial interest in real property		1,126,151	90.3	1,120,252	89.7
	Sub-total		1,156,289	92.7	1,150,367	92.1
Investment securities (Note 3)		13,115	1.1	14,285	1.1	
Bank deposits and other assets		78,034	6.3	84,310	6.8	
Total assets		1,247,439	100.0	1,248,964	100.0	

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 Use of JMF-Bldg. Midosuji 01, JMF-Bldg. Umeda 01, JMF-Bldg. Daikanyama 02 and JMF-Bldg. Jingumae 03 are changed to mixed-use from retail facilities.

Note 3 Investment securities are equity interest of Tokumei Kumiai agreement managed by R40 Godo Kaisha (40% of its equity interest), investment units of Nisshin Private Residential Reit, Inc.(17.1% of total issued investment units), equity interest of DREAM Mezzanine Debt Separate3 Investment Limited Partnership (49.4% of its equity interest) and investment units of Hoosiers Private REIT Investment Corporation (24.4% of total issued investment units)



## 2. Major property

The principal properties (top ten properties in net book value) as of August 31, 2022 were as follows:

Name of property	Net book value (Millions of yen)	Leasable area (Note 1) (m <sup>2</sup> )	Leased area (Note 2) (m <sup>2</sup> )	Occupancy ratio (Note 3) (%)	Ratio of rent revenue to total rent revenues (Note 3) (%)	Major use
Twin 21 (Note 6) (trust beneficial interest)	60,190	84,910.89	83,526.06	98.4	6.2	Mixed-use
mozo wonder city (Note 4) (trust beneficial interest)	50,092	86,327.49	85,640.64	99.2	8.4	Retail facilities
JMF-Bldg. Akasaka 02 (Note 6) (trust beneficial interest)	43,981	12,202.96	9,533.78	78.1	1.4	Office Building
Higashi-Totsuka Aurora City (trust beneficial interest)	43,386	109,355.90	109,355.90	100.0	3.2	Retail facilities
KAWASAKI Le FRONT (trust beneficial interest)	34,795	49,224.14	49,224.14	100.0	4.9	Mixed-use
Nara Family (Note 4) (trust beneficial interest)	33,281	82,916.95	82,513.98	99.5	4.6	Retail facilities
G-Bldg. Shinsaibashi 03 (trust beneficial interest)	30,141	5,319.29	242.39	4.6	Note 5	Retail facilities
AEON MALL Tsudanuma (trust beneficial interest)	28,443	101,210.44	101,210.44	100.0	1.9	Retail facilities
JMF-Bldg. Yokohama Bashamichi 01 (Note 6) (trust beneficial interest)	23,918	25,140.94	25,140.94	100.0	1.8	Office Building
AEON MALL Musashi Murayama (trust beneficial interest)	23,837	137,466.97	137,466.97	100.0	2.4	Retail facilities
Total	372,068	694,075.97	683,855.24	98.5	-	

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.

### 3. Details of property

Retail properties, office buildings, residences, hotels and mixed-use properties as of August 31, 2022 were as follows:

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m <sup>2</sup> )	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	41,453.36	12,900	9,350
10002	G-Bldg. Minami Aoyama 02	8-5, Minami Aoyama 5-chome, Minato-ku, Tokyo	Trust beneficial interest	1,529.15	5,190	5,172
10003	Ito-Yokado Yabashira	15-8, Higurashi 1-chome, Matsudo-shi, Chiba, etc.	Trust beneficial interest	21,308.78	1,880	1,224
10004	JMF-Bldg. Daikanyama 02 (Note 8)	35-17, Ebisu-Nishi 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	612.29	1,590	1,193
10005	GYRE	10-1, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	4,824.67	28,500	21,806
10006	Ito-Yokado Tsunashima	8-1, Tsunashima-Nishi 2-chome, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	16,549.50	5,160	4,396
10007	Bic Camera Tachikawa	12-2, Akebonocho 2-chome, Tachikawa-shi, Tokyo, etc.	Trust beneficial interest	20,983.43	22,700	13,244
10008	AEON Itabashi Shopping Center	6-1, Tokumaru 2-chome, Itabashi-ku, Tokyo	Trust beneficial interest	72,748.34	12,800	10,303
10009	G-Bldg. Kita Aoyama 01	14-8, Kita-Aoyama 3-chome, Minato-ku, Tokyo	Trust beneficial interest	492.69	1,590	909
10011	SEIYU Hibarigaoka	9-8, Sumiyoshicho 3-chome, Nishi-Tokyo-shi, Tokyo	Trust beneficial interest	19,070.88	8,390	4,372
10012	JMF-Bldg. Jiyugaoka 01	9-17, Jiyugaoka 2-chome, Meguro-ku, Tokyo, etc.	Trust beneficial interest	2,043.68	5,070	2,693
10013	Cheers Ginza	9-5, Ginza 5-chome, Chuo-ku, Tokyo	Trust beneficial interest	1,686.58	4,320	3,850
10014	Higashi-Totsuka Aurora City	537-1, Shinanocho, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	109,355.90	43,400	43,386
10016	G-Bldg. Jingumae 06	28-3, Jingumae 6-chome, Shibuya-ku, Tokyo	Real property	670.42	2,950	2,329
10017	G-Bldg. Jingumae 01	21-5, Jingumae 4-chome, Shibuya-ku, Tokyo	Real property	555.75	4,660	3,381
10020	AEON MALL Musashi Murayama	1-3, Enoki 1-chome, Musashimurayama-shi, Tokyo	Trust beneficial interest	137,466.97	31,100	23,837
10021	La Porte Aoyama (Note 5)	51-8, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	4,158.53	10,900	9,114
10023	JMF-Bldg. Jingumae 01	30-12, Jingumae 3-chome, Shibuya-ku, Tokyo	Real property	1,676.87	3,980	5,304
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	5,903
10025	Makuhari Plaza	7701, Makuharicho 2-chome, Hanamigawa-ku, Chiba-shi, Chiba	Trust beneficial interest	24,505.37	6,830	5,262
10026	Urban Terrace Jingumae	47-6, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,719.19	5,250	2,661
10027	Round1 Machida	13-14, Morino 1-chome, Machida-shi, Tokyo	Trust beneficial interest	6,801.89	3,400	2,238
10028	Round1 Stadium Itabashi	16-13, Aioicho, Itabashi-ku, Tokyo	Trust beneficial interest	14,828.74	3,390	2,085
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	5,767
10031	Round1 Yokohama Station West	8-16, Minamisaikai 2-chome, Nishi-ku Yokohama-shi, Kanagawa	Trust beneficial interest	6,560.09	5,490	3,687

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m <sup>2</sup> )	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
10032	G-Bldg. Sangenjaya 01	15-4, Taishido 2-chome, Setagaya-ku, Tokyo	Trust beneficial interest	3,471.52	6,440	3,613
10033	G-Bldg. Ginza 01	5-1, Ginza 6-chome, Chuo-ku, Tokyo	Trust beneficial interest	1,610.54	3,604	2,210
10035	Colline Bajikouen	4-18, Kamiyoga 2-chome, Setagaya-ku, Tokyo	Trust beneficial interest	5,356.54	4,320	3,179
10036	KAWASAKI Le FRONT	1-11, Nissincho, Kawasaki-ku, Kawasaki-shi, Kanagawa, etc.	Trust beneficial interest	49,224.14	41,200	34,795
10037	JMF-Bldg. Shibuya 01	20-13, Jinnan1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,630.03	4,920	3,062
10038	G-Bldg. Omotesando 02	25-15, Jingumae 4-chome, Shibuya-ku, Tokyo, etc.	Trust beneficial interest	5,555.65	22,100	17,750
10039	G-Bldg. Kichijoji 01	12-12, Kichijoji Honcho 2-chome, Musashino-shi, Tokyo	Trust beneficial interest	1,718.21	4,040	3,527
10040	CUTE CUBE HARAJUKU	7-1, Jingumae 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,428.55	10,000	8,448
10041	G-Bldg. Ueno 01	9-14, Ueno 4-chome, Taito-ku, Tokyo	Trust beneficial interest	1,471.80	3,880	3,411
10042	JMF-Bldg. Takadanobaba 01	13-2, Takadanobaba 2-chome, Shinjuku-ku, Tokyo	Trust beneficial interest	3,569.20	7,580	6,012
10043	G-Bldg. Akihabara 01	11-11, Sotokanda 1-chome, Chiyoda-ku, Tokyo	Trust beneficial interest	2,701.99	7,790	5,101
10044	G-Bldg. Akihabara 02	113, Kanda Matsunaga-cho, Chiyoda-ku, Tokyo, etc.	Trust beneficial interest	1,037.33	2,890	2,464
10045	G-Bldg. Kichijoji 02	3-13, Kichijoji Minamicho 2-chome, Musashino-shi, Tokyo	Trust beneficial interest	8,838.79	17,000	15,038
10046	JMF-Bldg. Ginza Chuo-Dori 01	6-16, Ginza 2-chome, Chuo-ku, Tokyo	Trust beneficial interest	3,141.07	13,400	12,954
10047	MARINE & WALK YOKOHAMA	3-1, Shinko 1-chome, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	8,347.69	10,900	10,625
10048	G-Bldg. Jingumae 07	26-4 Jingumae 4-chome, Shibuya-ku, Tokyo	Real property	373.12	2,130	2,028
10049	G-Bldg. Minami Aoyama 03 (Note 5)	2-12, Minami Aoyama 5-chome, Minato-ku, Tokyo, etc.	Trust beneficial interest	1,373.46	11,800	12,279
10050	JMF-Bldg. Jingumae 02	25-5 Jingumae 3-chome, Shibuya-ku, Tokyo	Trust beneficial interest	802.40	2,280	2,623
10051	Round1 Stadium Kawasaki Daishi	5-1, Tonomachi 1-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficial interest	13,559.17	2,920	2,372
10052	m-city Kashiwa	10 Oyamadai 1-chome, kashiwa-shi, Chiba, etc.	Trust beneficial interest	20,437.36	6,000	5,700
10053	JMF-Bldg. Jingumae 03 (Note 8)	25-28 Jingumae 4-chome, Shibuya-ku, Tokyo, etc.	Trust beneficial interest	1,127.08	7,290	7,092
10054	Machinoma Omori	1-38, Omorinishi 3-chome, Ota-ku, Tokyo	Trust beneficial interest	9,107.14	9,570	9,015
10055	JMF-Bldg. Daikanyama 01	20-20, Daikanyamacho, Shibuya-ku, Tokyo	Trust beneficial interest	2,151.31	3,970	3,242
10056	AEON MALL Tsudanuma	23-1 Tsudanuma 1-chome, Narashino-shi, Chiba	Trust beneficial interest	101,210.44	28,900	28,443
10057	JMF-Bldg. Yokohama Bashamichi 01 (Note 5)	50-1, Honmachi 6-chome, Naka-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	25,140.94	24,500	23,918
10058	JMF-Bldg. Kawasaki 01 (Note 5)	1-14 Nissin-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa	Trust beneficial interest	24,485.71	23,700	23,697
10059	JMF-Bldg. Shibuya 02 (Note 5)	31-15, Sakuragaokacho, Shibuya-ku, Tokyo	Trust beneficial interest	6,379.66	18,700	19,552
10060	JMF-Bldg. Shibuya 03 (Note 5)	11-1 Dogenzaka 2-chome, Shibuya-ku, Tokyo	Trust beneficial interest	5,047.30	17,200	16,948
10061	JMF-Bldg. Toyoko 01 (Note 5)	11-38 Toyo 4-chome, Koto-ku, Tokyo	Trust beneficial interest	12,487.73	10,400	11,395

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m <sup>2</sup> )	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
10062	OMO3 Tokyo Akasaka (Note 5)	3-2, Akasaka 4-chome, Minato-ku, Tokyo	Trust beneficial interest	4,236.46	8,010	7,937
10063	JMF-Bldg. Nihombashi Hamacho 01 (Note 5)	12-4, Nihombashi Hamacho 2-chome, Chuo-ku, Tokyo	Trust beneficial interest	6,123.81	10,600	10,419
10064	JMF-Bldg. Toyochō 02 (Note 5)	6-35, Shinsuna 1-chome, Koto-ku, Tokyo	Trust beneficial interest	11,734.32	8,000	9,656
10065	JMF-Bldg. Sasazuka 01 (Note 5)	1-6 Sasazuka 2-chome, Shibuya-ku, Tokyo	Trust beneficial interest	8,258.44	9,410	9,106
10066	JMF-Bldg. Ueno 01 (Note 5)	24-8, Higashiueno 5-chome, Taito-ku, Tokyo	Trust beneficial interest	6,858.16	8,700	8,607
10067	JMF-Bldg. Yokohama 01 (Note 5)	5-1 Sakae-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	12,721.24	8,360	8,220
10068	JMF-Bldg. Akasaka 01 (Note 5)	11-28, Akasaka 1-chome, Minato-ku, Tokyo	Trust beneficial interest	2,544.21	4,740	4,499
10069	JMF-Bldg. Kanda01 (Note 5)	1-15, Iwamotocho 2-chome, Chiyoda-ku, Tokyo	Trust beneficial interest	3,149.39	4,360	4,303
10070	JMF-Bldg. Edogawabashi 01 (Note 5)	44-10, Sekiguchi 1-chome, Bunkyo-ku, Tokyo	Trust beneficial interest	3,434.93	3,630	3,754
10071	JMF-Bldg. Higashi Nihombashi 01 (Note 5)	8-3 Higashi-Nihombashi 2-chome, Chuo-ku, Tokyo	Trust beneficial interest	3,254.74	3,360	3,238
10072	JMF-Bldg. Ichigaya 01 (Note 6)	2-1 Kudankita 4-chome, Chiyoda-ku, Tokyo	Trust beneficial interest	10,372.26	22,100	21,179
10073	JMF-Bldg. Hiroo 01 (Note 6)	1-11 Minamiazabu 5-chome, Minato-ku, Tokyo	Trust beneficial interest	4,212.41	10,300	10,101
10074	JMF-Bldg. Funabashi 01	44-35 Honcho 4-chome, Funabashi-shi, Chiba	Trust beneficial interest	2,865.76	5,420	5,161
10075	JMF-Bldg. Akasaka 02 (Note 5)	3-5 Akasaka 2-chome, Minato-ku, Tokyo	Trust beneficial interest	12,202.96	45,100	43,981
10076	JMF-Residence Gakugeidaigaku (Note 5)	9-13 Nozawa 3-chome, Setagayaku, Tokyo	Trust beneficial interest	1,052.13	1,660	1,574
20002	Kyoto Family	1-1, Ikejiricho, Yamanouchi, Ukyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	19,793.41	5,210	5,715
20003	Kawaramachi OPA	385, Komeyacho, Shijo-agaru, Kawaramachi-dori, Nakagyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	18,848.20	14,400	17,821
20004	AEON MALL Tsurumi Ryokuchi	17-1, Tsurumi 4-chome, Tsurumi-ku, Osaka-shi, Osaka	Trust beneficial interest	138,538.63	26,600	22,317
20005	AEON MALL Itami	1-1, Fujinoki 1-chome, Itami-shi, Hyogo	Trust beneficial interest	157,904.26	18,400	18,094
20006	Ario Otori	199-12, Otori Minami-cho 3-cho, Nishi-ku, Sakai-shi, Osaka, etc.	Trust beneficial interest	95,135.36	14,100	13,297
20007	AEON MALL Kobe Kita	1-1, Kouzudai 8-chome, Kita-ku, Kobe-shi, Hyogo	Trust beneficial interest	128,050.62	11,620	8,029
20008	LIFE Kishibe (Land with leasehold interest)	2205-15, Hara-cho 4-chome, Suita-shi, Osaka, etc.	Real property	5,516.61	1,910	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	2,030	1,717
20010	LIFE Taiheiji (Land with leasehold interest)	43-6, Taiheiji 2-chome, Higashi Osaka-shi, Osaka	Real property	3,898.01	1,150	1,304
20011	G-Bldg. Shinsaibashi 01	5-3, Shinsaibashi-suji 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	966.52	3,280	1,588
20012	Round1 Stadium Sennichimae (Land with leasehold interest)	1, Namba 1-chome, Chuo-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	1,711.63	11,600	8,091
20013	G-Bldg. Shinsaibashi 02	3-24, Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	948.72	8,170	4,227
20014	Izumisano Shofudai (Land with leasehold interest)	1138-1, Shofudai 1-chome, Izumisano-shi, Osaka	Trust beneficial interest	44,009.52	2,590	2,657
20015	Round1 Stadium Sakai Chuo Kanjyo	241, Ishihara-cho 2-cho, Higashi-ku Sakai-shi, Osaka	Trust beneficial interest	17,521.46	2,520	1,545

No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m <sup>2</sup> )	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
20016	pivo Izumi Chuo	1-2, Ibukino 5-chome, Izumi-shi, Osaka, etc.	Trust beneficial interest	21,182.94	6,700	5,078
20017	KAMISHIN PLAZA	6-12, Osumi 1-chome, Higashiyodogawa-ku, Osaka-shi, Osaka	Trust beneficial interest	12,535.31	5,140	4,416
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	3,910	2,721
20019	G-Bldg. Shinsaibashi 03	2-14, Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	5,319.29	31,300	30,141
20020	Round1 Stadium Takatsuki	6-4, Zushi 3-chome, Takatsuki-shi, Osaka	Trust beneficial interest	19,767.64	2,990	1,895
20021	m-city Toyonaka	2-18, Hinode-cho, 2-chome, Toyonaka-shi, Osaka	Trust beneficial interest	33,301.93	6,530	5,094
20022	EDION Kyobashi (Land with leasehold interest)	53-1, Gamo 1-chome, Joto-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	4,307.16	5,980	5,756
20023	JMF-Bldg. Abeno 01	4-7, Abenosuji 1-chome, Abeno-ku, Osaka-shi, Osaka	Trust beneficial interest	4,757.35	5,240	4,572
20024	JMF-Bldg. Umeda 01 (Note 8)	15-22, Chayamachi, Kita-ku, Osaka-shi, Osaka	Trust beneficial interest	3,529.51	10,100	9,712
20025	G-Bldg. Shinsaibashi 04	10-5, Minamisenba 3-chome, Chuo-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	1,610.63	3,100	3,304
20026	JMF-Bldg. Kyoto Kawaramachi 01	235, Yamazakicho 2-chome, Sanjo-sagaru, Kawaramachi-dori, Nakagyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	2,407.32	2,420	2,157
20027	JMF-Bldg. Midosuji 01 (Note 8)	10-25, Minamisenba 3-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	2,393.40	9,200	10,638
20028	G-Bldg. Kobe Sannomiya 01	1-15 Kitanagasa-dori 3-chome, Chuo-ku, Kobe-shi, Hyogo	Trust beneficial interest	3,750.38	3,290	3,090
20029	Round1 Sannomiya Station	1-17 Onoe-dori 6-chome, Chuo-ku, Kobe-shi, Hyogo	Trust beneficial interest	10,054.52	3,330	3,165
20030	G-Bldg. Midosuji 02	8-18 Shinsaibashisuji 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	1,428.28	16,200	15,521
20031	Twin 21 (Note 5)	1-61 Shiromi 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	84,910.89	58,100	60,190
20032	JMF-Bldg. Kitahama 01 (Note 5)	6-7 Doshomachi 1-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	10,189.49	12,400	11,357
20033	JMF-Bldg. Osaka Fukushima 01 (Note 5)	15-26, Fukushima 7-chome, Fukushima-ku, Osaka-shi, Osaka	Trust beneficial interest	9,952.34	9,380	8,518
20034	JMF-Bldg. Higobashi 01 (Note 5)	5-16 Edobori 1-chome, Nishi-ku, Osaka-shi, Osaka	Trust beneficial interest	4,655.57	4,660	4,292
20035	Konami Sports Club Kyobashi	8-17 Higashinoda-machi 1-chome, Miyakojima-ku, Osaka-shi, Osaka	Trust beneficial interest	9,586.26	3,080	3,381
20036	JMF-Bldg. Imabashi 01 (Note 5)	3-16 Imabashi 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	4,277.63	2,720	2,591
20037	JMF-Bldg. Nishi Hommachi 01 (Note 5)	6-1 Awaza 1-chome, Nishi-ku, Osaka-shi, Osaka	Trust beneficial interest	3,849.06	2,880	2,601
20038	G-Bldg. Shinsaibashi 05	8-5 Shinsaibashi-suji 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	999.29	13,500	9,106
30001	AEON Yagoto	2-1, Ishizaka, Kojimachi-aza, Showa-ku, Nagoya-shi, Aichi	Trust beneficial interest	63,702.48	3,570	3,039
30002	mozo wonder city (Note 6)	40-1, Futakatacho, Nishi-ku, Nagoya-shi, Aichi, etc.	Trust beneficial interest	86,327.49	64,200	50,092
30003	G-Bldg. Nagoya Sakae 01	27-24, Sakae 3-chome, Naka-ku, Nagoya-shi, Aichi	Real property	794.02	1,310	1,911
30004	Valor Kachigawa (Land with leasehold interest)	1-1 Onocho 2-chome, Kasugai-shi, Aichi	Trust beneficial interest	20,509.10	3,240	3,205
90001	Nara Family (Note 6)	4-1, Saidaiji-higashimachi 2-chome, Nara-shi, Nara	Trust beneficial interest	82,916.95	37,700	33,281
90002	AEON MALL Sapporo Naebo	1-1, Higashinaebo 2jo 3-chome, Higashi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	74,625.52	9,260	5,932



No. (Note 1)	Name of property	Location (Note 2)	Form of ownership	Leasable area (Note 3) (m <sup>2</sup> )	Appraisal value at end of period (Note 4) (Millions of yen)	Net book value (Millions of yen)
90003	AEON Naha Shopping Center	10-2, Kanagusuku 5-chome, Naha-shi, Okinawa	Trust beneficial interest	79,090.48	10,800	9,191
90004	Oyama Yuen Harvest Walk (Note 5)	1475-52, Aza-kaido-nishi, Oaza-Kizawa, Oyama-shi, Tochigi, etc.	Trust beneficial interest	59,503.62	9,700	7,564
90005	AEON MALL Sapporo Hassamu	1-1, Hassamu 8jo 12-chome, Nishi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	102,162.16	19,600	14,042
90006	MrMax Nagasaki	26-1, Iwami machi, Nagasaki-shi, Nagasaki, etc.	Trust beneficial interest	12,115.09	3,260	2,351
90007	Kaden sumairu kan YAMADA Fukuoka Shime Honten	2-1, Minamizato 5-chome, Shime-machi, Kasuya-gun, Fukuoka	Trust beneficial interest	(Note 7)	5,570	3,425
90008	Round1 Hiroshima	3-11, Tatemachi, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	9,890.63	4,150	2,707
90009	DFS T GALLERIA OKINAWA	1-1, Omoromachi 4-chome, Naha-shi, Okinawa	Trust beneficial interest	42,088.14	19,300	14,406
90010	G-Bldg. Sendai Ichibancho 01	5-12, Ichibancho 3-chome, Aoba-ku, Sendai-shi, Miyagi	Real property	2,387.17	4,390	4,426
90011	G-Bldg. Naha-shintoshin 01	5-33, Omoromachi 2-chome, Naha-shi, Okinawa	Trust beneficial interest	(Note 7)	6,780	5,484
90012	JMF-Bldg. Tenjin Nishi-dori 01 (Notes 5 and 8)	8-22, Tenjin 2-chome, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	2,667.42	4,780	5,037
90013	G-Bldg. Tenjin Nishi-dori 02	12-64, Daimyo 1-chome, Chuo-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	1,496.56	5,570	5,192
90014	JMF-Bldg. Sendai 01 (Note 5)	10-3 Chuo 4-chome, Aoba-ku, Sendai-shi, Miyagi	Trust beneficial interest	13,079.75	7,170	6,862
90015	Dormy Inn Hakata Gion (Note 5)	1-12 Reisen-machi, Hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	5,554.91	4,440	4,395
90016	JMF-Residence Chihaya (Note 5)	4-25 Chihaya 5-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	10,290.99	3,800	3,412
Total				2,533,128.62	1,307,614	1,150,367

Note 1 JMF uses property number for investment properties. The same applies hereinafter.

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 Sogo 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. Daikanyama 02	G-Bldg. Daikanyama 01	October 19, 2022
JMF-Bldg. Jingumae 03	G-Bldg. Jingumae 09	
JMF-Bldg. Umeda 01	G-Bldg. Umeda 01	
JMF-Bldg. Midotsuji 01	G-Bldg. Midotsuji 01	
JMF-Bldg. Tenjin Nishi-dori 01	G-Bldg. Tenjin Nishi-dori 01	

Operating results of retail properties, office buildings, residences, hotels and mixed-use properties for the six months ended February 28, 2022 and August 31, 2022 were as follows:

No.	Name of property	For the six months ended February 28, 2022				For the six months ended August 31, 2022			
		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	54	100.0	612	1.6	54	100.0	622	1.6
10002	G-Bldg. Minami Aoyama 02	3	90.9	82	0.2	4	100.0	86	0.2
10003	Ito-Yokado Yabashira	1	100.0	78	0.2	1	100.0	78	0.2
10004	JMF-Bldg. Daikanyama 02	1	100.0	38	0.1	2	65.3	29	0.1
10005	GYRE	15	100.0	609	1.6	15	100.0	628	1.6
10006	Ito-Yokado Tsunashima	1	100.0	168	0.4	1	100.0	168	0.4
10007	Bic Camera Tachikawa	2	100.0	628	1.7	2	100.0	627	1.6
10008	AEON Itabashi Shopping Center	1	100.0	693	1.8	1	100.0	709	1.8
10009	G-Bldg. Kita Aoyama 01	2	100.0	34	0.1	2	100.0	34	0.1
10011	SEIYU Hibarigaoka	1	100.0	249	0.7	1	100.0	249	0.6
10012	JMF-Bldg. Jiyugaoka 01	4	100.0	103	0.3	4	100.0	108	0.3
10013	Cheers Ginza	9	89.7	91	0.2	9	89.7	87	0.2
10014	Higashi-Totsuka Aurora City	5	100.0	1,260	3.3	5	100.0	1,263	3.2
10016	G-Bldg. Jingumae 06	4	100.0	53	0.1	4	100.0	54	0.1
10017	G-Bldg. Jingumae 01	2	100.0	82	0.2	2	100.0	82	0.2
10018	G-Bldg. Jingumae 02 (Note 3)	3	100.0	32	0.1	-	-	9	0.0
10019	G-Bldg. Minami Aoyama 01 (Note 4)	-	-	84	0.2	-	-	-	-
10020	AEON MALL Musashi Murayama	1	100.0	916	2.4	1	100.0	916	2.4
10021	La Porte Aoyama (Note 5)	24	100.0	272	0.7	24	100.0	280	0.7
10022	G-Bldg. Shinjuku 01 (Note 6)	-	-	89	0.2	-	-	-	-
10023	JMF-Bldg. Jingumae 01	7	86.3	77	0.2	8	100.0	75	0.2
10024	G-Bldg. Minami-Ikebukuro 01 (Note 5)	8	100.0	249	0.7	8	100.0	260	0.7
10025	Makuhari Plaza	5	100.0	210	0.6	5	100.0	212	0.5
10026	Urban Terrace Jingumae	2	100.0	104	0.3	2	100.0	105	0.3
10027	Round1 Machida	1	100.0	90	0.2	1	100.0	90	0.2
10028	Round1 Stadium Itabashi	1	100.0	95	0.3	1	100.0	95	0.2
10029	Arkangel Daikanyama (Land with leasehold interest)	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
10030	G-Bldg. Omotesando 01	1	100.0	135	0.4	1	100.0	135	0.3

No.	Name of property	For the six months ended February 28, 2022				For the six months ended August 31, 2022			
		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) (%)
10031	Round1 Yokohama Station West	1	100.0	114	0.3	1	100.0	114	0.3
10032	G-Bldg. Sangenjaya 01	3	100.0	174	0.5	3	100.0	179	0.5
10033	G-Bldg. Ginza 01 (Note 8)	6	100.0	169	0.4	6	100.0	74	0.2
10034	Summit Store Nakano Minamidai (Note 9)	1	100.0	84	0.2	-	-	-	-
10035	Colline Bajikouen	9	90.2	124	0.3	10	100.0	127	0.3
10036	KAWASAKI Le FRONT	66	100.0	1,845	4.9	67	100.0	1,915	4.9
10037	JMF-Bldg. Shibuya 01	2	100.0	81	0.2	2	100.0	78	0.2
10038	G-Bldg. Omotesando 02	5	91.9	383	1.0	5	91.9	343	0.9
10039	G-Bldg. Kichijoji 01	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
10040	CUTE CUBE HARAJUKU	10	100.0	195	0.5	10	100.0	193	0.5
10041	G-Bldg. Ueno 01	1	100.0	76	0.2	1	100.0	76	0.2
10042	JMF-Bldg. Takadanobaba 01	14	100.0	164	0.4	14	100.0	163	0.4
10043	G-Bldg. Akihabara 01	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
10044	G-Bldg. Akihabara 02	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
10045	G-Bldg. Kichijoji 02	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
10046	JMF-Bldg. Ginza Chuo-Dori 01	10	100.0	209	0.6	10	100.0	464	1.2
10047	MARINE & WALK YOKOHAMA	26	100.0	396	1.0	26	100.0	410	1.1
10048	G-Bldg. Jingumae 07	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
10049	G-Bldg. Minami Aoyama 03 (Note 5)	6	100.0	153	0.4	6	100.0	189	0.5
10050	JMF-Bldg. Jingumae 02	2	81.0	48	0.1	3	100.0	44	0.1
10051	Round1 Stadium Kawasaki Daishi	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
10052	m-city Kashiwa	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
10053	JMF-Bldg. Jingumae 03	4	58.0	101	0.3	5	68.7	104	0.3
10054	Machinoma Omori	36	100.0	366	1.0	35	98.6	383	1.0
10055	JMF-Bldg. Daikanyama 01	7	81.3	61	0.2	8	89.9	82	0.2
10056	AEON MALL Tsudanuma	1	100.0	726	1.9	1	100.0	726	1.9
10057	JMF-Bldg. Yokohama Bashamichi 01 (Note 5)	7	100.0	688	1.8	7	100.0	688	1.8
10058	JMF-Bldg. Kawasaki 01 (Note 5)	11	95.6	732	1.9	12	100.0	742	1.9
10059	JMF-Bldg. Shibuya 02 (Note 5)	3	89.9	343	0.9	4	89.9	157	0.4

No.	Name of property	For the six months ended February 28, 2022				For the six months ended August 31, 2022			
		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) (%)
10060	JMF-Bldg. Shibuya 03 (Note 5)	9	71.8	240	0.6	10	98.9	254	0.7
10061	JMF-Bldg. Toyokocho 01 (Note 5)	10	100.0	340	0.9	10	79.1	320	0.8
10062	OMO3 Tokyo Akasaka (Note 5)	2	100.0	(Note 7)	(Note 7)	2	100.0	(Note 7)	(Note 7)
10063	JMF-Bldg. Nihombashi Hamacho 01 (Note 5)	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
10064	JMF-Bldg. Toyokocho 02 (Note 5)	14	74.6	299	0.8	17	84.4	239	0.6
10065	JMF-Bldg. Sasazuka 01 (Note 5)	11	96.1	284	0.8	11	93.7	264	0.7
10066	JMF-Bldg. Ueno 01 (Note 5)	7	100.0	(Note 7)	(Note 7)	7	100.0	(Note 7)	(Note 7)
10067	JMF-Bldg. Yokohama 01 (Note 5)	49	94.5	365	1.0	52	98.4	371	1.0
10068	JMF-Bldg. Akasaka 01 (Note 5)	10	88.7	99	0.3	10	88.7	99	0.3
10069	JMF-Bldg. Kanda01 (Note 5)	8	100.0	116	0.3	8	100.0	116	0.3
10070	JMF-Bldg. Edogawabashi 01 (Note 5)	4	86.1	91	0.2	4	86.1	92	0.2
10071	JMF-Bldg. Higashi Nihombashi 01 (Note 5)	9	100.0	92	0.2	9	100.0	86	0.2
10072	JMF-Bldg. Ichigaya 01 (Note 10)	26	80.8	359	1.0	28	98.3	372	1.0
10073	JMF-Bldg. Hiroo 01 (Note 10)	34	96.8	120	0.3	36	98.4	182	0.5
10074	JMF-Bldg. Funabashi 01	6	88.8	56	0.1	7	100.0	129	0.3
10075	JMF-Bldg. Akasaka 02 (Note 5)	5	74.5	336	0.9	6	78.1	538	1.4
10076	JMF-Residence Gakugeidaigaku (Note 5)	-	-	-	-	38	92.8	20	0.1
20002	Kyoto Family	58	91.3	567	1.5	59	100.0	544	1.4
20003	Kawaramachi OPA	1	100.0	335	0.9	1	100.0	335	0.9
20004	AEON MALL Tsurumi Ryokuchi	1	100.0	891	2.4	1	100.0	891	2.3
20005	AEON MALL Itami	1	100.0	585	1.5	1	100.0	582	1.5
20006	Ario Otori	1	100.0	549	1.5	1	100.0	549	1.4
20007	AEON MALL Kobe Kita	1	100.0	401	1.1	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	0.1
20010	LIFE Taiheiji (Land with leasehold interest)	1	100.0	48	0.1	1	100.0	48	0.1
20011	G-Bldg. Shinsaibashi 01	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
20012	Round1 Stadium Sennichimae (Land with leasehold interest)	1	100.0	240	0.6	1	100.0	240	0.6
20013	G-Bldg. Shinsaibashi 02	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)



No.	Name of property	For the six months ended February 28, 2022				For the six months ended August 31, 2022			
		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) (%)
20014	Izumisano Shofudai (Land with leasehold interest)	2	100.0	(Note 7)	(Note 7)	2	100.0	(Note 7)	(Note 7)
20015	Round1 Stadium Sakai Chuo Kanjyo	1	100.0	82	0.2	1	100.0	82	0.2
20016	pivo Izumi Chuo	17	100.0	(Note 7)	(Note 7)	16	95.8	(Note 7)	(Note 7)
20017	KAMISHIN PLAZA	38	98.8	289	0.8	35	98.9	308	0.8
20018	Round1 Kyoto Kawaramachi	1	100.0	104	0.3	1	100.0	104	0.3
20019	G-Bldg. Shinsaibashi 03	2	4.6	(Note 7)	(Note 7)	2	4.6	(Note 7)	(Note 7)
20020	Round1 Stadium Takatsuki	1	100.0	91	0.2	1	100.0	91	0.2
20021	m-city Toyonaka	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
20022	EDION Kyobashi (Land with leasehold interest)	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
20023	JMF-Bldg. Abeno 01	10	100.0	155	0.4	10	100.0	157	0.4
20024	JMF-Bldg. Umeda 01	12	100.0	220	0.6	12	100.0	205	0.5
20025	G-Bldg. Shinsaibashi 04	5	100.0	82	0.2	5	100.0	83	0.2
20026	JMF-Bldg. Kyoto Kawaramachi 01	4	100.0	64	0.2	4	100.0	60	0.2
20027	JMF-Bldg. Midosuji 01	1	24.4	(Note 7)	(Note 7)	2	100.0	(Note 7)	(Note 7)
20028	G-Bldg. Kobe Sannomiya 01	5	100.0	(Note 7)	(Note 7)	5	100.0	(Note 7)	(Note 7)
20029	Round1 Sannomiya Station	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
20030	G-Bldg. Midosuji 02	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
20031	Twin 21 (Note 5)	105	96.9	2,349	6.2	108	98.4	2,416	6.2
20032	JMF-Bldg. Kitahama 01 (Note 5)	10	100.0	337	0.9	10	100.0	344	0.9
20033	JMF-Bldg. Osaka Fukushima 01 (Note 5)	25	90.8	253	0.7	25	95.0	279	0.7
20034	JMF-Bldg. Higobashi 01 (Note 5)	12	100.0	135	0.4	12	100.0	139	0.4
20035	Konami Sports Club Kyobashi	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
20036	JMF-Bldg. Imabashi 01 (Note 5)	18	91.4	101	0.3	20	100.0	101	0.3
20037	JMF-Bldg. Nishi Hommachi 01 (Note 5)	18	91.5	92	0.2	18	93.4	93	0.2
20038	G-Bldg. Shinsaibashi 05	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
30001	AEON Yagoto	1	100.0	124	0.3	1	100.0	127	0.3
30002	mozo wonder city (Note 10)	174	92.0	3,126	8.3	217	99.2	3,277	8.4
30003	G-Bldg. Nagoya Sakae 01	1	24.8	(Note 7)	(Note 7)	2	50.9	(Note 7)	(Note 7)
30004	Valor Kachigawa (Land with leasehold interest) (Note 11)	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)

No.	Name of property	For the six months ended February 28, 2022				For the six months ended August 31, 2022			
		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) (%)
90001	Nara Family (Note 10)	108	99.0	1,794	4.7	112	99.5	1,782	4.6
90002	AEON MALL Sapporo Naebo	1	100.0	367	1.0	1	100.0	375	1.0
90003	AEON Naha Shopping Center	1	100.0	369	1.0	1	100.0	377	1.0
90004	Oyama Yuen Harvest Walk (Note 5)	69	99.7	779	2.1	70	99.9	803	2.1
90005	AEON MALL Sapporo Hassamu	1	100.0	570	1.5	1	100.0	583	1.5
90006	MrMax Nagasaki	2	100.0	(Note 7)	(Note 7)	2	100.0	(Note 7)	(Note 7)
90007	Kaden sumairu kan YAMADA Fukuoka Shime Honten	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
90008	Round1 Hiroshima	1	100.0	119	0.3	1	100.0	119	0.3
90009	DFS T GALLERIA OKINAWA	1	100.0	518	1.4	1	100.0	523	1.3
90010	G-Bldg. Sendai Ichibancho 01	1	100.0	86	0.2	1	100.0	76	0.2
90011	G-Bldg. Naha-shintoshin 01	2	100.0	(Note 7)	(Note 7)	2	100.0	(Note 7)	(Note 7)
90012	JMF-Bldg. Tenjin Nishi-dori 01 (Note 5)	7	88.9	111	0.3	8	100.0	121	0.3
90013	G-Bldg. Tenjin Nishi-dori 02	1	100.0	(Note 7)	(Note 7)	1	100.0	(Note 7)	(Note 7)
90014	JMF-Bldg. Sendai 01 (Note 5)	81	95.4	295	0.8	81	95.4	303	0.8
90015	Dormy Inn Hakata Gion (Note 5)	2	100.0	(Note 7)	(Note 7)	2	100.0	(Note 7)	(Note 7)
90016	JMF-Residence Chihaya (Note 5)	146	98.6	9	0.0	146	98.6	101	0.3
Total		1,566	98.5	37,812	100.0	1,675	99.1	39,006	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 the property on April 21, 2022.

Note 4 JMF sold the property on December 1, 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 JMF sold the property on December 1, 2021.

Note 7 Rent revenue of the property is not disclosed because the consent from the tenant has not been obtained.

Note 8 JMF sold 30% quasi-co-ownership interest of the property on December 1, 2021 ,30% on March 1, 2022 and 40% on September 1, 2022.

Note 9 JMF sold the property on March 1, 2022.

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.

Note 11 JMF sold 50% quasi-co-ownership interest of the property on January 31, 2022.

## 4. Details of investment securities

The details of investment securities as of August 31, 2022 were as follows:

(Thousand of yen)

Description of securities	Classification of assets	Quantity	Net book value		Fair value		Unrealized gains (or losses)	Remarks
			Per unit (Yen)	Amount	Per unit (Yen)	Amount		
Equity interest of Tokumei Kumiai agreement managed by R40 Godo Kaisha	Equity interest of Tokumei Kumiai agreement	-	-	8,651,999	-	8,651,999	-	Notes 1 and 2
Investment units of Nisshin Private Residential Reit, Inc.	Investment securities	3,120	1,201,221	3,747,809	1,201,221	3,747,809	-	Note 3
DREAM Mezzanine Debt Separate3 Investment Limited Partnership	Equity interest of investment limited partnership	-	-	783,108	-	783,108	-	Notes 1 and 4
Investment units of Hoosiers Private REIT Investment Corporation	Investment securities	1,100	1,002,487	1,102,735	1,002,487	1,102,735	-	Note 5
Total	—	-	-	14,285,653	-	14,285,653	-	-

Note 1 The fair values of these interests represent carrying amounts.

Note 2 The investment asset is a trust beneficiary interest for the 33.9% co-ownership interest (and 29.5% right of site) of the sectional ownership of Nagoya Lucent Tower.

Note 3 The underlying assets are mainly trust beneficiary interests of N-stage Akabaneshimo and N-stage Nishikawaguchi, etc. The fair value is based on net asset values, etc., provided by asset managers regardless of ownership ratio.

Note 4 The investment assets is a mezzanine loan backed by trust beneficiary interest in a residential property located in Tokyo as entrusted properties.

Note 5 The underlying assets are mainly trust beneficiary interests of DUO FLATS Akasaka and U-LIFE Maison Minaminokaze, etc. The fair value is based on net asset values, etc., provided by asset managers regardless of ownership ratio.

## 5. Details of specified transaction

The details of specified transaction as of August 31, 2022 were as follows:

(Millions of yen)

Classification	Transaction	Contract amount, etc. (Note 1)		Fair value (Note 2)
			Over 1 year	
Over-the-counter	Interest rate swaps (Floating-rate to fixed-rate interest)	83,800	60,300	(247)
Total		83,800	60,300	(247)

Note 1 Contract amount, etc. shows notional amounts.

Note 2 The fair value is measured at the amount calculated by the counter party to the interest rate swaps contracts based on the prevailing market interest rates and other assumptions.

Note 3 The interest rate swaps for which JMF had applied the special treatment provided under the Accounting Standard Board of Japan Statement No.10, "Accounting Standard for Financial Instruments" revised on July 4, 2019, are not required to be measured in the balance sheets.

## 6. Other assets

Real property and trust beneficial interests in real property are included in the above table "3. Details of property" and "4. Details of investment securities". There were no other significant specified assets as of August 31, 2022.

## Capital expenditures for property

### 1. Schedule of capital expenditures

The current significant plan for capital expenditures on property maintenance is set out below. The amounts of estimated cost shown in the below table are including expenses that 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, 2022	Total of advanced payment
For the six months ending February 28, 2023 (the 42nd fiscal period from September 1, 2022 to February 28, 2023)						
Higashi-Totsuka Aurora City	Totsuka-ku, Yokohama-shi, Kanagawa	Replacing of air conditioning system at AEON Building	December, 2022 to February, 2023	168	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Construction for tenant leasing at M38F east area	September, 2022 to February, 2023	153	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of hoisting equipment for elevator	September, 2022 to February, 2023	116	-	-
AEON MALL Itami	Itami-shi, Hyogo	Construction of disaster prevention system	December, 2022 to January, 2023	98	-	-
AEON MALL Tsurumi Ryokuchi	Tsurumi-ku, Osaka-shi, Osaka	Renewal of air conditioning system	November, 2022 to January, 2023	92	-	-
AEON MALL Tsudanuma	Narashino-shi, Chiba	Renewal of fire extinguisher pipe equipment at parking	May, 2022 to September, 2022	89	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Repair of air conditioning system at circular hall	May, 2022 to February, 2023	86	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of air conditioning system	April, 2022 to February, 2023	86	-	-
AEON MALL Tsudanuma	Narashino-shi, Chiba	Renewal of rest room for customers	September, 2022 to February, 2023	83	-	-
Nara Family	Nara-shi, Nara	Renewal construction for ticketless at parking gate	December, 2022 to February, 2023	77	-	-
AEON MALL Tsudanuma	Narashino-shi, Chiba	Renewal of automatic fire information alarm facilities	May, 2022 to September, 2022	67	-	-
G-Bldg. Shinsaibashi 03	Chuo-ku, Osaka-shi, Osaka	Interior construction at 1st floor of A-Building	August, 2022 to September, 2022	67	-	-
JMF-Bldg. Nihombashi Hamacho 01	Chuo-ku, Tokyo	Renewal of air conditioning system at interior side	September, 2022 to February, 2023	58	-	-
JMF-Bldg. Toyochi 02	Koto-ku, Tokyo	Renewal of water supply pipe and drain	October, 2022 to February, 2023	56	-	-
Bic Camera Tachikawa	Tachikawa-shi, Tokyo	Renewal of escalator drive at main building	October, 2022 to January, 2023	56	-	-
AEON MALL Sapporo Hassamu	Nishi-ku, Sapporo-shi, Hokkaido	Renewal of EHP and GHP	October, 2022 to November, 2022	56	-	-
Higashi-Totsuka Aurora City	Totsuka-ku, Yokohama-shi, Kanagawa	Renewal of water receiving tank at SEIBU Building	December, 2022 to February, 2023	55	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of water receiving tank at P-tower	September, 2022 to February, 2023	53	-	-
For the six months ending August 31, 2023 (the 43rd fiscal period from March 1, 2023 to August 31, 2023)						
KAWASAKI Le FRONT	Kawasaki-ku, Kawasaki-shi, Kanagawa	Renewal of elevator	June, 2023 to August, 2023	127	-	-
AEON MALL Musashi Murayama	Musashimurayama-shi, Tokyo	Renewal of air conditioner	December, 2022 to March, 2023	122	-	-
AEON MALL Tsurumi Ryokuchi	Tsurumi-ku, Osaka-shi, Osaka	Repair of outer wall	March, 2023 to July, 2023	92	-	-



(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, 2022	Total of advanced payment
AEON MALL Tsurumi Ryokuchi	Tsurumi-ku, Osaka-shi, Osaka	Renewal of air conditioning system	May, 2023 to July, 2023	92	-	-
AEON MALL Tsudanuma	Narashino-shi, Chiba	Renewal of the central monitoring equipment	February, 2023 to August, 2023	86	-	-
DFS T GALLERIA OKINAWA	Naha-shi, Okinawa	Renewal of air conditioning system	December, 2022 to March, 2023	80	-	-
AEON MALL Sapporo Hassamu	Nishi-ku, Sapporo-shi, Hokkaido	Renewal of EHP and GHP	July, 2023	71	-	-
AEON MALL Musashi Murayama	Musashimurayama-shi, Tokyo	Renewal of storage battery charger	June, 2023 to July, 2023	66	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of escalator	March, 2023 to August, 2023	65	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of security system	May, 2023 to June, 2023	65	-	-
Bic Camera Tachikawa	Tachikawa-shi, Tokyo	Renewal of escalator drive at main building	February, 2023 to July, 2023	61	-	-
JMF-Bldg. Kawasaki 01	Kawasaki-ku, Kawasaki-shi, Kanagawa	Renewal construction for entrance at B1 floor .	April, 2023 to August, 2023	61	-	-
Twin 21	Chuo-ku, Osaka-shi, Osaka	Repair of outer wall	April, 2023 to August, 2023	61	13	13
DFS T GALLERIA OKINAWA	Naha-shi, Okinawa	Renewal of refrigerator	December, 2022 to March, 2023	59	-	-
JMF-Bldg. Nihombashi Hamacho 01	Chuo-ku, Tokyo	Renewal of air conditioning system at interior side	September, 2022 to August, 2023	59	-	-
JMF-Bldg. Ichigaya 01	Chiyoda-ku, Tokyo	Renewal of air conditioning system	March, 2023 to August, 2023	53	-	-
Ito-Yokado Tsunashima	Kohoku-ku, Yokohama-shi, Kanagawa	Repair of outer wall	March, 2023 to July, 2023	51	-	-
JMF-Bldg. Sendai 01	Aoba-ku, Sendai-shi, Miyagi	Renewal of rest room and pantry	November, 2022 to August, 2023	51	-	-
AEON MALL Itami	Itami-shi, Hyogo	Renewal of FCU	March, 2023 to June, 2023	50	-	-

## 2. Capital expenditures for the six months ended August 31, 2022

Maintenance expenditures on property for the six months ended August 31, 2022 were totaling to ¥3,975 million consisting of ¥3,045 million of capital expenditures stated as below and ¥930 million of repair and maintenance expenses charged to income.

(Millions of yen)

Name of property	Location	Purpose	Term for construction or maintenance	Capital expenditures
mozo wonder city	Nishi-ku, Nagoya-shi, Aichi	Environment renovation	February, 2022 to August, 2022	452
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of hoisting equipment for elevator	April, 2022 to August, 2022	104
JMF-Bldg. Toyochō 01	Koto-ku, Tokyo	Repair of outer wall	March, 2022 to August, 2022	104
AEON MALL Tsurumi Ryokuchi	Tsurumi-ku, Osaka-shi, Osaka	Renewal of air conditioning system	April, 2022 to June, 2022	91
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of air conditioning system at standard floor	April, 2022 to August, 2022	84
JMF-Bldg. Tenjin Nishi-dori 01	Chuo-ku, Fukuoka-shi, Fukuoka	Renewal of outer wall	January, 2022 to August, 2022	84
AEON MALL Tsudanuma	Narashino-shi, Chiba	Renewal of fire extinguisher pipe equipment at parking	March, 2022 to August, 2022	81
Twin 21	Chuo-ku, Osaka-shi, Osaka	Renewal of central monitoring equipment	April, 2022 to August, 2022	64
JMF-Bldg. Midōsuji 01	Chuo-ku, Osaka-shi, Osaka	Conversion construction to office	February, 2022 to April, 2022	59
AEON MALL Itami	Itami-shi, Hyogo	Renewal of disaster prevention equipment	May, 2022 to August, 2022	58
JMF-Bldg. Nihombashi Hamacho 01	Chuo-ku, Tokyo	Renewal of air conditioning system	May, 2022 to June, 2022	54
KAWASAKI Le FRONT	Kawasaki-ku, Kawasaki-shi, Kanagawa	Renewal of AHU	September, 2021 to April, 2022	53
Kawaramachi OPA	Nakagyo-ku, Kyoto-shi, Kyoto	Repair of rooftop and outer wall	July, 2022 to August, 2022	50
KAMISHIN PLAZA	Higashiyodogawa-ku, Osaka-shi, Osaka	Construction for new tenants at B1 floor	May, 2022 to July, 2022	50
Other	-	-	-	1,648
Total				3,045

## 3. Reserved funds for long-term maintenance plan

JMF generally reserves funds to appropriate for future expenditures on large-scale maintenance based on a long-term maintenance plan, except for when depreciation for each fiscal period exceeds the following two items:

Item A:

Scheduled amounts to be reserved as funds for the long-term maintenance plan in each fiscal period

Item B:

Maintenance expenditures scheduled in the long-term maintenance plan in each fiscal period

There were no reserved funds for the last five fiscal periods.

## Condition of expenses and liabilities

### 1. Details of asset management expenses

(Thousands of yen)

Item	40th fiscal period	41st fiscal period
	For the six months ended February 28, 2022	For the six months ended August 31, 2022
Asset management fees (Note 1)	3,690,930	3,735,114
Custodian fees	32,877	34,133
General administration fees	149,045	154,924
Compensation for Directors	5,782	5,782
Other operating expenses (Note 2)	916,607	821,008
Total	4,795,243	4,750,964

Note 1 In addition to the above asset management fees, JMF paid the asset manager acquisition fees which were charged to income as costs of sale of property amounting to ¥144,270 thousand and ¥39,180 thousand for the six months ended February 28, 2022 and August 31, 2022, respectively, and those fees which were capitalized as property costs amounting to ¥472,544 thousand and ¥25,160 thousand for the six months ended February 28, 2022 and August 31, 2022, respectively.

Note 2 Other operating expenses include amortization of goodwill amounting to ¥401,230 thousand for the six months ended February 28, 2022 and August 31, 2022, respectively.

## Condition of investment transactions

### 1. Transactions of property and asset-backed securities

(Millions of yen)

Name of real property, etc.	Acquisition		Disposition			
	Date of acquisition	Acquisition cost (Note 1)	Date of disposition	Disposition amount (Note 1)	Net book value	Gain (loss) on disposition
G-Bldg. Ginza 01 (30% quasi-co-ownership) (Note 3)	-	-	March 1, 2022	6,530 (Note 2)	1,658	1,831
Summit Store Nakano Minamidai (Note 4)	-	-	March 1, 2022		2,997	
JMF-Residence Gakugeidaigaku	March 18, 2022	1,505	-	-	-	-
JMF-Residence Chihaya (50% quasi-co-ownership)	March 31, 2022	1,640	-	-	-	-
G-Bldg. Jingumae 02 (Note 5)	-	-	April 21, 2022	1,850	2,255	(420)
Total		3,145		8,380	6,911	1,410

Note 1 The acquisition cost or disposition amount indicates contracted amount of the property in the purchase agreement excluding related expenses (brokerage fee, taxes, etc.).

Note 2 The breakdown of the disposition amount is not disclosed because the consent from the purchaser has not been obtained.

Note 3 Gain (loss) on disposition of G-Bldg. Ginza 01 reflects other transfer expenses amounting to ¥17 million.

Note 4 Gain (loss) on disposition of Summit Store Nakano Minamidai reflects other transfer expenses amounting to ¥25 million.

Note 5 Gain (loss) on disposition of G-Bldg. Jingumae 02 reflects other transfer expenses amounting to ¥15 million.

### 2. Transactions of other assets

(Millions of yen)

Classification of assets	Purchase		Sale		Balance as of August 31, 2022	
	Quantity	Amount (Note 1)	Quantity	Amount (Note 1)	Quantity	Amount (Note 2)
Investment Securities	1,100	1,100	-	-	1,100	1,102
Total	1,100	1,100	-	-	1,100	1,102

Note 1 The purchase or sale amounts do not include related expenses (brokerage fee, etc.).

Note 2 The amount of balance as of August 31, 2022 represents carrying amounts in the balance sheets.

Note 3 Assets other than property or asset-backed securities are mainly bank deposits and bank deposits in trust.



### 3. Research for specified assets value

#### (1) Property (Appraisal value)

(Millions of yen)

Acquisition /Disposition	Name of property	Date of acquisition /disposition	Acquisition Cost /Disposition amount (Note 1)	Appraisal value	Name of appraiser	Date of appraisal
Disposition	G-Bldg. Ginza 01	March 1, 2022	6,530 (Note 2)	2,700 (Note 3)	Japan Real Estate Institute	August 31, 2021
Disposition	Summit Store Nakano Minamidai	March 1, 2022		3,830	Japan Real Estate Institute	August 31, 2021
Acquisition	JMF-Residence Gakugeidaigaku	March 18, 2022	1,505	1,650	Japan Real Estate Institute	September 1, 2021
Acquisition	JMF-Residence Chihaya	March 31, 2022	1,640	1,860 (Note 4)	Japan Real Estate Institute	December 1, 2021
Disposition	G-Bldg. Jingumae 02	April 21, 2022	1,850	1,720	Tanizawa Sōgō Appraisal Co., Ltd.	February 28, 2022

Note 1 The acquisition cost or disposition amount indicates contracted amount of the property in the purchase agreement excluding related expenses (brokerage fee, taxes, etc.).

Note 2 The breakdown of the disposition amount is not disclosed because the consent from the purchaser has not been obtained.

Note 3 Appraisal value of G-Bldg. Ginza 01 is calculated by multiplying appraisal value of the property as of August 31, 2021 amounting to ¥9,000 million by 30% of co-ownership interest disposed on March 1, 2022.

Note 4 Appraisal value of JMF-Residence Chihaya is calculated by multiplying appraisal value of the property as of December 1, 2021 amounting to ¥3,720 million by 50% of co-ownership interest acquisition on March 31, 2022.

#### (2) Investment securities

(Millions of yen)

Purchase /Sale	Description of securities	Date of purchase / sale	Classification of assets	Purchase / sale amount (Note 1)	Researched value (Note 2)
Purchase	Investment units of Hoosiers Private REIT Investment Corporation	March 24, 2022	Investment securities	1,100	1,100

Note 1 The purchase or sale amounts do not include related expenses (brokerage fee, etc.).

Note 2 JMF contracted Akasaka Audit LLC to perform investigations on transactions of investment securities for March 1, 2022 to August 31, 2022 pursuant to Article 201, Paragraph 2 of the Act on Investments Trusts and Investment Corporation of Japan and received its research report.

For this purpose, investigation was performed with respect to comparative prices, type of transactions, date of transactions, description of securities, quantity, transaction prices, matters to identify assets in trust and other matters.

#### (3) Other transactions

None

#### 4. Transactions with interested parties or major shareholders (Note 1)

(1) Outline of specified assets transactions

No specified asset was acquired from or disposed to interested parties or major shareholders.

(2) Amounts of fees paid and other expenses

Classification	Total amount (A)	Transactions with interested parties or major shareholders		(B) / (A)
		Name of counter party	Amount of payment (B)	
Facility management fees	¥2,419,080 thousand	Mitsubishi HC Capital Inc. (Note 2)	¥149 thousand	0.0%
Other rental expenses	¥1,107,018 thousand	Mitsubishi Corporation Urban Development, Inc. (Note 2)	¥355 thousand	0.0%
		Mitsubishi Shoji & Sun Co., Ltd. (Note 2)	¥898 thousand	0.1%

Note 1 "Interested parties or major shareholders" means the interested parties related with the asset management company of JMF or the major shareholders of the asset management company as prescribed under Article 26, Item 27 of the Regulations for Management Reports by Investment Trusts and Investment Corporations of the Investment Trusts Association, Japan.

Note 2 These companies are no longer interested parties due to a change of shareholder of the asset manager on April 28, 2022. Accordingly, "Amount of payment" show sum of transactions up to the end of April.

#### 5. Transactions with asset manager relating to business other than asset management

None

## **Financial information**

### **1. Financial position and operating results**

Please refer to the accompanying financial statements. The balance sheet, statement of income and retained earnings, statement of changes in net assets, statement of cash distributions and notes to financial statements as of or for the period ended February 28, 2022 are reference.

### **2. Changes in depreciation method**

None

### **3. Changes in valuation method of real property**

None

## **Outline of overseas real estate investment corporations**

### **1. Disclosures relating to overseas real estate investment corporations**

None

### **2. Disclosures relating to property held by overseas real estate investment corporations**

None

## Other information

### 1. Investment units held by the asset manager

Investment units held by the asset manager (KJR Management) were as follows:

#### (1) Transactions of investment units held by the asset manager

Date	Number of units increased (Units)	Number of units decreased (Units)	Number of units held (Units)
March 1, 2021	3,200	-	6,400
Accumulated number	6,400	-	6,400

Note JMF executed a two-for-one unit split effective on March 1, 2021.

#### (2) Number of investment units held by the asset manager

Date	Number of investment units held at end of period (Units)	Aggregated value of investment units held at end of period (Note) (Thousands of yen)	Ratio of number of investment units held to number of investment units issued and outstanding
The 32nd fiscal period (September 1, 2017 to February 28, 2018)	3,200	656,960	0.1%
The 33rd fiscal period (March 1, 2018 to August 31, 2018)	3,200	643,200	0.1%
The 34th fiscal period (September 1, 2018 to February 28, 2019)	3,200	718,080	0.1%
The 35th fiscal period (March 1, 2019 to August 31, 2019)	3,200	680,320	0.1%
The 36th fiscal period (September 1, 2019 to February 29, 2020)	3,200	656,320	0.1%
The 37th fiscal period (March 1, 2020 to August 31, 2020)	3,200	511,680	0.1%
The 38th fiscal period (September 1, 2020 to February 28, 2021)	3,200	673,920	0.1%
The 39th fiscal period (March 1, 2021 to August 31, 2021)	6,400	684,160	0.1%
The 40th fiscal period (September 1, 2021 to February 28, 2022)	6,400	595,840	0.1%
The 41st fiscal period (March 1, 2022 to August 31, 2022)	6,400	707,840	0.1%

Note "Aggregated value of investment units held at end of period" is calculated by market price of the investment securities on Tokyo Stock Exchange REIT Market at end of each fiscal period. However, the aggregated value of investment units held at end of the 38th fiscal period is calculated by using market price at then ended multiplied by 2, because JMF implemented a split of its investment units on a two-for-one basis with March 1, 2021 as the effective date and the market price as of February 28, 2021 reflects the unit split.

## 2. Notice

### *The Board of Directors Meeting*

Execution or modification of significant agreement approved by the Board of Directors of JMF for the six months ended August 31, 2022 was as follows:

Approval day	Item	Summary
June 2, 2022	Appointment of general administrators regarding investment corporation bonds	With respect to issuance of Japan Metropolitan Fund Investment Corporation The 3rd Unsecured Investment Corporation Bonds, or the 3rd JMF Green Bonds (Special pari passu conditions among specified investment corporation bonds), the Board of Directors of JMF appointed Mizuho Securities Co., Ltd. as underwriter, and MUFG Bank, Ltd. as financial agency and other general administrator regarding the investment corporation bonds.
July 21, 2022	Modification of general administrative consignment agreements regarding agency for unit investment securities and special accounts	With the establishment of electronic provision system of materials for the Unitholder's Meetings, a memorandum concerning partial modifications to the general administrative consignment agreements regarding agency for unit investment securities and special accounts has been concluded with Mitsubishi UFJ Trust and Banking Corporation.



## **Independent Auditor's Report**

To the Board of Directors of Japan Metropolitan Fund Investment Corporation

### **Opinion**

We have audited the financial statements of Japan Metropolitan Fund Investment Corporation (the Company), which comprise the balance sheet as of August 31, 2022, and the statement of income and retained earnings, statement of changes in net assets, statement of cash distributions and statement of cash flows for the six month period then ended, and notes to financial statements and supplementary schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of August 31, 2022, and its financial performance and its cash flows for the six month period then ended in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The other information comprises the information included in the semi-annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information. In addition, those charged with governance are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.





## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern. Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Convenience translation**

The U.S. dollar amounts in the accompanying financial statements with respect to the six month period ended August 31, 2022 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the financial statements.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Handwritten signature of Mitsuo Tsuruta in black ink.

Mitsuo Tsuruta  
Designated Engagement Partner  
Certified Public Accountant

Handwritten signature of Hideo Ohta in black ink.

Hideo Ohta  
Designated Engagement Partner  
Certified Public Accountant

November 25, 2022

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**BALANCE SHEET**

As of February 28, 2022 and August 31, 2022

	As of		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and bank deposits (Note 15).....	¥ 38,840	¥ 41,232	\$ 297,424
Cash and bank deposits in trust (Note 15).....	17,368	21,367	154,129
Rent receivables .....	1,014	1,092	7,877
Income taxes receivable.....	44	46	331
Consumption tax refundable .....	250	-	-
Derivatives (Note 19).....	-	12	86
Other current assets .....	1,133	1,295	9,341
<b>Total current assets.....</b>	<b>58,652</b>	<b>65,048</b>	<b>469,220</b>
<b>Non-current assets:</b>			
<b>Property and equipment (Notes 5, 6 and 25) at cost:</b>			
Buildings.....	2,465	2,482	17,903
Accumulated depreciation.....	(825)	(864)	(6,232)
Buildings, net.....	1,639	1,617	11,664
Building improvements.....	66	66	476
Accumulated depreciation.....	(32)	(33)	(238)
Building improvements, net.....	34	33	238
Furniture and fixtures.....	21	21	151
Accumulated depreciation.....	(16)	(16)	(115)
Furniture and fixtures, net.....	5	4	28
Land.....	28,459	28,459	205,287
Construction in progress.....	2	23	165
Buildings in trust.....	341,788	344,708	2,486,532
Accumulated depreciation.....	(114,653)	(119,854)	(864,560)
Buildings in trust, net.....	227,135	224,854	1,621,972
Building improvements in trust.....	12,214	12,241	88,299
Accumulated depreciation.....	(4,880)	(5,053)	(36,449)
Building improvements in trust, net.....	7,334	7,188	51,850
Machinery and equipment in trust.....	2,200	2,158	15,566
Accumulated depreciation.....	(1,449)	(1,428)	(10,300)
Machinery and equipment in trust, net.....	751	730	5,265
Furniture and fixtures in trust.....	5,142	5,181	37,372
Accumulated depreciation.....	(3,310)	(3,451)	(24,893)
Furniture and fixtures in trust, net.....	1,831	1,730	12,479
Land in trust.....	883,826	879,828	6,346,591
Construction in progress in trust.....	154	829	5,979
<b>Total property and equipment.....</b>	<b>1,151,174</b>	<b>1,145,299</b>	<b>8,261,552</b>
<b>Intangible assets:</b>			
Goodwill.....	15,246	14,845	107,083
Leasehold rights in trust (Note 25).....	5,033	5,013	36,161
Other intangible assets (Note 25).....	314	298	2,149
Other intangible assets in trust (Note 25).....	84	77	555
<b>Total intangible assets.....</b>	<b>20,679</b>	<b>20,235</b>	<b>145,964</b>
<b>Investment and other assets:</b>			
Investment securities (Notes 17 and 18).....	13,115	14,285	103,044
Lease deposits in trust.....	1,487	1,479	10,668
Long-term prepaid expenses.....	2,114	2,326	16,778
Derivatives (Note 19).....	58	130	937
Other investments.....	1	1	7
<b>Total investment and other assets.....</b>	<b>16,776</b>	<b>18,223</b>	<b>131,450</b>
<b>Total non-current assets.....</b>	<b>1,188,629</b>	<b>1,183,758</b>	<b>8,538,974</b>
<b>Deferred assets:</b>			
Investment corporation bond issuance costs.....	157	157	1,132
<b>Total deferred assets.....</b>	<b>157</b>	<b>157</b>	<b>1,132</b>
<b>TOTAL ASSETS.....</b>	<b>¥ 1,247,439</b>	<b>¥ 1,248,964</b>	<b>\$ 9,009,334</b>

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**BALANCE SHEET**

As of February 28, 2022 and August 31, 2022

	As of		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities:</b>			
Accounts payable – operating.....	¥ 3,900	¥ 4,686	\$ 33,802
Short-term borrowings.....	6,000	6,000	43,280
Current portion of long-term bonds issued			
– unsecured (Note 17).....	6,000	8,000	57,707
Current portion of long-term borrowings (Note 17).....	47,200	46,700	336,867
Accounts payable – other.....	51	34	245
Accrued expenses.....	2,195	2,138	15,422
Income taxes payable.....	-	-	-
Consumption tax payable.....	-	1,028	7,415
Rent received in advance.....	4,529	4,410	31,811
Deposits received.....	2,333	2,076	14,975
Current portion of tenant leasehold and security deposits			
in trust (Note 5).....	68	168	1,211
Derivatives liabilities (Notes 17 and 19).....	13	-	-
Other current liabilities.....	214	144	1,038
<b>Total current liabilities</b> .....	<b>72,506</b>	<b>75,387</b>	<b>543,800</b>
<b>Non-current liabilities:</b>			
Long-term bonds issued – unsecured (Note 17).....	58,500	54,500	393,132
Long-term borrowings (Notes 17).....	431,975	434,445	3,133,845
Tenant leasehold and security deposits.....	1,821	1,855	13,380
Tenant leasehold and security deposits in trust (Note 5).....	56,885	57,072	411,685
Asset retirement obligations (Note 24).....	787	837	6,037
Other non-current liabilities.....	105	89	641
<b>Total non-current liabilities</b> .....	<b>550,074</b>	<b>548,800</b>	<b>3,958,739</b>
<b>TOTAL LIABILITIES</b> .....	<b>622,580</b>	<b>624,187</b>	<b>4,502,539</b>
<b>Net Assets (Notes 8, 10 and 14):</b>			
<b>Unitholders' equity:</b>			
Unitholders' capital.....	411,878	411,878	2,971,059
Surplus:.....			
Capital surplus .....	202,855	202,855	1,463,283
Deduction from capital surplus.....	(11,999)	(11,999)	(86,554)
Capital surplus, net.....	190,855	190,855	1,376,722
Voluntary reserve.....			
Reserve for reduction entry .....	-	1,160	8,367
Reserve for dividends .....	3,915	3,915	28,240
Retained earnings for temporary difference adjustment			
(Note 9).....	1,127	928	6,694
<b>Total voluntary reserve</b> .....	<b>5,042</b>	<b>6,003</b>	<b>43,302</b>
Retained earnings .....	16,924	15,722	113,409
<b>Total surplus</b> .....	<b>212,822</b>	<b>212,581</b>	<b>1,533,441</b>
<b>Total unitholders' equity</b> .....	<b>624,700</b>	<b>624,460</b>	<b>4,504,508</b>
<b>Valuation and translation adjustments:</b>			
Net unrealized holding gains (losses) on investment securities.....	105	172	1,240
Deferred gains or losses on hedges.....	53	143	1,031
<b>Total valuation and translation adjustments</b> .....	<b>159</b>	<b>316</b>	<b>2,279</b>
<b>TOTAL NET ASSETS</b> .....	<b>624,859</b>	<b>624,776</b>	<b>4,506,787</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b> .....	<b>¥ 1,247,439</b>	<b>¥ 1,248,964</b>	<b>\$ 9,009,334</b>

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
For the six months ended February 28, 2022 and August 31, 2022

	For the six months ended		
	February 28,	August 31,	August 31,
	2022	2022	2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
<b>Operating revenues</b>			
Rent and other operating revenues (Note 11).....	¥ 37,812	¥ 39,006	\$ 281,367
Gain on sales of property (Note 12).....	2,532	1,831	13,207
Dividend income.....	254	274	1,976
Total operating revenues.....	40,598	41,112	296,559
<b>Operating expenses</b>			
Property-related expenses (Note 11).....	16,995	18,245	131,609
Loss on sales of property (Note 13).....	-	420	3,029
Asset management fees.....	3,690	3,735	26,942
Custodian fees.....	32	34	245
General administration fees.....	149	154	1,110
Compensation for Directors.....	5	5	36
Amortization of goodwill.....	401	401	2,892
Other operating expenses.....	515	419	3,022
Total operating expenses.....	21,790	23,417	168,917
<b>Operating income.....</b>	<b>18,808</b>	<b>17,694</b>	<b>127,634</b>
<b>Non-operating revenues</b>			
Interest income.....	-	-	-
Subsidy income.....	28	2	14
Sponsorship money income.....	52	-	-
Other non-operating revenues.....	4	3	21
Total non-operating revenues.....	86	6	43
<b>Non-operating expenses</b>			
Interest expenses .....	1,409	1,395	10,062
Interest expenses on investment corporation bonds.....	183	187	1,348
Amortization of investment corporation bond issuance costs .....	24	24	173
Loan-related costs .....	349	366	2,640
Other non-operating expenses .....	3	3	21
Total non-operating expenses.....	1,969	1,977	14,260
<b>Ordinary income.....</b>	<b>16,924</b>	<b>15,723</b>	<b>113,417</b>
<b>Income before income taxes.....</b>	<b>16,924</b>	<b>15,723</b>	<b>113,417</b>
Income taxes (Note 21):			
Current .....	-	-	-
Total income taxes.....	-	-	-
<b>Net income.....</b>	<b>16,924</b>	<b>15,722</b>	<b>113,409</b>
<b>Unappropriated earnings at beginning of period.....</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Retained earnings at the end of period.....</b>	<b>¥ 16,924</b>	<b>¥ 15,722</b>	<b>\$ 113,409</b>

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the six months ended February 28, 2022 and August 31, 2022

	Unitholders' equity										Valuation and translation adjustments				
	Surplus														
	Voluntary reserve														
	Unitholders' capital	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 gains (losses) on hedges	Total valuation and translation adjustments	Total net assets
	(in millions)														
<b>Balance as of August 31, 2021.....</b>	¥ 411,878	¥ 202,855	¥ (11,999)	¥ 190,855	¥ 770	¥ 3,915	¥ 2,785	¥ 7,470	¥ 13,549	¥ 211,875	¥ 623,753	¥ 65	¥ (147)	¥ (82)	¥ 623,671
<u>Changes during the period</u>															
Reversal of reserve for reduction entry of property.....	-	-	-	-	(770)	-	-	(770)	770	-	-	-	-	-	-
Reversal of retained earnings for temporary difference adjustment.....	-	-	-	-	-	-	(1,657)	(1,657)	1,657	-	-	-	-	-	-
Cash distribution declared.....	-	-	-	-	-	-	-	-	(15,977)	(15,977)	(15,977)	-	-	-	(15,977)
Net income.....	-	-	-	-	-	-	-	-	16,924	16,924	16,924	-	-	-	16,924
Net changes of items other than unitholders' equity.....	-	-	-	-	-	-	-	-	-	-	-	40	200	241	241
<u>Total changes during the period</u>	-	-	-	-	(770)	-	(1,657)	(2,427)	3,375	947	947	40	200	241	1,188
<b>Balance as of February 28, 2022.....</b>	¥ 411,878	¥ 202,855	¥ (11,999)	¥ 190,855	¥ -	¥ 3,915	¥ 1,127	¥ 5,042	¥ 16,924	¥ 212,822	¥ 624,700	¥ 105	¥ 53	¥ 159	¥ 624,859
<u>Changes during the period</u>															
Provision of reserve for reduction entry of property.....	-	-	-	-	1,160	-	-	1,160	(1,160)	-	-	-	-	-	-
Reversal of retained earnings for temporary difference adjustment.....	-	-	-	-	-	-	(199)	(199)	199	-	-	-	-	-	-
Cash distribution declared.....	-	-	-	-	-	-	-	-	(15,963)	(15,963)	(15,963)	-	-	-	(15,963)
Net income.....	-	-	-	-	-	-	-	-	15,722	15,722	15,722	-	-	-	15,722
Net changes of items other than unitholders' equity.....	-	-	-	-	-	-	-	-	-	-	-	67	89	157	157
<u>Total changes during the period</u>	-	-	-	-	1,160	-	(199)	961	(1,201)	(240)	(240)	67	89	157	(83)
<b>Balance as of August 31, 2022.....</b>	¥ 411,878	¥ 202,855	¥ (11,999)	¥ 190,855	¥ 1,160	¥ 3,915	¥ 928	¥ 6,003	¥ 15,722	¥ 212,581	¥ 624,460	¥ 172	¥ 143	¥ 316	¥ 624,776

The accompanying notes are an integral part of these financial statements.



**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the six months ended February 28, 2022 and August 31, 2022

	Unitholders' equity										Valuation and translation adjustments				
	Surplus										Total unitholders' equity	Net unrealized holding gains (losses) on investment securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments	Total net assets
	Voluntary reserve														
	Unitholders' capital	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					
(in thousands of U.S. dollars (Note 3))															
Balance as of February 28, 2022.....	\$ 2,971,059	\$ 1,463,283	\$ (86,554)	\$ 1,376,722	\$ -	\$ 28,240	\$ 8,129	\$ 36,370	\$ 122,080	\$ 1,535,179	\$ 4,506,239	\$ 757	\$ 382	\$ 1,146	\$ 4,507,386
Changes during the period															
Provision of reserve for reduction entry of property.....	-	-	-	-	8,367	-	-	8,367	(8,367)	-	-	-	-	-	-
Reversal of retained earnings for temporary difference adjustment.....	-	-	-	-	-	-	(1,435)	(1,435)	1,435	-	-	-	-	-	-
Cash distribution declared.....	-	-	-	-	-	-	-	-	(115,148)	(115,148)	(115,148)	-	-	-	(115,148)
Net income.....	-	-	-	-	-	-	-	-	113,409	113,409	113,409	-	-	-	113,409
Net changes of items other than unitholders' equity.....	-	-	-	-	-	-	-	-	-	-	-	483	641	1,132	1,132
Total changes during the period	-	-	-	-	8,367	-	(1,435)	6,932	(8,663)	(1,731)	(1,731)	483	641	1,132	(598)
Balance as of August 31, 2022.....	\$ 2,971,059	\$ 1,463,283	\$ (86,554)	\$ 1,376,722	\$ 8,367	\$ 28,240	\$ 6,694	\$ 43,302	\$ 113,409	\$ 1,533,441	\$ 4,504,508	\$ 1,240	\$ 1,031	\$ 2,279	\$ 4,506,787

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**STATEMENT OF CASH DISTRIBUTIONS**  
**For the six months ended February 28, 2022 and August 31, 2022**

	For the six months ended		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
Retained earnings at the end of period.....	¥ 16,924	¥ 15,722	\$ 113,409
Reversal of retained earnings for temporary difference adjustment.....	199	93	670
Cash distribution declared.....	(15,963)	(15,816)	(114,087)
Provision of reserve for reduction entry of property.....	(1,160)	-	-
Retained earnings carried forward.....	¥ -	¥ -	\$ -

Cash distributions per investment unit were ¥2,284 and ¥2,263 (US\$16) for the six months ended February 28, 2022 and August 31, 2022, respectively.

***For the six months ended February 28, 2022:***

In accordance with the distribution policy in the Company's article of incorporation 26, Paragraph 1, Item 2, which stipulates to make distributions 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, 2022 amounting to ¥15,963 million consisted all of the retained earnings at the end of the period after reversal of retained earnings for temporary difference adjustment amounting to ¥199 million and provision of reserve for reduction entry of property amounting to ¥1,160 million. As a result, distribution per unit amounted to ¥2,284. The Company generally does not make distributions in excess of profit prescribed in the article of incorporation 26, Paragraph 2.

***For the six months ended August 31, 2022:***

In accordance with the distribution policy in the Company's article of incorporation 26, Paragraph 1, Item 2, which stipulates to make distributions 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, 2022 amounting to ¥15,816 million (US\$114,087 thousand) consisted all of the retained earnings at the end of the period after reversal of retained earnings for temporary difference adjustment amounting to ¥93 million (US\$670 thousand). As a result, distribution per unit amounted to ¥2,263(US\$16). The Company generally does not make distributions in excess of profit prescribed in the article of incorporation 26, Paragraph 2.

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**For the six months ended February 28, 2022 and August 31, 2022**

	For the six months ended		
	February 28,	August 31,	August 31,
	2022	2022	2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes.....	¥ 16,924	¥ 15,723	\$ 113,417
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation.....	6,058	6,015	43,388
Amortization of goodwill.....	401	401	2,892
Amortization of investment corporation bond issuance costs.....	24	24	173
Gain on sales of property.....	(2,532)	(1,831)	(13,207)
Loss on sales of property.....	-	420	3,029
Loss on disposal of fixed assets.....	25	76	548
Interest income.....	-	-	-
Interest expenses.....	1,593	1,582	11,411
Changes in assets and liabilities:			
(Increase) decrease in rent receivables.....	34	(78)	(562)
(Increase) decrease in income taxes receivable.....	1	(2)	(14)
(Increase) decrease in consumption tax refundable.....	(250)	250	1,803
(Increase) decrease in long-term prepaid expenses.....	(186)	(211)	(1,522)
Increase (decrease) in accounts payable - operating.....	(519)	872	6,290
Increase (decrease) in consumption tax payable.....	(1,157)	1,028	7,415
Increase (decrease) in accounts payable - other.....	5	(6)	(43)
Increase (decrease) in accrued expenses.....	(16)	38	274
Increase (decrease) in rent received in advance.....	108	(118)	(851)
Increase (decrease) in deposits received.....	(234)	399	2,878
Other, net.....	218	(194)	(1,399)
Sub total.....	20,497	24,390	175,935
Interest received.....	-	-	-
Interest expenses paid.....	(1,656)	(1,580)	(11,397)
Income taxes paid.....	-	-	-
Net cash provided by operating activities.....	18,840	22,810	164,538
<b>Cash Flows from Investing Activities:</b>			
Purchase of property and equipment.....	(24)	(24)	(173)
Purchase of property and equipment in trust.....	(63,250)	(7,385)	(53,271)
Proceeds from sales of property and equipment in trust.....	24,044	8,365	60,340
Payments for sales of property and equipment in trust.....	(134)	(158)	(1,139)
Purchase of intangible assets.....	(109)	(31)	(223)
Purchase of intangible assets in trust.....	(2)	(5)	(36)
Payments of tenant leasehold and security deposits.....	(33)	-	-
Proceeds from tenant leasehold and security deposits.....	34	33	238
Payments of tenant leasehold and security deposits in trust.....	(2,135)	(1,591)	(11,476)
Proceeds from tenant leasehold and security deposits in trust.....	3,022	1,493	10,769
Proceeds from lease deposits.....	10	-	-
Payments of lease deposits in trust.....	-	-	-
Proceeds from lease deposits in trust.....	42	7	50
Purchase of investment securities.....	(2,463)	(1,102)	(7,949)
Payments for restricted bank deposits in trust.....	-	-	-
Net cash provided by (used in) investing activities.....	(41,000)	(400)	(2,885)
<b>Cash Flows from Financing Activities:</b>			
Proceeds from short-term borrowings.....	6,500	8,000	57,707
Repayments of short-term borrowings.....	(500)	(8,000)	(57,707)
Proceeds from long-term borrowings.....	28,500	26,370	190,218
Repayments of long-term borrowings.....	(28,500)	(24,400)	(176,008)
Proceeds from issuance of investment corporation bonds.....	4,969	3,974	28,666
Redemption of investment corporation bonds.....	-	(6,000)	(43,280)
Distribution payments.....	(15,977)	(15,962)	(115,141)
Net cash used in financing activities.....	(5,008)	(16,018)	(115,544)
<b>Net change in cash and cash equivalents.....</b>	<b>(27,168)</b>	<b>6,391</b>	<b>46,101</b>
<b>Cash and cash equivalents at the beginning of period.....</b>	<b>82,864</b>	<b>55,696</b>	<b>401,760</b>
<b>Cash and cash equivalents at the end of period (Note 15).....</b>	<b>¥ 55,696</b>	<b>¥ 62,087</b>	<b>\$ 447,861</b>

The accompanying notes are an integral part of these financial statements.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**As of and for the six months ended February 28, 2022 and August 31, 2022**

**Note 1 — Organization**

Japan Metropolitan Fund Investment Corporation (the “Company”), a real estate investment corporation, with initial capital of ¥200 million, was incorporated on September 14, 2001, under the Act on Investment Trusts and Investment Corporations of Japan (the “Investment Trust Act”). The sponsor of the Company is KKR & Co. Inc. (together with its subsidiaries, “KKR”). The Company was formed to invest primarily in retail properties in Japan. On March 12, 2002, the Company raised ¥23.46 billion through an initial public offering of 52,000 investment units.

On March 13, 2002, the day after the Company was listed on the J-REIT section of the Tokyo Stock Exchange, four retail properties were acquired, and operations of the Company commenced.

The Company merged with LaSalle Japan REIT Inc on March 1, 2010, and MCUBS MidCity Investment Corporation on March 1, 2021.

The total assets managed by the Company at the end of the 41st fiscal period (August 31, 2022) amounted to ¥1,207.4 billion (US\$8,709 million) (the total acquisition price of 127 properties).

**Note 2 — Summary of Significant Accounting Policies**

***(a) Basis of Presentation***

The Company maintains its accounts and records in conformity with accounting principles and practices generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Investment Trust Act, the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan, and other related regulations, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards or accounting principles generally accepted in the United States of America.

The accompanying financial statements are a translation of the financial statements of the Company, which were prepared in accordance with Japanese GAAP and filed with the Kanto Local Finance Bureau as required by the Financial Instruments and Exchange Act of Japan. In preparing the accompanying financial statements, relevant notes have been added and certain reclassifications have been made from financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan.

The financial statements are not intended to present the financial position and the results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

The Company’s fiscal period is a six-month period which ends at the end of February and August of each year.

Amounts less than ¥1 million and US\$1 thousand have been rounded down. As a result, the total shown in the financial statements and notes thereto do not necessarily agree to the sum of the individual account balances.

The Company does not prepare consolidated financial statements as it has no subsidiaries.

***(b) Cash and Cash Equivalents and Restricted Bank Deposits***

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.

The usage of restricted bank deposits is limited to repayments of tenant leasehold and security deposits.

***(c) Securities***

Investment securities for which market quotations are available are stated at fair value, with net unrealized gains or losses reported in a separate component of net assets. Costs of securities sold are determined by the moving average method. Non-marketable securities held as available-for-sale are stated at cost determined by the moving average method. Investments in Tokumei Kumiai (silent partnership) and investment limited partnership are accounted for by using the equity method of accounting.

#### ***(d) 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, Buildings in trust .....	2-65 years
Building improvements, Building improvements in trust.....	2-60 years
Machinery and equipment in trust .....	2-17 years
Furniture and fixtures, Furniture and fixtures in trust .....	2-20 years

#### ***(e) Intangible Assets***

Goodwill is amortized on a straight-line basis over 20 years. Other intangible assets are amortized on a straight-line basis over the period of the estimated useful lives of the assets.

#### ***(f) Long-term Prepaid Expenses***

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

#### ***(g) Impairment of Fixed Assets***

An impairment assessment is carried out on an asset or group of assets, such as fixed assets and intangible assets, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If the asset or group of assets is deemed to be impaired, an impairment loss is recognized for the difference between the carrying amount and the recoverable amount of the asset or group of assets.

#### ***(h) 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 the Company 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 in the balance sheet and statement of income and retained earnings of the Company in proportion to the percentage interest that such trust beneficiary interest represents.

Certain material assets or liabilities in trust listed below are, however, presented separately in the balance sheets.

- (1) Cash and bank deposits in trust
- (2) Buildings in trust, Building improvements in trust, Machinery and equipment in trust, Furniture and fixtures in trust, Land in trust and Construction in progress in trust
- (3) Leasehold rights in trust
- (4) Other intangible assets in trust
- (5) Lease deposits in trust
- (6) Tenant leasehold and security deposits in trust

#### ***(i) 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, which range from five to twelve years.

#### ***(j) Investment Unit Issuance Costs***

Investment unit issuance costs are capitalized and amortized over three years.

#### ***(k) Income Taxes***

Deferred tax assets and liabilities are computed based on the temporary differences between accounting and tax bases of assets and liabilities using the applicable statutory tax rate.

#### ***(l) Consumption Taxes***

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.

### ***(m) Taxes on Property and Equipment***

Property and equipment are subject to various taxes, such as property taxes and urban planning taxes, on an 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 disposition is liable for these taxes on the property from the date of disposition 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 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.

Taxes on property and equipment capitalized amounted to ¥24 million and ¥8 million (US\$57 thousand) for the six months ended February 28, 2022 and August 31, 2022, respectively.

### ***(n) Revenue Recognition***

The content of the performance obligations regarding revenue arising from contracts with customers of the Company and the normal point in time when satisfying such performance obligations (normal point in time when recognizing revenues) are mainly as follows:

#### ***(1) Sale of property***

Revenue from sale of property is recognized when the purchaser, which is a customer, acquires control of the property by fulfilling the delivery obligations stipulated in the sale contract of the property.

#### ***(2) Common area charges***

For common area charges, revenue is recognized based on the supply of electricity, water, etc., to the lessee, which is a customer, in accordance with the terms of the lease agreement of properties and accompanying agreements. Of the utilities revenue, when the Company is deemed to be an agent in the transaction, the net amount obtained by deducting the amount paid to other related parties supplying electricity, water, etc., from the amount received as the charges for electricity, water, etc., is recognized as revenue.

### ***(o) Hedge Accounting***

In accordance with the Company's risk management policy and its internal rules, the Company conducts derivative transactions for the purpose of hedging risks that are prescribed in the Company's articles of incorporation. The Company hedges fluctuations in interest rates of borrowings through the use of interest rate swaps as hedging instruments, to which deferred hedge accounting is applied, where gains or losses on derivatives qualifying for hedge accounting are deferred as valuation and translation adjustments within net assets until the maturity of the hedge transaction. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments and those of the hedged items.

For the interest rate swaps which qualify for hedge accounting and meet specific criteria, the Company applies the special treatment provided under Japanese GAAP 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 measured separately. The assessment of hedge effectiveness is not performed when the interest rate swaps meet the specific criteria required for such special treatment.

### ***(p) Leases***

The Company capitalized all finance leases that do not transfer ownership of the leased assets to the lessee on its balance sheets and depreciates the leased assets using the straight-line method, assuming no residual value, over the lease term.

## **Note 3 — U.S. Dollar Amounts**

The Company maintains its accounting records in Japanese yen. The U.S. dollar amounts included in the accompanying financial statements and notes thereto represent the arithmetical result of translating Japanese yen into U.S. dollars at the rate of ¥138.63 = US\$1, the effective rate of exchange prevailing at August 31, 2022. The inclusion of such U.S. dollar amounts associated with the fiscal six months ended August 31, 2022 is solely for the convenience of readers outside of Japan. Such translations should not be construed as representations that the Japanese yen amounts represent, or have been, or could be converted into, United States dollar amounts at that or any other rate.

## Note 4 — Significant Accounting Estimates

### Impairment of Fixed Assets

(a) Amounts of items subject to the accounting estimates

	As of / For the six months ended		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
Impairment loss.....	¥ -	¥ -	\$ -
Property and equipment.....	1,151,174	1,145,299	8,261,552
Intangible assets.....	5,432	5,390	38,880

(b) Information on significant accounting estimates for identified item

In accordance with the Accounting Standard for Impairment of Fixed Assets, the Company reduces the book value of fixed assets to a recoverable amount when the carrying amount is deemed to be unrecoverable due to lowered profitability. An impairment assessment is carried out for each property as one asset group, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, such as continuous operating losses, a significant drop in the market value or significant deterioration of the business environment, etc.

If a group of assets is deemed to be impaired, the Company determines whether or not to recognize an impairment loss using future cash flow estimates. When an impairment loss should be recognized, the book value is reduced to the recoverable amount based on the real estate appraisal value by external appraisers, and an impairment loss is recognized for the difference between the carrying amount and the recoverable amount.

The Company estimates the future cash flow based on various assumptions, such as the rent, the occupancy ratio, the rental expenses, the investment period of the property, the capital expenditures and the discount rate used for the calculation of the recoverable amount, etc., which are determined by comprehensively considering the market trends and transaction cases of similar properties, etc., while referring to information from outside experts, such as assumptions used for appraisals by external appraisers.

The performance and the market value of each property may be affected by the trends in the real estate rental market and real estate transaction market. Accordingly, when changes arise to the assumptions of the estimate, they may affect the financial position and results of the operations of the Company in the following fiscal period.

## Note 5 — Collateral

Certain properties and beneficiary interests in trusts (comprising of properties and cash) with an aggregate book value of ¥175,473 million and ¥174,569 million (US\$1,259,244 thousand) were pledged as collateral to secure tenant leasehold and security deposits in trust totaling ¥15,685 million and ¥15,685 million (US\$113,142 thousand) as of February 28, 2022 and August 31, 2022, respectively. The assets pledged as collateral are as follows:

	As of		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
Cash and bank deposits in trust.....	¥ 513	¥ 513	\$ 3,700
Buildings in trust.....	48,347	47,541	342,934
Building improvements in trust.....	2,008	1,959	14,131
Machinery and equipment in trust.....	133	120	865
Furniture and fixtures in trust.....	507	472	3,404
Land in trust.....	123,961	123,961	894,185
Construction in progress in trust.....	2	1	7
Total.....	¥ 175,473	¥ 174,569	\$ 1,259,244

Certain lands and buildings included in the above table were pledged as collateral to secure a former owner's payment of retirement benefit obligations for amounts of ¥350 million and ¥350 million (US\$2,524 thousand) as of February 28, 2022 and August 31, 2022, respectively, or a co-owner's payment of tenant leasehold and security deposits for amounts of ¥133 million and ¥133 million (US\$959 thousand) as of February 28, 2022 and August 31, 2022, respectively, and revolving mortgages at a maximum ¥558 million and ¥558 million (US\$4,031 thousand) as of February 28, 2022 and August 31, 2022,



respectively.

## Note 6 — Reduction Entry for Property

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

	As of		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
Acquired by government subsidies			
Buildings in trust.....	¥ 336	¥ 336	\$ 2,423
Building improvements in trust.....	-	-	-
Furniture and fixtures in trust.....	-	-	-
Total.....	¥ 337	¥ 337	\$ 2,430
Land in trust acquired through exchange.....	¥ 450	¥ 450	\$ 3,246

## Note 7 — Credit Facilities and Commitment Lines

As of February 28, 2022 and August 31, 2022, the Company entered into credit facilities and committed lines of credit as follows:

	As of		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
<b>Credit Facilities</b>			
Total amount of credit facilities.....	¥ 55,500	¥ 55,500	\$ 400,346
Borrowings drawn down.....	-	-	-
Unused credit facilities.....	¥ 55,500	¥ 55,500	\$ 400,346
<b>Commitment Lines</b>			
Total amount of committed lines of credit.....	¥ 75,000	¥ 75,000	\$ 541,008
Borrowings drawn down.....	-	-	-
Unused committed lines of credit.....	¥ 75,000	¥ 75,000	\$ 541,008

## Note 8 — Investment Units Retired

The Company purchased its own investment units and retired all of its own investment units as following table. The acquisition cost of the Company's own investment units is deducted from the capital surplus in unitholders' equity.

	As of		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
Accumulated amount of units retired.....	¥ 11,999	¥ 11,999	\$ 86,554
	As of		
	February 28, 2022	August 31, 2022	
	(Units)		
Accumulated units retired.....	64,715	64,715	

## Note 9 — Retained Earnings for Temporary Difference Adjustment

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

**For the six months ended February 28, 2022:**

	Initial amount	Balance at beginning of the period	Provision (in millions)	Reversal	Balance at end of the period	Reason for provision or reversal
Reserve for dividends <sup>(i)</sup>	¥ 3,138	¥ 2,785	¥ -	¥ (1,657)	¥ 1,127	Appropriation for dividends

**For the six months ended August 31, 2022:**

	Initial amount	Balance at beginning of the period	Provision (in millions)	Reversal	Balance at end of the period	Reason for provision or reversal
Reserve for dividends <sup>(i)</sup>	¥ 3,138	¥ 1,127	¥ -	¥ (199)	¥ 928	Appropriation for dividends
(in thousands of U.S. dollars (Note 3))						
	\$ 22,635	\$ 8,129	\$ -	\$ (1,435)	\$ 6,694	

Note:

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

## Note 10 — Minimum Net Assets

The Company is required to maintain net assets of at least ¥50 million (US\$360 thousand) as required by the Investment Trust Act.

## Note 11 — 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, 2022 and August 31, 2022 consist of the following:

	For the six months ended		
	February 28,	August 31,	August 31,
	2022	2022	2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
<b>Rent and other operating revenues:</b>			
Rent revenue.....	¥ 33,623	¥ 33,338	\$ 240,481
Common area charges.....	1,763	2,061	14,866
Other.....	2,425	3,606	26,011
Total rent and other operating revenues.....	¥ 37,812	¥ 39,006	\$ 281,367
<b>Property-related expenses:</b>			
Property management fees.....	¥ 870	¥ 767	\$ 5,532
Facility management fees.....	2,396	2,419	17,449
Utilities.....	1,968	2,552	18,408
Property-related taxes.....	3,296	3,493	25,196
Repair and maintenance.....	572	930	6,708
Insurance.....	38	64	461
Trust fees.....	53	51	367
Rent expense <sup>(i)</sup> .....	823	807	5,821
Other.....	927	1,107	7,985
Depreciation.....	6,023	5,975	43,100
Loss on disposal of property.....	25	76	548
Total property-related expenses.....	¥ 16,995	¥ 18,245	\$ 131,609
<b>Operating income from property leasing activities.....</b>	<b>¥ 20,817</b>	<b>¥ 20,761</b>	<b>\$ 149,758</b>

Note:

(i) Rent expense represents payments to the owners of the building and/or land in which the Company has leasehold rights.

## Note 12 — Analysis of Gain on Sales of Property

Analysis of gain on sales of property for the six months ended February 28, 2022 and August 31, 2022 is as follows:

	For the six months ended		
	February 28,	August 31,	August 31,
	2022	2022	2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
Sales of property.....	¥ 24,045	¥ 6,530	\$ 47,103
Costs of sales of property.....	21,353	4,656	33,585
Other sales expenses.....	159	42	302
Gain on sales of property, net.....	¥ 2,532	¥ 1,831	\$ 13,207

For the six months ended February 28, 2022, the Company sold G-Bldg. Minami Aoyama 01, G-Bldg. Shinjuku 01, G-Bldg. Ginza 01 (30% quasi-co-ownership) and Valor Kachigawa (Land with leasehold interest) (50% quasi-co-ownership). Disposal amounts of each property are not disclosed because the consent from the counterparty has not been obtained.

For the six months ended August 31, 2022, the Company sold G-Bldg. Ginza 01 (30% quasi-co-ownership) and Summit Store Nakano Minamidai. Disposal amounts of each property are not disclosed because the consent from the counterparty has not been obtained.

### Note 13 — Analysis of Loss on Sales of Property

Analysis of loss on sales of property for the six months ended August 31, 2022 is as follows:

	For the six months ended		
	February 28,	August 31,	August 31,
	2022	2022	2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
Sales of property.....	¥ -	¥ 1,850	\$ 13,344
Costs of sales of property.....	-	2,255	16,266
Other sales expenses.....	-	15	108
Loss on sales of property, net.....	¥ -	¥ (420)	\$ (3,029)

For the six months ended August 31, 2022, the Company sold G-Bldg. Jingumae 02.

### Note 14 — Investment Units Authorized and Issued

The number of authorized investment units was 16,000,000 as of February 28, 2022 and August 31, 2022. The number of investment units issued and outstanding was 6,989,091 as of February 28, 2022 and August 31, 2022.

### Note 15 — Cash and Cash Equivalents

Cash and cash equivalents shown in the statement of cash flows consist of the following balance sheet items.

	As of		
	February 28,	August 31,	August 31,
	2022	2022	2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
Cash and bank deposits.....	¥ 38,840	¥ 41,232	\$ 297,424
Cash and bank deposits in trust.....	17,368	21,367	154,129
Restricted bank deposits in trust <sup>(i)</sup> .....	(513)	(513)	(3,700)
Cash and cash equivalents.....	¥ 55,696	¥ 62,087	\$ 447,861

Note:

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

## Note 16 — Leases

### *(a) Lease Rental Revenues*

The Company leases its properties to retail tenants. Future minimum rental revenues pursuant to existing rental contracts as of February 28, 2022 and August 31, 2022 (exclusive of the recovery of utility and other charges) scheduled to be received are summarized as follows:

	As of		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
Due within one year.....	¥ 17,637	¥ 16,441	\$ 118,596
Due after one year.....	65,351	63,773	460,023
Total.....	¥ 82,989	¥ 80,214	\$ 578,619

### *(b) Lease Commitments*

As described in Note 2 (p), Finance lease transactions that do not transfer ownership of the leased assets to the lessee, are capitalized and depreciated on a straight-line basis, assuming no residual value, over the lease term. Such capitalized leased assets are furniture and fixtures.

## Note 17 — Financial Instruments

### *(a) Qualitative information for financial instruments*

#### *(i) Policy for financial instrument transactions*

The Company 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 the Company'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 speculative purposes.

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

The funds raised through borrowings or 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.

Although borrowings with floating interest rates are subject to fluctuations in market interest rates, the Company 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 the Company's risk management policy and internal rules, the Company uses derivative instruments for the purpose of hedging risks that are prescribed in the Company's articles of incorporation. Investment securities are investments in Tokumei Kumiai (silent partnership), investment limited partnership or private placement REIT. Although these investments are subject to fluctuations in real estate prices or interest rates, the Company regularly monitors the values of the investments and financial position of the issuers, etc.

Liquidity risks relating to borrowings and investment corporation bonds 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 estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated value may differ. In addition, notional amounts relating to derivatives shown in “Note 19 — Derivatives” do not, by themselves, represent the market risk exposure associated with the derivative transactions.

(b) The fair value, etc. of 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, 2022 and August 31, 2022. Information on cash and bank deposits, those in trust and short-term borrowings, is omitted because the carrying amounts approximate their fair value due to their short maturities. Also, information on tenant leasehold and security deposits, and those in trust, are omitted as immaterial.

	As of								
	February 28, 2022			August 31, 2022			August 31, 2022		
	Carrying amounts	Fair value	Unrealized gain (loss)	Carrying amounts	Fair value	Unrealized gain (loss)	Carrying amounts	Fair value	Unrealized gain (loss)
	(in millions)						(in thousands of U.S. dollars (Note 3))		
<b>Assets:</b>									
(1) Investment securities:									
Other investment securities.....	¥ 3,680	¥ 3,680	¥ -	¥ 4,850	¥ 4,850	¥ -	\$ 34,985	\$ 34,985	\$ -
Total.....	¥ 3,680	¥ 3,680	¥ -	¥ 4,850	¥ 4,850	¥ -	\$ 34,985	\$ 34,985	\$ -
<b>Liabilities:</b>									
(1) Current portion of long-term bonds issued – unsecured.....	¥ 6,000	¥ 5,998	¥ 1	¥ 8,000	¥ 7,994	¥ 5	\$ 57,707	\$ 57,664	\$ 36
(2) Current portion of long-term borrowings.....	47,200	47,223	(23)	46,700	46,759	(59)	336,867	337,293	(425)
(3) Long-term bonds issued – unsecured.....	58,500	58,760	(260)	54,500	54,671	(171)	393,132	394,366	(1,233)
(4) Long-term borrowings.....	431,975	432,466	(491)	434,445	430,222	4,222	3,133,845	3,103,383	30,455
Total.....	¥ 543,675	¥ 544,449	¥ (774)	¥ 543,645	¥ 539,648	¥ 3,996	\$ 3,921,553	\$ 3,892,721	\$ 28,824
<b>Derivative instruments*</b> .....	¥ 53	¥ 53	¥ -	¥ 143	¥ 143	¥ -	\$ 1,031	\$ 1,031	\$ -

\* Net assets and liabilities arising from derivative transactions are presented after off-setting against each other, with amounts in parentheses representing liabilities.

Notes:

- (i) The methods and assumptions used to estimate fair value are as follows:

Assets

- (1) Investment securities

The fair value of investments in private placement REIT is based on net asset values, etc., provided by asset managers regardless of ownership ratio. For further information on the other investment securities, please refer to “Note 18 — Investment Securities”.

Liabilities

- (1) Current portion of long-term bonds issued—unsecured and (3) Long-term bonds issued—unsecured

The fair value is the quoted price provided by pricing vendors.

- (2) Current portion of long-term borrowings and (4) 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 that qualify for hedge accounting and meet special criteria, the fair value of the hedged long-term borrowings 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 that 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.

Derivative instruments

Please refer to “Note 19 — Derivatives” for disclosure of the fair value of the interest rate swaps that is based on the amount calculated by the counterparty to the swap contracts.

- (ii) Equity interests in silent partnership and investment limited partnership

For equity interests in silent partnership and investment limited partnership, notes relating to the matters stipulated in Paragraph 4, item 1 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (Accounting Standards Board of Japan Guidance No.19 revised on March 31, 2020) are omitted as the Investment Corporation applies the treatment stipulated in Paragraph 27 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan Guidance No.31 issued on July 4, 2019).

The net book values of equity interests in Tokumei Kumiai (silent partnership) and investment limited partnership are ¥9,434 million and ¥9,435 million (US\$68,059 thousand) as of February 28, 2022 and August 31, 2022, respectively.

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

<i>As of February 28, 2022:</i>	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(in millions)					
Long-term borrowings.....	¥ 47,200	¥ 41,300	¥ 52,150	¥ 57,675	¥ 43,850	¥ 237,000
Long-term bonds issued.....	6,000	15,500	14,000	-	14,500	14,500
Total.....	¥ 53,200	¥ 56,800	¥ 66,150	¥ 57,675	¥ 58,350	¥ 251,500
<i>As of August 31, 2022:</i>	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(in millions)					
Long-term borrowings.....	¥ 46,700	¥ 48,200	¥ 53,325	¥ 48,550	¥ 46,850	¥ 237,520
Long-term bonds issued.....	8,000	14,500	7,000	9,500	13,000	10,500
Total.....	¥ 54,700	¥ 62,700	¥ 60,325	¥ 58,050	¥ 59,850	¥ 248,020
<i>As of August 31, 2022:</i>	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
	(in thousands of U.S. dollars (Note 3))					
Long-term borrowings.....	\$ 336,867	\$ 347,688	\$ 384,657	\$ 350,212	\$ 337,949	\$ 1,713,337
Long-term bonds issued.....	57,707	104,594	50,494	68,527	93,774	75,741
Total.....	\$ 394,575	\$ 452,283	\$ 435,151	\$ 418,740	\$ 431,724	\$ 1,789,078

## Note 18 — Investment Securities

### *As of February 28, 2022*

Other investment securities:

	Classification of securities	Carrying amounts	Acquisition cost	Difference
		(in millions)		
Securities of which the amount reported on the balance sheet exceed the acquisition cost.....	Other	¥ 3,680	¥ 3,575	¥ 105
Securities of which the amount reported on the balance sheet do not exceed the acquisition cost.....	—	-	-	-
Total.....		¥ 3,680	¥ 3,575	¥ 105

Note:

- (i) Investment interests in silent partnership amounting to ¥8,651 million and investment limited partnership amounting to ¥782 million are not included in the above information, because those are not traded in markets.

### *As of August 31, 2022*

Other investment securities:

	Classification of securities	Carrying amounts	Acquisition cost	Difference
		(in millions)		
Securities of which the amount reported on the balance sheet exceed the acquisition cost.....	Other	¥ 3,747	¥ 3,575	¥ 172
Securities of which the amount reported on the balance sheet do not exceed the acquisition cost.....	Other	1,102	1,102	-
Total.....		¥ 4,850	¥ 4,677	¥ 172

	Classification of securities	Carrying amounts	Acquisition cost	Difference
		(in thousands of U.S. dollars (Note 3))		
Securities of which the amount reported on the balance sheet exceed the acquisition cost.....	Other	\$ 27,028	\$ 25,788	\$ 1,240
Securities of which the amount reported on the balance sheet do not exceed the acquisition cost.....	Other	7,949	7,949	-
Total.....		\$ 34,985	\$ 33,737	\$ 1,240

Note:

- (i) Investment interests in silent partnership amounting to ¥8,651 million (US\$62,410 thousand) and investment limited partnership amounting to ¥783 million (US\$5,648 thousand) are not included in the above information, because those are not traded in markets.



## Note 19 — Derivatives

Information on derivative transactions undertaken by the Company as of February 28, 2022 and August 31, 2022 is as follows. Derivative transactions are carried out for hedging purposes only and are subject to hedge accounting.

### As of February 28, 2022:

Method of hedge accounting	Type of derivatives	Hedged item	Notional amounts		Fair value <sup>(i)</sup>
			Total	Over 1 year (in millions)	
Deferred hedge accounting	Interest rate swap (Floating-rate to fixed-rate interest)	Long-term borrowings	¥ 28,500	¥ 17,300	¥ 53
Special treatment for hedge accounting of interest rate swaps <sup>(i)</sup>	Interest rate swap (Floating-rate to fixed-rate interest)	Long-term borrowings	73,500	54,000	Note (i)
Total.....			¥ 102,000	¥ 71,300	¥ 53 <sup>(i)</sup>

### As of August 31, 2022:

Method of hedge accounting	Type of derivatives	Hedged item	Notional amounts		Fair value <sup>(i)</sup>	Notional amounts		
			Total	Over 1 year (in millions)		Total	Over 1 year	Fair value <sup>(i)</sup> (in thousands of U.S. dollars (Note 3))
Deferred hedge accounting	Interest rate swap (Floating-rate to fixed-rate interest)	Long-term borrowings	¥ 17,300	¥ 15,800	¥ 143	\$ 124,792	\$ 113,972	\$ 1,031
Special treatment for hedge accounting of interest rate swaps <sup>(i)</sup>	Interest rate swap (Floating-rate to fixed-rate interest)	Long-term borrowings	66,500	44,500	Note (i)	479,694	320,998	Note (i)
Total.....			¥ 83,800	¥ 60,300	¥ 143 <sup>(i)</sup>	\$ 604,486	\$ 434,970	\$ 1,031 <sup>(i)</sup>

Notes:

- (i) The interest rate swaps for which the Company applies the special treatment provided under the Accounting Standard Board of Japan Statement No.10, "Accounting Standard for Financial Instruments" revised on March 10, 2008, are not required to be separately recorded in the Company's balance sheets. The fair value of those interest rate swaps is included in the fair value of the hedged long-term borrowings. Please refer to "Note 17 — Financial Instruments", (b) The fair value, etc. of financial instruments, Note (i), Liabilities, (2) and (4).
- (ii) The fair value is evaluated at the amount calculated by the counterparty of the interest rate swaps contracts.

## Note 20 — Employee Retirement Benefits

Not applicable.

## Note 21 — Income Taxes

The Company is subject to corporate income taxes in Japan. The Company may deduct from its taxable income the amounts distributed to its unitholders, provided the requirements are met under the Special Taxation Measures Act of Japan. Under this act, the Company must meet a number of tax requirements, including a requirement to distribute in excess of 90% of the distributable profit for the fiscal period in order to be able to deduct such amounts. If the Company does not satisfy all of the requirements, the entire taxable income of the Company will be subject to regular corporate income taxes in Japan.

The Company has a policy of making distributions in excess of 90% of its distributable profit for the fiscal period to satisfy the above requirements set forth in the Special Taxation Measures Act of Japan to achieve a deduction of distributions for income tax purposes. The Company has distributed approximately 100% of distributable profit. Hence, the Company has treated the distributions as a tax allowable deduction as defined in the Special Taxation Measures Act of Japan.

Deferred tax assets or liabilities are recognized where assets or liabilities have different accounting and tax bases. The tax rate used for the calculation of deferred tax is the rate applicable to the period in which the temporary differences are expected to be reversed. Since we would generally not expect to incur income tax payable in the future, in principle we provide for a valuation allowance in full for future deductible temporary differences that would give rise to deferred tax assets. Deferred tax liabilities are recognized except for cases where it is highly likely that the Company will not be subject to income tax in the future.

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

	For the six months ended	
	February 28, 2022	August 31, 2022
	(Rate)	
Statutory tax rate.....	31.46%	31.46%
Deductible cash distributions.....	(29.66)	(31.64)
Change in valuation allowance (for deferred tax assets).....	(0.41)	(0.65)
Amortization of goodwill.....	0.75	0.80
Provision of reserve for reduction entry of property.....	(2.16)	-
Other.....	0.03	0.03
Effective tax rate.....	0.00%	0.00%

Deferred tax assets and liabilities consist of the following:

	As of		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
<b>Deferred tax assets:</b>			
Asset retirement obligations..... ¥	247	¥ 263	\$ 1,897
Amortization of leasehold rights.....	175	184	1,327
Depreciation.....	19	19	137
Valuation differences on assets acquired through the merger.....	10,754	10,664	76,924
Deferred losses on hedges.....	4	-	-
Other.....	62	38	274
Sub total.....	11,263	11,171	80,581
Total valuation allowance.....	(11,263)	(11,171)	(80,581)
Total deferred tax assets.....	-	-	-
<b>Net deferred tax assets.....</b>	<b>¥ -</b>	<b>¥ -</b>	<b>\$ -</b>

## Note 22 — Share of Profit of Investments Accounted for Using the Equity Method

Not applicable.

## Note 23 — Related-Party Transactions

For the six months ended February 28, 2022 and August 31, 2022, there were no applicable transactions with related parties as defined under the Financial Instruments and Exchanges Act.

Transactions with related parties as defined under the Investment Trust Act<sup>(i)</sup> are as below. Consumption taxes are excluded from the amounts of transactions, but included in the amounts of balances.

### ***(a) Real Estate Acquisition***

There was no acquisition of property from related parties for the six months ended February 28, 2022 and August 31, 2022.

### ***(b) Fees Paid to the Asset Manager***

Fees paid to the asset manager, KJR Management, are comprised as follows:

- i. Asset management fees I, calculated at 0.45% of the Company's total assets
- ii. Asset management fees II, calculated at 5.65% of cash distribution declared for last fiscal period
- iii. Acquisition fees, calculated at 0.8% of the purchase price of the property acquired
- iv. Disposition fees, calculated at 0.6% of the disposition amount of the property disposed
- v. Merger fees, calculated at maximum 0.2% of the total specified assets succeeded by merger

For the six months ended February 28, 2022 and August 31, 2022, the asset management fees totaled ¥3,690 million and ¥3,735 million (US\$26,942 thousand), respectively. The fees for the six months ended February 28, 2022 included ¥472 million of acquisition fees and ¥144 million of disposition fees. The fees for the six months ended August 31, 2022 included ¥25 million (US\$180 thousand) of acquisition fees and ¥39 million (US\$281 thousand) of disposition fees.

Acquisition fees are capitalized as part of the acquisition cost of the properties.

### ***(c) Transactions with the Custodian and General Administrator***

Fees paid to the custodian and general administrator, Mitsubishi UFJ Trust and Banking Corporation, were ¥149 million and ¥154 million (US\$1,110 thousand) for general administration fees, and ¥30 million and ¥26 million (US\$187 thousand) for custodian fees for the six months ended February 28, 2022 and August 31, 2022, respectively. These fees have been decided based on standard terms commensurate with arm's length transactions.

The ending balances of accrued general administration fees and accounts payable for custodian fees as of August 31, 2022 were ¥66 million (US\$476 thousand) and ¥4 million (US\$28 thousand), respectively.

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Note:

- (i) Under the Investment Trust Act, the definition of a "related party" includes the asset management company and its interested parties (parent and subsidiary corporations, specified individual shareholders, and major shareholders of the asset management company defined as interested parties under Article 201 of the Investment Trust Act and Article 123 of the Order for Enforcement of the Investment Trust Act), as well as the asset custody company, in addition to controlling unitholders, major unitholders, subsidiary corporations, subsidiary companies of controlling unitholders, and officers and their close relatives.

## Note 24 — Asset Retirement Obligations

The Company 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 the Company, 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, Twin 21 and JMF-Bldg. Sendai 01.

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, 30 years and 17 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%, 0.691% and 0.640%, respectively.

Movements of asset retirement obligations for the six months ended February 28, 2022 and August 31, 2022 are as follows:

	For the six months ended		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
Balance at the beginning of the period.....	¥ 783	¥ 787	\$ 5,676
Increase due to acquisition of properties.....	-	45	324
Adjustment for passage of time.....	3	4	28
Balance at the end of the period.....	¥ 787	¥ 837	\$ 6,037

For the six months ended August 31, 2022, the Company has changed estimates with respect to asset retirement obligations to remove the building of JMF-Bldg. Sendai 01, as additional information on the removal cost became available. The effect of this change on the operating results for the period is immaterial.

## Note 25 — Fair Value of Investment and Rental Property

The Company has mainly retail properties, office buildings, residences, hotels and mixed-use properties 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, 2022 and August 31, 2022.

	As of / For the six months ended		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
<b>Net book value<sup>(i)</sup></b>			
Balance at the beginning of the period.....	¥ 1,119,816	¥ 1,156,289	\$ 8,340,828
Net increase(decrease) during the period <sup>(ii)</sup> .....	36,473	(5,922)	(42,718)
Balance at the end of the period.....	¥ 1,156,289	¥ 1,150,367	\$ 8,298,110
<b>Fair value<sup>(iii)</sup></b> .....	¥ 1,308,995	¥ 1,308,670	\$ 9,440,020

Notes:

- (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):

<b>For the six months ended February 28, 2022:</b>		<b>Increase (decrease) in net book value (in millions)</b>	
Acquisitions:			
JMF-Bldg. Akasaka 02 .....	¥		44,063
JMF-Bldg. Hiroo 01 .....			10,102
JMF-Bldg. Funabashi 01 .....			5,173
JMF-Residence Chihaya (50% quasi-co-ownership).....			1,717
Capital expenditure:			
Total of capital expenditures for the period.....	¥		2,778
Dispositions:			
G-Bldg. Minami Aoyama 01 .....			(9,999)
G-Bldg. Shinjuku 01 .....			(6,488)
Valor Kachigawa (Land with leasehold interest) (50% quasi-co-ownership).....			(3,205)
G-Bldg. Ginza 01 (30% quasi-co-ownership).....			(1,659)
<b>For the six months ended August 31, 2022:</b>		<b>Increase (decrease) in net book value</b>	
		(in millions)	(in thousands of U.S. dollars (Note 3))
Acquisitions:			
JMF-Residence Gakugeidaigaku .....	¥	1,578	\$ 11,382
JMF-Residence Chihaya (50% quasi-co-ownership).....		1,715	12,371
Capital expenditure:			
Total of capital expenditures for the period.....		3,021	21,791
Dispositions:			
G-Bldg. Ginza 01 (30% quasi-co-ownership).....		(1,658)	(11,959)
Summit Store Nakano Minamidai .....		(2,997)	(21,618)
G-Bldg. Jingumae 02 .....		(2,255)	(16,266)

- (iii) Fair value has been determined based on appraisals or researched value by independent appraisers. For G-Bldg. Ginza 01 (40% quasi-co-ownership) signed disposition contract on November 30, 2021, AEON MALL Sapporo Naebo signed disposition contract on July 29, 2022, Round1 Stadium Takatsuki signed disposition contract on October 19, 2022 and LIFE Kishibe (Land with leasehold interest) signed disposition contract on October 21, 2022, the selling prices are used.

For rent revenues and expenses for the six months ended February 28, 2022 and August 31, 2022, please refer to “Note 11 — Analysis of Rent and Other Operating Revenues and Property-Related Expenses”.

## Note 26 — Revenue Recognition

Information on the breakdown of revenue from contracts with customers for the six months ended February 28, 2022 and August 31, 2022 is as follows:

	Revenue from contracts with customers <sup>(i)</sup>			Sales to external customers <sup>(ii)</sup>		
	For the six months ended			For the six months ended		
	February 28, 2022	August 31, 2022	August 31, 2022	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))	(in millions)		(in thousands of U.S. dollars (Note 3))
Sales of property.....	¥ Note <sup>(iii)</sup>	¥ 8,380	\$ 60,448	¥ 2,532	¥ 1,831	\$ 13,207
Common area charges.....	1,763	2,061	14,866	1,763	2,061	14,866
Others.....	-	-	-	36,302	37,219	268,477
Total.....	¥ Note <sup>(iii)</sup>	¥ 10,441	\$ 75,315	¥ 40,598	¥ 41,112	\$ 296,559

Notes:

- (i) Lease rental revenues subject to the “Accounting Standard for Lease Transactions” (Accounting Standards Board of Japan Statement No.13) and sale of property subject to the “Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies” (Accounting Practice Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) are excluded from “Revenue from contracts with customers” as such revenues are not subject to Accounting Standard for Revenue Recognition. Revenue from contracts with customers mainly represents revenues from sales of property and common area charges.
- (ii) Sales of property are recorded as gain (loss) on sales of property in the statements of income and retained earnings pursuant to Article 48, Paragraph 2 of the Regulations on Accounting of Investment Corporations (Cabinet Office Order No. 47 of 2006). Accordingly, the sales to external customers shows the amount obtained by deducting the cost of sales of property and other sales expenses from sales of property. Since the gain on sales of property is recorded in operating revenues and the loss on sales of property is recorded in operating expenses, only the amount of gain on sales of property is stated in the above table.
- (iii) With respect to sales of property, revenue from contracts with customers for the six months ended February 28, 2022 is not disclosed because the consent from the counterparty has not been obtained.

Information to understand amounts of revenues for the current fiscal period and future fiscal periods is as follows:

### (1) Balance of contract assets and contract liabilities, etc.

	For the six months ended		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
Receivables generated from contracts with customers (balance at beginning of fiscal period)...	¥ 420	¥ 345	\$ 2,488
Receivables generated from contracts with customers (balance at end of fiscal period).....	345	494	3,563
Contract assets (balance at beginning of fiscal period).....	-	-	-
Contract assets (balance at end of fiscal period).....	-	-	-
Contract liabilities (balance at beginning of fiscal period).....	-	-	-
Contract liabilities (balance at end of fiscal period).....	-	-	-

### (2) Transaction value allocated to remaining performance obligations

#### Sale of property:

For the six months ended February 28, 2022, selling prices of each property sold are not disclosed because the consent from the counterparty has not been obtained. On November 30, 2021, the Company signed a disposition contract for properties (G-Bldg. Ginza 01, G-Bldg. Shinjuku 01 and Summit Store Nakano Minamidai) for ¥20,820 million in total. G-Bldg. Ginza 01 (30% quasi-co-ownership of which) and G-Bldg. Shinjuku 01 were transferred to the purchaser by the end of the fiscal period.

For the six months ended August 31, 2022, transaction values allocated to remaining performance obligations as of August 31, 2022 were ¥3,600 million (US\$25,968 thousand) and ¥9,300 million (US\$67,085 thousand) for properties on disposition contracts signed on November 30, 2021 and July 29, 2022, respectively. Revenue from the remaining performance obligations will be recognized when the delivery of each property was completed on September 1, 2022 for ¥3,600 million (US\$25,968 thousand) or is scheduled to be completed on August 30, 2024 for ¥1,860 million (US\$13,417 thousand), February 28, 2025 for ¥1,860 million (US\$13,417 thousand), August 29, 2025 for ¥1,860 million (US\$13,417 thousand) and February 27, 2026 for ¥3,720 million (US\$26,834 thousand).

#### Common area charges:

As the Company has the right to receive from customers an amount directly corresponding to the value for the lessees, who are customers, of sections for which performance is complete by the end of the fiscal period, the amount it has the right to claim is recognized as revenue in accordance with Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition. Accordingly, such amounts are not included in the note on transaction value allocated to

remaining performance obligations through application of the provisions of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition.

## Note 27 — Per Unit Information

The following table shows the net asset value per unit as of February 28, 2022 and August 31, 2022 and net income per unit for the six months then ended.

Net income per unit is calculated by dividing the net income attributable to unitholders by the weighted average number of investment units outstanding during the six month period. The Company has no dilutive potential investment units.

	As of / For the six months ended		
	February 28, 2022	August 31, 2022	August 31, 2022
	(Yen)		(US\$ (Note 3))
Net asset value per unit.....	¥ 89,404	¥ 89,393	\$ 644
Net income per unit.....	¥ 2,421	¥ 2,249	\$ 16

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

	As of / For the six months ended		
	February 28, 2022	August 31, 2022	August 31, 2022
	(in millions)		(in thousands of U.S. dollars (Note 3))
Net income.....	¥ 16,924	15,722	\$ 113,409
Amounts not attributable to common unitholders.....	-	-	-
Net income attributable to common unitholders.....	¥ 16,924	15,722	\$ 113,409
Weighted average number of investment units.....	6,989,091	6,989,091	

## Note 28 — Segment Information

Segment information for the six months ended February 28, 2022 and August 31, 2022 is as follows:

### (a) Operating Segment Information

Disclosure is omitted as the Company 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 are 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.

#### (iii) Information about Major Customers

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

## Note 29 — Subsequent Events

### *Disposition of properties*

The Company disposed of the following property on September 1, 2022.

Property name:	G-Bldg. Ginza 01 (40% of quasi-co-ownership in trust beneficiary interest)
Disposition amount:	¥3,600 million (US\$25,968 thousand)
Completion date of contract:	November 30, 2021
Disposition date:	September 1, 2022
Purchaser:	Hulic Co., Ltd.

#### Notes:

Gains on sales of property of approximately ¥1,345 million (US\$9,702 thousand) will be recognized in profit as operating revenues for the six months ending February 28, 2023.

The Company entered into sale agreements for the following properties on October 19, 2022 and October 21, 2022.

Property name:	Round1 Stadium Takatsuki (Trust beneficial interest) <sup>(i)</sup>
Disposition amount (Scheduled):	¥3,320 million (US\$23,948 thousand)
Completion date of contract:	October 19, 2022
Disposition date (Scheduled):	April 4, 2023
Purchaser:	Not disclosed <sup>(iii)</sup>

Property name:	LIFE Kishibe (Land with leasehold interest) (Real property) <sup>(ii)</sup>
Disposition amount (Scheduled):	¥2,600 million (US\$18,754 thousand)
Completion date of contract:	October 21, 2022
Disposition date (Scheduled):	March 1, 2023
Purchaser:	Not disclosed <sup>(iii)</sup>

#### Notes:

- (i) Gains on sales of property of approximately ¥1,364 million (US\$9,839 thousand) will be recognized in profit as operating revenues for the six months ending August 31, 2023.
- (ii) Gains on sales of property of approximately ¥637 million (US\$4,594 thousand) will be recognized in profit as operating revenues for the six months ending August 31, 2023.
- (iii) Name of the purchaser is not disclosed because the consent from the purchaser has not been obtained.



**(Additional information)**

***Disposition of properties***

The Company entered into a sale agreement for the following property on July 29, 2022.

Property name:	AEON MALL Sapporo Naebo (Trust beneficial interest)
Disposition amount:	¥9,300 million (US\$67,085 thousand)
Completion date of contract:	July 29, 2022
Disposition date (Scheduled):	August 30, 2024 for 20% of quasi-co-ownership in trust beneficiary interest February 28, 2025 for 20% of quasi-co-ownership in trust beneficiary interest August 29, 2025 for 20% of quasi-co-ownership in trust beneficiary interest February 27, 2026 for 40% of quasi-co-ownership in trust beneficiary interest
Purchaser:	Aeon Hokkaido Corporation

**Notes:**

Gains on sales of property of approximately ¥3,287 million (US\$23,710 thousand) in total will be recognized in profit as operating revenues for the six months ending August 31, 2024, February 28, 2025, August 31, 2025 and February 28, 2026. The amount of the gains on sales of property is a reference figure as the difference calculated at this time by subtracting book value and disposition-related expenses from the scheduled disposition amount, and may differ from the actual gains.

**JAPAN METROPOLITAN FUND INVESTMENT CORPORATION**  
**SUPPLEMENTARY SCHEDULES**  
**As of and for the six months ended February 28, 2022 and August 31, 2022**

**1. Investment Securities**

The details of investment securities as of August 31, 2022 are as follows:

Classification of assets	Description of securities	Face Value	Carrying amounts	Accrued interest	Prepaid accrued interest	Fair value	Unrealized gains (or losses)
(in millions of yen)							
Investment in Tokumei Kumiai agreement	Equity interest of Tokumei Kumiai agreement managed by R40 Godo Kaisha <sup>(i)</sup> (ii)	¥ -	¥ 8,651	¥ -	¥ -	¥ 8,651	¥ -
Investment securities	Investment units of Investment units of Nisshin Private Residential Reit, Inc. <sup>(iii)</sup>	-	3,747	-	-	3,747	-
Equity interest of investment limited partnership	Equity interest of DREAM Mezzanine Debt Separate3 Investment Limited Partnership <sup>(i) (iv)</sup>	-	783	-	-	783	-
Investment securities	Investment units of Hoosiers Private REIT Investment Corporation <sup>(v)</sup>	-	1,102	-	-	1,102	-
Total.....		¥ -	¥ 14,285	¥ -	¥ -	¥ 14,285	¥ -

Classification of assets	Description of securities	Face Value	Carrying amounts	Accrued interest	Prepaid accrued interest	Fair value	Unrealized gains (or losses)
(in thousands of U.S. dollars (Note 3))							
Investment in Tokumei Kumiai agreement	Equity interest of Tokumei Kumiai agreement managed by R40 Godo Kaisha <sup>(i)</sup> (ii)	\$ -	\$ 62,403	\$ -	\$ -	\$ 62,403	\$ -
Investment securities	Investment units of Investment units of Nisshin Private Residential Reit, Inc. <sup>(iii)</sup>	-	27,028	-	-	27,028	-
Equity interest of investment limited partnership	Equity interest of DREAM Mezzanine Debt Separate3 Investment Limited Partnership <sup>(i) (iv)</sup>	-	5,648	-	-	5,648	-
Investment securities	Investment units of Hoosiers Private REIT Investment Corporation <sup>(v)</sup>	-	7,949	-	-	7,949	-
Total.....		\$ -	\$ 103,044	\$ -	\$ -	\$ 103,044	\$ -

Notes:

(i) The fair values of these interests represent carrying amounts.

(ii) The investment asset is a trust beneficiary interest for the 33.9% co-ownership interest (and 29.5% right of site) of the sectional ownership of Nagoya Lucent Tower.

(iii) The underlying assets are mainly trust beneficiary interests of N-stage Akabaneshimo and N-stage Nishikawaguchi, etc. The fair value is based on net asset values, etc., provided by asset managers regardless of ownership ratio.

(iv) The investment assets is a mezzanine loan backed by trust beneficiary interest in a residential property located in Tokyo as entrusted properties.

(v) The underlying assets are mainly trust beneficiary interests of DUO FLATS Akasaka and U-LIFE Maison Minaminokaze, etc. The fair value is based on net asset values, etc., provided by asset managers regardless of ownership ratio.

## 2. Derivatives

Information on derivative transactions undertaken by the Company as of August 31, 2022 is as follows. Derivative transactions are carried out for hedging purposes only and are subject to hedge accounting.

Category	Type of derivatives	Notional amounts <sup>(i)</sup>			Fair value <sup>(ii)</sup>	Notional amounts <sup>(i)</sup>			Fair value <sup>(ii)</sup>				
		Total		Over 1 year		Total		Over 1 year					
				(in millions)				(in thousands of U.S. dollars (Note 3))					
Transactions other than market transactions	Interest rate swap (Floating-rate to fixed-rate interest)	¥	83,800	¥	60,300	¥	(247)	\$	604,486	\$	434,970	\$	(1,781)
Total.....		¥	83,800	¥	60,300	¥	(247)	\$	604,486	\$	434,970	\$	(1,781)

Notes:

(i) The contract amount of interest rate swap transactions is based on the notional principals.

(ii) The fair value is based on the estimation made by the interest rate swap counterparty using the prevailing interest rate.

(iii) Special accounting treatment is applied to the interest-rate swaps in accordance with the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan(ASBJ) on July 4, 2019; ASBJ Statement No.10) and therefore interest rate swaps are not stated at fair value in the balance sheet.

### 3. Schedule of Property and Equipment

(i) Schedule of Property and Equipment as of February 28, 2022 consisted of the following:

	At cost			Accumulated depreciation	Depreciation for the period	Net property and equipment
	Beginning balance	Increase	Decrease	Ending balance		
	(in millions)					
Buildings.....	¥ 2,474	¥ -	¥ 9	¥ 2,465	¥ 825	¥ 1,639
Building improvements.....	66	-	-	66	32	34
Furniture and fixtures.....	21	-	-	21	16	5
Land.....	28,459	-	-	28,459	-	28,459
Construction in progress.....	41	-	38	2	-	2
Buildings in trust.....	333,918	9,223	1,353	341,788	114,653	227,135
Building improvements in trust.....	12,218	60	64	12,214	4,880	7,334
Machinery and equipment in trust.....	2,149	51	-	2,200	1,449	751
Furniture and fixtures in trust.....	4,975	185	18	5,142	3,310	1,831
Land in trust.....	849,981	54,308	20,463	883,826	-	883,826
Construction in progress in trust.....	118	46	10	154	-	154
Total.....	¥ 1,234,424	¥ 63,875	¥ 21,958	¥ 1,276,341	¥ 125,167	¥ 1,151,174

(ii) Schedule of Property and Equipment as of August 31, 2022 consisted of the following:

	At cost			Accumulated depreciation	Depreciation for the period	Net property and equipment
	Beginning balance	Increase	Decrease	Ending balance		
	(in millions)					
Buildings.....	¥ 2,465	¥ 17	¥ -	¥ 2,482	¥ 864	¥ 1,617
Building improvements.....	66	-	-	66	33	33
Furniture and fixtures.....	21	-	-	21	16	4
Land.....	28,459	-	-	28,459	-	28,459
Construction in progress.....	2	23	2	23	-	23
Buildings in trust.....	341,788	3,898	977	344,708	119,854	224,854
Building improvements in trust.....	12,214	35	8	12,241	5,053	7,188
Machinery and equipment in trust.....	2,200	37	79	2,158	1,428	730
Furniture and fixtures in trust.....	5,142	71	31	5,181	3,451	1,730
Land in trust.....	883,826	2,290	6,288	879,828	-	879,828
Construction in progress in trust.....	154	726	51	829	-	829
Total.....	¥ 1,276,341	¥ 7,099	¥ 7,439	¥ 1,276,001	¥ 130,702	¥ 1,145,299

	At cost			Accumulated depreciation	Depreciation for the period	Net property and equipment
	Beginning balance	Increase	Decrease	Ending balance		
	(in thousands of U.S. dollars (Note 3))					
Buildings.....	\$ 17,781	\$ 122	\$ -	\$ 17,903	\$ 6,232	\$ 11,664
Building improvements.....	476	-	-	476	238	238
Furniture and fixtures.....	151	-	-	151	115	28
Land.....	205,287	-	-	205,287	-	205,287
Construction in progress.....	14	165	14	165	-	165
Buildings in trust.....	2,465,469	28,118	7,047	2,486,532	864,560	1,621,972
Building improvements in trust.....	88,105	252	57	88,299	36,449	51,850
Machinery and equipment in trust.....	15,869	266	569	15,566	10,300	5,265
Furniture and fixtures in trust.....	37,091	512	223	37,372	24,893	12,479
Land in trust.....	6,375,431	16,518	45,358	6,346,591	-	6,346,591
Construction in progress in trust.....	1,110	5,236	367	5,979	-	5,979
Total.....	\$ 9,206,816	\$ 51,208	\$ 53,660	\$ 9,204,364	\$ 942,811	\$ 8,261,552

#### 4. Schedule of Intangible Assets

(i) Schedule of Intangible Assets as of February 28, 2022 consisted of the following:

	At cost			Accumulated amortization	Amortization for the period	Net intangible assets
	Beginning balance	Increase	Decrease			
	(in millions)					
Goodwill.....	¥ 16,049	¥ -	¥ -	¥ 16,049	¥ 802	¥ 15,246
Leasehold rights.....	5,384	-	-	5,384	350	5,033
Other intangible assets.....	258	123	-	381	67	314
Other intangible assets in trust.....	440	7	-	447	363	84
Total.....	¥ 22,132	¥ 130	¥ -	¥ 22,262	¥ 1,583	¥ 20,679

(ii) Schedule of Intangible Assets as of August 31, 2022 consisted of the following:

	At cost			Accumulated amortization	Amortization for the period	Net intangible assets
	Beginning balance	Increase	Decrease			
	(in millions)					
Goodwill.....	¥ 16,049	¥ -	¥ -	¥ 16,049	¥ 1,203	¥ 14,845
Leasehold rights.....	5,384	-	-	5,384	370	5,013
Other intangible assets.....	381	23	-	405	106	298
Other intangible assets in trust.....	447	11	-	459	381	77
Total.....	¥ 22,262	¥ 35	¥ -	¥ 22,298	¥ 2,062	¥ 20,235

	At cost			Accumulated amortization	Amortization for the period	Net intangible assets
	Beginning balance	Increase	Decrease			
	(in thousands of U.S. dollars (Note 3))					
Goodwill.....	\$ 115,768	\$ -	\$ -	\$ 115,768	\$ 8,677	\$ 107,083
Leasehold rights.....	38,837	-	-	38,837	2,668	36,161
Other intangible assets.....	2,748	165	-	2,921	764	2,149
Other intangible assets in trust.....	3,224	79	-	3,310	2,748	555
Total.....	\$ 160,585	\$ 252	\$ -	\$ 160,845	\$ 14,874	\$ 145,964

#### 5. Schedule of Other Specified Assets

Not applicable.

## 6. Investment corporation bonds

	Classification	Issuance date	Beginning balance	Decrease	Ending balance	Interest rate		Repayment method	Use	Remarks
	Name of bonds		(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)				
Unsecured investment corporation bonds	Japan Retail Fund Investment Corporation 7th series unsecured investment corporation bonds	December 18, 2013	7,500	-	7,500	1.108	December 18, 2023	Lump sum (Note 2)	(Note 3)	Unsecured and unguaranteed
	Japan Retail Fund Investment Corporation 8th series unsecured investment corporation bonds	June 26, 2014	8,000	-	8,000	1.260	June 26, 2026	Lump sum (Note 2)	(Note 3)	Unsecured and unguaranteed
	Japan Retail Fund Investment Corporation 9th series unsecured investment corporation bonds	February 5, 2015	7,000	-	7,000	0.765	February 5, 2025	Lump sum (Note 2)	(Note 4)	Unsecured and unguaranteed
	MUCBS MidCity Investment Corporation 2nd series unsecured investment corporation bonds	May 23, 2016	1,500	-	1,500	0.810	May 22, 2026	Lump sum (Note 2)	(Note 3)	Unsecured and unguaranteed
	Japan Retail Fund Investment Corporation 10th series unsecured investment corporation bonds	May 19, 2017	5,000	5,000	-	0.220	May 19, 2022	Lump sum (Note 2)	(Note 4)	Unsecured and unguaranteed
	Japan Retail Fund Investment Corporation 11th series unsecured investment corporation bonds	May 19, 2017	2,000	-	2,000	0.480	May 19, 2027	Lump sum (Note 2)	(Note 4)	Unsecured and unguaranteed
	MUCBS MidCity Investment Corporation 3rd series unsecured investment corporation bonds	May 29, 2017	1,000	1,000	-	0.260	May 27, 2022	Lump sum (Note 2)	(Note 3)	Unsecured and unguaranteed
	MUCBS MidCity Investment Corporation 4th series unsecured investment corporation bonds	May 29, 2017	2,000	-	2,000	0.670	May 28, 2027	Lump sum (Note 2)	(Note 3)	Unsecured and unguaranteed
	MUCBS MidCity Investment Corporation 5th series unsecured investment corporation bonds	May 29, 2018	2,000	-	2,000	0.590	May 29, 2028	Lump sum (Note 2)	(Note 3)	Unsecured and unguaranteed
	Sub-total		36,000	6,000	30,000					
Green Bonds	Japan Retail Fund Investment Corporation 12th series unsecured investment corporation bonds (1st JRF Green Bonds) (Note 1)	May 25, 2018	8,000	-	8,000	0.210	May 25, 2023	Lump sum (Note 2)	(Note 5)	Unsecured and unguaranteed
	Japan Retail Fund Investment Corporation 13th series unsecured investment corporation bonds (2nd JRF Green Bonds)	June 25, 2019	7,000	-	7,000	0.200	June 25, 2024	Lump sum (Note 2)	(Note 5)	Unsecured and unguaranteed
	Japan Metropolitan Fund Investment Corporation 1st series unsecured investment corporation bonds (1st JMF Green Bonds)	June 25, 2021	8,500	-	8,500	0.450	June 25, 2031	Lump sum (Note 2)	(Note 5)	Unsecured and unguaranteed
	Japan Metropolitan Fund Investment Corporation 2nd series unsecured investment corporation bonds (2nd JMF Green Bonds)	December 7, 2021	5,000	-	5,000	0.140	December 7, 2026	Lump sum (Note 2)	(Note 6)	Unsecured and unguaranteed
	Japan Metropolitan Fund Investment Corporation 3rd series unsecured investment corporation bonds (3rd JMF Green Bonds)	June 30, 2022	-	-	4,000	0.340	June 30, 2027	Lump sum (Note 2)	(Note 5)	Unsecured and unguaranteed
	Sub-total		28,500	-	32,500					
Total			64,500	6,000	62,500					

Note 1 The balances as of August 31, 2022 are included in current portion of long-term bonds issued – unsecured in the balance sheets.

Note 2 The Company may repurchase bonds at any time on or after the next day of issuance except for the case that transferring term is otherwise limited.

Note 3 The funds were appropriated to repayment of borrowings or working capital.

Note 4 The funds were appropriated to redemption of investment corporation bonds.

Note 5 The funds were appropriated to repayment of borrowings. Repayments are made to satisfy criteria for the debts of the Eligible Green Projects defined in the Green Bond Framework.

Note 6 The funds were appropriated to cash on hand reduced by the acquisition of a property adopting the Eligible Green Projects.

The following is the maturity schedule for each year within five years after the balance sheet date.

As of August 31, 2022	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years
Japan Retail Fund Investment Corporation 7th series unsecured investment corporation bonds	-	7,500	-	-	-
Japan Retail Fund Investment Corporation 8th series unsecured investment corporation bonds	-	-	-	8,000	-
Japan Retail Fund Investment Corporation 9th series unsecured investment corporation bonds	-	-	7,000	-	-
MUCBS MidCity Investment Corporation 2nd series unsecured investment corporation bonds	-	-	-	1,500	-
Japan Retail Fund Investment Corporation 11th series unsecured investment corporation bonds	-	-	-	-	2,000
MUCBS MidCity Investment Corporation 4th series unsecured investment corporation bonds	-	-	-	-	2,000
MUCBS MidCity Investment Corporation 5th series unsecured investment corporation bonds	-	-	-	-	-
Japan Retail Fund Investment Corporation 12th series unsecured investment corporation bonds (1st JRF Green Bonds)	8,000	-	-	-	-
Japan Retail Fund Investment Corporation 13th series unsecured investment corporation bonds (2nd JRF Green Bonds)	-	7,000	-	-	-
Japan Metropolitan Fund Investment Corporation 1st series unsecured investment corporation bonds (1st JMF Green Bonds)	-	-	-	-	-
Japan Metropolitan Fund Investment Corporation 2nd series unsecured investment corporation bonds (2nd JMF Green Bonds)	-	-	-	-	5,000
Japan Metropolitan Fund Investment Corporation 3rd series unsecured investment corporation bonds (3rd JMF Green Bonds)	-	-	-	-	4,000

## 7. Borrowings

	Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks
	Name of lender										
Short-term	MUFG Bank, Ltd.	December 1, 2021	6,000	-	-	6,000	0.2	November 30, 2022	Lump sum	(Note 6)	Unsecured and unguaranteed
	MUFG Bank, Ltd. (Note 2)	April 28, 2022	-	2,500	2,500	-	0.2	September 30, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd. (Note 3)	May 20, 2022	-	4,030	4,030	-	0.2	February 3, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	May 20, 2022	-	1,470	1,470	-	0.2	July 29, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sub-total		6,000	8,000	8,000	6,000					
Long-term	MUFG Bank, Ltd.	May 22, 2012	4,030	-	4,030	-	1.0 (Note 5)	May 20, 2022	Lump sum	(Note 8)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,470	-	1,470	-					
	Shinsei Bank, Limited	May 22, 2012	3,500	-	3,500	-	1.1 (Note 5)	May 20, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	October 2, 2012	1,000	-	-	1,000	1.6	October 1, 2024	Lump sum	(Note 6)	Unsecured and unguaranteed
	MUFG Bank, Ltd. (Note 4)	October 2, 2012	1,000	-	-	1,000	1.2	October 2, 2022	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 29, 2013	5,000	-	5,000	-	1.2 (Note 5)	March 31, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc. (Note 4)	September 30, 2013	3,000	-	-	3,000	1.3	April 7, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 7, 2013	1,000	-	-	1,000	2.2 (Note 5)	October 6, 2028	Lump sum	(Note 6)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	October 7, 2013	1,500	-	-	1,500	1.5	April 5, 2024	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 7, 2013	1,000	-	-	1,000	1.3	October 6, 2023	Lump sum	(Note 6)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 7, 2013	2,199	-	-	2,199	1.4 (Note 5)	October 6, 2023	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		801	-	-	801					
	MUFG Bank, Ltd. (Note 4)	October 7, 2013	2,565	-	-	2,565	1.3 (Note 5)	April 7, 2023	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited (Note 4)		934	-	-	934					
	Development Bank of Japan Inc. (Note 4)	October 7, 2013	1,500	-	-	1,500	1.3	April 7, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd. (Note 4)	October 7, 2013	1,500	-	-	1,500	1.2 (Note 5)	October 7, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd. (Note 4)	October 7, 2013	1,000	-	-	1,000	1.2 (Note 5)	October 7, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation (Note 4)	October 7, 2013	2,000	-	-	2,000	1.2 (Note 5)	October 7, 2022	Lump sum	(Note 6)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	March 31, 2014	4,000	-	-	4,000	1.7	March 31, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	April 1, 2014	1,099	-	-	1,099	1.5 (Note 5)	March 31, 2025	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		400	-	-	400					
	Development Bank of Japan Inc.	October 1, 2014	3,000	-	-	3,000	1.3	October 1, 2025	Lump sum	(Note 6)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 1, 2014	1,466	-	-	1,466	1.1 (Note 5)	October 1, 2024	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		534	-	-	534					
	MUFG Bank, Ltd.	October 1, 2014	800	-	-	800	1.1	October 1, 2024	Lump sum	(Note 6)	Unsecured and unguaranteed
	MUFG Bank, Ltd. (Note 4)	October 1, 2014	2,199	-	-	2,199	0.8 (Note 5)	September 30, 2022	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited (Note 4)		801	-	-	801					
	THE NISHI-NIPPON CITY BANK, LTD. (Note 4)	October 1, 2014	1,000	-	-	1,000	0.8 (Note 5)	September 30, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Yamaguchi Bank, Ltd. (Note 4)	October 1, 2014	1,000	-	-	1,000	0.8	September 30, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed



	Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks
	Name of lender										
Long-term	Mizuho Bank, Ltd.	October 1, 2014	2,000	-	2,000	-	0.7 (Note 5)	April 1, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	February 2, 2015	200	-	-	200	1.0	January 31, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	JAPAN POST INSURANCE Co., Ltd.		1,000	-	-	1,000					
	MUFG Bank, Ltd.	February 5, 2015	2,928	-	-	2,928	0.8 (Note 5)	February 5, 2024	Lump sum	(Note 8)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,071	-	-	1,071					
	MUFG Bank, Ltd. (Note 4)	February 5, 2015	2,928	-	-	2,928	0.7 (Note 5)	February 3, 2023	Lump sum	(Note 8)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited (Note 4)		1,071	-	-	1,071					
	Sumitomo Mitsui Banking Corporation	March 2, 2015	1,000	-	-	1,000	1.6 (Note 5)	March 30, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 2, 2015	7,000	-	-	7,000	1.0 (Note 5)	March 31, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 2, 2015	6,000	-	-	6,000	0.9 (Note 5)	March 29, 2024	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation (Note 4)	March 2, 2015	6,000	-	-	6,000	0.7 (Note 5)	March 31, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd. (Note 4)	July 31, 2015	1,000	-	-	1,000	1.4 (Note 5)	July 31, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	Aozora Bank, Ltd.	July 31, 2015	650	-	650	-	1.2 (Note 5)	July 31, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.		650	-	650	-					
	Mizuho Bank, Ltd.		500	-	500	-					
	Mizuho Trust & Banking Co., Ltd.		400	-	400	-					
	Development Bank of Japan Inc.	July 31, 2015	800	-	800	-	1.2	July 31, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd. (Note 4)	July 31, 2015	500	-	-	500	1.4 (Note 5)	July 31, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc. (Note 4)	July 31, 2015	500	-	-	500	1.4	July 31, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	February 18, 2016	6,000	-	-	6,000	0.6 (Note 5)	January 30, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	February 18, 2016	1,000	-	-	1,000	0.6 (Note 5)	January 30, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Bank of Fukuoka, Ltd.	February 18, 2016	1,000	-	-	1,000	0.6 (Note 5)	January 30, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	Resona Bank, Limited	February 18, 2016	1,000	-	-	1,000	0.5 (Note 5)	July 31, 2024	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd.	February 18, 2016	1,000	-	-	1,000	0.6 (Note 5)	January 30, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 1, 2016	733	-	-	733	0.5 (Note 5)	March 31, 2026	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		267	-	-	267					
	Mizuho Bank, Ltd.	March 1, 2016	2,000	-	-	2,000	0.4 (Note 5)	March 31, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	Shinsei Bank, Limited	March 1, 2016	1,500	-	-	1,500	0.3 (Note 5)	March 29, 2024	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Chugoku Bank, LTD.	March 1, 2016	1,000	-	-	1,000	0.3 (Note 5)	March 29, 2024	Lump sum	(Note 7)	Unsecured and unguaranteed
	Shinkin Central Bank	March 1, 2016	1,000	-	-	1,000	0.3	March 29, 2024	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Norinchukin Bank	March 1, 2016	1,500	-	-	1,500	0.3 (Note 5)	March 29, 2024	Lump sum	(Note 7)	Unsecured and unguaranteed
	THE NISHI-NIPPON CITY BANK, LTD.	March 18, 2016	1,000	-	-	1,000	0.5 (Note 5)	March 31, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd.	March 18, 2016	1,000	-	-	1,000	0.5 (Note 5)	March 31, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	The 77 Bank, Ltd.	March 31, 2016	1,000	-	-	1,000	0.5	March 31, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	April 28, 2016	4,031	-	-	4,031	0.5	September 30, 2024	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,468	-	-	1,468					

	Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks
	Name of lender										
Long-term	Development Bank of Japan Inc.	July 29, 2016	10,850	-	-	10,850	0.4	July 30, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Aozora Bank, Ltd.	July 29, 2016	2,250	-	-	2,250	0.7	July 31, 2024	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc.		1,350	-	-	1,350					
	Mizuho Bank, Ltd.		600	-	-	600					
	MUFG Bank, Ltd.		500	-	-	500					
	The Bank of Fukuoka, Ltd.	September 21, 2016	2,000	-	-	2,000	0.5	September 30, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	Resona Bank, Limited	September 30, 2016	2,500	-	-	2,500	0.5	September 30, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	The 77 Bank, Ltd.	September 30, 2016	1,000	-	-	1,000	0.4	September 30, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Chugoku Bank, LTD.	December 21, 2016	3,000	-	-	3,000	0.7	December 30, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	Resona Bank, Limited	December 21, 2016	2,000	-	-	2,000	0.6	December 30, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	January 31, 2017	1,000	-	-	1,000	0.8	January 31, 2024	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,000	-	-	1,000					
	Sumitomo Mitsui Banking Corporation		500	-	-	500					
	Development Bank of Japan Inc.		500	-	-	500					
	MUFG Bank, Ltd.		1,000	-	-	1,000					
	Development Bank of Japan Inc.	March 31, 2017	2,000	-	-	2,000	0.6	January 29, 2027	Lump sum	(Note 6)	Unsecured and unguaranteed
	The Chugoku Bank, LTD.	March 31, 2017	1,000	-	-	1,000	0.6	January 29, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Shinkin Central Bank	March 31, 2017	1,000	-	-	1,000	0.6	January 29, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Yamaguchi Bank, Ltd.	March 31, 2017	1,000	-	-	1,000	0.6	January 29, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	May 1, 2017	1,099	-	-	1,099	0.4	November 1, 2024	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		400	-	-	400					
	MUFG Bank, Ltd.	May 1, 2017	1,000	-	-	1,000	0.4	May 1, 2025	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	May 1, 2017	2,000	-	-	2,000	0.4	May 1, 2024	Lump sum	(Note 6)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	May 1, 2017	2,000	-	-	2,000	0.6	May 1, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Resona Bank, Limited	May 1, 2017	1,000	-	-	1,000	0.6	May 1, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Shinsei Bank, Limited	May 1, 2017	1,000	-	-	1,000	0.6	May 1, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Toho Bank, Ltd.	May 19, 2017	2,000	-	-	2,000	0.3	May 16, 2025	Lump sum	(Note 8)	Unsecured and unguaranteed
	The Juroku Bank, Ltd.		1,800	-	-	1,800					
	The Hyakugo Bank, Ltd.		1,350	-	-	1,350					
	Taiyo Life Insurance Company		1,000	-	-	1,000					
	Daishi Hokuetsu Bank, Ltd.		950	-	-	950					
	The Akita Bank, Ltd.		450	-	-	450					
	The Iyo Bank, Ltd.		450	-	-	450					
	Shinkin Central Bank (Note 4)	July 31, 2017	1,100	-	-	1,100	0.7	July 31, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Senshu Ikeda Bank, Ltd. (Note 4)		800	-	-	800					
	Sumitomo Mitsui Banking Corporation (Note 4)	July 31, 2017	1,000	-	-	1,000	0.7	July 31, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	July 31, 2017	2,875	-	-	2,875	0.9	July 31, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.		1,100	-	-	1,100					
	Aozora Bank, Ltd.	July 31, 2017	2,400	-	-	2,400	1.0	July 31, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.		1,000	-	-	1,000					
	Development Bank of Japan Inc.		500	-	-	500					

	Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks
	Name of lender										
Long-term	Sumitomo Mitsui Trust Bank, Limited	July 31, 2017	1,900	-	1,900	-	0.5	July 29, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	Tokio Marine & Nichido Fire Insurance Co., Ltd.		500	-	500	-					
	Nippon Life Insurance Company		500	-	500	-					
	The Bank of Fukuoka, Ltd.	September 14, 2017	3,000	-	-	3,000	0.4	March 31, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	September 29, 2017	2,000	-	-	2,000	0.5	September 30, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Bank of Fukuoka, Ltd.	October 2, 2017	1,000	-	-	1,000	0.6	September 30, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Daishi Hokuetsu Bank, Ltd.	October 2, 2017	1,500	-	-	1,500	0.3	September 30, 2024	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Ashikaga Bank, Ltd.		1,000	-	-	1,000					
	The Juroku Bank, Ltd.		500	-	-	500					
	MUFG Bank, Ltd.	October 6, 2017	4,764	-	-	4,764	0.5	July 31, 2024	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,735	-	-	1,735					
	MUFG Bank, Ltd.	November 22, 2017	3,300	-	-	3,300	0.5	November 21, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,200	-	-	1,200					
	MUFG Bank, Ltd.	November 22, 2017	3,300	-	-	3,300	0.5	May 22, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,200	-	-	1,200					
	The Joyo Bank, Ltd.	November 22, 2017	1,000	-	-	1,000	0.6	November 22, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Chugoku Bank, LTD.	November 22, 2017	2,000	-	-	2,000	0.6	November 22, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Shinkin Central Bank	December 29, 2017	2,500	-	-	2,500	0.6	December 28, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	January 12, 2018	2,000	-	-	2,000	0.6	January 12, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited (Note 4)	February 28, 2018	1,200	-	-	1,200	0.4	February 28, 2023	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation (Note 4)		1,200	-	-	1,200					
	MUFG Bank, Ltd.	February 28, 2018	1,200	-	-	1,200	0.6	February 28, 2025	Lump sum	(Note 6)	Unsecured and unguaranteed
	Aozora Bank, Ltd.	February 28, 2018	900	-	-	900	0.7	February 28, 2025	Lump sum	(Note 6)	Unsecured and unguaranteed
	THE NISHI-NIPPON CITY BANK, LTD.		900	-	-	900					
	The Bank of Fukuoka, Ltd.		900	-	-	900					
	Mizuho Bank, Ltd.	February 28, 2018	1,500	-	-	1,500	0.8	February 27, 2026	Lump sum	(Note 6)	Unsecured and unguaranteed
	Development Bank of Japan Inc.		1,200	-	-	1,200					
	Sumitomo Mitsui Banking Corporation	March 30, 2018	5,500	-	-	5,500	0.4	September 30, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 30, 2018	3,000	-	-	3,000	0.4	March 31, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	July 30, 2018	8,500	-	-	8,500	0.8	July 31, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	July 31, 2018	3,400	-	-	3,400	0.9 (Note 5)	July 31, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Aozora Bank, Ltd.	July 31, 2018	1,000	-	-	1,000	1.0	July 31, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd.		500	-	-	500					
	Sumitomo Mitsui Trust Bank, Limited	July 31, 2018	2,900	-	-	2,900	0.8 (Note 5)	July 31, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	July 31, 2018	2,000	-	-	2,000	0.8	July 31, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	Resona Bank, Limited	July 31, 2018	800	-	-	800	0.8	July 31, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Senshu Ikeda Bank, Ltd.	July 31, 2018	800	-	-	800	0.7	July 31, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	THE NISHI-NIPPON CITY BANK, LTD.		600	-	-	600					
	The Hyakugo Bank, Ltd.		400	-	-	400					
	Sumitomo Mitsui Banking Corporation (Note 4)	July 31, 2018	2,900	-	-	2,900	0.3	January 31, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	Shinsei Bank, Limited	September 28, 2018	3,500	-	-	3,500	0.6	March 31, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed

	Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks
	Name of lender										
Long-term	Shinsei Bank, Limited	September 28, 2018	3,000	-	-	3,000	0.6	September 30, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Juroku Bank, Ltd.	December 28, 2018	500	-	-	500	0.2	December 26, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Tochigi Bank, Ltd.		500	-	-	500					
	The Yamaguchi Bank, Ltd.	December 28, 2018	500	-	-	500	0.5	December 28, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 29, 2019	7,500	-	-	7,500	0.4	March 31, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 29, 2019	5,000	-	-	5,000	0.5	March 31, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 29, 2019	7,500	-	-	7,500	0.4	September 29, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	July 31, 2019	2,000	-	-	2,000	0.7	July 31, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc.		900	-	-	900					
	MUFG Bank, Ltd.	July 31, 2019	1,050	-	-	1,050	0.7	January 31, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Resona Bank, Limited	July 31, 2019	2,600	-	-	2,600	0.6	January 31, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc.		800	-	-	800					
	Sumitomo Mitsui Trust Bank, Limited	July 31, 2019	1,000	-	-	1,000	0.5 (Note 5)	July 31, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Shinkin Central Bank	July 31, 2019	2,000	-	-	2,000	0.5	January 31, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Resona Bank, Limited		2,000	-	-	2,000					
	The Nanto Bank,Ltd.	July 31, 2019	500	-	-	500	0.5	July 31, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Senshu Ikeda Bank, Ltd.		400	-	-	400					
	Sumitomo Mitsui Banking Corporation	July 31, 2019	1,950	-	-	1,950	0.4	January 31, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	September 4, 2019	3,000	-	-	3,000	0.3	September 4, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Shinsei Bank, Limited	September 4, 2019	2,000	-	-	2,000	0.3	September 4, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 2, 2019	5,500	-	-	5,500	0.3	March 31, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	October 2, 2019	2,000	-	-	2,000	0.4	October 2, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Bank of Fukuoka, Ltd.	October 7, 2019	1,000	-	-	1,000	0.3	October 5, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	The 77 Bank, Ltd.	October 7, 2019	1,000	-	-	1,000	0.3	October 5, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	November 21, 2019	1,700	-	-	1,700	0.8	November 21, 2029	Lump sum	(Note 6)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	November 21, 2019	1,300	-	-	1,300	0.8	November 21, 2029	Lump sum	(Note 6)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	November 21, 2019	1,300	-	-	1,300	0.7	May 21, 2029	Lump sum	(Note 6)	Unsecured and unguaranteed
	THE NISHI-NIPPON CITY BANK, LTD.		900	-	-	900					
	The Bank of Fukuoka, Ltd.		900	-	-	900					
	Sumitomo Mitsui Trust Bank, Limited	November 21, 2019	2,000	-	-	2,000	0.4 (Note 5)	May 21, 2026	Lump sum	(Note 6)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	November 21, 2019	2,000	-	-	2,000	0.3	May 21, 2024	Lump sum	(Note 6)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	November 21, 2019	500	-	-	500	0.3	November 21, 2023	Lump sum	(Note 6)	Unsecured and unguaranteed
	MUFG Bank, Ltd.		400	-	-	400					
	MUFG Bank, Ltd.	December 20, 2019	5,900	-	-	5,900	0.3	December 20, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 20, 2019	2,100	-	-	2,100	0.4	December 20, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 31, 2020	1,600	-	-	1,600	0.6 (Note 5)	January 31, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	THE NISHI-NIPPON CITY BANK, LTD.	January 31, 2020	1,500	-	-	1,500	0.6	July 31, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Shinkin Central Bank		1,100	-	-	1,100					

	Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks
	Name of lender										
Long-term	Sumitomo Mitsui Banking Corporation	January 31, 2020	1,500	-	-	1,500	0.5 (Note 5)	January 31, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Hyakugo Bank, Ltd.	January 31, 2020	750	-	-	750	0.5	July 31, 2026	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	January 31, 2020	1,100	-	-	1,100	0.3	July 31, 2024	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,000	-	-	1,000					
	MUFG Bank, Ltd.	March 19, 2020	9,600	-	-	9,600	0.4	March 19, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 19, 2020	3,400	-	-	3,400	0.4	September 19, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	April 2, 2020	3,300	-	-	3,300	0.4	April 2, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	April 2, 2020	1,200	-	-	1,200	0.4	March 31, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	April 2, 2020	3,000	-	-	3,000	0.3	March 31, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Norinchukin Bank	April 7, 2020	1,500	-	-	1,500	0.4	April 5, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Jojo Bank, Ltd.	April 7, 2020	1,000	-	-	1,000	0.4	April 5, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	April 30, 2020	2,500	-	2,500	-	0.2	April 28, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	July 31, 2020	4,300	-	-	4,300	0.4	July 31, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	July 31, 2020	1,900	-	-	1,900	0.7	July 31, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	Aozora Bank, Ltd.		1,050	-	-	1,050					
	Mizuho Trust & Banking Co., Ltd.		400	-	-	400					
	MUFG Bank, Ltd.	July 31, 2020	1,100	-	-	1,100	0.7	July 31, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	July 31, 2020	2,200	-	-	2,200	0.7	January 31, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.		1,000	-	-	1,000					
	Resona Bank, Limited		500	-	-	500					
	MUFG Bank, Ltd.	July 31, 2020	700	-	-	700	0.7	January 31, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Bank of Fukuoka, Ltd.	July 31, 2020	750	-	-	750	0.7	July 31, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	July 31, 2020	1,700	-	-	1,700	0.5 (Note 5)	July 31, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Minato Bank, Ltd.	July 31, 2020	800	-	-	800	0.6	January 31, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	July 31, 2020	1,700	-	-	1,700	0.4 (Note 5)	July 31, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Hiroshima Bank Ltd.	July 31, 2020	500	-	-	500	0.4	January 31, 2025	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	September 18, 2020	4,500	-	-	4,500	0.4	September 18, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	September 18, 2020	2,900	-	-	2,900	0.3	March 16, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	September 18, 2020	1,000	-	-	1,000	0.3	September 15, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	September 18, 2020	1,600	-	-	1,600	0.2	September 17, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	September 30, 2020	2,000	-	-	2,000	0.2	September 29, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	September 30, 2020	2,000	-	-	2,000	0.2	September 30, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	September 30, 2020	2,000	-	-	2,000	0.4	September 30, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	September 30, 2020	2,000	-	-	2,000	0.4	September 30, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed

	Classification	Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks
	Name of lender										
Long-term	Mizuho Trust & Banking Co., Ltd.	September 30, 2020	1,500	-	-	1,500	0.4	September 30, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	Shinkin Central Bank	September 30, 2020	1,500	-	-	1,500	0.4	September 30, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	October 1, 2020	3,000	-	-	3,000	0.4	September 30, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	October 2, 2020	2,000	-	-	2,000	0.2	September 29, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 2, 2020	2,250	-	-	2,250	0.2	September 30, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	October 2, 2020	800	-	-	800	0.2	September 30, 2027	Lump sum	(Note 7)	Unsecured and unguaranteed
	Shinkin Central Bank	October 7, 2020	1,500	-	-	1,500	0.4	September 30, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 22, 2021	2,500	-	-	2,500	0.5	March 20, 2031	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 22, 2021	2,900	-	-	2,900	0.4	September 21, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 22, 2021	2,000	-	-	2,000	0.2	March 22, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 22, 2021	2,600	-	-	2,600	0.5	March 22, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd. (Note 4)	March 31, 2021	1,000	-	-	1,000	0.2	September 30, 2022	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	March 31, 2021	1,500	-	-	1,500	0.2	February 29, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	April 1, 2021	1,500	-	-	1,500	0.3	March 30, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	April 1, 2021	1,500	-	-	1,500	0.4	March 29, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Bank of Fukuoka, Ltd.	April 1, 2021	1,000	-	-	1,000	0.5	March 31, 2031	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	April 7, 2021	2,200	-	-	2,200	0.4	September 30, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	April 7, 2021	800	-	-	800	0.3	April 7, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	April 30, 2021	1,400	-	-	1,400	0.5	April 30, 2031	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	April 30, 2021	700	-	-	700	0.3	April 27, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	April 30, 2021	700	-	-	700	0.2	April 28, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd. (Note 4)	June 21, 2021	5,000	-	-	5,000	0.2	June 30, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	July 30, 2021	950	-	-	950	0.2	January 31, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	July 30, 2021	2,650	-	-	2,650	0.2	January 31, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	Aozora Bank, Ltd.	July 30, 2021	1,700	-	-	1,700	0.4	July 31, 2031	Lump sum	(Note 7)	Unsecured and unguaranteed
	Resona Bank, Limited	July 30, 2021	1,300	-	-	1,300	0.4	July 31, 2031	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	July 30, 2021	900	-	-	900	0.4	July 31, 2031	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	July 30, 2021	900	-	-	900	0.4	July 31, 2031	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Senshu Ikeda Bank, Ltd.	July 30, 2021	550	-	-	550	0.4	July 31, 2031	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited (Note 4)	August 31, 2021	2,000	-	-	2,000	0.2	February 28, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	October 1, 2021	3,250	-	-	3,250	0.2	March 30, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed

Classification		Borrowing date	Beginning balance (Millions of yen)	Increase (Millions of yen)	Decrease (Millions of yen)	Ending balance (Millions of yen)	Average interest rate (%) (Note 1)	Due date	Repayment method	Use	Remarks
Name of lender											
Long-term	MUFG Bank, Ltd.	October 1, 2021	3,000	-	-	3,000	0.4	September 30, 2031	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	October 1, 2021	2,250	-	-	2,250	0.2	October 2, 2028	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Norinchukin Bank	October 1, 2021	1,500	-	-	1,500	0.5	September 30, 2031	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Yamaguchi Bank, Ltd.	October 7, 2021	1,000	-	-	1,000	0.5	March 31, 2033	Lump sum	(Note 7)	Unsecured and unguaranteed
	THE NISHI-NIPPON CITY BANK, LTD.	October 7, 2021	1,000	-	-	1,000	0.5	September 30, 2031	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 21, 2021	2,000	-	-	2,000	0.2	December 21, 2023	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	January 31, 2022	1,500	-	-	1,500	0.6	January 30, 2032	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	January 31, 2022	1,000	-	-	1,000	0.3	January 31, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	January 31, 2022	1,000	-	-	1,000	0.3	January 31, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	February 28, 2022	5,500	-	-	5,500	0.5	February 28, 2030	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	February 28, 2022	3,000	-	-	3,000	0.5	February 27, 2032	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	February 28, 2022	2,500	-	-	2,500	0.2	February 29, 2024	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	March 31, 2022	-	5,000	-	5,000	0.5	March 30, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	April 1, 2022	-	2,000	-	2,000	0.8	April 1, 2032	Lump sum	(Note 7)	Unsecured and unguaranteed
	The Norinchukin Bank	May 19, 2022	-	2,000	-	2,000	0.8	May 19, 2032	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Banking Corporation	May 19, 2022	-	1,500	-	1,500	0.7	May 19, 2031	Lump sum	(Note 8)	Unsecured and unguaranteed
	Shinsei Bank, Limited	May 19, 2022	-	1,500	-	1,500	0.8	May 19, 2032	Lump sum	(Note 8)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	May 19, 2022	-	1,000	-	1,000	0.8	May 19, 2032	Lump sum	(Note 8)	Unsecured and unguaranteed
	Shinsei Bank, Limited	May 20, 2022	-	3,500	-	3,500	0.8	May 19, 2032	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Bank, Ltd.	July 29, 2022	-	1,500	-	1,500	0.7	July 30, 2032	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	July 29, 2022	-	3,370	-	3,370	0.5	July 31, 2029	Lump sum	(Note 7)	Unsecured and unguaranteed
	Aozora Bank, Ltd.	July 29, 2022	-	650	-	650	0.7	July 30, 2032	Lump sum	(Note 7)	Unsecured and unguaranteed
	MUFG Bank, Ltd.	July 29, 2022	-	3,150	-	3,150	0.7	July 30, 2032	Lump sum	(Note 7)	Unsecured and unguaranteed
	Mizuho Trust & Banking Co., Ltd.	July 29, 2022	-	400	-	400	0.7	July 30, 2032	Lump sum	(Note 7)	Unsecured and unguaranteed
	Development Bank of Japan Inc.	July 29, 2022	-	800	-	800	0.7	July 30, 2032	Lump sum	(Note 7)	Unsecured and unguaranteed
	Sub-total			479,175	26,370	24,400	481,145				
Total			485,175	34,370	32,400	487,145					

Note 1 The average interest rate indicates a weighted average of interest rates, rounded to the first decimal place.

Note 2 The Company had repaid all principal of the borrowings on July 29, 2022 in advance of the due date.

Note 3 The Company had repaid all principal of the borrowings on June 30, 2022 in advance of the due date.

Note 4 The balances as of August 31, 2022 are included in the current portion of long-term borrowings in the balance sheets.

Note 5 The borrowings are hedged by interest rate swaps and the average interest rates of the borrowings are calculated by adjusting the effect of the interest rate swaps.

Note 6 The funds were appropriated to purchasing real property or trust beneficiary interests in real property and miscellaneous expenses relating to the acquisition.

Note 7 The funds were mainly appropriated to repayment of borrowings.

Note 8 The funds were appropriated to the redemption of corporate bonds.

The following is the maturity schedule for each year within five years of the balance sheet date.

	Due within 1 year	Due after 1 to 2 years	Due after 2 to 3 years	Due after 3 to 4 years	Due after 4 to 5 years
Long-term borrowings	46,700	48,200	53,325	48,550	46,850