

Translation

JAPAN METROPOLITAN FUND INVESTMENT CORPORATION
SUMMARY OF FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED AUGUST 31, 2023

October 19, 2023

| | |
|---|---|
| Name of issuer: | Japan Metropolitan Fund Investment Corporation ("JMF") |
| Stock exchange listing: | Tokyo Stock Exchange |
| Securities code: | 8953 |
| Website: | https://www.jmf-reit.com/english/ |
| Representative of JMF: | Masahiko Nishida, Executive Director |
| Name of asset manager: | KJR Management |
| Representative of the asset manager: | Naoki Suzuki, Representative Director, President & CEO |
| Contact: | Keita Araki, Executive Officer, Head of Metropolitan Division |
| | Tel: (03)5293-7081 |
| Scheduled date for filing of securities report: | November 28, 2023 |
| Scheduled date for distributions payment: | November 22, 2023 |
| Supplementary materials for financial results: | Otherwise prepared |
| Analyst meeting: | Scheduled |

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

1. Financial results for the six months ended August 31, 2023 (March 1, 2023 to August 31, 2023)

(1) Operating results

(Percentages show period-on-period changes)

| | Operating revenues | | Operating income | | Ordinary income | | Net income | |
|--------------------------|---------------------|-----|----------------------|-----|--|-----|--|-----|
| For the six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| August 31, 2023 | 41,405 | 0.2 | 18,054 | 0.9 | 16,052 | 0.5 | 16,051 | 0.5 |
| February 28, 2023 | 41,332 | 0.5 | 17,887 | 1.1 | 15,965 | 1.5 | 15,964 | 1.5 |
| | Net income per unit | | Return on net assets | | Ratio of ordinary income to total assets | | Ratio of ordinary income to operating revenues | |
| For the six months ended | Yen | | % | | % | | % | |
| August 31, 2023 | 2,296 | | 2.6 | | 1.3 | | 38.8 | |
| February 28, 2023 | 2,284 | | 2.6 | | 1.3 | | 38.6 | |

(2) Distributions

| | Distributions (excluding distributions in excess of profit) | | Distributions in excess of profit | | Payout ratio | Ratio of distributions to net assets |
|--------------------------|--|-----------------|--------------------------------------|-----------------|--------------|--------------------------------------|
| | Per unit | Total | Per unit | Total | | |
| For the six months ended | Yen | Millions of yen | Yen | Millions of yen | % | % |
| August 31, 2023 | 2,261 | 15,802 | - | - | 98.5 | 2.5 |
| February 28, 2023 | 2,313 | 16,165 | - | - | 101.3 | 2.6 |

Note 1: Total distributions for the six months ended August 31, 2023 consist of retained earnings at the end of the period after reversal of retained earnings for temporary difference adjustment amounting to ¥255 million and provision of reserve for reduction entry of property amounting to ¥505 million.

Note 2: Total distributions for the six months ended February 28, 2023 consist of retained earnings at the end of the period after reversals of reserve for reduction entry of property amounting to ¥6 million and retained earnings for temporary difference adjustment amounting to ¥194 million.

(3) Financial position

| | Total assets | Net assets | Ratio of net assets to total assets | Net asset value per unit |
|-------------------|-----------------|-----------------|-------------------------------------|--------------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| August 31, 2023 | 1,249,926 | 625,077 | 50.0 | 89,436 |
| February 28, 2023 | 1,249,604 | 625,221 | 50.0 | 89,456 |

(4) Cash flows

| | Net cash provided by (used in) | | | Cash and cash equivalents at end of period |
|--------------------------|--------------------------------|----------------------|----------------------|--|
| | Operating activities | Investing activities | Financing activities | |
| For the six months ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| August 31, 2023 | 20,290 | (11,002) | (16,193) | 56,735 |
| February 28, 2023 | 20,112 | (3,719) | (14,839) | 63,640 |

2. Outlook for the six months ending February 29, 2024 (September 1, 2023 to February 29, 2024) and August 31, 2024 (March 1, 2024 to August 31, 2024)

(Percentages show period-on-period changes)

| | Operating revenues | | Operating income | | Ordinary income | | Net income | |
|---------------------------|--------------------|------|------------------|------|-----------------|------|-----------------|------|
| For the six months ending | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| February 29, 2024 | 40,787 | -1.5 | 17,759 | -1.6 | 15,736 | -2.0 | 15,735 | -2.0 |
| August 31, 2024 | 39,760 | -2.5 | 17,095 | -3.7 | 15,001 | -4.7 | 15,001 | -4.7 |

| | Net income per unit | Distributions per unit (excluding distributions in excess of profit) | Distributions in excess of profit per unit |
|---------------------------|---------------------|---|---|
| For the six months ending | Yen | Yen | Yen |
| February 29, 2024 | 2,251 | 2,270 | - |
| August 31, 2024 | 2,146 | 2,250 | - |

Note: Total distributions for the six months ending February 29, 2024 consist of retained earnings after reversal of retained earnings for temporary difference adjustment amounting to ¥280 million and provision of reserve for reduction entry of property amounting to ¥151 million. Total distributions for the six months ending August 31, 2024 consist of retained earnings after reversals of reserve for reduction entry of property amounting to ¥336 million and retained earnings for temporary difference adjustment amounting to ¥387 million.

3. Others

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

| | |
|---|--------|
| Changes in accounting policies due to accounting standards revision | : None |
| Changes in accounting policies due to other reasons | : None |
| Changes in accounting estimates | : None |
| Restatements | : None |

(2) Number of investment units issued

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

| | |
|-------------------------|-----------------|
| As of August 31, 2023 | 6,989,091 units |
| As of February 28, 2023 | 6,989,091 units |

Number of own investment units at the end of period:

| | |
|-------------------------|---------|
| As of August 31, 2023 | 0 units |
| As of February 28, 2023 | 0 units |

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

Forward-looking Statements and Other Notes

Forward-looking statements in this presentation are based on the information currently available and certain assumptions we believe reasonable. Actual results may differ materially from the forward-looking statements in this presentation due to various factors. Furthermore, those statements do not guarantee the amount of future distributions.

For further information and assumptions regarding the forward-looking statements, please refer to “1. State of operations, (1)

State of operations, B. Outlook of next period” on page 5-12.

1. State of operations

(1) State of operations

A. Operations during the period

i. Principal activities

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

After that, JMF effected an absorption-type merger (the “Merger”) effective 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, 2023, as in the previous fiscal year, JMF promoted asset replacement, one of growth strategies after the Merger, and acquired eight properties (including additional acquisition) and disposed of three properties. JMF also acquired the additional investment units of a private residential REIT.

As a result, the total assets managed by JMF as at the end of the 43rd fiscal period (fiscal period ended on August 31, 2023) amounted to 1,214.3 billion yen (the total acquisition price for 132 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 1,230.8 billion yen.

ii. Investment environment and results

(1) Investment environment

(Macroeconomic trends)

During this fiscal period, the Japanese economy as a whole showed signs of a gradual recovery with strong external demand, while personal consumption and capital investment were weak due to the weak yen and high resource prices. The quarter-on-quarter gross domestic product (GDP) growth rate was +1.2% (+4.8% annualized) in the April to June 2023 quarter (secondary preliminary figures announced on September 8, 2023).

In capital markets, the Nikkei Stock Average reached its highest level since March 1990 on July 3, 2023, but fell due to concerns about rising interest rates caused by monetary tightening in the U.S. and the Bank of Japan’s decision at the Monetary Policy Meeting in late July to conduct long- and short-term interest rate operations (yield curve control) with greater flexibility. It stood at 32,619 yen at the end of August 2023, the end of the current period. On the other hand, in the J-REIT market, the Tokyo Stock Exchange REIT Index started at 1,841 points on March 1, 2023, the beginning of this fiscal period, but fell sharply in late March as investors became increasingly risk-averse following the failures of some U.S. banks. Since then, however, the index has been on a recovery trend and remained firm at 1,892 points as of the end of August 2023, the end of this fiscal period.

(Real estate trading market)

With the ongoing weak yen and low interest rate environment in Japan despite the impact of domestic and foreign monetary policies, the acquisition environment continues to be severe, with investment appetite remaining strong among domestic and overseas investors.

(Real estate leasing market)

In retail properties, sales continued to recover due to the demand from inbound tourism that

has continued to increase since the fall of 2022 and a recovery in the flow of people in Japan following the reclassification of the COVID-19 category to a “Class 5 Infectious Disease” under the Infectious Diseases Control Law in May 2023. Strong demand was also seen in the leasing market.

In offices, vacancy rates temporarily trended upward due to new office supply and the emergence secondary vacancies, but demand has remained firm with signs of economic recovery and increased relocation needs to improve building specifications and locations.

(2) Results

In this environment, JMF completed the acquisition of seven new properties (JMF-Residence Kita-Shinagawa, JMF-Residence Osaka Fukushima, JMF-Residence Ikebukuro 1-chome, JMF-Residence Fujisawa, JMF-Bldg. Nakano 01, JMF-Residence Shin-Yokohama, JMF-Residence Akabane Shimo), the additional acquisition of one existing property (Tecc LIFE SELECT Fukuoka Shime Honten) and the disposition of three properties (Round1 Stadium Takatsuki, LIFE Kishibe (Land with leasehold interest), G-Bldg. Minami Aoyama 02) in this fiscal period as part of its portfolio property replacement strategy. In addition, JMF acquired the additional 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 132 properties with a total value of 1,214.3 billion yen on an acquisition price basis and 1,324.3 billion yen on an appraisal value basis. The total leasable area was 2,537,744.84 m² with the total number of tenants standing at 2,177, and the occupancy rate of the overall portfolio was 99.2%.

Primarily as a result of decrease in cap rate for some existing properties compared to the end of the previous fiscal year and internal growth, etc., the unrealized losses/gains ^(Note) of the overall portfolio at the end of the fiscal period decreased by 15.7 billion yen from the end of the previous fiscal period to 171.3 billion yen.

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

iii. Funding

To fund the repayment of existing borrowings, JMF borrowed the same amount as those borrowings, a total of 29.1 billion yen, consisting of 28.1 billion yen in borrowings that came due in the current fiscal year and 1.0 billion yen in prepayments. In addition, JMF took on short term borrowings of 1.0 billion yen to partially fund the acquisition of JMF-Residence Fujisawa. In addition, in March 2023, JMF issued the 5th JMF Green Bond (5th Unsecured Investment Corporation Bond) in the amount of 4.0 billion yen and took on long term borrowings of 3.0 billion yen in May 2023 to partially fund the redemption of the 1st JRF Green Bond (12th Unsecured Investment Corporation Bond).

As a result, JMF’s interest-bearing borrowings outstanding at the end of the fiscal period amounted to 550.6 billion yen, consisting of short-term borrowings of 2.0 billion yen, long-term borrowings of 487.1 billion yen ^(Note 1) and investment corporation bonds of 61.5 billion yen ^(Note 2) (including Green Bonds ^(Note 3)).

Consequently, the ratio of long-term borrowings ^(Note 4), ratio of fixed interest rates ^(Note 5), and LTV ^(Note 6) were 99.6%, 95.7% and 44.1%, respectively, as at the end of the fiscal period.

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

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

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

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

Note 5: The ratio of fixed interest rates is calculated by dividing the total of fixed-rate debts (including debts, which the interest rates

are fixed through interest rate swap agreements) and investment corporation bonds by the interest-bearing borrowings.
Note 6: LTV is calculated by dividing the total of interest-bearing borrowings by total assets.

iv. Results and distributions

The operating revenue for the period was 41,405 million yen, and operating income was 18,054 million yen after deducting operating expenses such as property taxes and asset management fees. Ordinary income was 16,052 million yen, and net income was 16,051 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 16,051 million yen, calculated by adding 255 million yen of the reversal of retained earnings for temporary difference adjustments to, and deducting 505 million yen of the provision of reserve for reduction entry of property from, the unappropriated retained earnings at the end of the period of 15,802 million yen. As a result, distributions per unit amounted to 2,261 yen.

B. Outlook of next period

i. Outlook of overall operation

On a short-term basis, the economic fundamentals and corporate performance should continue to be closely monitored amid concerns over interest rate and currency fluctuations caused by domestic and foreign monetary policies. In the retail sector, demand is expected to recover gradually due to the recovery in inbound tourism as well as domestic consumption. In the office sector, demand is expected to continue, with continued moves to upgrade buildings and improve locations.

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

ii. Earnings forecast

The following forecasts have been made regarding asset management operation in the fiscal period ending February 2024 (44th fiscal period) and the fiscal period ending August 2024 (45th fiscal period).

Please refer to the “Assumptions Underlying the Forecast of Operation for the Fiscal Period Ending February 2024 (44th Fiscal Period: September 1, 2023 to February 29, 2024) and the Fiscal Period Ending August 2024 (45th Fiscal Period: March 1, 2024 to August 31, 2024)” on the following page for the assumptions of the forecast.

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

Fiscal Period Ending February 2024 (44th Fiscal Period: September 1, 2023 to February 29, 2024)

| | |
|------------------------|--------------------|
| Operating revenues | 40,787 million yen |
| Ordinary income | 15,736 million yen |
| Net income | 15,735 million yen |
| Distributions per unit | 2,270 yen |

Fiscal Period Ending August 2024 (45th Fiscal Period: March 1, 2024 to August 31, 2024)

| | |
|------------------------|--------------------|
| Operating revenues | 39,760 million yen |
| Ordinary income | 15,001 million yen |
| Net income | 15,001 million yen |
| Distributions per unit | 2,250 yen |

C. Material facts that occurred after the settlement of accounts

Disposition of the property

JMF disposed of the assets, as shown in the table below on September 29, 2023.

| Property name | Asset class | Disposition price (million yen) | Completion date of contract | Disposition date | Purchaser |
|--|-------------|---------------------------------|-----------------------------|--------------------|---|
| AEON MALL Tsurumi Ryokuchi (A 25% quasi-co-ownership) | Retail | 6,400 | April 14, 2023 | September 29, 2023 | Asset Finance Osaka Tsurumi Godo Kaisha |

Note: Impact on profit and loss: In the 44th fiscal period (September 1, 2023 to February 29, 2024), a gain on sale of real estate, etc. of about 837 million yen will be recorded.

(Reference)

a. Acquisition of the property

JMF acquired or plans to acquire the assets, as shown in the table below. (For details, please refer to the “Notice Concerning Acquisition of Trust Beneficiary Right in Real Estate in Japan, Real Estate in Japan and Preferential Negotiation Rights and Disposition of Trust Beneficiary Right in Real Estate in Japan and Real Estate in Japan (Acquisition: 5 properties, Preferential Negotiation Rights:1 right, Disposition:2 properties)” announced on October 19, 2022, the “Notice Concerning Acquisition of Trust Beneficiary Right in Real Estate in Japan (JMF-Residence Tenjimbashisuji 6-chome)” announced on December 14, 2022, the “Notice Concerning Acquisition of Trust Beneficiary Right in Real Estate in Japan (JMF-Residence Asakusabashi 3-chome)” announced on April 5, 2023, the Notice Concerning Acquisition and Disposition of Trust Beneficiary Right in Real Estate in Japan (Acquisition: JMF-Residence Sakuranomiya, JMF-Residence Miyakojima, JMF-Residence Ebie, Disposition: Round1 Sannomiya Station)” announced on July 26, 2023.)

| Property name | Asset class | Location | Planned acquisition price (million yen) | Planned acquisition date |
|--|-------------|---------------------------------|---|--------------------------|
| JMF-Residence Machida (Real estate) | Residence | Machida-shi, Tokyo | 4,059 | October 2, 2023 |
| JMF-Residence Asakusabashi 3-chome (Trust beneficiary right in real estate) ^(Note 1) | Residence | Taito-ku, Tokyo | 4,320 | April 30, 2024 |
| JMF-Residence Sakuranomiya (Trust beneficiary right in real estate) ^(Note 2) | Residence | Miyakojima-ku, Osaka-shi, Osaka | 2,050 | April 30, 2024 |

| | | | | |
|---|-----------|---------------------------------------|-------|----------------|
| JMF-Residence Miyakojima (Trust beneficiary right in real estate) ^(Note 3) | Residence | Miyakojima-ku, Osaka-shi, Osaka | 1,470 | April 30, 2024 |
| JMF-Residence Tenjimbashisuji 6-chome (Trust beneficiary right in real estate) ^(Note 4) | Residence | Kita-ku, Osaka-shi, Osaka | 1,527 | May 31, 2024 |
| JMF-Residence Ebie (Trust beneficiary right in real estate) ^(Note 5) | Residence | Fukushima-ku, Osaka-shi, Osaka | 1,860 | April 30, 2025 |

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

The real estate appraiser valued the property at 4,530 million yen as of August 31, 2023.

Note 2: Under the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators,” the acquisition of the property is considered to be a “forward commitment, etc.” by an investment corporation. If JMF cannot meet its forward commitment, 20% of the expected purchase price shall be paid as a penalty for breach of contract.

The real estate appraiser valued the property at 2,270 million yen as of July 1, 2023.

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

The real estate appraiser valued the property at 1,620 million yen as of July 1, 2023.

Note 4: Under the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators,” the acquisition of the property is considered to be a “forward commitment, etc.” by an investment corporation. If JMF cannot meet its forward commitment, 20% of the expected purchase price shall be paid as a penalty for breach of contract.

The real estate appraiser valued the property at 1,670 million yen as of August 31, 2023.

Note 5: Under the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators,” the acquisition of the property is considered to be a “forward commitment, etc.” by an investment corporation. If JMF cannot meet its forward commitment, 20% of the expected purchase price shall be paid as a penalty for breach of contract.

The real estate appraiser valued the property at 2,050 million yen as of July 1, 2023.

b. Disposition of the property

JMF has entered into a transfer agreement, as shown in the table below on July 29, 2022. (For details, please refer to the “Notice Concerning Disposition of Trust Beneficiary Right in Real Estate in Japan (AEON MALL Sapporo Naebo)” announced on July 20, 2022.)

| Property name | Asset class | Planned disposition price (million yen) | Completion date of contract | Planned disposition date | Purchaser |
|---|-------------|--|-----------------------------------|--|---------------------------------|
| AEON MALL Sapporo Naebo (Trust beneficiary right in real estate) | Retail | 9,300 | July 29, 2022 | 20% quasi-co- ownership: August 30, 2024 20% quasi-co- ownership: February 28, 2025 20% quasi-co- ownership: August 29, 2025 40% quasi-co- ownership: February 27, 2026 | Aeon Hokkaido Corporation |

Note: Impact on profit and loss: There are no impact on the forecasts of operation for the February 2024 fiscal period (44th fiscal period: from September 1, 2023 to February 29, 2024). In the 45th fiscal period (March 1, 2024 to August 31, 2024), a gain on sale of real estate, etc. of about 679 million yen will be recorded.

JMF has entered into a transfer agreement, as shown in the table below on July 26, 2023. (For the details of the assets to be disposed of, please refer to the “Notice Concerning Acquisition and Disposition of Trust Beneficiary Right in Real Estate in Japan (Acquisition: JMF-Residence Sakuranomiya, JMF-Residence Miyakojima, JMF-Residence Ebie, Disposition: Round1 Sannomiya Station)” announced on July 26, 2023.)

| Property name | Asset class | Planned disposition price (million yen) | Completion date of contract | Planned disposition date | Purchaser |
|--|-------------|---|-----------------------------|--------------------------|---------------------------|
| Round1 Sannomiya Station (Trust beneficiary right in real estate) | Retail | 3,800 | July 26, 2023 | February 29, 2024 | Not disclosed (Note 2) |

Note 1: Impact on profit and loss: In the 44th fiscal period (September 1, 2023 to February 29, 2024), a gain on sale of real estate, etc. of about 628 million yen will be recorded.

Note 2: Not disclosed as the purchaser has not agreed to the disclosure.

(2) Investment risk

There have not been any significant changes to the “Investment risk” in the most recent financial report (submitted on May 30, 2023) and hence, description of these matters is omitted.

Assumptions Underlying the Forecast of Operation for the Fiscal Period Ending February 2024 (44th Fiscal Period: September 1, 2023 to February 29, 2024) and the Fiscal Period Ending August 2024 (45th Fiscal Period: March 1, 2024 to August 31, 2024)

| Item | Assumption |
|-------------------|--|
| Accounting period | <ul style="list-style-type: none"> February 2024 (44th) Fiscal Period (September 1, 2023 to February 29, 2024) (182 days) August 2024 (45th) Fiscal Period (March 1, 2024 to August 31, 2024) (184 days) |
| Assets owned | <ul style="list-style-type: none"> We assume that 132 properties, interests in one silent partnership (<i>tokumei kumiai</i>), two kinds of investment units of two domestic real estate investment corporations, and one of investment limited partnership interests as of August 31, 2023, plus acquisition and disposition under below will be under management. <p>February 2024 (44th) Fiscal Period (September 1, 2023 to February 29, 2024) (182 days)</p> <ul style="list-style-type: none"> Acquisition JMF-Residence Machida, Land portion in directly connected to Sapporo Station “North 5 West 1 and West 2 District Type 1 Urban Redevelopment Project” Disposition AEON MALL Tsurumi Ryokuchi (a 25% quasi-co-ownership of trust beneficiary right in real estate), Round1 Snnnomiya Station <p>August 2024 (45th) Fiscal Period (March 1, 2024 to August 31, 2024) (184 days)</p> <ul style="list-style-type: none"> Acquisition JMF-Residence Asakusabashi 3-chome, JMF-Residence Sakuranomiya, JMF-Residence Miyakojima, JMF-Residence Tenjimbashisuji 6-chome Disposition AEON MALL Sapporo Naebo (a 20% quasi-co-ownership of trust beneficiary right in real estate) <ul style="list-style-type: none"> Except the changes described above, we assume that no other (anticipated) changes (new property acquisitions and sales of owned properties etc., excluding reconstruction of current properties) of the acquisitions of new properties and dispositions of current portfolio properties, etc., will occur prior to the end of the August 2024 (45th) fiscal period. The actual number may vary according to the acquisitions of new properties and dispositions of current portfolio properties in the portfolio, etc. |
| Issue of units | <ul style="list-style-type: none"> The number of investment units issued at the end of the fiscal period is 6,989,091 units, assuming that there will not be any additional issuance of new investment units or repurchase/retirement of own investment units. |

| | |
|-----------------------|---|
| Interest-bearing debt | <ul style="list-style-type: none"> Interest-bearing debt as of August 31, 2023 stands at 550,645 million yen, the breakdown of which is short-term debts of 2,000 million yen and long-term debts of 487,145 million yen and investment corporation bonds (including Green Bonds) of 61,500 million yen. JMF resolved on issuance on August 10, 2023 and issued investment corporation bonds (Green Bonds) on September 29, 2023. In addition, JMF entered into an agreement on September 28, 2023 and refinanced the loans on October 6, 2023. As a result, interest-bearing debt as of the date of this document stands at 554,145 million yen, the breakdown of which is short-term debts of 800 million yen and long-term debts of 488,345 million yen and investment corporation bonds (including Green Bonds) of 65,000 million yen. Interest-bearing debt that will come due by the end of the August 2024 (45th) fiscal period amounts to 800 million yen in short-term borrowings, 44,200 million yen in long-term borrowings and 14,500 million yen in investment corporation bonds, but it is assumed that the entire amount will be procured through borrowings as the source of funds for repayment. |
| Operating revenues | <ul style="list-style-type: none"> With respect to gain on sales of property, we assume that gain on sales of property of 1,465 million yen in the disposition of AEON MALL Tsurumi Ryokuchi (a 25% quasi-co-ownership of trust beneficiary right in real estate) and Round1 Sannomiya Station in the fiscal period ending February 2024 (44th) and 679 million yen in the disposition of AEON MALL Sapporo Naebo (a 20% quasi-co-ownership of trust beneficiary right in real estate) in the fiscal period ending August 2024 (45th) will be recorded. Rent and other operating revenues are calculated based on lease contracts in effect as of the date of this document. Rent levels and estimated rents for the portions of properties that are vacant are calculated taking into account negotiations with our tenants and other relevant factors that took place until the date of this document. We assume that there will be no arrears or nonpayment of rent by our tenants through the end of the August 2024 (45th) fiscal period. |

| | |
|--|--|
| <p>Operating expense (excluding goodwill amortization)</p> | <ul style="list-style-type: none"> • We assume property-related taxes of 3,586 million yen in February 2024 (44th) fiscal period respectively and 3,631 million yen in the August 2024 (45th) fiscal period. • With respect to property taxes, urban planning taxes and depreciable assets taxes (“taxes on property and equipment”) on properties owned by JMF, the tax amount assessed and payable for the corresponding accounting periods has been calculated as property-related expenses. However, should any need arise for settlement, such as a need to pay settlement amount for taxes on property and equipment, in relation to new property acquisitions to be made during the year in which the period falls (“amounts equivalent to taxes on property and equipment”), such amounts are taken into account in the acquisition cost of the properties and therefore are not recorded as expenses for the period. Therefore, with respect to taxes on property and equipment pertaining to the properties to be acquired in 2023 (Karuizawa Commongrounds (Land with leasehold interest), JMF-Residence Ikebukuro 1-chome, JMF-Residence Osaka Fukushima, JMF-Residence Kita-Shinagawa, JMF-Bldg. Nakano 01, JMF-Residence Fujisawa, JMF-Residence Akabane Shimo, JMF-Residence Shin-Yokohama, and JMF-Residence Machida), the tax amounts assessed and payable for the relevant accounting periods will be recorded as property-related expenses in 2024 and onwards. We have assumed that the amounts equivalent to taxes on property and equipment included in the acquisition costs of these properties are equivalent to 18 million yen in total. In addition, with respect to taxes on property and equipment pertaining to the properties to be acquired in 2024 (land portion in directly connected to Sapporo Station “North 5 West 1 and West 2 District Type 1 Urban Redevelopment Project”, JMF-Residence Asakusabashi 3-chome, JMF-Residence Sakuranomiya, JMF-Residence Miyakojima, JMF-Residence Tenjimbashisuji 6-chome), the tax amounts assessed and payable for the relevant accounting periods will be recorded as property-related expenses in 2025 and onwards. We have assumed that the amounts equivalent to taxes on property and equipment included in the acquisition costs of these properties are equivalent to 29 million yen in total. • We assume that repair and maintenance will be 1,006 million yen for the February 2024 (44th) fiscal period, and 586 million yen for the August 2024 (45th) fiscal period. However, repair and maintenance expenses may vary substantially from the estimate since such expenses may be incurred due to unforeseeable reasons. • We assume that depreciation will be 5,578 million yen for the February 2024 (44th) fiscal period, and 5,604 million yen for the August 2024 (45th) fiscal period. • We assume that outsourcing fees will be property management fees of 836 million yen for the February 2024 (44th) fiscal period, and 865 million yen for the August 2024 (45th) fiscal period, and facility management fees of 2,485 million yen for the February 2024 (44th) fiscal period, and 2,451 million yen for the August 2024 (45th) fiscal period. • We assume that we will incur losses of 177 million yen in the February 2024 (44th) fiscal period, and 47 million yen for the August 2024 (45th) fiscal period, respectively, on the disposal of property related to facility updates, etc. at each property. With respect to the loss on disposal of property described above, |
|--|--|

| | |
|--|--|
| | <p>those losses related to properties whose estimated useful lives are determined to be subject to review as a result of the change in the estimate from an accounting perspective will be treated as depreciation.</p> <ul style="list-style-type: none"> Asset management fees are based on the assumption that the ongoing asset management fee structure of JMF will not be changed. |
| Goodwill amortization | <ul style="list-style-type: none"> We assume that the goodwill will be amortized over 20 years using the straight-line basis in accordance with the Accounting Standard for Business Combinations (Accounting Standards Board of Japan Statement No. 21 revised on January 16, 2019). We assume that goodwill amortization for the February 2024 (44th) fiscal period and the August 2024 (45th) fiscal period will be 401 million yen. |
| Non-operating expenses | <ul style="list-style-type: none"> We assume that non-operating expenses (including interest expense, loan-related costs, interest expenses on investment corporation bonds, etc.) will be 2,023 million yen for the February 2024 (44th) fiscal period, and 2,093 million yen for the August 2024 (45th) fiscal period. |
| Distributions per unit | <ul style="list-style-type: none"> The distributions per unit are determined in accordance with the cash distribution policy stipulated in the Articles of Incorporation of JMF. It is assumed that the distributions for the February 2024 (44th) fiscal period are calculated based on the assumptions that a total of 15,865 million yen (distributions per unit: 2,270 yen), consisting of retained earnings at the end of the period amounting to 15,735 million yen, plus reversal of reserve for temporary difference adjustment amounting to 280 million yen and deduct provision of reserve for reduction entry of property amounting to 151 million yen. It is assumed that the distributions for the August 2024 (45th) fiscal period are calculated based on the assumptions that a total of 15,725 million yen (distributions per unit: 2,250 yen), consist of retained earnings at the end of the period amounting to 15,001 million yen, plus reversal of reserve for reduction entry of property amounting to 336 million yen and reversal of reserve for temporary difference adjustment amounting to 387 million yen. It is assumed that retained earnings for temporary difference adjustment of JMF will be reversed in at least a 50-year equal payment (31 million yen) each fiscal period starting in the fiscal period ended August 2017 (31st fiscal period). We assume that additional tax imposition resulting from inconsistencies between tax and accounting treatment will be avoided by reversing of retained earnings for temporary difference adjustments. |
| Distributions in excess of profit per unit | <ul style="list-style-type: none"> We do not plan to make distributions in excess of profits at this time. |
| Other | <ul style="list-style-type: none"> We assume that there will be no amendment of laws, accounting standards and the tax system in Japan that will impact the aforementioned forecasts and no unforeseen, significant changes will occur in general economic trends and property market movements in Japan. |

2. Financial information

(1) Balance sheets

(Thousands of yen)

| | As of | |
|--|----------------------|----------------------|
| | February 28, 2023 | August 31, 2023 |
| ASSETS | | |
| Current assets: | | |
| Cash and bank deposits | 45,095,708 | 37,370,321 |
| Cash and bank deposits in trust (Note 1) | 19,180,353 | 20,000,965 |
| Rent receivables | 1,155,290 | 1,039,176 |
| Advance payments to suppliers | 405,900 | 847,965 |
| Income taxes receivable | 53,444 | 64,467 |
| Derivatives | 16,413 | - |
| Other current assets | 1,306,404 | 1,603,319 |
| Total current assets | 67,213,514 | 60,926,215 |
| Non-current assets: | | |
| Property and equipment: | | |
| Buildings | 2,485,272 | 2,486,839 |
| Accumulated depreciation | (899,524) | (933,789) |
| Buildings, net | 1,585,748 | 1,553,050 |
| Building improvements | 66,137 | 66,137 |
| Accumulated depreciation | (34,767) | (36,194) |
| Building improvements, net | 31,369 | 29,943 |
| Furniture and fixtures | 20,449 | 21,364 |
| Accumulated depreciation | (16,942) | (17,158) |
| Furniture and fixtures, net | 3,507 | 4,205 |
| Land | 28,976,260 | 27,036,723 |
| Construction in progress | 1,200 | - |
| Buildings in trust (Note 2) | 347,971,113 | 353,589,636 |
| Accumulated depreciation | (125,114,532) | (129,794,961) |
| Buildings in trust, net (Note 1) | 222,856,580 | 223,794,674 |
| Building improvements in trust (Note 2) | 12,294,915 | 12,401,784 |
| Accumulated depreciation | (5,227,457) | (5,390,598) |
| Building improvements in trust, net (Note 1) | 7,067,457 | 7,011,185 |
| Machinery and equipment in trust | 2,291,621 | 2,308,086 |
| Accumulated depreciation | (1,473,823) | (1,530,172) |
| Machinery and equipment in trust, net (Note 1) | 817,797 | 777,914 |
| Furniture and fixtures in trust (Note 2) | 5,251,024 | 5,394,826 |
| Accumulated depreciation | (3,585,375) | (3,722,695) |
| Furniture and fixtures in trust, net (Note 1) | 1,665,649 | 1,672,131 |
| Land in trust (Notes 1 and 2) | 878,591,415 | 884,746,656 |
| Construction in progress in trust (Note 1) | 825,850 | 845,496 |
| Total property and equipment | 1,142,422,837 | 1,147,471,982 |
| Intangible assets: | | |
| Goodwill | 14,444,281 | 14,043,051 |
| Leasehold rights in trust | 4,993,698 | 5,513,530 |
| Other intangible assets | 292,953 | 257,261 |
| Other intangible assets in trust | 61,697 | 55,443 |
| Total intangible assets | 19,792,631 | 19,869,287 |
| Investment and other assets: | | |
| Investment securities | 15,833,992 | 16,905,127 |
| Lease deposits in trust | 1,467,115 | 1,467,115 |
| Long-term prepaid expenses | 2,402,032 | 2,895,652 |
| Derivatives | 317,606 | 236,608 |
| Other investments | 1,036 | 1,036 |
| Total investment and other assets | 20,021,782 | 21,505,540 |
| Total non-current assets | 1,182,237,251 | 1,188,846,810 |
| Deferred assets: | | |
| Investment corporation bond issuance costs | 153,395 | 153,119 |
| Total deferred assets | 153,395 | 153,119 |
| TOTAL ASSETS | 1,249,604,161 | 1,249,926,145 |

(To be continued on the following page)

(Thousands of yen)

| | As of | |
|--|----------------------|----------------------|
| | February 28, 2023 | August 31, 2023 |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable – operating | 4,813,652 | 4,863,376 |
| Short-term borrowings | 6,200,000 | 2,000,000 |
| Current portion of long-term bonds issued – unsecured | 15,500,000 | 14,500,000 |
| Current portion of long-term borrowings | 41,300,000 | 48,200,000 |
| Accounts payable – other | 42,214 | 37,341 |
| Accrued expenses | 2,074,982 | 2,207,115 |
| Income taxes payable | 605 | 605 |
| Consumption tax payable | 776,594 | 709,307 |
| Rent received in advance | 4,456,354 | 4,546,436 |
| Deposits received | 1,495,721 | 1,540,740 |
| Current portion of tenant leasehold and security deposits in trust | 68,065 | 68,065 |
| Current portion of asset retirement obligations | 112,293 | 112,552 |
| Other current liabilities | 113,094 | 110,876 |
| Total current liabilities | 76,953,578 | 78,896,417 |
| Non-current liabilities: | | |
| Long-term bonds issued – unsecured | 50,000,000 | 47,000,000 |
| Long-term borrowings | 437,645,000 | 438,945,000 |
| Tenant leasehold and security deposits | 1,883,804 | 1,680,864 |
| Tenant leasehold and security deposits in trust (Note 1) | 57,093,442 | 57,498,883 |
| Asset retirement obligations | 726,539 | 730,463 |
| Other non-current liabilities | 79,797 | 97,225 |
| Total non-current liabilities | 547,428,585 | 545,952,436 |
| TOTAL LIABILITIES | 624,382,163 | 624,848,854 |
| NET ASSETS | | |
| Unitholders' equity: | | |
| Unitholders' capital | 411,878,082 | 411,878,082 |
| Surplus: | | |
| Capital surplus | 202,855,188 | 202,855,188 |
| Deduction from capital surplus (Note 4) | (11,999,843) | (11,999,843) |
| Capital surplus, net | 190,855,344 | 190,855,344 |
| Voluntary reserve | | |
| Reserve for reduction entry of property | 1,160,420 | 1,153,619 |
| Reserve for dividends | 3,915,072 | 3,915,072 |
| Retained earnings for temporary difference adjustment (Note 5) | 834,795 | 640,675 |
| Total voluntary reserve | 5,910,288 | 5,709,367 |
| Retained earnings | 15,964,846 | 16,051,855 |
| Total surplus | 212,730,479 | 212,616,568 |
| Total unitholders' equity | 624,608,562 | 624,494,650 |
| Valuation and translation adjustments: | | |
| Net unrealized holding gains (losses) on investment securities | 279,415 | 346,032 |
| Deferred gains on hedges | 334,020 | 236,608 |
| Total valuation and translation adjustments | 613,435 | 582,640 |
| TOTAL NET ASSETS (Note 6) | 625,221,997 | 625,077,291 |
| TOTAL LIABILITIES AND NET ASSETS | 1,249,604,161 | 1,249,926,145 |

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

(2) Statements of income and retained earnings

(Thousands of yen)

| | For the six months ended | |
|--|--------------------------|-----------------|
| | February 28, 2023 | August 31, 2023 |
| Operating revenues | | |
| Rent and other operating revenues (Note 7) | 39,674,615 | 39,020,627 |
| Gain on sales of property (Note 8) | 1,345,346 | 2,026,138 |
| Dividend income | 313,031 | 358,539 |
| Total operating revenues | 41,332,993 | 41,405,305 |
| Operating expenses | | |
| Property-related expenses (Note 7) | 18,761,466 | 18,499,288 |
| Asset management fees | 3,682,963 | 3,762,769 |
| Custodian fees | 33,534 | 34,161 |
| General administration fees | 152,116 | 154,647 |
| Compensation for Directors | 5,782 | 5,782 |
| Amortization of goodwill | 401,230 | 401,230 |
| Other operating expenses | 408,629 | 492,776 |
| Total operating expenses | 23,445,722 | 23,350,655 |
| Operating income | 17,887,270 | 18,054,649 |
| Non-operating revenues | | |
| Interest income | 323 | 270 |
| Compensation income | 33,802 | 305 |
| Other non-operating revenues | 2,286 | 1,903 |
| Total non-operating revenues | 36,412 | 2,478 |
| Non-operating expenses | | |
| Interest expenses | 1,354,246 | 1,394,617 |
| Interest expenses on investment corporation bonds | 188,558 | 206,102 |
| Amortization of investment corporation bond issuance costs | 26,614 | 25,829 |
| Loan-related costs | 351,787 | 374,537 |
| Loss on retirement of non-current assets | 33,802 | 305 |
| Other non-operating expenses | 3,223 | 3,275 |
| Total non-operating expenses | 1,958,231 | 2,004,668 |
| Ordinary income | 15,965,451 | 16,052,460 |
| Income before income taxes | 15,965,451 | 16,052,460 |
| Income taxes | | |
| Current | 605 | 605 |
| Total income taxes | 605 | 605 |
| Net income | 15,964,846 | 16,051,855 |
| Unappropriated earnings at beginning of period | - | - |
| Retained earnings at the end of period | 15,964,846 | 16,051,855 |

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

(3) Statements of changes in net assets

(Thousands of yen)

| | Unitholders' equity | | | | | | | | | | | Valuation and translation adjustments | | | |
|---|-------------------------------|-----------------|--------------------------------|----------------------|---|-----------------------|---|-------------------------|-------------------|---------------|---------------------------|--|--------------------------|---|------------------|
| | Surplus | | | | | | | | | | | | | | |
| | Voluntary reserve | | | | | | | | | | | | | | |
| | Unitholders' capital (Note 6) | Capital surplus | Deduction from capital surplus | Capital surplus, net | Reserve for reduction entry of property | Reserve for dividends | Retained earnings for temporary difference adjustment | Total voluntary reserve | Retained earnings | Total surplus | Total unitholders' equity | Net unrealized holding gains (losses) on investment securities | Deferred gains on hedges | Total valuation and translation adjustments | Total net assets |
| Balance as of August 31, 2022 | 411,878,082 | 202,855,188 | (11,999,843) | 190,855,344 | 1,160,420 | 3,915,072 | 928,434 | 6,003,928 | 15,722,673 | 212,581,946 | 624,460,028 | 172,748 | 143,639 | 316,387 | 624,776,416 |
| Changes during the period | | | | | | | | | | | | | | | |
| Reversal of retained earnings for temporary difference adjustment | - | - | - | - | - | - | (93,639) | (93,639) | 93,639 | - | - | - | - | - | - |
| Cash distribution declared | - | - | - | - | - | - | - | - | (15,816,312) | (15,816,312) | (15,816,312) | - | - | - | (15,816,312) |
| Net income | - | - | - | - | - | - | - | - | 15,964,846 | 15,964,846 | 15,964,846 | - | - | - | 15,964,846 |
| Net changes of items other than unitholders' equity | - | - | - | - | - | - | - | - | - | - | - | 106,667 | 190,380 | 297,047 | 297,047 |
| Total changes during the period | - | - | - | - | - | - | (93,639) | (93,639) | 242,173 | 148,533 | 148,533 | 106,667 | 190,380 | 297,047 | 445,581 |
| Balance as of February 28, 2023 | 411,878,082 | 202,855,188 | (11,999,843) | 190,855,344 | 1,160,420 | 3,915,072 | 834,795 | 5,910,288 | 15,964,846 | 212,730,479 | 624,608,562 | 279,415 | 334,020 | 613,435 | 625,221,997 |
| Changes during the period | | | | | | | | | | | | | | | |
| Reversal of reserve for reduction entry of property | - | - | - | - | (6,801) | - | - | (6,801) | 6,801 | - | - | - | - | - | - |
| Reversal of retained earnings for temporary difference adjustment | - | - | - | - | - | - | (194,119) | (194,119) | 194,119 | - | - | - | - | - | - |
| Cash distribution declared | - | - | - | - | - | - | - | - | (16,165,767) | (16,165,767) | (16,165,767) | - | - | - | (16,165,767) |
| Net income | - | - | - | - | - | - | - | - | 16,051,855 | 16,051,855 | 16,051,855 | - | - | - | 16,051,855 |
| Net changes of items other than unitholders' equity | - | - | - | - | - | - | - | - | - | - | - | 66,616 | (97,411) | (30,794) | (30,794) |
| Total changes during the period | - | - | - | - | (6,801) | - | (194,119) | (200,920) | 87,008 | (113,911) | (113,911) | 66,616 | (97,411) | (30,794) | (144,706) |
| Balance as of August 31, 2023 | 411,878,082 | 202,855,188 | (11,999,843) | 190,855,344 | 1,153,619 | 3,915,072 | 640,675 | 5,709,367 | 16,051,855 | 212,616,568 | 624,494,650 | 346,032 | 236,608 | 582,640 | 625,077,291 |

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

(4) Statements of cash distributions

| | | (Yen) | |
|-----|--|--------------------------|-----------------|
| | | For the six months ended | |
| | | February 28, 2023 | August 31, 2023 |
| I | Retained earnings at the end of period | 15,964,846,796 | 16,051,855,740 |
| II | Reversal of voluntary reserve | | |
| | <i>Reversal of reserve for reduction entry of property</i> | 6,801,353 | - |
| | <i>Reversal of retained earnings for temporary difference adjustment (Note 9 in section (8) below)</i> | 194,119,334 | 255,693,810 |
| III | Cash distribution declared | 16,165,767,483 | 15,802,334,751 |
| | <i>(Cash distribution declared per unit)</i> | <i>(2,313)</i> | <i>(2,261)</i> |
| IV | Voluntary reserve | | |
| | <i>Reserve for reduction entry of property</i> | - | 505,214,799 |
| IV | Retained earnings carried forward | - | - |

For the six months ended February 28, 2023:

In accordance with the distribution policy in the JMF'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, 2023 amounting to ¥16,165,767,483 consisted of all of the retained earnings at the end of the period after reversals of reserve for reduction entry of property amounting to ¥6,801,353 and retained earnings for temporary difference adjustment amounting to ¥194,119,334. As a result, distribution per unit amounted to ¥2,313. JMF 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, 2023:

In accordance with the distribution policy in the JMF'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, 2023 amounting to ¥15,802,334,751 consisted of all of the retained earnings at the end of the period after reversal of retained earnings for temporary difference adjustment amounting to ¥255,693,810 and provision of reserve for reduction entry of property amounting to ¥505,214,799. As a result, distribution per unit amounted to ¥2,261. JMF generally does not make distributions in excess of profit prescribed in the article of incorporation 26, Paragraph 2.

(5) Statements of cash flows

(Thousands of yen)

| | For the six months ended | |
|---|--------------------------|--------------------|
| | February 28, 2023 | August 31, 2023 |
| Cash Flows from Operating Activities: | | |
| Income before income taxes | 15,965,451 | 16,052,460 |
| Adjustments to reconcile income before income taxes to net cash provided by operating activities: | | |
| Depreciation | 5,848,434 | 5,826,368 |
| Amortization of goodwill | 401,230 | 401,230 |
| Amortization of investment corporation bond issuance costs | 26,614 | 25,829 |
| Gain on sales of property | (1,345,346) | (2,026,138) |
| Loss on retirement of non-current assets | 112,787 | 68,271 |
| Interest income | (323) | (270) |
| Interest expenses | 1,542,804 | 1,600,720 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in rent receivables | (62,595) | 119,531 |
| (Increase) decrease in income taxes receivable | (6,475) | (11,022) |
| (Increase) decrease in long-term prepaid expenses | (76,007) | (493,620) |
| Increase (decrease) in accounts payable - operating | (294,488) | 303,207 |
| Increase (decrease) in consumption tax payable | (251,794) | (67,287) |
| Increase (decrease) in accounts payable - other | 8,655 | (5,697) |
| Increase (decrease) in accrued expenses | (34,218) | 37,376 |
| Increase (decrease) in rent received in advance | 45,534 | 90,082 |
| Increase (decrease) in deposits received | (231,109) | 196,165 |
| Other, net | 33,491 | (261,093) |
| Sub total | 21,682,644 | 21,856,114 |
| Interest received | 323 | 270 |
| Interest expenses paid | (1,569,859) | (1,565,073) |
| Income taxes paid | (605) | (605) |
| Net cash provided by operating activities | 20,112,503 | 20,290,705 |
| Cash Flows from Investing Activities: | | |
| Purchase of property and equipment | (524,323) | (15,718) |
| Deposit for purchase of property and equipment | (405,900) | - |
| Proceeds from sales of property and equipment | - | 2,598,668 |
| Purchase of property and equipment in trust | (4,161,380) | (20,106,306) |
| Deposit for purchase of property and equipment in trust | - | (442,065) |
| Proceeds from sales of property and equipment in trust | 3,601,089 | 8,489,246 |
| Payments for sales of property and equipment in trust | (46,598) | (23,760) |
| Purchase of intangible assets | (14,312) | (6,675) |
| Purchase of intangible assets in trust | (12,615) | (539,620) |
| Payments of tenant leasehold and security deposits | - | (202,940) |
| Proceeds from tenant leasehold and security deposits | 28,600 | 30,000 |
| Payments of tenant leasehold and security deposits in trust | (2,014,630) | (1,121,757) |
| Proceeds from tenant leasehold and security deposits in trust | 1,381,346 | 1,343,616 |
| Proceeds from lease deposits in trust | 12,500 | - |
| Purchase of investment securities | (1,441,520) | (1,004,836) |
| Payments for restricted bank deposits in trust | (412,529) | - |
| Proceeds from restricted bank deposits in trust | 290,344 | - |
| Net cash used in investing activities | (3,719,930) | (11,002,147) |
| Cash Flows from Financing Activities: | | |
| Proceeds from short-term borrowings | 6,200,000 | 1,000,000 |
| Repayments of short-term borrowings | (6,000,000) | (5,200,000) |
| Proceeds from long-term borrowings | 20,600,000 | 32,100,000 |
| Repayments of long-term borrowings | (22,800,000) | (23,900,000) |
| Proceeds from issuance of investment corporation bonds | 2,977,608 | 3,974,447 |
| Redemption of investment corporation bonds | - | (8,000,000) |
| Distribution payments | (15,816,705) | (16,167,780) |
| Net cash used in financing activities | (14,839,097) | (16,193,333) |
| Net change in cash and cash equivalents | 1,553,475 | (6,904,774) |
| Cash and cash equivalents at the beginning of period | 62,087,062 | 63,640,538 |
| Cash and cash equivalents at the end of period (Note 10) | 63,640,538 | 56,735,763 |

(6) Note relating to going concern assumption

Not applicable.

(7) Summary of significant accounting policies

(a) 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 investment securities 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.

(b) Property and equipment

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

| | |
|---|------------|
| Buildings, Buildings in trust | 2-65 years |
| Building improvements, Building improvements in trust | 2-60 years |
| Machinery and equipment, Machinery and equipment in trust | 2-17 years |
| Furniture and fixtures, Furniture and fixtures in trust | 2-20 years |

(c) Intangible assets

Intangible assets are amortized on a straight-line basis.

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

(d) Leased assets

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

(e) Long-term prepaid expenses

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

(f) Investment unit issuance costs

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

(g) Investment corporation bond issuance costs

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

(h) Revenue recognition

The content of the performance obligations regarding revenue arising from contracts with customers of JMF 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 JMF 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.

(i) Taxes on property and equipment

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

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

Taxes on property and equipment capitalized amounted to ¥1,834 thousand and ¥38,209 thousand for the six months ended February 28, 2023 and August 31, 2023, respectively.

(j) Hedge accounting

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

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

(k) Cash and cash equivalents

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

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

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

(8) Notes to financial information

Note 1 — Collateral

The carrying amounts of assets stated below were pledged as collateral to secure tenant leasehold and security deposits in trust totaling ¥15,685,708 thousand and ¥15,754,775 thousand as of February 28, 2023 and August 31, 2023, respectively.

| | (Thousands of yen) | |
|-----------------------------------|--------------------|-----------------|
| | As of | |
| | February 28, 2023 | August 31, 2023 |
| Cash and bank deposits in trust | 635,524 | 635,524 |
| Buildings in trust | 46,924,494 | 46,537,837 |
| Building improvements in trust | 1,937,186 | 1,924,263 |
| Machinery and equipment in trust | 188,410 | 182,872 |
| Furniture and fixtures in trust | 430,876 | 420,425 |
| Land in trust | 123,961,028 | 123,961,028 |
| Construction in progress in trust | 9,490 | 5,340 |
| Total | 174,087,010 | 173,667,292 |

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 ¥350,000 thousand as of February 28, 2023 and August 31, 2023 or a co-owner's payment of tenant leasehold and security deposits for amounts of ¥133,035 thousand and revolving mortgages at a maximum ¥558,872 thousand as of February 28, 2023 and August 31, 2023.

Note 2 — Reduction entry of property

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

| | (Thousands of yen) | |
|---|--------------------|-----------------|
| | As of | |
| | February 28, 2023 | August 31, 2023 |
| Acquired by government subsidies | | |
| Buildings in trust | 336,589 | 336,589 |
| Building improvements in trust | 424 | 424 |
| Furniture and fixtures in trust | 495 | 495 |
| Total | 337,509 | 337,509 |
| Land in trust acquired through exchange | 450,559 | 450,559 |

Note 3 — Credit facilities and commitment lines

As of February 28, 2023 and August 31, 2023, JMF entered into credit facilities and committed lines of credit as follows:

| | (Thousands of yen) | |
|---|--------------------|-----------------|
| | As of | |
| | February 28, 2023 | August 31, 2023 |
| Credit facilities | | |
| Total amount of credit facilities | 55,500,000 | 54,500,000 |
| Borrowings drawn down | - | - |
| Unused credit facilities | 55,500,000 | 54,500,000 |
| Commitment lines | | |
| Total amount of committed lines of credit | 75,000,000 | 75,000,000 |
| Borrowings drawn down | - | - |
| Unused committed lines of credit | 75,000,000 | 75,000,000 |

Note 4 — Retirement of own investment units

JMF retired its own investment units as follows:

| | As of | |
|---|-------------------|-----------------|
| | February 28, 2023 | August 31, 2023 |
| Total number of own investment units retired | 64,715 units | 64,715 units |
| Total amount of retirement (Thousands of yen) | 11,999,843 | 11,999,843 |

Note 5 — Retained earnings for temporary difference adjustment

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

For the six months ended February 28, 2023

(Thousands of yen)

| | Initial amount | Balance at beginning of the period | Provision | Reversal | Balance at end of the period | Reason for provision or reversal |
|--------------------------------------|----------------|------------------------------------|-----------|----------|------------------------------|----------------------------------|
| Reserve for dividends ⁽ⁱ⁾ | 3,138,254 | 928,434 | - | (93,639) | 834,795 | Appropriation for dividends |

For the six months ended August 31, 2023

(Thousands of yen)

| | Initial amount | Balance at beginning of the period | Provision | Reversal | Balance at end of the period | Reason for provision or reversal |
|--------------------------------------|----------------|------------------------------------|-----------|-----------|------------------------------|----------------------------------|
| Reserve for dividends ⁽ⁱ⁾ | 3,138,254 | 834,795 | - | (194,119) | 640,675 | Appropriation for dividends |

Note:

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

Note 6 — Net assets**(1) Number of investment units**

| | As of | |
|------------------------|-------------------|------------------|
| | February 28, 2023 | August 31, 2023 |
| Authorized | 16,000,000 units | 16,000,000 units |
| Issued and outstanding | 6,989,091 units | 6,989,091 units |

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

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

Rent and other operating revenues and property-related expenses for the six months ended February 28, 2023 and August 31, 2023 consist of the following:

(Thousands of yen)

| | For the six months ended | |
|---|--------------------------|-----------------|
| | February 28, 2023 | August 31, 2023 |
| Rent and other operating revenues: | | |
| Rent revenue | 33,921,323 | 34,240,758 |
| Common area charges | 2,365,293 | 2,289,809 |
| Other | 3,387,999 | 2,490,059 |
| Total rent and other operating revenues | 39,674,615 | 39,020,627 |
| Property-related expenses: | | |
| Property management fees | 897,012 | 873,008 |
| Facility management fees | 2,463,265 | 2,477,448 |
| Utilities | 3,008,066 | 2,864,459 |
| Property-related taxes | 3,482,362 | 3,624,242 |
| Repair and maintenance | 1,130,196 | 872,121 |
| Insurance | 71,536 | 77,970 |
| Trust fees | 51,888 | 54,161 |
| Rent expense | 802,146 | 804,714 |
| Other | 968,818 | 1,001,219 |
| Depreciation | 5,807,185 | 5,781,976 |
| Loss on retirement of non-current assets | 78,985 | 67,966 |
| Total property-related expenses | 18,761,466 | 18,499,288 |
| Operating income from property leasing activities | 20,913,149 | 20,521,339 |

Note 8 — Analysis of gain on sales of property

Analysis of gain on sales of property is as follows:

(Thousands of yen)

| | For the six months ended | | | |
|--------------------------------|--|---------------------------------------|-----------------------------|-----------------------------|
| | February 28, 2023 | August 31, 2023 | | |
| | G-Bldg. Ginza 01 (40% quasi-co-ownership) | LIFE Kishibe (Land with leasehold) | Round1 Stadium Takatsuki | G-Bldg. Minami Aoyama 02 |
| Sales of property | 3,600,000 | 2,600,000 | 3,320,000 | 5,383,311 |
| Costs of sales of property | 2,231,983 | 1,942,759 | 1,877,779 | 5,161,595 |
| Other sales expenses | 22,670 | 18,491 | 72,848 | 203,698 |
| Gain on sales of property, net | 1,345,346 | 638,748 | 1,369,372 | 18,017 |

Note 9 — Provision of retained earnings for temporary difference adjustment

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

JMF reversed ¥194,119,334 and ¥255,693,810 of retained earnings for temporary difference adjustment for the six months ended February 28, 2023 and August 31, 2023, respectively.

Note 10 — Cash and cash equivalents

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

(Thousands of yen)

| | As of | |
|--|-------------------|-----------------|
| | February 28, 2023 | August 31, 2023 |
| Cash and bank deposits | 45,095,708 | 37,370,321 |
| Cash and bank deposits in trust | 19,180,353 | 20,000,965 |
| Restricted bank deposits in trust ⁽ⁱ⁾ | (635,524) | (635,524) |
| Cash and cash equivalents | 63,640,538 | 56,735,763 |

Note:

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

Note 11 — Leases**(a) Lease rental revenues**

JMF leases its properties to retail tenants. Future minimum rental revenues pursuant to existing rental contracts as of February 28, 2023 and August 31, 2023 (exclusive of the recovery of utility and other charges) scheduled to be received are summarized as follows:

(Thousands of yen)

| | As of | |
|---------------------|-------------------|-----------------|
| | February 28, 2023 | August 31, 2023 |
| Due within one year | 20,497,170 | 23,210,464 |
| Due after one year | 96,095,751 | 107,343,551 |
| Total | 116,592,921 | 130,554,016 |

(b) Lease commitments

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

Note 12 — Financial instruments**(a) Qualitative information for financial instruments****(i) Policy for financial instrument transactions**

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

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

The funds raised through borrowings or 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 rate are subject to fluctuations in market interest rates, JMF maintains an appropriate level of liabilities ratio in order to manage its exposure to the potential rise in market interest rates. In addition, a certain portion of long-term borrowings with floating interest rates is hedged by derivatives (interest rate swaps) as hedging instruments. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments and the hedged items. When the interest rate swaps meet specific criteria required for the special treatment provided under Japanese GAAP, the assessment of hedge effectiveness is not performed. In accordance with JMF's risk management policy and internal rules, JMF uses derivative instruments for the purpose of hedging risks that are prescribed in JMF's articles of incorporation. Investment securities are investments in Tokumei Kumiai (silent partnership), investment limited partnership or private placement REIT. Although these investments are subject to fluctuations in real estate prices or interest rates, JMF regularly monitors the values of the investments and financial position of the issuers, etc.

Liquidity risks relating to borrowings 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 14 — Derivatives" do not, by themselves, represent the market risk exposure associated with the derivative transactions.

(b) Matters concerning the fair value, etc. of financial instruments

The following table shows the carrying amounts, fair value and valuation differences of financial instruments for which fair value is available as of February 28, 2023 and August 31, 2023. 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 the amounts are immaterial.

| | As of February 28, 2023 | | | As of August 31, 2023 | | |
|---|-------------------------|-------------|-------------|-----------------------|-------------|-------------|
| | Carrying amounts | Fair value | Difference | Carrying amounts | Fair value | Difference |
| (1) Investment securities | | | | | | |
| Other investment securities | 6,398,897 | 6,398,897 | - | 7,470,186 | 7,470,186 | - |
| Total assets | 6,398,897 | 6,398,897 | - | 7,470,186 | 7,470,186 | - |
| (1) Current portion of long-term bonds issued - unsecured | 15,500,000 | 15,542,155 | 42,155 | 14,500,000 | 14,509,067 | 9,067 |
| (2) Current portion of long-term borrowings | 41,300,000 | 41,299,477 | (522) | 48,200,000 | 48,273,232 | 73,232 |
| (3) Long-term bonds issued - unsecured | 50,000,000 | 49,684,880 | (315,120) | 47,000,000 | 46,752,395 | (247,605) |
| (4) Long-term borrowings | 437,645,000 | 428,022,424 | (9,622,575) | 438,945,000 | 430,553,338 | (8,391,661) |
| Total liabilities | 544,445,000 | 534,548,937 | (9,896,062) | 548,645,000 | 540,088,034 | (8,556,965) |
| Derivatives (derivatives liabilities), net | 334,020 | 334,020 | - | 236,608 | 236,608 | - |

Note (i): The methods and assumptions used to estimate fair value and the matters relating to derivatives 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 13—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 financial market information provider.

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

Derivatives

Please refer to "Note 14—Derivatives".

Note (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 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan Guidance No.31 revised on June 17, 2021).

The net book values of equity interests in Tokamei Kumiai (silent partnership) and investment limited partnership are ¥9,435,094 thousand and ¥9,434,941 thousand as of February 28, 2023 and August 31, 2023, respectively.

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

| As of February 28, 2023 | (Thousands of yen) | | | | | |
|------------------------------------|--------------------|------------|------------|------------|------------|--------------|
| | Up to 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | Over 5 years |
| Long-term bonds issued - unsecured | 15,500,000 | 14,000,000 | - | 14,500,000 | 11,000,000 | 10,500,000 |
| Long-term borrowings | 41,300,000 | 54,150,000 | 57,675,000 | 43,850,000 | 59,700,000 | 222,270,000 |
| Total | 56,800,000 | 68,150,000 | 57,675,000 | 58,350,000 | 70,700,000 | 232,770,000 |
| As of August 31, 2023 | | | | | | |
| | Up to 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | Over 5 years |
| Long-term bonds issued - unsecured | 14,500,000 | 7,000,000 | 9,500,000 | 13,000,000 | 5,000,000 | 12,500,000 |
| Long-term borrowings | 48,200,000 | 60,325,000 | 48,550,000 | 46,850,000 | 66,150,000 | 217,070,000 |
| Total | 62,700,000 | 67,325,000 | 58,050,000 | 59,850,000 | 71,150,000 | 229,570,000 |

Note 13 — Securities

As of February 28, 2023

Other investment securities:

| (Thousands of yen) | | | | |
|---|------------------------------|------------------|------------------|------------|
| | Classification of securities | Carrying amounts | Acquisition cost | Difference |
| Securities of which the amount reported on the balance sheet exceed the acquisition cost | Other | 6,398,897 | 6,119,482 | 279,415 |
| Securities of which the amount reported on the balance sheet do not exceed the acquisition cost | Other | - | - | - |
| Total | | 6,398,897 | 6,119,482 | 279,415 |

As of August 31, 2023

Other investment securities:

| (Thousands of yen) | | | | |
|---|------------------------------|------------------|------------------|------------|
| | Classification of securities | Carrying amounts | Acquisition cost | Difference |
| Securities of which the amount reported on the balance sheet exceed the acquisition cost | Other | 7,470,186 | 7,124,153 | 346,032 |
| Securities of which the amount reported on the balance sheet do not exceed the acquisition cost | Other | - | - | - |
| Total | | 7,470,186 | 7,124,153 | 346,032 |

Note:

Investment interests in silent partnership amounting to ¥8,651,999 thousand as of February 28, 2023 and August 31, 2023 and investment limited partnership amounting to ¥783,094 thousand and ¥782,941 thousand as of February 28, 2023 and August 31, 2023, respectively, are not included in the above information, because those are not traded in markets.

Note 14 — Derivatives

Information on derivative transactions undertaken by JMF as of February 28, 2023 and August 31, 2023 is as follows. Derivative transactions are carried out for hedging purposes and are subject to hedge accounting.

As of February 28, 2023

| (Thousands of yen) | | | | | | |
|--|--|----------------------|------------------|-------------|------------------------|------------------|
| Method of hedge accounting | Type of derivatives | Hedged item | Notional amounts | | Fair value | Valuation method |
| | | | | Over 1 year | | |
| Deferred hedge accounting | Interest rate swaps (Floating-rate to fixed-rate interest) | Long-term borrowings | 17,300,000 | 15,800,000 | 334,020 | (ii) |
| Special treatment for hedge accounting of interest rate swaps ⁽ⁱ⁾ | Interest rate swaps (Floating-rate to fixed-rate interest) | Long-term borrowings | 54,000,000 | 37,500,000 | - ⁽ⁱ⁾ | - |
| Total | | | 71,300,000 | 53,300,000 | ⁽ⁱ⁾ 334,020 | - |

As of August 31, 2023

| (Thousands of yen) | | | | | | |
|--|--|----------------------|------------------|-------------|------------------------|------------------|
| Method of hedge accounting | Type of derivatives | Hedged item | Notional amounts | | Fair value | Valuation method |
| | | | | Over 1 year | | |
| Deferred hedge accounting | Interest rate swaps (Floating-rate to fixed-rate interest) | Long-term borrowings | 15,800,000 | 15,800,000 | 236,608 | (ii) |
| Special treatment for hedge accounting of interest rate swaps ⁽ⁱ⁾ | Interest rate swaps (Floating-rate to fixed-rate interest) | Long-term borrowings | 44,500,000 | 26,500,000 | - ⁽ⁱ⁾ | - |
| Total | | | 60,300,000 | 42,300,000 | ⁽ⁱ⁾ 236,608 | - |

Note:

(i) As disclosed in “(7) Summary of significant accounting policies (j) Hedge accounting”, JMF applies the special treatment provided under Japanese GAAP for the interest rate swaps which qualify for hedge accounting and meet specific criteria, under which only the interest received or paid under swap contracts, and not the fair value of the derivative, is determined separately from the hedged asset or liability. Consequently, the fair value of the interest rate swaps as the hedging instrument and the long-term borrowings as hedged item is calculated together as one and disclosed as such under Note (i) in “Note 12—Financial instruments (b) Matters concerning the fair value, etc. of financial instruments”.

(ii) The fair value is evaluated at the amount calculated by the counterparty of the interest rate swaps contracts.

Note 15 — Related-party transaction

There was no related-party transaction to be disclosed for the six months ended February 28, 2023 and August 31, 2023.

Note 16 — Tax effect accounting

Deferred tax assets and liabilities consist of the following:

(Thousands of yen)

| | As of | |
|---|--------------------------|------------------------|
| | February 28, 2023 | August 31, 2023 |
| Deferred tax assets: | | |
| Asset retirement obligations | 263,896 | 265,094 |
| Amortization of leasehold rights | 194,812 | 204,649 |
| Depreciation | 19,601 | 20,027 |
| Valuation differences on assets acquired through merger | 10,584,441 | 10,512,430 |
| Other | 38,218 | 38,218 |
| Sub total | 11,100,971 | 11,040,421 |
| Total valuation allowance | (11,100,971) | (11,040,421) |
| Total deferred tax assets | - | - |
| Net deferred tax assets | - | - |

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

(%)

| | For the six months ended | |
|---|---------------------------------|------------------------|
| | February 28, 2023 | August 31, 2023 |
| Statutory tax rate | 31.46 | 31.46 |
| Deductible cash distributions | (31.86) | (30.97) |
| Change in valuation allowance (for deferred tax assets) | (0.44) | (0.82) |
| Amortization of goodwill | 0.79 | 0.79 |
| Provision of reserve for reduction entry of property | - | (0.99) |
| Other | 0.05 | 0.53 |
| Effective tax rate | 0.00 | 0.00 |

Note 17 — Asset retirement obligations

JMF has an obligation under a fixed-term leasehold agreement to restore its leased land, which represents a portion of the land where DFS T GALLERIA OKINAWA, owned by JMF, is located, upon the termination of the agreement, and contractual or legal obligations to remove asbestos contained in the buildings of KAWASAKI Le FRONT, JMF Jingumae 02, 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, 2023 and August 31, 2023 are as follows:

(Thousands of yen)

| | For the six months ended | |
|--|---------------------------------|------------------------|
| | February 28, 2023 | August 31, 2023 |
| Balance at the beginning of the period | 837,316 | 838,832 |
| Adjustment for passage of time | 4,098 | 4,183 |
| Derecognition due to settlement of obligations | (2,582) | - |
| Balance at the end of the period | 838,832 | 843,015 |

Note 18 — Fair value of investment and rental property

JMF 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, 2023 and August 31, 2023.

| | (Thousands of yen) | |
|---|--------------------------|-----------------|
| | For the six months ended | |
| | February 28, 2023 | August 31, 2023 |
| Net book value⁽ⁱ⁾ | | |
| Balance at the beginning of the period | 1,150,367,791 | 1,147,477,033 |
| Net increase (decrease) during the period ⁽ⁱⁱ⁾ | (2,890,758) | 5,563,923 |
| Balance at the end of the period | 1,147,477,033 | 1,153,040,957 |
| Fair value⁽ⁱⁱⁱ⁾ | 1,304,073,000 | 1,324,944,000 |

Note:

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

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

| | Increase (decrease) in net book value (Thousands of yen) |
|---|--|
| For the six months ended February 28, 2023: | |
| Acquisitions: | |
| JMF-Residence Osaka Noda | 1,473,504 |
| Karuizawa Commongrounds (Land with leasehold interest) | 516,679 |
| Capital expenditure: | |
| Total of capital expenditures for the period..... | 3,270,534 |
| Disposition: | |
| G-Bldg. Ginza 01 (40% quasi-co-ownership)..... | (2,231,983) |
| For the six months ended August 31, 2023: | |
| Acquisitions: | |
| JMF-Bldg. Nakano 01 | 4,056,449 |
| JMF-Residence Shin-Yokohama | 3,332,651 |
| JMF-Residence Akabane Shimo | 2,300,554 |
| JMF-Residence Kita-Shinagawa | 1,928,582 |
| JMF-Residence Ikebukuro 1-chome | 1,713,464 |
| JMF-Residence Osaka Fukushima | 1,544,969 |
| JMF-Residence Fujisawa..... | 1,317,158 |
| Tecc LIFE SELECT Fukuoka Shime Honten (additional acquisition)..... | 708,111 |
| Capital expenditure: | |
| Total of capital expenditures for the period..... | 3,467,313 |
| Dispositions: | |
| G-Bldg. Minami Aoyama 02 | (5,161,595) |
| LIFE Kishibe (Land with leasehold interest) | (1,942,759) |
| Round1 Stadium Takatsuki | (1,877,779) |

(iii) Fair value have been determined based on appraisals or researched value by independent appraisers. For the six months ended February 28, 2023, the selling prices are used as fair value for AEON MALL Sapporo Naebo, Round1 Stadium Takatsuki, LIFE Kishibe (Land with leasehold interest) and AEON MALL Tsurumi Ryokuchi (25% quasi-co-ownership) signed disposition contract on July 29, 2022, October 19, 2022, October 21, 2022 and April 14, 2023, respectively. For the six months ended August 31, 2023, the selling prices are used as fair value for AEON MALL Sapporo Naebo, AEON MALL Tsurumi Ryokuchi (25% quasi-co-ownership) and Round1 Sannomiya Station signed disposition contract on July 29, 2022, April 14, 2023 and July 26, 2023, respectively.

For rent revenues and expenses for the six months ended February 28, 2023 and August 31, 2023, please refer to “Note 7 — Analysis for rent and other operating revenues and property-related expenses”.

Note 19 — Revenue recognition

(a) Information on the breakdown of revenue from contracts with customers

For the six months ended February 28, 2023:

| | Revenue from contracts with customers ⁽ⁱ⁾ | Sales to external customers ⁽ⁱⁱ⁾ |
|---------------------|--|---|
| Sales of property | 3,600,000 | 1,345,346 |
| Common area charges | 2,365,293 | 2,365,293 |
| Others | - | 37,622,353 |
| Total | 5,965,293 | 41,332,993 |

(Thousands of yen)

For the six months ended August 31, 2023:

| | Revenue from contracts with customers ⁽ⁱ⁾ | Sales to external customers ⁽ⁱⁱ⁾ |
|---------------------|--|---|
| Sales of property | 11,303,311 | 2,026,138 |
| Common area charges | 2,289,809 | 2,289,809 |
| Others | - | 37,089,357 |
| Total | 13,593,121 | 41,405,305 |

(Thousands of yen)

Note:

- (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.

(b) Information utilized as the base for understanding revenue from contracts with customers

The information is as disclosed in “(7) Summary of significant accounting policies (h) Revenue recognition”.

(c) Information to understand amounts of revenues for the last fiscal period and future fiscal periods

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

| | For the six months ended February 28, 2023 | For the six months ended August 31, 2023 |
|---|--|--|
| Receivables generated from contracts with customers (balance at beginning of fiscal period) | 494,212 | 371,382 |
| Receivables generated from contracts with customers (balance at end of fiscal period) | 371,382 | 399,152 |
| 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) | - | - |

(Thousands of yen)

(2) Transaction value allocated to remaining performance obligations

For the six months ended February 28, 2023:

With respect to sale of property, transaction values allocated to remaining performance obligations as of February 28, 2023 were ¥9,300,000 thousand, ¥3,320,000 thousand and ¥2,600,000 thousand for properties on disposition contracts signed on July 29, 2022, October 19, 2022 and October 21, 2022, respectively. Revenue from the remaining performance obligations will be recognized when the delivery of each property was completed on March 1, 2023 for ¥2,600,000 thousand and April 4, 2023 for ¥3,320,000 thousand or is scheduled to be completed on August 30, 2024 for ¥1,860,000 thousand, February 28, 2025 for ¥1,860,000 thousand, August 29, 2025 for ¥1,860,000 thousand and February 27, 2026 for ¥3,720,000 thousand.

With regard to common area charges, as JMF 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.

For the six months ended August 31, 2023:

With respect to sale of property, transaction values allocated to remaining performance obligations as of August 31, 2023 were ¥9,300,000 thousand and ¥3,800,000 thousand for properties on disposition contracts signed on July 29, 2022 and July 26, 2023, respectively. Revenue from the remaining performance obligations will be recognized when the delivery of each property is scheduled to be completed on February 29, 2024 for ¥3,800,000 thousand, August 30, 2024 for ¥1,860,000 thousand, February 28, 2025 for ¥1,860,000 thousand, August 29, 2025 for ¥1,860,000 thousand and February 27, 2026 for ¥3,720,000 thousand.

With regard to common area charges, as JMF 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 20 — Segment information

Segment information for the six months ended February 28, 2023 and August 31, 2023 is as follows:

(a) Operating segment information

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

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

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

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

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

Tangible fixed assets:

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

(c) Information about major customers

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

Note 21 — Per unit information

The net asset value per unit as of February 28, 2023 and August 31, 2023 was ¥89,456 and ¥89,436, respectively. Net income per unit for the six months ended February 28, 2023 and August 31, 2023 was ¥2,284 and ¥2,296, respectively.

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 months period.

Diluted net income per unit is not disclosed because dilutive potential investment units are not issued.

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

| | (Thousands of yen) | |
|--|---------------------------------|------------------------|
| | For the six months ended | |
| | February 28, 2023 | August 31, 2023 |
| Net income | 15,964,846 | 16,051,855 |
| Amounts not attributable to common unitholders | - | - |
| Net income attributable to common unitholders | 15,964,846 | 16,051,855 |
| Weighted-average number of investment units outstanding for the period | 6,989,091 units | 6,989,091 units |

Note 22 — Subsequent events

Disposition of properties

JMF disposed of the following property on September 29, 2023.

| | |
|-------------------------------------|--|
| <i>Property name:</i> | AEON MALL Tsurumi Ryokuchi (25% of quasi-co-ownership in trust beneficiary interest) |
| <i>Disposition amount:</i> | ¥6,400 million |
| <i>Completion date of contract:</i> | April 14, 2023 |
| <i>Disposition date:</i> | September 29, 2023 |
| <i>Purchaser:</i> | Asset Finance Osaka Tsurumi Godo Kaisha |

Note:

Gains on sales of property of approximately ¥837 million will be recognized in profit as operating revenues for the six months ending February 29, 2024.

(Additional information)

Disposition of properties

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

| (millions of yen) | | | | |
|--|-----------------------------------|--------------------------------|---|------------------------------|
| Property name | Disposition amount (Scheduled) | Completion date of contract | Disposition date (Scheduled) | Purchaser |
| AEON MALL Sapporo Naebo (Trust beneficial interest) | 9,300 | 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 | |

Note:

Gains on sales of property of approximately ¥3,411 million 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.

JMF entered into a sale agreement for the following property on July 26, 2023.

| | |
|--|---|
| <i>Property name:</i> | Round1 Sannomiya Station (Trust beneficial interest) ⁽ⁱ⁾ |
| <i>Disposition amount (Scheduled):</i> | ¥3,800 million |
| <i>Completion date of contract:</i> | July 26, 2023 |
| <i>Disposition date (Scheduled):</i> | February 29, 2024 |
| <i>Purchaser:</i> | Not disclosed ⁽ⁱⁱ⁾ |

Note:

- (i) Gains on sales of property of approximately ¥628 million will be recognized in profit as operating revenues for the six months ending February 29, 2024.
- (ii) Name of the purchaser is not disclosed because the consent from the purchaser has not been obtained.

(9) Changes in investment unit issued and outstanding

The changes in unitholders' capital and number of investment units issued and outstanding for last five years until August 31, 2023 were as follows:

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

Note 1 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 2 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 3 JMF issued 1,784,125 of new investment units and allocated one investment unit after the unit split for each of all the outstanding investment units of MMI in the merger on March 1, 2021.

3. Additional information

(1) Composition of assets

| Classification of Assets | Region | | As of February 28, 2023 | | As of August 31, 2023 | |
|--|--|-------------------------------------|------------------------------------|----------------------|------------------------------------|----------------------|
| | | | Total ofnet book value (Note 1) | Composition ratio | Total ofnet book value (Note 1) | Composition ratio |
| | | | (Millions of yen) | (%) | (Millions of yen) | (%) |
| Real property | Retail facilities | Tokyo metropolitan area | 13,492 | 1.1 | 13,479 | 1.1 |
| | | Osaka and Nagoya metropolitan areas | 6,871 | 0.5 | 4,924 | 0.4 |
| | | Other areas | 4,419 | 0.4 | 4,413 | 0.4 |
| | | Sub-total | 24,784 | 2.0 | 22,817 | 1.8 |
| | Mixed-use | Tokyo metropolitan area | 5,295 | 0.4 | 5,286 | 0.4 |
| | | Other areas | 516 | 0.0 | 519 | 0.0 |
| | | Sub-total | 5,812 | 0.5 | 5,806 | 0.5 |
| | Total ofreal property | | 30,596 | 2.4 | 28,623 | 2.3 |
| Trust beneficial interest in real property | Retail facilities (Note 2) | Tokyo metropolitan area | 300,986 | 24.1 | 294,499 | 23.6 |
| | | Osaka and Nagoya metropolitan areas | 284,352 | 22.8 | 281,229 | 22.5 |
| | | Other areas | 69,718 | 5.6 | 69,878 | 5.6 |
| | | Sub-total | 655,057 | 52.4 | 645,607 | 51.7 |
| | Office Building | Tokyo metropolitan area | 201,566 | 16.1 | 201,492 | 16.1 |
| | | Osaka and Nagoya metropolitan areas | 20,750 | 1.7 | 20,698 | 1.7 |
| | | Other areas | 6,853 | 0.5 | 6,838 | 0.5 |
| | | Sub-total | 229,170 | 18.3 | 229,029 | 18.3 |
| | Residence | Tokyo metropolitan area | 1,570 | 0.1 | 12,128 | 1.0 |
| | | Osaka and Nagoya metropolitan areas | 1,469 | 0.1 | 2,999 | 0.2 |
| | | Other areas | 3,418 | 0.3 | 3,461 | 0.3 |
| | | Sub-total | 6,458 | 0.5 | 18,589 | 1.5 |
| | Hotel | Tokyo metropolitan area | 7,916 | 0.6 | 7,894 | 0.6 |
| | | Other areas | 4,380 | 0.4 | 4,416 | 0.4 |
| | | Sub-total | 12,297 | 1.0 | 12,310 | 1.0 |
| | Mixed-use (Note 2) | Tokyo metropolitan area | 113,058 | 9.0 | 117,947 | 9.4 |
| | | Osaka and Nagoya metropolitan areas | 95,804 | 7.7 | 95,895 | 7.7 |
| | | Other areas | 5,033 | 0.4 | 5,036 | 0.4 |
| | | Sub-total | 213,896 | 17.1 | 218,879 | 17.5 |
| | Total oftrust beneficial interest in real property | | 1,116,880 | 89.4 | 1,124,417 | 90.0 |
| Sub-total | | | 1,147,477 | 91.8 | 1,153,040 | 92.2 |
| Investment securities (Note 3) | | | 15,833 | 1.3 | 16,905 | 1.4 |
| Bank deposits and other assets | | | 86,293 | 6.9 | 79,980 | 6.4 |
| Total assets | | | 1,249,604 | 100.0 | 1,249,926 | 100.0 |
| Total liabilities (Notes 4 and 5) | | | 624,382 | 50.0 | 624,848 | 50.0 |
| Total net assets (Note 4) | | | 625,221 | 50.0 | 625,077 | 50.0 |

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. Kita Aoyama 01 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. (22.2% 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 (35.0% of total issued investment units)

Note 4 Total liabilities and total net assets are carrying amounts on the balance sheets at the end of the fiscal period.

Note 5 Total liabilities include tenant leasehold and security deposits and those in trust.

(2) Outline of portfolio properties

The principal properties (top ten properties in net book value) as of August 31, 2023 were as follows:

| Name of property | Net book value (Millions of yen) | Leasable area (Note 1) (m ²) | Leased area (Note 2) (m ²) | Occupancy ratio (Note 3) (%) | Ratio of rent revenue to total rent revenues (Note 3) (%) | Major use |
|---|-------------------------------------|--|--|------------------------------------|---|-------------------|
| Twin 21 (Note 4) (trust beneficial interest) | 60,332 | 84,964.88 | 83,988.10 | 98.9 | 6.3 | Mixed-use |
| mozo wonder city (Note 5) (trust beneficial interest) | 48,965 | 86,327.49 | 86,203.86 | 99.9 | 8.7 | Retail facilities |
| JMF-Bldg. Akasaka 02 (Note 4) (trust beneficial interest) | 43,904 | 12,202.96 | 12,202.96 | 100.0 | 1.5 | Office Building |
| Higashi-Totsuka Aurora City (trust beneficial interest) | 43,237 | 109,355.90 | 109,355.90 | 100.0 | 3.2 | Retail facilities |
| KAWASAKI Le FRONT (trust beneficial interest) | 34,551 | 49,224.14 | 49,224.14 | 100.0 | 5.1 | Mixed-use |
| Nara Family (Note 5) (trust beneficial interest) | 32,823 | 83,278.28 | 83,100.29 | 99.8 | 4.7 | Retail facilities |
| G-Bldg. Shinsaibashi 03 (trust beneficial interest) | 30,197 | 5,319.30 | 688.17 | 12.9 | (Note 6) | Retail facilities |
| AEON MALL Tsudanuma (trust beneficial interest) | 28,870 | 101,210.44 | 101,210.44 | 100.0 | 1.9 | Retail facilities |
| JMF-Bldg. Yokohama Bashamichi 01 (Note 4) (trust beneficial interest) | 23,935 | 25,151.58 | 25,151.58 | 100.0 | 1.8 | Office Building |
| JMF-Bldg. Kawasaki 01 (Note 4) (trust beneficial interest) | 23,773 | 24,485.71 | 17,311.52 | 70.7 | 1.7 | Office Building |
| Total | 370,591 | 581,520.68 | 568,436.96 | 97.8 | - | |

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

Note 5 "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 6 "Ratio of rent revenue to total rent revenues" of the property is not disclosed because the consent from the tenant has not been obtained.

Retail properties, office buildings, residences, hotels and mixed-use properties as of August 31, 2023 were as follows:

| No. (Note 1) | Name of property | Location (Note 2) | Form of ownership | Leasable area (Note 3) (m ²) | Appraisal value at end of period (Note 4) (Millions of yen) | Net book value (Millions of yen) |
|-----------------|---|---|---------------------------|---|---|--|
| 10001 | Abiko Shopping Plaza | 11-1, Abiko 4-chome, Abiko-shi, Chiba | Trust beneficial interest | 41,453.36 | 12,900 | 9,247 |
| 10003 | Ito-Yokado Yabashira | 15-8, Higurashi 1-chome, Matsudo-shi, Chiba, etc. | Trust beneficial interest | 21,308.78 | 1,860 | 1,215 |
| 10004 | JMF-Bldg. Daikanyama 02 | 35-17, Ebisu-Nishi 1-chome, Shibuya-ku, Tokyo | Trust beneficial interest | 612.29 | 1,620 | 1,185 |
| 10005 | GYRE | 10-1, Jingumae 5-chome, Shibuya-ku, Tokyo | Trust beneficial interest | 4,824.68 | 32,000 | 21,696 |
| 10006 | Ito-Yokado Tsunashima | 8-1, Tsunashima-Nishi 2-chome, Kohoku-ku, Yokohama-shi, Kanagawa | Trust beneficial interest | 16,549.50 | 5,130 | 4,352 |
| 10007 | Bic Camera Tachikawa | 12-2, Akebonocho 2-chome, Tachikawa-shi, Tokyo, etc. | Trust beneficial interest | 20,983.43 | 22,300 | 13,204 |
| 10008 | AEON Itabashi Shopping Center | 6-1, Tokumaru 2-chome, Itabashi-ku, Tokyo | Trust beneficial interest | 72,748.34 | 12,800 | 10,254 |
| 10009 | JMF-Bldg. Kita Aoyama 01 (Note 9) | 14-8, Kita-Aoyama 3-chome, Minato-ku, Tokyo | Trust beneficial interest | 492.69 | 1,570 | 913 |
| 10011 | SEIYU Hibarigaoka | 9-8, Sumiyoshicho 3-chome, Nishi-Tokyo-shi, Tokyo | Trust beneficial interest | 19,070.88 | 8,680 | 4,354 |
| 10012 | JMF-Bldg. Jiyugaoka 01 | 9-17, Jiyugaoka 2-chome, Meguro-ku, Tokyo, etc. | Trust beneficial interest | 2,043.68 | 5,210 | 2,666 |
| 10013 | Cheers Ginza | 9-5, Ginza 5-chome, Chuo-ku, Tokyo | Trust beneficial interest | 1,686.58 | 4,370 | 3,835 |
| 10014 | Higashi-Totsuka Aurora City | 537-1, Shinanocho, Totsuka-ku, Yokohama-shi, Kanagawa, etc. | Trust beneficial interest | 109,355.90 | 43,400 | 43,237 |
| 10016 | G-Bldg. Jingumae 06 | 28-3, Jingumae 6-chome, Shibuya-ku, Tokyo | Real property | 670.42 | 2,950 | 2,323 |
| 10017 | G-Bldg. Jingumae 01 | 21-5, Jingumae 4-chome, Shibuya-ku, Tokyo | Real property | 555.75 | 4,640 | 3,375 |
| 10020 | AEON MALL Musashi Murayama | 1-3, Enoki 1-chome, Musashimurayama-shi, Tokyo | Trust beneficial interest | 137,466.97 | 31,100 | 23,500 |
| 10021 | La Porte Aoyama (Note 5) | 51-8, Jingumae 5-chome, Shibuya-ku, Tokyo | Trust beneficial interest | 4,158.53 | 10,800 | 9,060 |
| 10023 | JMF-Bldg. Jingumae 01 | 30-12, Jingumae 3-chome, Shibuya-ku, Tokyo | Real property | 1,676.87 | 3,980 | 5,286 |
| 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 | 5,887 |
| 10025 | Makuhari Plaza | 7701, Makuharicho 2-chome, Hanamigawa-ku, Chiba-shi, Chiba | Trust beneficial interest | 24,505.37 | 6,850 | 5,180 |
| 10026 | Urban Terrace Jingumae | 47-6, Jingumae 5-chome, Shibuya-ku, Tokyo | Trust beneficial interest | 1,719.19 | 5,210 | 2,656 |
| 10027 | Round1 Machida | 13-14, Morino 1-chome, Machida-shi, Tokyo | Trust beneficial interest | 6,801.89 | 3,300 | 2,218 |
| 10028 | Round1 Stadium Itabashi | 16-13, Aioicho, Itabashi-ku, Tokyo | Trust beneficial interest | 14,828.74 | 3,100 | 2,103 |
| 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 | 5,755 |
| 10031 | Round1 Yokohama Station West | 8-16, Minamisaikai 2-chome, Nishi-ku Yokohama-shi, Kanagawa | Trust beneficial interest | 6,560.09 | 5,440 | 3,665 |
| 10032 | G-Bldg. Sangenjaya 01 | 15-4, Taishido 2-chome, Setagaya-ku, Tokyo | Trust beneficial interest | 3,471.52 | 6,620 | 3,604 |

| No. (Note 1) | Name of property | Location (Note 2) | Form of ownership | Leasable area (Note 3) (m ²) | Appraisal value at end of period (Note 4) (Millions of yen) | Net book value (Millions of yen) |
|-----------------|---|---|---------------------------|---|---|--|
| 10035 | Colline Bajikouen | 4-18, Kamiyoga 2-chome, Setagaya-ku, Tokyo | Trust beneficial interest | 5,356.54 | 4,320 | 3,170 |
| 10036 | KAWASAKI Le FRONT | 1-11, Nissincho, Kawasaki-ku, Kawasaki-shi, Kanagawa, etc. | Trust beneficial interest | 49,224.14 | 41,300 | 34,551 |
| 10037 | JMF-Bldg. Shibuya 01 | 20-13, Jinnan 1-chome, Shibuya-ku, Tokyo | Trust beneficial interest | 1,630.03 | 4,970 | 3,042 |
| 10038 | G-Bldg. Omotesando 02 | 25-15, Jingumae 4-chome, Shibuya-ku, Tokyo, etc. | Trust beneficial interest | 5,555.65 | 21,750 | 17,728 |
| 10039 | G-Bldg. Kichijoji 01 | 12-12, Kichijoji Honcho 2-chome, Musashino-shi, Tokyo | Trust beneficial interest | 1,718.21 | 4,030 | 3,509 |
| 10040 | CUTE CUBE HARAJUKU | 7-1, Jingumae 1-chome, Shibuya-ku, Tokyo | Trust beneficial interest | 1,428.55 | 9,170 | 8,433 |
| 10041 | G-Bldg. Ueno 01 | 9-14, Ueno 4-chome, Taito-ku, Tokyo | Trust beneficial interest | 1,471.80 | 3,890 | 3,421 |
| 10042 | JMF-Bldg. Takadanobaba 01 | 13-2, Takadanobaba 2-chome, Shinjuku-ku, Tokyo | Trust beneficial interest | 3,569.20 | 7,670 | 5,987 |
| 10043 | G-Bldg. Akihabara 01 | 11-11, Sotokanda 1-chome, Chiyoda-ku, Tokyo | Trust beneficial interest | 2,701.99 | 8,100 | 5,102 |
| 10044 | G-Bldg. Akihabara 02 | 113, Kanda Matsunaga-cho, Chiyoda-ku, Tokyo, etc. | Trust beneficial interest | 1,037.33 | 2,310 | 2,455 |
| 10045 | G-Bldg. Kichijoji 02 | 3-13, Kichijoji Minamicho 2-chome, Musashino-shi, Tokyo | Trust beneficial interest | 8,838.79 | 17,000 | 14,984 |
| 10046 | JMF-Bldg. Ginza Chuo-Dori 01 | 6-16, Ginza 2-chome, Chuo-ku, Tokyo | Trust beneficial interest | 3,141.07 | 13,400 | 12,938 |
| 10047 | MARINE & WALK YOKOHAMA | 3-1, Shinko 1-chome, Naka-ku, Yokohama-shi, Kanagawa | Trust beneficial interest | 8,347.69 | 11,300 | 10,504 |
| 10048 | G-Bldg. Jingumae 07 | 26-4 Jingumae 4-chome, Shibuya-ku, Tokyo | Real property | 373.12 | 2,120 | 2,026 |
| 10049 | G-Bldg. Minami Aoyama 03 (Note 5) | 2-12, Minami Aoyama 5-chome, Minato-ku, Tokyo, etc. | Trust beneficial interest | 1,373.46 | 11,600 | 12,262 |
| 10050 | JMF-Bldg. Jingumae 02 | 25-5 Jingumae 3-chome, Shibuya-ku, Tokyo | Trust beneficial interest | 802.40 | 2,200 | 2,612 |
| 10051 | Round1 Stadium Kawasaki Daishi | 5-1, Tonomachi 1-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa | Trust beneficial interest | 13,559.17 | 2,930 | 2,352 |
| 10052 | m-city Kashiwa | 10 Oyamadai 1-chome, Kashiwa-shi, Chiba, etc. | Trust beneficial interest | 20,437.36 | 6,010 | 5,678 |
| 10053 | JMF-Bldg. Jingumae 03 | 25-28 Jingumae 4-chome, Shibuya-ku, Tokyo, etc. | Trust beneficial interest | 1,127.08 | 7,280 | 7,086 |
| 10054 | Machinoma Omori | 1-38, Omorinishi 3-chome, Ota-ku, Tokyo | Trust beneficial interest | 9,107.13 | 9,600 | 8,903 |
| 10055 | JMF-Bldg. Daikanyama 01 | 20-20, Daikanyamacho, Shibuya-ku, Tokyo | Trust beneficial interest | 2,151.32 | 3,950 | 3,274 |
| 10056 | AEON MALL Tsudanuma | 23-1 Tsudanuma 1-chome, Narashino-shi, Chiba | Trust beneficial interest | 101,210.44 | 28,900 | 28,870 |
| 10057 | JMF-Bldg. Yokohama Bashamichi 01 (Note 5) | 50-1, Honmachi 6-chome, Naka-ku, Yokohama-shi, Kanagawa | Trust beneficial interest | 25,151.58 | 24,500 | 23,935 |
| 10058 | JMF-Bldg. Kawasaki 01 (Note 5) | 1-14 Nisshin-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa | Trust beneficial interest | 24,485.71 | 23,700 | 23,773 |
| 10059 | JMF-Bldg. Shibuya 02 (Note 5) | 31-15, Sakuragaoka-cho, Shibuya-ku, Tokyo | Trust beneficial interest | 6,379.66 | 18,700 | 19,519 |
| 10060 | JMF-Bldg. Shibuya 03 (Note 5) | 11-1 Dogenzaka 2-chome, Shibuya-ku, Tokyo | Trust beneficial interest | 5,044.76 | 17,200 | 16,928 |
| 10061 | JMF-Bldg. Toyokocho 01 (Note 5) | 11-38 Toyoko 4-chome, Koto-ku, Tokyo | Trust beneficial interest | 12,487.75 | 10,400 | 11,393 |

| No. (Note 1) | Name of property | Location (Note 2) | Form of ownership | Leasable area (Note 3) (m ²) | Appraisal value at end of period (Note 4) (Millions of yen) | Net book value (Millions of yen) |
|-----------------|---|--|---------------------------|---|---|--|
| 10062 | OMO3 Tokyo Akasaka (Note 5) | 3-2, Akasaka 4-chome, Minato-ku, Tokyo | Trust beneficial interest | 4,236.46 | 8,030 | 7,894 |
| 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 | 10,482 |
| 10064 | JMF-Bldg. Toyochō 02 (Note 5) | 6-35, Shinsuna 1-chome, Koto-ku, Tokyo | Trust beneficial interest | 11,733.12 | 7,900 | 9,785 |
| 10065 | JMF-Bldg. Sasazuka 01 (Note 5) | 1-6 Sasazuka 2-chome, Shibuya-ku, Tokyo | Trust beneficial interest | 8,258.44 | 9,330 | 9,105 |
| 10066 | JMF-Bldg. Ueno 01 (Note 5) | 24-8, Higashiueno 5-chome, Taito-ku, Tokyo | Trust beneficial interest | 6,858.16 | 8,700 | 8,565 |
| 10067 | JMF-Bldg. Yokohama 01 (Note 5) | 5-1 Sakae-cho, Kanagawa-ku, Yokohama-shi, Kanagawa | Trust beneficial interest | 12,726.32 | 8,430 | 8,203 |
| 10068 | JMF-Bldg. Akasaka 01 (Note 5) | 11-28, Akasaka 1-chome, Minato-ku, Tokyo | Trust beneficial interest | 2,544.21 | 4,530 | 4,505 |
| 10069 | JMF-Bldg. Kanda01 (Note 5) | 1-15, Iwamotocho 2-chome, Chiyoda-ku, Tokyo | Trust beneficial interest | 3,145.67 | 4,360 | 4,317 |
| 10070 | JMF-Bldg. Edogawabashi 01 (Note 5) | 44-10, Sekiguchi 1-chome, Bunkyo-ku, Tokyo | Trust beneficial interest | 3,434.93 | 3,550 | 3,786 |
| 10071 | JMF-Bldg. Higashi Nihombashi 01 (Note 5) | 8-3 Higashi-Nihombashi 2-chome, Chuo-ku, Tokyo | Trust beneficial interest | 3,254.74 | 3,410 | 3,284 |
| 10072 | JMF-Bldg. Ichigaya 01 (Note 6) | 2-1 Kudankita 4-chome, Chiyoda-ku, Tokyo | Trust beneficial interest | 10,372.27 | 22,100 | 21,239 |
| 10073 | JMF-Bldg. Hiroo 01 (Note 6) | 1-11 Minamiazabu 5-chome, Minato-ku, Tokyo | Trust beneficial interest | 4,212.41 | 10,400 | 10,094 |
| 10074 | JMF-Bldg. Funabashi 01 | 44-35 Honcho 4-chome, Funabashi-shi, Chiba | Trust beneficial interest | 2,865.76 | 5,420 | 5,134 |
| 10075 | JMF-Bldg. Akasaka 02 (Note 5) | 3-5 Akasaka 2-chome, Minato-ku, Tokyo | Trust beneficial interest | 12,202.96 | 44,800 | 43,904 |
| 10076 | JMF-Residence Gakugeidaigaku (Note 5) | 9-13 Nozawa 3-chome, Setagaya-ku, Tokyo | Trust beneficial interest | 1,052.13 | 1,800 | 1,566 |
| 10077 | JMF-Residence Kita-Shinagawa (Note 5) | 24-7, Kita-shinagawa 2-chome, Shinagawa-ku, Tokyo | Trust beneficial interest | 1,487.13 | 2,300 | 1,922 |
| 10078 | JMF-Residence Ikebukuro 1-chome (Note 5) | 16-15, Ikebukuro 1-chome, Toshima-ku, Tokyo | Trust beneficial interest | 1,357.18 | 1,830 | 1,706 |
| 10079 | JMF-Bldg. Nakano 01 | 19-2, Nakano 2-chome, Nakano-ku, Tokyo | Trust beneficial interest | 3,023.17 | 4,200 | 4,050 |
| 10080 | JMF-Residence Fujisawa (Note 5) | 1-28, Kawana 1-chome, Fujisawa-shi, Kanagawa | Trust beneficial interest | 1,711.13 | 1,340 | 1,308 |
| 10081 | JMF-Residence Shin-Yokohama (Note 5) | 18-15, Shi-Yokohama 2-chome, Kohoku-ku, Yokohama-shi, Kanagawa | Trust beneficial interest | 3,989.11 | 3,380 | 3,326 |
| 10082 | JMF-Residence Akabane Shimo (Note 5) | 4-13, Shimo 1-chome, Kita-ku, Tokyo | Trust beneficial interest | 2,740.30 | 2,430 | 2,298 |
| 20002 | Kyoto Family | 1-1, Ikejiricho, Yamanouchi, Ukyo-ku, Kyoto-shi, Kyoto | Trust beneficial interest | 19,735.47 | 5,520 | 5,639 |
| 20003 | Kawaramachi OPA | 385, Komeyacho, Shijo-agaru, Kawaramachidori, Nakagyo-ku, Kyoto-shi, Kyoto | Trust beneficial interest | 18,848.20 | 14,200 | 17,805 |
| 20004 | AEON MALL Tsurumi Ryokuchi (Note 7) | 17-1, Tsurumi 4-chome, Tsurumi-ku, Osaka-shi, Osaka | Trust beneficial interest | 138,538.63 | 25,600 | 22,115 |
| 20005 | AEON MALL Itami | 1-1, Fujinoki 1-chome, Itami-shi, Hyogo | Trust beneficial interest | 157,904.26 | 17,500 | 18,244 |
| 20006 | Ario Otori | 199-12, Otori Minami-cho 3-cho, Nishi-ku, Sakai-shi, Osaka, etc. | Trust beneficial interest | 95,135.36 | 14,400 | 12,890 |
| 20007 | AEON MALL Kobe Kita | 1-1, Kouzudai 8-chome, Kita-ku, Kobe-shi, Hyogo | Trust beneficial interest | 128,050.62 | 11,690 | 7,802 |

| No. (Note 1) | Name of property | Location (Note 2) | Form of ownership | Leasable area (Note 3) (m ²) | Appraisal value at end of period (Note 4) (Millions of yen) | Net book value (Millions of yen) |
|-----------------|---|---|---------------------------|--|---|-------------------------------------|
| 20009 | LIFE Shimodera (Land with leasehold interest) | 5-23, Shimodera 2-chome, Naniwa-ku, Osaka-shi, Osaka, etc. | Real property | 4,344.18 | 2,050 | 1,717 |
| 20010 | LIFE Taiheiji (Land with leasehold interest) | 43-6, Taiheiji 2-chome, Higashi Osaka-shi, Osaka | Real property | 3,898.01 | 1,110 | 1,304 |
| 20011 | G-Bldg. Shinsaibashi 01 | 5-3, Sinsaibashi-suji 2-chome, Chuo-ku, Osaka-shi, Osaka | Trust beneficial interest | 966.52 | 3,240 | 1,609 |
| 20012 | Round1 Stadium Sennichimae (Land with leasehold interest) | 1, Namba 1-chome, Chuo-ku, Osaka-shi, Osaka, etc. | Trust beneficial interest | 1,711.63 | 12,300 | 8,091 |
| 20013 | G-Bldg. Shinsaibashi 02 | 3-24, Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka | Trust beneficial interest | 948.72 | 8,080 | 4,213 |
| 20014 | Izumisano Shofudai (Land with leasehold interest) | 1138-1, Shofudai 1-chome, Izumisano-shi, Osaka | Trust beneficial interest | 44,009.52 | 2,530 | 2,657 |
| 20015 | Round1 Stadium Sakai Chuo Kanjyo | 241, Ishihara-cho 2-cho, Higashi-ku Sakai-shi, Osaka | Trust beneficial interest | 17,521.46 | 2,290 | 1,525 |
| 20016 | pivo Izumi Chuo | 1-2, Ibukino 5-chome, Izumi-shi, Osaka, etc. | Trust beneficial interest | 21,182.94 | 6,260 | 5,017 |
| 20017 | KAMISHIN PLAZA | 6-12, Osumi 1-chome, Higashi odogawa-ku, Osaka-shi, Osaka | Trust beneficial interest | 12,551.98 | 5,080 | 4,412 |
| 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 | 3,730 | 2,696 |
| 20019 | G-Bldg. Shinsaibashi 03 | 2-14, Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka, etc. | Trust beneficial interest | 5,319.30 | 31,000 | 30,197 |
| 20021 | m-city Toyonaka | 2-18, Hinode-cho, 2-chome, Toyonaka-shi, Osaka | Trust beneficial interest | 33,301.93 | 6,550 | 5,026 |
| 20022 | EDION Kyobashi (Land with leasehold interest) | 53-1, Gamo 1-chome, Joto-ku, Osaka-shi, Osaka, etc. | Trust beneficial interest | 4,307.16 | 5,940 | 5,756 |
| 20023 | JMF-Bldg. Abeno 01 | 4-7, Abenosuji 1-chome, Abeno-ku, Osaka-shi, Osaka | Trust beneficial interest | 4,757.35 | 5,230 | 4,566 |
| 20024 | JMF-Bldg. Umeda 01 | 15-22, Chayamachi, Kita-ku, Osaka-shi, Osaka | Trust beneficial interest | 3,529.51 | 10,000 | 9,703 |
| 20025 | G-Bldg. Shinsaibashi 04 | 10-5, Minamisenba 3-chome, Chuo-ku, Osaka-shi, Osaka, etc. | Trust beneficial interest | 1,610.63 | 2,990 | 3,299 |
| 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 | 2,144 |
| 20027 | JMF-Bldg. Midosuji 01 | 10-25, Minamisenba 3-chome, Chuo-ku, Osaka-shi, Osaka | Trust beneficial interest | 2,393.40 | 9,200 | 10,629 |
| 20028 | G-Bldg. Kobe Sannomiya 01 | 1-15 Kitanagasa-dori 3-chome, Chuo-ku, Kobe-shi, Hyogo | Trust beneficial interest | 3,750.38 | 3,030 | 3,098 |
| 20029 | Round1 Sannomiya Station | 1-17 Onoe-dori 6-chome, Chuo-ku, Kobe-shi, Hyogo | Trust beneficial interest | 10,054.52 | 3,280 | 3,151 |
| 20030 | G-Bldg. Midosuji 02 | 8-18 Shinsaibashisuji 2-chome, Chuo-ku, Osaka-shi, Osaka | Trust beneficial interest | 1,428.28 | 16,200 | 15,511 |
| 20031 | Twin 21 (Note 5) | 1-61 Shiromi 2-chome, Chuo-ku, Osaka-shi, Osaka | Trust beneficial interest | 84,964.88 | 64,800 | 60,332 |
| 20032 | JMF-Bldg. Kitahama 01 (Note 5) | 6-7 Doshomachi 1-chome, Chuo-ku, Osaka-shi, Osaka | Trust beneficial interest | 10,189.49 | 13,000 | 11,269 |
| 20033 | JMF-Bldg. Osaka Fukushima 01 (Note 5) | 15-26, Fukushima 7-chome, Fukushima-ku, Osaka-shi, Osaka | Trust beneficial interest | 10,078.72 | 9,820 | 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 | 5,290 | 4,264 |
| 20035 | Konami Sports Club Kyobashi | 8-17 Higashinoda-machi 1-chome, Miyakojima-ku, Osaka-shi, Osaka | Trust beneficial interest | 9,586.26 | 3,020 | 3,355 |
| 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 | 2,571 |

| No. (Note 1) | Name of property | Location (Note 2) | Form of ownership | Leasable area (Note 3) (m ²) | Appraisal value at end of period (Note 4) (Millions of yen) | Net book value (Millions of yen) |
|-----------------|--|---|---------------------------|---|---|--|
| 20037 | JMF-Bldg. Nishi Hommachi 01 (Note 5) | 6-1 Awaza 1-chome, Nishi-ku, Osaka-shi, Osaka | Trust beneficial interest | 3,849.06 | 2,940 | 2,593 |
| 20038 | G-Bldg. Shinsaibashi 05 | 8-5 Shinsaibashi-suji 2-chome, Chuo-ku, Osaka-shi, Osaka | Trust beneficial interest | 999.29 | 13,500 | 9,101 |
| 20039 | JMF-Residence Osaka Noda (Note 5) | 1-20, Tamagawa 3-chome, Fukushima-ku, Osaka-shi, Osaka | Trust beneficial interest | 1,989.40 | 1,520 | 1,460 |
| 20040 | JMF-Residence Osaka Fukushima (Note 5) | 10-5, Oyodominami 1-chome, Kita-ku, Osaka-shi, Osaka | Trust beneficial interest | 2,013.84 | 1,750 | 1,538 |
| 30001 | AEON Yagoto | 2-1, Ishizaka, Kojimachi-aza, Showa-ku, Nagoya-shi, Aichi | Trust beneficial interest | 63,702.48 | 3,580 | 3,015 |
| 30002 | mozo wonder city (Note 6) | 40-1, Futakatacho, Nishi-ku, Nagoya-shi, Aichi, etc. | Trust beneficial interest | 86,327.49 | 64,200 | 48,965 |
| 30003 | G-Bldg. Nagoya Sakae 01 | 27-24, Sakae 3-chome, Naka-ku, Nagoya-shi, Aichi | Real property | 794.02 | 1,300 | 1,901 |
| 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 | 83,278.28 | 36,800 | 32,823 |
| 90002 | AEON MALL Sapporo Naebo | 1-1, Higashinaebo 2jo 3-chome, Higashi-ku, Sapporo-shi, Hokkaido | Trust beneficial interest | 74,625.52 | 9,260 | 5,816 |
| 90003 | AEON Naha Shopping Center | 10-2, Kanagusuku 5-chome, Naha-shi, Okinawa | Trust beneficial interest | 79,090.48 | 10,600 | 9,147 |
| 90004 | Oyama Yuen Harvest Walk (Note 5) | 1475-52, Aza-kaido-nishi, Oaza-Kizawa, Oyama-shi, Tochigi, etc. | Trust beneficial interest | 59,535.09 | 9,680 | 7,223 |
| 90005 | AEON MALL Sapporo Hassamu | 1-1, Hassamu 8jo 12-chome, Nishi-ku, Sapporo-shi, Hokkaido | Trust beneficial interest | 102,162.16 | 23,200 | 13,818 |
| 90006 | MrMax Nagasaki | 26-1, Iwami machi, Nagasaki-shi, Nagasaki, etc. | Trust beneficial interest | 12,115.09 | 3,170 | 2,360 |
| 90007 | Tec LIFE SELECT Fukuoka Shime Honten (Note 9) | 2-1, Minamizato 5-chome, Shime-machi, Kasuya-gun, Fukuoka | Trust beneficial interest | (Note 8) | 6,840 | 4,060 |
| 90008 | Round1 Hiroshima | 3-11, Tatemachi, Naka-ku, Hiroshima-shi, Hiroshima | Trust beneficial interest | 9,890.63 | 4,160 | 2,670 |
| 90009 | DFS T GALLERIA OKINAWA | 1-1, Omoromachi 4-chome, Naha-shi, Okinawa | Trust beneficial interest | 41,845.28 | 19,100 | 14,150 |
| 90010 | G-Bldg. Sendai Ichibancho 01 | 5-12, Ichibancho 3-chome, Aoba-ku, Sendai-shi, Miyagi | Real property | 2,387.17 | 4,410 | 4,413 |
| 90011 | G-Bldg. Naha-shintoshin 01 | 5-33, Omoromachi 2-chome, Naha-shi, Okinawa | Trust beneficial interest | (Note 8) | 6,700 | 5,449 |
| 90012 | JMF-Bldg. Tenjin Nishi-dori 01 (Note 5) | 8-22, Tenjin 2-chome, Chuo-ku, Fukuoka-shi, Fukuoka | Trust beneficial interest | 2,667.42 | 4,710 | 5,036 |
| 90013 | G-Bldg. Tenjin Nishi-dori 02 | 12-64, Daimyo 1-chome, Chuo-ku, Fukuoka-shi, Fukuoka | Trust beneficial interest | 1,496.56 | 5,620 | 5,181 |
| 90014 | JMF-Bldg. Sendai 01 (Note 5) | 10-3 Chuo 4-chome, Aoba-ku, Sendai-shi, Miyagi | Trust beneficial interest | 13,080.38 | 7,430 | 6,838 |
| 90015 | Dormy Inn Hakata Gion (Note 5) | 1-12 Reisen-machi, Hakata-ku, Fukuoka-shi, Fukuoka | Trust beneficial interest | 5,554.91 | 4,400 | 4,416 |
| 90016 | JMF-Residence Chihaya (Note 5) | 4-25 Chihaya 5-chome, Higashi-ku, Fukuoka-shi, Fukuoka | Trust beneficial interest | 10,290.99 | 4,020 | 3,461 |
| 90017 | Karuizawa Commongrounds (Land with leasehold interest) | 1689-2, Aza-Toriiharawaki, Oaza-Nagakura, Karuizawa-machi, Kitasaku-gun, Nagano, etc. | Real property | 11,315.43 | 534 | 519 |
| Total | | | | 2,537,744.84 | 1,324,384 | 1,153,040 |

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 Sōgō Appraisal Co., Ltd. and JLL Morii Valuation & Advisory K.K.) in accordance with the methods and standard of assets valuation as stipulated in the Articles of Incorporation of JMF as well as the regulations as stipulated by The Investment Trusts Association, Japan.
- Note 5 “Leasable area” for a pass-through master leased property are presented on an end-tenant basis.
- Note 6 “Leasable area” for the property which is leased partially in the form of a pass-through master lease is presented on an end-tenant basis.
- Note 7 JMF sold 25% quasi-co-ownership interest of the property on September 29, 2023.
- Note 8 “Leasable area” of the property is not disclosed because the consent from the tenant has not been obtained.
- Note 9 The names of these properties have changed as follows:

| New name | Old name | Date of name changes |
|--------------------------------------|---|----------------------|
| JMF-Bldg. Kita Aoyama 01 | G-Bldg. Kita Aoyama 01 | October 19, 2023 |
| Tec LIFE SELECT Fukuoka Shime Honten | Kaden sumairu kan YAMADA Fukuoka Shime Honten | |

Operating results of retail properties, office buildings, residences, hotels and mixed-use properties for the six months ended February 28, 2023 and August 31, 2023 were as follows:

| No. | Name of property | For the six months ended February 28, 2023 | | | | For the six months ended August 31, 2023 | | | |
|-------|--|--|------------------------------------|--|---|--|------------------------------------|--|---|
| | | 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 | 658 | 1.7 | 53 | 99.5 | 634 | 1.6 |
| 10002 | G-Bldg. Minami Aoyama 02 (Note 3) | 4 | 100.0 | 92 | 0.2 | - | - | 92 | 0.2 |
| 10003 | Ito-Yokado Yabashira | 1 | 100.0 | 78 | 0.2 | 1 | 100.0 | 78 | 0.2 |
| 10004 | JMF-Bldg. Daikanyama 02 | 3 | 100.0 | 32 | 0.1 | 3 | 100.0 | 41 | 0.1 |
| 10005 | GYRE | 14 | 96.8 | 646 | 1.6 | 14 | 100.0 | 686 | 1.8 |
| 10006 | Ito-Yokado Tsunashima | 1 | 100.0 | 168 | 0.4 | 1 | 100.0 | 168 | 0.4 |
| 10007 | Bic Camera Tachikawa | 2 | 100.0 | 628 | 1.6 | 2 | 100.0 | 627 | 1.6 |
| 10008 | AEON Itabashi Shopping Center | 1 | 100.0 | 698 | 1.8 | 1 | 100.0 | 716 | 1.8 |
| 10009 | JMF-Bldg. Kita Aoyama 01 | 2 | 100.0 | 35 | 0.1 | 2 | 64.5 | 21 | 0.1 |
| 10011 | SEIYU Hibiyaoka | 1 | 100.0 | 249 | 0.6 | 1 | 100.0 | 249 | 0.6 |
| 10012 | JMF-Bldg. Jiyugaoka 01 | 4 | 100.0 | 110 | 0.3 | 4 | 100.0 | 109 | 0.3 |
| 10013 | Cheers Ginza | 9 | 89.7 | 93 | 0.2 | 10 | 100.0 | 101 | 0.3 |
| 10014 | Higashi-Totsuka Aurora City | 5 | 100.0 | 1,262 | 3.2 | 5 | 100.0 | 1,262 | 3.2 |
| 10016 | G-Bldg. Jingumae 06 | 4 | 100.0 | 55 | 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 |
| 10020 | AEON MALL Musashi Murayama | 1 | 100.0 | 917 | 2.3 | 1 | 100.0 | 920 | 2.4 |
| 10021 | La Porte Aoyama (Note 4) | 24 | 100.0 | 287 | 0.7 | 24 | 100.0 | 288 | 0.7 |
| 10023 | JMF-Bldg. Jingumae 01 | 8 | 100.0 | 83 | 0.2 | 8 | 100.0 | 83 | 0.2 |
| 10024 | G-Bldg. Minami-Ikebukuro 01 (Note 4) | 8 | 100.0 | 262 | 0.7 | 8 | 100.0 | 263 | 0.7 |
| 10025 | Makuhari Plaza | 5 | 100.0 | 213 | 0.5 | 5 | 100.0 | 212 | 0.5 |
| 10026 | Urban Terrace Jingumae | 2 | 100.0 | 107 | 0.3 | 2 | 100.0 | 106 | 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 | 0.2 | 1 | 100.0 | 95 | 0.2 |
| 10029 | Arkangel Daikanyama (Land with leasehold interest) | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 10030 | G-Bldg. Omotesando 01 | 1 | 100.0 | 135 | 0.3 | 1 | 100.0 | 135 | 0.3 |
| 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 | 181 | 0.5 | 3 | 100.0 | 179 | 0.5 |
| 10033 | G-Bldg. Ginza 01 (Note 6) | - | - | 0 | 0.0 | - | - | - | - |
| 10035 | Colline Bajikouen | 10 | 100.0 | 138 | 0.3 | 10 | 100.0 | 138 | 0.4 |
| 10036 | KAWASAKI Le FRONT | 67 | 100.0 | 1,959 | 4.9 | 67 | 100.0 | 1,995 | 5.1 |
| 10037 | JMF-Bldg. Shibuya 01 | 2 | 100.0 | 84 | 0.2 | 2 | 100.0 | 98 | 0.3 |
| 10038 | G-Bldg. Omotesando 02 | 6 | 100.0 | 367 | 0.9 | 6 | 100.0 | 376 | 1.0 |
| 10039 | G-Bldg. Kichijoji 01 | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 10040 | CUTE CUBE HARAJUKU | 9 | 90.7 | 166 | 0.4 | 10 | 100.0 | 162 | 0.4 |
| 10041 | G-Bldg. Ueno 01 | 1 | 100.0 | 76 | 0.2 | 1 | 100.0 | 76 | 0.2 |

| No. | Name of property | For the six months ended February 28, 2023 | | | | For the six months ended August 31, 2023 | | | |
|-------|---|--|------------------------------------|--|---|--|------------------------------------|--|---|
| | | 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) (%) |
| 10042 | JMF-Bldg. Takadanobaba 01 | 13 | 86.7 | 163 | 0.4 | 14 | 100.0 | 169 | 0.4 |
| 10043 | G-Bldg. Akihabara 01 | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 10044 | G-Bldg. Akihabara 02 | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 10045 | G-Bldg. Kichijoji 02 | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 10046 | JMF-Bldg. Ginza Chuo-Dori 01 | 10 | 100.0 | 106 | 0.3 | 10 | 100.0 | 99 | 0.3 |
| 10047 | MARINE & WALK YOKOHAMA | 26 | 100.0 | 431 | 1.1 | 26 | 100.0 | 441 | 1.1 |
| 10048 | G-Bldg. Jingumae 07 | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 10049 | G-Bldg. Minami Aoyama 03 (Note 4) | 6 | 100.0 | 189 | 0.5 | 5 | 88.0 | 174 | 0.4 |
| 10050 | JMF-Bldg. Jingumae 02 | 3 | 100.0 | 47 | 0.1 | 3 | 100.0 | 47 | 0.1 |
| 10051 | Round 1 Stadium Kawasaki Daishi | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 10052 | m-city Kashiwa | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 10053 | JMF-Bldg. Jingumae 03 | 4 | 85.3 | 99 | 0.3 | 6 | 100.0 | 73 | 0.2 |
| 10054 | Machinoma Omori | 37 | 100.0 | 389 | 1.0 | 34 | 100.0 | 390 | 1.0 |
| 10055 | JMF-Bldg. Daikanyama 01 | 8 | 92.5 | 95 | 0.2 | 9 | 100.0 | 105 | 0.3 |
| 10056 | AEON MALL Tsudanuma | 1 | 100.0 | 726 | 1.8 | 1 | 100.0 | 738 | 1.9 |
| 10057 | JMF-Bldg. Yokohama Bashamichi 01 (Note 4) | 13 | 100.0 | 690 | 1.7 | 13 | 100.0 | 694 | 1.8 |
| 10058 | JMF-Bldg. Kawasaki 01 (Note 4) | 11 | 90.7 | 729 | 1.8 | 9 | 70.7 | 661 | 1.7 |
| 10059 | JMF-Bldg. Shibuya 02 (Note 4) | 5 | 100.0 | 144 | 0.4 | 5 | 100.0 | 246 | 0.6 |
| 10060 | JMF-Bldg. Shibuya 03 (Note 4) | 10 | 90.1 | 291 | 0.7 | 11 | 100.0 | 291 | 0.7 |
| 10061 | JMF-Bldg. Toyokocho 01 (Note 4) | 9 | 74.2 | 261 | 0.7 | 13 | 95.1 | 252 | 0.6 |
| 10062 | OMO3 Tokyo Akasaka (Note 4) | 2 | 100.0 | (Note 5) | (Note 5) | 2 | 100.0 | (Note 5) | (Note 5) |
| 10063 | JMF-Bldg. Nihombashi Hamacho 01 (Note 4) | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 10064 | JMF-Bldg. Toyokocho 02 (Note 4) | 16 | 84.4 | 243 | 0.6 | 18 | 96.7 | 263 | 0.7 |
| 10065 | JMF-Bldg. Sasazuka 01 (Note 4) | 12 | 100.0 | 266 | 0.7 | 12 | 100.0 | 277 | 0.7 |
| 10066 | JMF-Bldg. Ueno 01 (Note 4) | 7 | 100.0 | (Note 5) | (Note 5) | 7 | 100.0 | (Note 5) | (Note 5) |
| 10067 | JMF-Bldg. Yokohama 01 (Note 4) | 53 | 100.0 | 390 | 1.0 | 53 | 100.0 | 394 | 1.0 |
| 10068 | JMF-Bldg. Akasaka 01 (Note 4) | 10 | 88.7 | 101 | 0.3 | 10 | 88.7 | 98 | 0.3 |
| 10069 | JMF-Bldg. Kanda01 (Note 4) | 8 | 100.0 | 112 | 0.3 | 8 | 100.0 | 116 | 0.3 |
| 10070 | JMF-Bldg. Edogawabashi 01 (Note 4) | 4 | 86.1 | 94 | 0.2 | 5 | 100.0 | 94 | 0.2 |
| 10071 | JMF-Bldg. Higashi Nihombashi 01 (Note 4) | 9 | 100.0 | 92 | 0.2 | 8 | 89.7 | 79 | 0.2 |
| 10072 | JMF-Bldg. Ichigaya 01 (Note 7) | 28 | 98.2 | 466 | 1.2 | 30 | 99.4 | 460 | 1.2 |
| 10073 | JMF-Bldg. Hiroo 01 (Note 7) | 37 | 100.0 | 186 | 0.5 | 35 | 96.7 | 189 | 0.5 |
| 10074 | JMF-Bldg. Funabashi 01 | 7 | 100.0 | 138 | 0.3 | 7 | 100.0 | 140 | 0.4 |
| 10075 | JMF-Bldg. Akasaka 02 (Note 4) | 8 | 83.7 | 645 | 1.6 | 12 | 100.0 | 579 | 1.5 |
| 10076 | JMF-Residence Gakugeidaigaku (Note 4) | 41 | 100.0 | 33 | 0.1 | 41 | 100.0 | 33 | 0.1 |
| 10077 | JMF-Residence Kita-Shinagawa (Note 4) | - | - | - | - | 58 | 93.2 | 44 | 0.1 |

| No. | Name of property | For the six months ended February 28, 2023 | | | | For the six months ended August 31, 2023 | | | |
|-------|---|--|------------------------------------|--|---|--|------------------------------------|--|---|
| | | 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) (%) |
| 10078 | JMF-Residence Ikebukuro 1-chome (Note 4) | - | - | - | - | 42 | 95.6 | 35 | 0.1 |
| 10079 | JMF-Bldg. Nakano 01 | - | - | - | - | 7 | 100.0 | 91 | 0.2 |
| 10080 | JMF-Residence Fujisawa (Note 4) | - | - | - | - | 71 | 97.3 | 30 | 0.1 |
| 10081 | JMF-Residence Shin-Yokohama (Note 4) | - | - | - | - | 105 | 96.1 | 53 | 0.1 |
| 10082 | JMF-Residence Akabane Shimo (Note 4) | - | - | - | - | 55 | 95.0 | 35 | 0.1 |
| 20002 | Kyoto Family | 58 | 97.6 | 569 | 1.4 | 59 | 100.0 | 649 | 1.7 |
| 20003 | Kawaramachi OPA | 1 | 100.0 | 335 | 0.8 | 1 | 100.0 | 340 | 0.9 |
| 20004 | AEON MALL Tsurumi Ryokuchi (Note 8) | 1 | 100.0 | 891 | 2.2 | 1 | 100.0 | 864 | 2.2 |
| 20005 | AEON MALL Itami | 1 | 100.0 | 582 | 1.5 | 1 | 100.0 | 585 | 1.5 |
| 20006 | Ario Otori | 1 | 100.0 | 549 | 1.4 | 1 | 100.0 | 549 | 1.4 |
| 20007 | AEON MALL Kobe Kita | 1 | 100.0 | 401 | 1.0 | 1 | 100.0 | 414 | 1.1 |
| 20008 | LIFE Kishibe (Land with leasehold interest) (Note 9) | 1 | 100.0 | 51 | 0.1 | - | - | - | - |
| 20009 | LIFE Shimodera (Land with leasehold interest) | 1 | 100.0 | 56 | 0.1 | 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 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 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 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 20014 | Izumisano Shofudai (Land with leasehold interest) | 2 | 100.0 | (Note 5) | (Note 5) | 2 | 100.0 | (Note 5) | (Note 5) |
| 20015 | Round1 Stadium Sakai Chuo Kanjyo | 1 | 100.0 | 82 | 0.2 | 1 | 100.0 | 82 | 0.2 |
| 20016 | pivo Izumi Chuo | 16 | 95.8 | (Note 5) | (Note 5) | 17 | 96.2 | (Note 5) | (Note 5) |
| 20017 | KAMISHIN PLAZA | 37 | 100.0 | 316 | 0.8 | 37 | 100.0 | 320 | 0.8 |
| 20018 | Round1 Kyoto Kawaramachi | 1 | 100.0 | 104 | 0.3 | 1 | 100.0 | 104 | 0.3 |
| 20019 | G-Bldg. Shinsaibashi 03 | 4 | 28.6 | (Note 5) | (Note 5) | 3 | 12.9 | (Note 5) | (Note 5) |
| 20020 | Round1 Stadium Takatsuki (Note 10) | 1 | 100.0 | 91 | 0.2 | - | - | 16 | 0.0 |
| 20021 | m-city Toyonaka | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 20022 | EDION Kyobashi (Land with leasehold interest) | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 20023 | JMF-Bldg. Abeno 01 | 10 | 100.0 | 159 | 0.4 | 10 | 100.0 | 157 | 0.4 |
| 20024 | JMF-Bldg. Umeda 01 | 12 | 100.0 | 218 | 0.6 | 12 | 100.0 | 210 | 0.5 |
| 20025 | G-Bldg. Shinsaibashi 04 | 5 | 100.0 | 82 | 0.2 | 5 | 100.0 | 80 | 0.2 |
| 20026 | JMF-Bldg. Kyoto Kawaramachi 01 | 4 | 100.0 | 65 | 0.2 | 4 | 100.0 | 76 | 0.2 |
| 20027 | JMF-Bldg. Midosuji 01 | 2 | 100.0 | (Note 5) | (Note 5) | 2 | 100.0 | (Note 5) | (Note 5) |
| 20028 | G-Bldg. Kobe Sannomiya 01 | 5 | 100.0 | (Note 5) | (Note 5) | 5 | 100.0 | (Note 5) | (Note 5) |
| 20029 | Round1 Sannomiya Station | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 20030 | G-Bldg. Midosuji 02 | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 20031 | Twin 21 (Note 4) | 107 | 98.4 | 2,465 | 6.2 | 110 | 98.9 | 2,459 | 6.3 |
| 20032 | JMF-Bldg. Kitahama 01 (Note 4) | 10 | 100.0 | 346 | 0.9 | 10 | 100.0 | 344 | 0.9 |

| No. | Name of property | For the six months ended February 28, 2023 | | | | For the six months ended August 31, 2023 | | | |
|-------|--|--|------------------------------------|--|---|--|------------------------------------|--|---|
| | | 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) (%) |
| 20033 | JMF-Bldg. Osaka Fukushima 01 (Note 4) | 25 | 97.9 | 273 | 0.7 | 25 | 98.6 | 292 | 0.7 |
| 20034 | JMF-Bldg. Higobashi 01 (Note 4) | 12 | 100.0 | 139 | 0.4 | 12 | 80.3 | 128 | 0.3 |
| 20035 | Konami Sports Club Kyobashi | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 20036 | JMF-Bldg. Imabashi 01 (Note 4) | 20 | 100.0 | 115 | 0.3 | 20 | 100.0 | 114 | 0.3 |
| 20037 | JMF-Bldg. Nishi Hommachi 01 (Note 4) | 21 | 100.0 | 100 | 0.3 | 20 | 97.0 | 105 | 0.3 |
| 20038 | G-Bldg. Shinsaibashi 05 | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 20039 | JMF-Residence Osaka Noda (Note 4) | 64 | 92.3 | 13 | 0.0 | 65 | 93.1 | 38 | 0.1 |
| 20040 | JMF-Residence Osaka Fukushima (Note 4) | - | - | - | - | 79 | 94.0 | 39 | 0.1 |
| 30001 | AEON Yagoto | 1 | 100.0 | 124 | 0.3 | 1 | 100.0 | 127 | 0.3 |
| 30002 | mozo wonder city (Note 7) | 219 | 99.1 | 3,368 | 8.5 | 220 | 99.9 | 3,382 | 8.7 |
| 30003 | G-Bldg. Nagoya Sakae 01 | 2 | 50.9 | (Note 5) | (Note 5) | 2 | 50.9 | (Note 5) | (Note 5) |
| 30004 | Valor Kachigawa (Land with leasehold interest) | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 90001 | Nara Family (Note 7) | 111 | 99.9 | 1,854 | 4.7 | 110 | 99.8 | 1,818 | 4.7 |
| 90002 | AEON MALL Sapporo Naebo | 1 | 100.0 | 367 | 0.9 | 1 | 100.0 | 375 | 1.0 |
| 90003 | AEON Naha Shopping Center | 1 | 100.0 | 369 | 0.9 | 1 | 100.0 | 377 | 1.0 |
| 90004 | Oyama Yuen Harvest Walk (Note 4) | 67 | 99.7 | 834 | 2.1 | 67 | 99.7 | 770 | 2.0 |
| 90005 | AEON MALL Sapporo Hassamu | 1 | 100.0 | 570 | 1.4 | 1 | 100.0 | 583 | 1.5 |
| 90006 | MrMax Nagasaki | 2 | 100.0 | (Note 5) | (Note 5) | 2 | 100.0 | (Note 5) | (Note 5) |
| 90007 | Tec LIFE SELECT Fukuoka Shime Honten | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 90008 | Round1 Hiroshima | 1 | 100.0 | 119 | 0.3 | 1 | 100.0 | 119 | 0.3 |
| 90009 | DFS T GALLERIA OKINAWA | 1 | 100.0 | 551 | 1.4 | 1 | 100.0 | 530 | 1.4 |
| 90010 | G-Bldg. Sendai Ichibancho 01 | 1 | 100.0 | 89 | 0.2 | 1 | 100.0 | 83 | 0.2 |
| 90011 | G-Bldg. Naha-shintoshin 01 | 2 | 100.0 | (Note 5) | (Note 5) | 2 | 100.0 | (Note 5) | (Note 5) |
| 90012 | JMF-Bldg. Tenjin Nishi-dori 01 (Note 4) | 8 | 100.0 | 127 | 0.3 | 8 | 88.6 | 112 | 0.3 |
| 90013 | G-Bldg. Tenjin Nishi-dori 02 | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| 90014 | JMF-Bldg. Sendai 01 (Note 4) | 81 | 95.2 | 310 | 0.8 | 82 | 96.0 | 309 | 0.8 |
| 90015 | Dormy Inn Hakata Gion (Note 4) | 2 | 100.0 | (Note 5) | (Note 5) | 2 | 100.0 | (Note 5) | (Note 5) |
| 90016 | JMF-Residence Chihaya (Note 4) | 144 | 96.9 | 110 | 0.3 | 148 | 98.6 | 116 | 0.3 |
| 90017 | Karuizawa Commongrounds (Land with leasehold interest) | 1 | 100.0 | (Note 5) | (Note 5) | 1 | 100.0 | (Note 5) | (Note 5) |
| Total | | 1,747 | 99.2 | 39,672 | 100.0 | 2,177 | 99.2 | 39,017 | 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 August 31, 2023.

Note 4 “Number of tenants” and “Occupancy ratio” for a pass-through master leased property are presented on an end-tenant basis.

Note 5 Rent revenue of the property is not disclosed because the consent from the tenant has not been obtained.

Note 6 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 7 “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 8 JMF sold 25% quasi-co-ownership interest of the property on September 29, 2023.

Note 9 JMF sold the property on March 1, 2023.

Note 10 JMF sold the property on April 4, 2023.

(3) Capital expenditures for property

1. Schedule of capital expenditures

The significant plan for capital expenditures on property maintenance as of August 31, 2023 was as below. The amounts of estimated cost shown in the below table are including expenses which will be charged to income.

(Millions of yen)

| Name of property | Location | Purpose | Scheduled term for construction or maintenance | Estimated cost | | |
|--|-------------------------------------|---|--|----------------|--|---------------------------|
| | | | | Total | Advanced payment | |
| | | | | | Payment for the six months ended August 31, 2023 | Total of advanced payment |
| For the six months ending February 29, 2024 (the 44th fiscal period from September 1, 2023 to February 29, 2024) | | | | | | |
| AEON MALL Musashi Murayama | Musashimurayama-shi, Tokyo | Renewal of the central monitoring equipment | October, 2023 to January, 2024 | 230 | - | - |
| AEON MALL Tsudanuma | Narashino-shi, Chiba | Renewal of PAC at common area | November, 2023 to December, 2023 | 130 | - | - |
| DFS T GALLERIA OKINAWA | Naha-shi, Okinawa | Renewal of AHU air conditioner | November, 2023 to January, 2024 | 98 | - | - |
| Kyoto Family | Ukyo-ku, Kyoto-shi, Kyoto | Renewal of air conditioning system | October, 2023 to February, 2024 | 92 | - | - |
| AEON MALL Musashi Murayama | Musashimurayama-shi, Tokyo | Renewal of PAC air conditioner | November, 2023 to January, 2024 | 86 | - | - |
| AEON MALL Itami | Itami-shi, Hyogo | Construction of disaster prevention system | November, 2023 to February, 2024 | 76 | - | - |
| AEON MALL Sapporo Hassamu | Nishi-ku, Sapporo-shi, Hokkaido | Renewal of EHP and GHP | October, 2023 to November, 2023 | 71 | - | - |
| G-Bldg. Shinsaibashi 03 | Chuo-ku, Osaka-shi, Osaka | Renewal of air conditioning system, disaster prevention equipment and smokeproof wall at A building | August, 2023 to September, 2023 | 71 | - | - |
| JMF-Bldg. Yokohama Bashamichi 01 | Naka-ku, Yokohama-shi, Kanagawa | Renewal of air conditioning system | November, 2023 to February, 2024 | 67 | - | - |
| Bic Camera Tachikawa | Tachikawa-shi, Tokyo | Renewal of escalator at main building | December, 2023 to January, 2024 | 65 | - | - |
| DFS T GALLERIA OKINAWA | Naha-shi, Okinawa | Renewal of refrigerator | November, 2023 to January, 2024 | 63 | - | - |
| JMF-Bldg. Yokohama Bashamichi 01 | Naka-ku, Yokohama-shi, Kanagawa | Renewal of central monitoring equipment | October, 2023 to February, 2024 | 61 | - | 1 |
| AEON MALL Tsurumi Ryokuchi | Tsurumi-ku, Osaka-shi, Osaka | Renewal of guide light | October, 2023 to January, 2024 | 60 | - | - |
| Oyama Yuen Harvest Walk | Oyama-shi, Tochigi | Repair of rest room | December, 2023 to February, 2024 | 59 | - | - |
| AEON MALL Tsudanuma | Narashino-shi, Chiba | Coating of iron part (2nd) | July, 2023 to November, 2023 | 59 | - | - |
| Kyoto Family | Ukyo-ku, Kyoto-shi, Kyoto | Enlargement construction of trance | October, 2023 to February, 2024 | 57 | - | - |
| KAWASAKI Le FRONT | Kawasaki-ku, Kawasaki-shi, Kanagawa | Renewal of top light equipment at atrium (10th floor) | November, 2023 to February, 2024 | 56 | - | - |
| Twin 21 | Chuo-ku, Osaka-shi, Osaka | Renewal of air conditioning system at standard floor | October, 2023 to February, 2024 | 55 | - | - |
| AEON MALL Tsudanuma | Narashino-shi, Chiba | Renewal of the central monitoring equipment | May, 2023 to January, 2024 | 55 | - | - |
| JMF-Bldg. Nihombashi Hamacho 01 | Chuo-ku, Tokyo | Renewal of air conditioning system at interior side | September, 2023 to February, 2024 | 52 | - | - |
| Twin 21 | Chuo-ku, Osaka-shi, Osaka | Renewal of central monitoring equipment | October, 2023 to February, 2024 | 51 | - | - |
| Higashi-Totsuka Aurora City | Totsuka-ku, Yokohama-shi, Kanagawa | Renewal of air conditioning system at SEIBU building | December, 2023 to February, 2024 | 51 | - | - |
| For the six months ending August 31, 2024 (the 45th fiscal period from March 1, 2024 to August 31, 2024) | | | | | | |
| KAWASAKI Le FRONT | Kawasaki-ku, Kawasaki-shi, Kanagawa | Renewal of electrical substation equipment | April, 2021 to March, 2024 | 1,378 | - | 716 |
| Bic Camera Tachikawa | Tachikawa-shi, Tokyo | Renewal of air conditioning system on rooftop west side at main building | May, 2024 to July, 2024 | 193 | - | - |
| Twin 21 | Chuo-ku, Osaka-shi, Osaka | Repair of outer wall | August, 2024 | 170 | - | 13 |
| JMF-Bldg. Yokohama Bashamichi 01 | Naka-ku, Yokohama-shi, Kanagawa | Renewal of lighting equipment at exclusive area | October, 2023 to August, 2024 | 140 | - | - |
| AEON MALL Musashi Murayama | Musashimurayama-shi, Tokyo | Repair of outer wall | April, 2024 to July, 2024 | 112 | - | - |
| JMF-Bldg. Toyochō 01 | Koto-ku, Tokyo | Renewal of air conditioning system at main building | November, 2023 to August, 2024 | 109 | - | - |

(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, 2023 | Total of advanced payment |
| Twin 21 | Chuo-ku, Osaka-shi, Osaka | Renewal of escalator | October, 2023 to June, 2024 | 103 | - | - |
| KAWASAKI Le FRONT | Kawasaki-ku, Kawasaki-shi, Kanagawa | Renewal of elevator | January, 2024 to March, 2024 | 100 | - | - |
| Twin 21 | Chuo-ku, Osaka-shi, Osaka | Construction for raising floor | October, 2023 to March, 2024 | 99 | - | - |
| AEON MALL Sapporo Hassamu | Nishi-ku, Sapporo-shi, Hokkaido | Repair of outer wall | May, 2024 to July, 2024 | 91 | - | - |
| AEON MALL Musashi Murayama | Musashimurayama-shi, Tokyo | Renewal of PAC air conditioner | March, 2024 to July, 2024 | 86 | - | - |
| JMF-Bldg. Toyochō 02 | Koto-ku, Tokyo | Renewal of elevator | July, 2024 to August, 2024 | 81 | - | - |
| Twin 21 | Chuo-ku, Osaka-shi, Osaka | Renewal of common space at standard floor | October, 2023 to March, 2024 | 77 | - | - |
| Oyama Yuen Harvest Walk | Oyama-shi, Tochigi | Repair of rest room | February, 2024 to April, 2024 | 59 | - | - |
| Higashi-Totsuka Aurora City | Totsuka-ku, Yokohama-shi, Kanagawa | Renewal of water receiving tank at SEIBU Building | June, 2024 to August, 2024 | 58 | - | - |
| Twin 21 | Chuo-ku, Osaka-shi, Osaka | Renewal of air conditioning system at standard floor | April, 2024 to August, 2024 | 55 | - | - |
| Twin 21 | Chuo-ku, Osaka-shi, Osaka | Renewal of central monitoring equipment | April, 2024 to August, 2024 | 52 | - | - |
| JMF-Bldg. Akasaka 02 | Minato-ku, Tokyo | Renewal of air conditioning system | May, 2024 to August, 2024 | 52 | - | - |
| Higashi-Totsuka Aurora City | Totsuka-ku, Yokohama-shi, Kanagawa | Renewal of air conditioning system at SEIBU building | May, 2024 to July, 2024 | 51 | - | - |
| AEON MALL Itami | Itami-shi, Hyogo | Renewal of FCU | March, 2024 to July, 2024 | 50 | - | - |

2. Capital expenditures for the six months ended August 31, 2023

Maintenance expenditures on property for the six months ended August 31, 2023 were totaling to ¥4,348 million consisting of ¥3,476 million of capital expenditures stated as below and ¥872 million of repair and maintenance expenses charged to income.

(Millions of yen)

| Name of property | Location | Purpose | Term for construction or maintenance | Capital expenditures |
|----------------------------|-------------------------------------|--|--------------------------------------|----------------------|
| Twin 21 | Chuo-ku, Osaka-shi, Osaka | Construction for tenant leasing at M38F east area | March, 2023 to April, 2023 | 150 |
| KAWASAKI Le FRONT | Kawasaki-ku, Kawasaki-shi, Kanagawa | Renewal of elevator | May, 2023 to August, 2023 | 113 |
| AEON MALL Tsurumi Ryokuchi | Tsurumi-ku, Osaka-shi, Osaka | Renewal of package air conditioner | June, 2023 to August, 2023 | 91 |
| Twin 21 | Chuo-ku, Osaka-shi, Osaka | Renewal of air conditioning system | April, 2022 to March, 2023 | 86 |
| AEON MALL Musashi Murayama | Musashimurayama-shi, Tokyo | Renewal of PAC air conditioner | May, 2023 to August, 2023 | 84 |
| AEON MALL Tsudanuma | Narashino-shi, Chiba | Renewal of common area | May, 2023 to August, 2023 | 81 |
| AEON MALL Itami | Itami-shi, Hyogo | Construction of disaster prevention system | June, 2023 to August, 2023 | 78 |
| G-Bldg. Shinsaibashi 03 | Chuo-ku, Osaka-shi, Osaka | Renewal of air conditioner and disaster prevention equipment at A building | August, 2023 | 71 |
| AEON MALL Sapporo Hassamu | Nishi-ku, Sapporo-shi, Hokkaido | Renewal of EHP and GHP | July, 2023 to August, 2023 | 68 |
| AEON MALL Musashi Murayama | Musashimurayama-shi, Tokyo | Renewal of storage battery charger | June, 2023 to August, 2023 | 61 |
| Bic Camera Tachikawa | Tachikawa-shi, Tokyo | Renewal of escalator at main building | May, 2023 to July, 2023 | 60 |
| Twin 21 | Chuo-ku, Osaka-shi, Osaka | Renewal of security system | February, 2023 to August, 2023 | 59 |
| Twin 21 | Chuo-ku, Osaka-shi, Osaka | Renewal of air conditioning system at standard floor | April, 2023 to August, 2023 | 54 |
| Dormy Inn Hakata Gion | Hakata-ku, Fukuoka-shi, Fukuoka | Repair of outer wall | June, 2022 to March, 2023 | 50 |
| Other | - | - | - | 2,363 |
| Total | | | | 3,476 |