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JMF
JAPAN METROPOLITAN FUND

43 rd

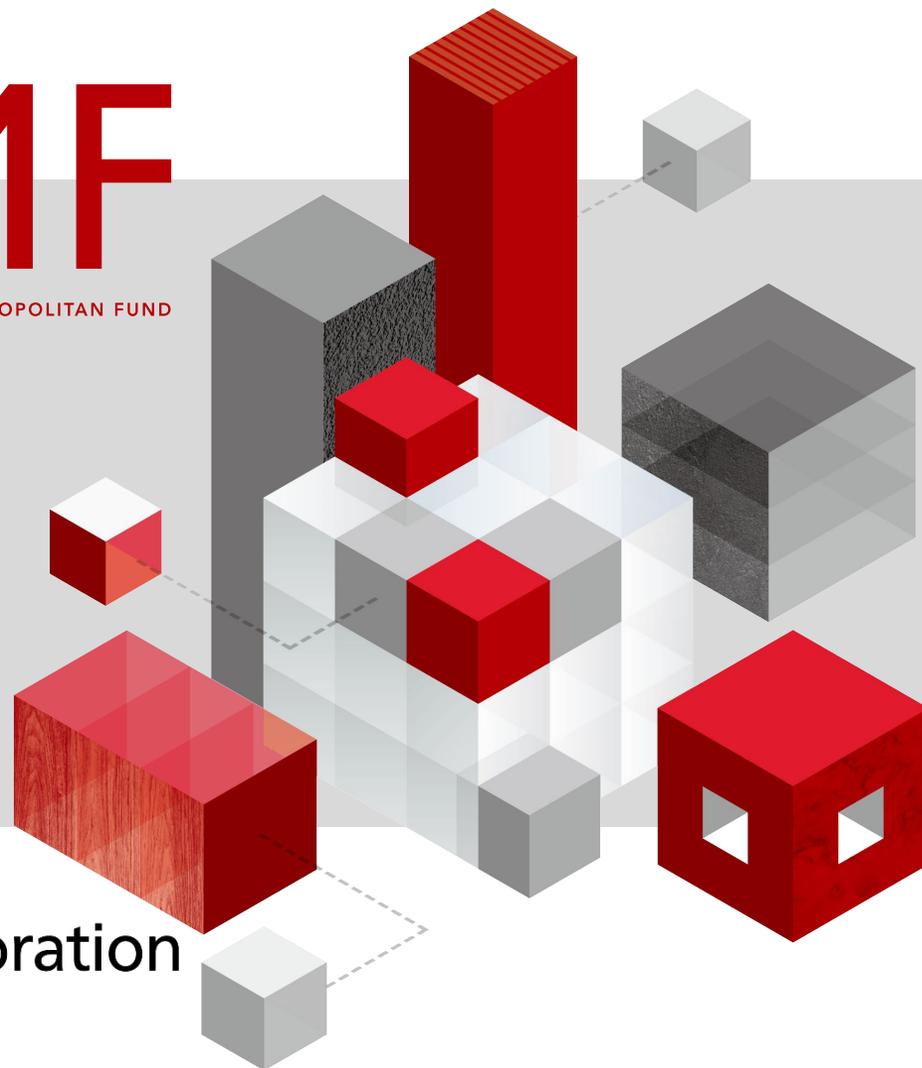


Investor Presentation

August 2023 (43rd) Period (March 1, 2023 – August 31, 2023)

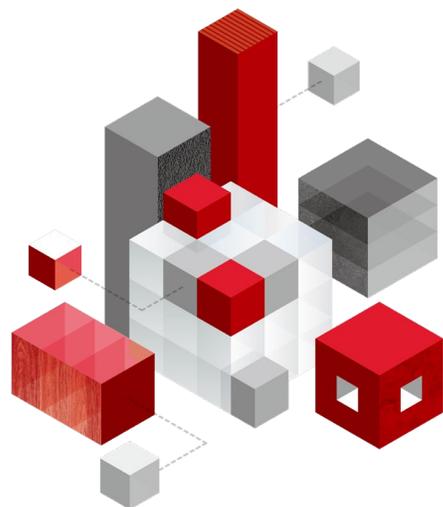
Japan Metropolitan Fund Investment Corporation

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



Japan Metropolitan Fund
Investment Corporation

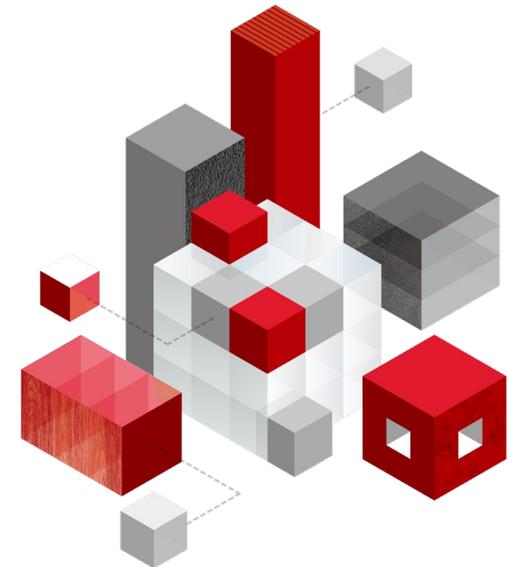
Management Report



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JMF
01

Strategies and Highlights



Shifting focus from "stability" to "further growth," capturing changes in the macro environment

Mar. 2021
Converted to a diversified REIT

Oct. 2023
Now

Growth Driver

Internal Growth "α"

- Management capabilities leveraging asset scale of over 1 trillion yen
- Over 20 years of management know-how
- Capability to handle a variety of asset types, including large multi-tenant properties
- Relationships with over 1,500 retail and office tenants

External Growth "α"

- Industry-leading information gathering capabilities
- JMF's proprietary acquisition methods (Private REIT investment, M&A, etc.)
- Synergies and Curve-out with KKR

Strategies to date : Asset replacement phase

Strategies for the future : Further growth phase

| | | |
|----------------------------------|---|--|
| Management policy and background | Asset replacement to regain period revenue which remained low during COVID-19 era | Managing upside potential with inflation in mind |
| Focal point of strategy | Recovery of EPU and keep stable DPU in the near term | Enhancing medium- to long-term DPU and NAV |
| Investment strategy | <p>Focusing on NOI yield after depreciation at the time of acquisition</p> <ul style="list-style-type: none"> • Due to asset replacement, yield on acquired assets (3% or more) > yield on disposed assets (approx. 3%) | <p>Focusing on improving future NOI yield after depreciation and asset value</p> <ul style="list-style-type: none"> • Up-front investment in undervalued properties and properties with potential further upsides • Strengthening synergies with KKR, mainly carve-outs <p>Established Investment Department 4 in charge of strengthening synergies with KKR, in line with newly established Investment Division (Jan. 2023)</p> |
| Management strategy | <p>Focusing on stable management</p> <ul style="list-style-type: none"> • Focus on ability to pay stable rent constantly when leasing for new tenants • Focus on stability of rent revenue at the time of contract renewals and retenanting | <p>Focusing on increasing future cash flow and asset value</p> <ul style="list-style-type: none"> • Focus on NOI and NAV enhancement from potential rent increases in future • Actively seek fixed rent increases at the time of contract • Proactively introduce revenue-based rents <p>Established Planning Development and Promotion Office for further value enhancement within Management Department (Oct. 2023)</p> |

Increasing unitholder value, and managing with a focus on enhancing medium- to long-term DPU and NAV

Higher unitholder value

Increasing unitholder value = Enhancing DPU + Enhancing NAV

Enhancing DPU (=growth in NOI)

I Growth in exiting properties

- Higher rent (fixed rent raised by contract renewals and retenanting, increases from revenue-based rents)
- Reduction of downtime and free rent
- Contribution from the phased rent system

II Asset replacement effect

- Improved yield after depreciation by replacement (NOI yield after depreciation is at 3% or more for the acquired assets while approximately 3% for the disposed assets)
- Remaining 100.0bn yen to be replaced to earn further gain on disposal

III New acquisitions with cash on hand etc.

- Acquisitions with cash on hand and leverage (at LTV45%, 21.4 bn yen, free cash 15.0bn yen)

Enhancing NAV (=growth in asset value)

IV Cash flow factors

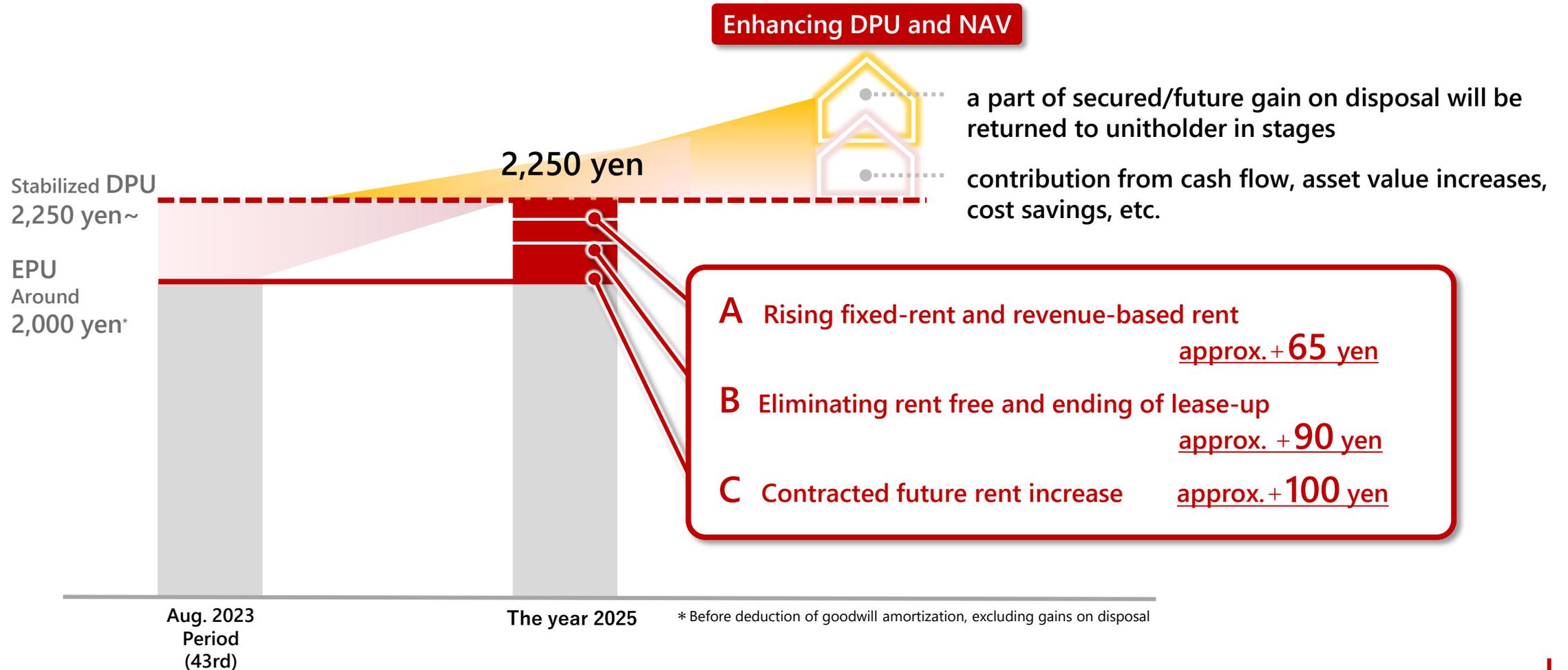
- Growth in NOI
- Increasing portfolio value by disposition of properties with unrealized loss
- Boosting value of properties acquired at discount

V Cap rate factors

- Reduction of risk premium by mitigating property-specific risks

EPU of 2,250 yen can be reached due to favorable management condition and further DPU enhancement

- EPU would reach 2,250 yen in 2025 due to measures to date
- In future, a part of secured/future gain on disposal may be actively returned to unitholders



Highlights

Internal Growth

- 43rd fiscal period maintained a high occupancy rate of **99.2%**, exceeding forecasts
- Impact from fixed rent raises by retenanting and rent renewals (Twin 21, etc.)
- Recovery in revenue-based rents due to sales recovery (GYRE, OMO3 Tokyo Akasaka, etc.)
- Reduction of vacancies due to lease-up (Twin 21, G-Bldg. Shinsaibashi 03, JMF-Bldg. Akasaka 02, etc.)
- Contracted future rent increase (AEON MALL Sapporo Hassamu, etc.)

Increase in revenue-based Rent

(11 retail properties + 1 hotel) YoY (40th + 41st vs 42nd + 43rd)

+482 mn yen/year

External Growth & Asset Replacement

- Announced 4 acquisitions of **6.3** bn yen, using our proprietary methods
- Developed new acquisition methods and obtained preferential negotiation rights of approx. **48.0** bn yen Considering specific carve-outs with collaboration with KKR
- A part of gain on disposal from 43rd and 44th fiscal periods is returned as DPU because EPU of 2,250 yen is in prospect

Total of acquisition announced and acquired preferential negotiating rights

Approx. **54.3** bn yen

Average NOI yield

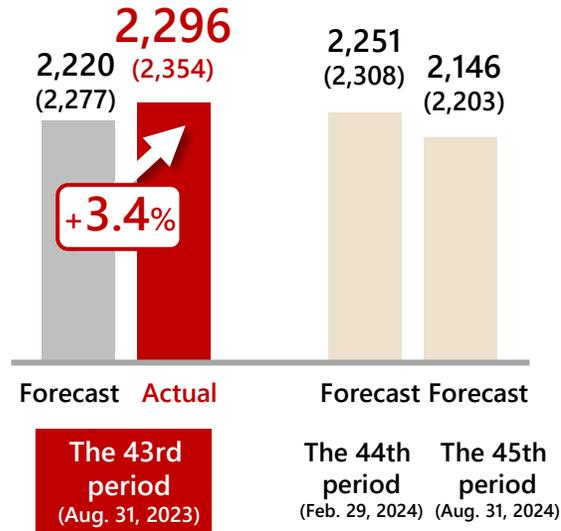
Over **4%**

Highlights

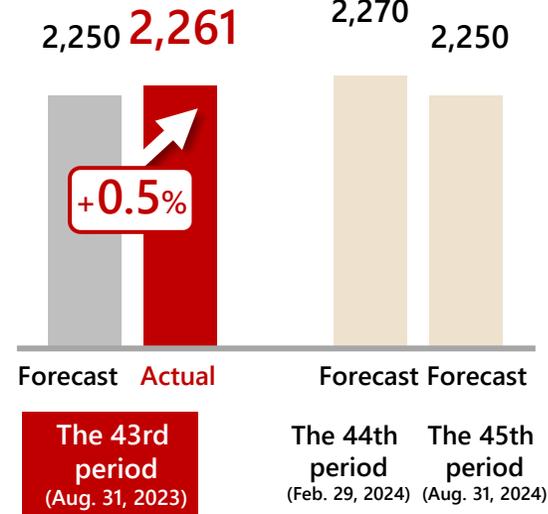
- **43rd: EPU(+3.4%) and DPU(+0.5%) exceeded forecasts** as in the past three periods
- **NAV** per unit **increased 2.1%** from previous period by promoting internal growth of existing properties while replacing assets
- **43rd & 44th: EPU** has recovered above 2,250 yen and a part of gain on disposal earned is returned as **DPU**

EPU (yen)

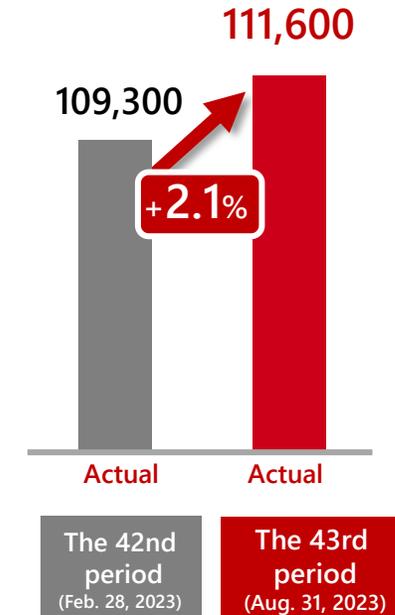
(Before deduction of goodwill amortization)



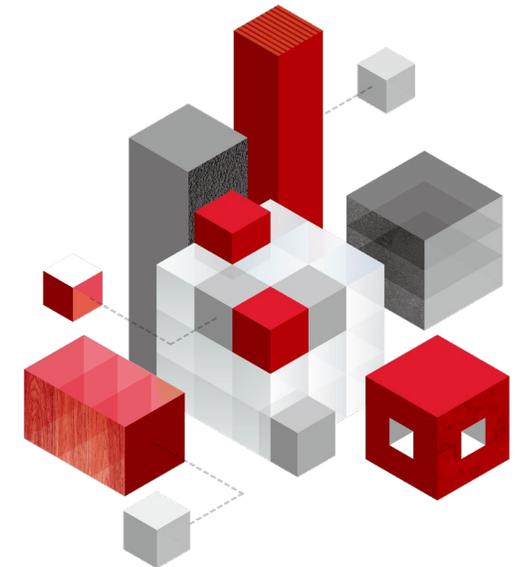
DPU (yen)



NAV per unit (yen)



Internal Growth



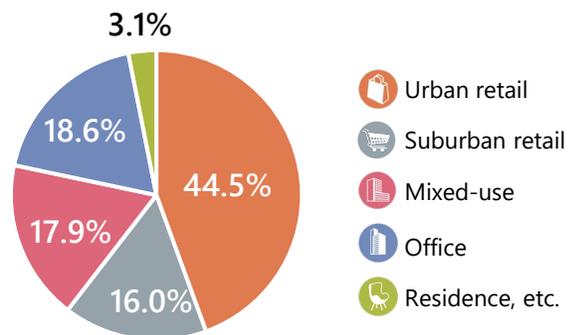
Portfolio Outlook

Continued to maintain high occupancy rates in 43rd period; recovery of the retail sector and hotels in the post-COVID-19 era boosted revenue-based rent in percentage terms

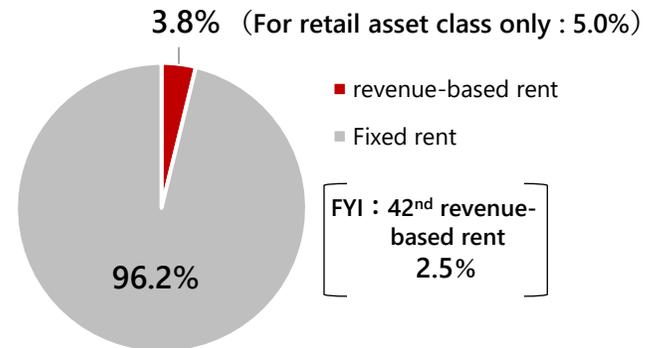
| Type of Use (Number of property) | Acquisition Price | Appraisal Value | Unrealized profits and losses | Annual basis NOI* | NOI Yield | Occupancy Rate | | | | |
|-------------------------------------|----------------------|------------------|-------------------------------|-------------------|-------------|------------------------------------|------------------------------------|--------------|--|--|
| | | | | | | The 42nd period (Feb. 28, 2023) | The 43rd period (Aug. 31, 2023) | | The 44th period (Feb. 29, 2024) Forecast | The 45th period (Aug. 31, 2024) Forecast |
| | | | | | | | Forecast | Actual | | |
| Urban retail (63) | 543.2bn | 623.5bn | 114.8bn | 24.9bn | 4.6% | 99.7% | 99.7% | 99.7% | 99.8% | 100.0% |
| Suburban retail (14) | 194.8bn | 190.2bn | 30.5bn | 9.4bn | 4.8% | | | | | |
| Mixed-use (24) | 218.7bn | 246.3bn | 21.6bn | 16.4bn | 3.7% | 96.5% | 96.0% | 96.9% | 96.2% | 94.5% |
| Office (20) | 227.1bn | 231.4bn | 2.4bn | | | | | | | |
| Residence (9) | 17.9bn (25.0bn**) | 20.3bn | 1.7bn | 0.6bn | 3.7% | 96.4% | 94.4% | 96.6% | 86.6% | 90.5% |
| Hotel (2) | 12.4bn | 12.4bn | 0.1bn | 0.4bn | 3.7% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| ALL (132) | 1,214.3bn | 1,324.3bn | 171.3bn | 52.0bn | 4.3% | 99.2% | 99.1% | 99.2% | 99.1% | 99.0% |

* Annual basis NOI does not include dividend income etc.. ** Includes the total investment amount in private REITs. Total acquisition price including private REITs is 1,221.4bn.

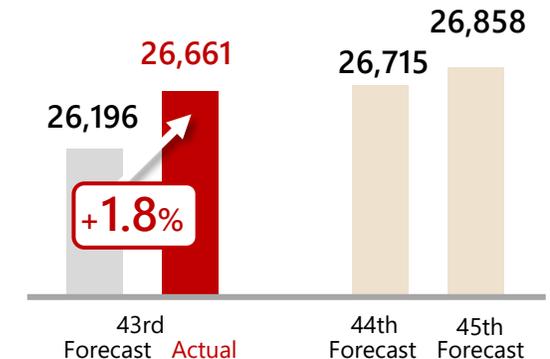
Diversification by Use¹



Rent Type Diversification²



NOI (excluding gains on disposal) (mn yen)



¹ Acquisition Price base as of August 31, 2023 (Includes private REITs)

² Annualized rents for August 31, 2023

Highlights of internal growth measures

A Increased Fixed-rent and revenue-based rent

| | | | |
|---|--------------------|-------------------------|---|
|  | 【Retail】 | GYRE | <ul style="list-style-type: none"> Fixed rent increased due to tenant replacement; revenue-based rent increased due to strong sales |
|  | 【Retail】 | G-Bldg. Shinsaibashi 01 | <ul style="list-style-type: none"> Fixed rent increased due to rent renewal discussions |
|  | 【Office】 | JMF-Bldg. Higobashi 01 | <ul style="list-style-type: none"> Fixed rent increased due to backfilling four floors of vacated space by expanding floor space and attracting tenants |
|  | 【Mixed-use】 | Twin 21 | <ul style="list-style-type: none"> OBP Panasonic Tower: fixed rent increased due to progress on replacements and new contracts as tenants move out MID Tower: fixed rent increased due to tenant replacement and upward revisions of rents for existing tenants by leveraging the "rent gap," the gap between current contracted rent and market rent |
|  | 【Hotel】 | OMO3 Tokyo Akasaka | <ul style="list-style-type: none"> The increase in revenue-based rent due to strong sales |

B Completed lease-up, eliminated free rent

| | | | |
|--|--------------------|---------------------------------|--|
|  | 【Retail】 | G-Bldg. Shinsaibashi 03 | <ul style="list-style-type: none"> Completed backfill of vacated space during the COVID-19 era to reach a 100% occupancy rate |
|  | 【Office】 | JMF-Bldg. Akasaka 02 | <ul style="list-style-type: none"> Completed backfill of four floors that were vacant at acquisition to reach a 100% occupancy rate |
|  | 【Residence】 | JMF-Residence Ikebukuro 1-chome | <ul style="list-style-type: none"> Leased-up property acquired after completion at a faster pace than expected |

C Contracted future rent increase

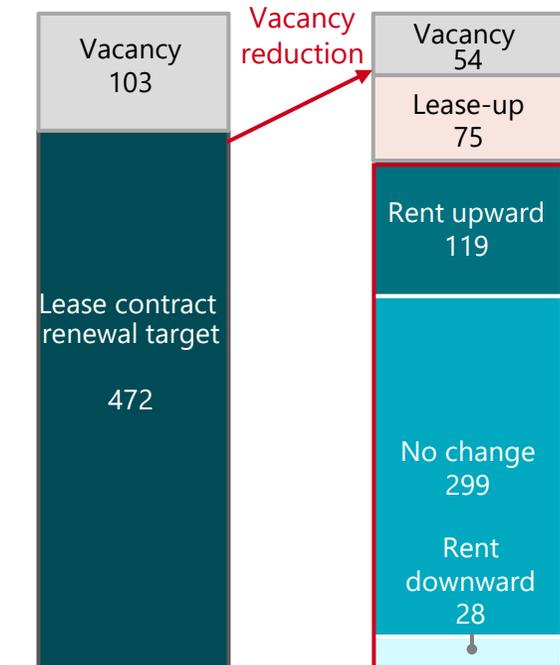
| | | | |
|---|--------------------|---------------------------------|--|
|  | 【Mixed-use】 | JMF-Bldg. Ginza Chuo-Dori 01 | <ul style="list-style-type: none"> Secured rent increases mainly at urban retail properties in Tokyo with strong sales; BOUCHERON Ginza Main Store opened |
|  | 【Retail】 | AEON MALL Sapporo Hassamu ,etc. | <ul style="list-style-type: none"> Secured rent increases at master leased retail properties; asset value increased as rent increased |

Fixed rents increased in all sectors due to lease renewals, vacancies were reduced by half

Leasing results for blocks for leasing¹

Increase in Fixed Rent +22mn yen/fiscal Period Effect on DPU²+3yen

Vacancy at beginning of period 103 ▶ Vacancy at end of period 54



| | Retail | Office | Residence |
|---------------|---|---|--|
| | Driven by upward rent revisions through tenant replacement at urban retail properties | Continued to revise rents upward and replacement, mainly in the Osaka and Sendai area | Upward rent revisions increased through tenant replacement |
| Rent upward | 21 | 25 | 73 |
| No change | 96 | 95 | 108 |
| Rent downward | 16 | 7 | 5 |
| Total | 133 | 127 | 186 |

Fixed-rent Increase/Decrease³

| | | |
|-----------------------------|------------------------------|-----------------------------|
| +0.1% | +1.2% | +1.9% |
| (+2.1mn yen/ Fiscal Period) | (+17.7mn yen/ Fiscal Period) | (+2.4mn yen/ Fiscal Period) |

During of 43rd Period ▶ As of the end of 43rd Period

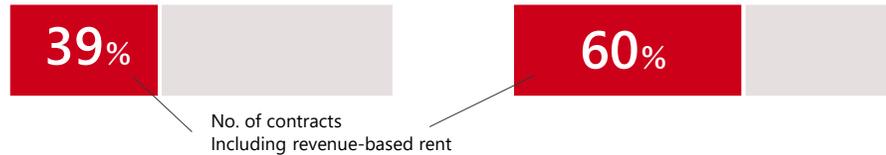
- It is intended for the spaces which will come into the due timing to the expiration of the ordinary building lease contract or fixed-term building lease contract of the tenants during the fiscal period ended Aug. 2023 (43rd fiscal period) and which is vacant at the beginning of the fiscal period ended Aug. 2023 (43rd fiscal period). Excluded master lease contracts and temporary use contracts.
- Calculated by the difference of monthly rent before revision and monthly rent after revision converted to semi-annualized basis and divided it by the issued investment units as of Aug. 2023 (43rd) period.
- Upper: (monthly rent after lease contract renewal – monthly rent before lease contract renewal) / monthly rent before lease contract renewal
Lower: monthly rent after lease contract renewal – monthly rent before lease contract renewal

Contribution from revenue-based rent

Contract types and YoY sales performance

Percentage included in revenue-based rent

All tenants (excluding Residence tenants) Retail + Hotel tenants



Sales performance of 11 retail properties (YoY)

| | | Feb. 2023 (42nd) period | | | | | | Aug. 2023 (43rd) period | | | | | |
|-------------|-------------------------|-------------------------|------|------|------|------|------|-------------------------|------|------|------|------|------|
| | | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. |
| Tokyo area | GYRE | 138% | 151% | 147% | 136% | 114% | 161% | 138% | 134% | 130% | 151% | 137% | 144% |
| | La Porte Aoyama | 121% | 104% | 102% | 101% | 115% | 136% | 123% | 108% | 105% | 102% | 113% | 118% |
| | KAWASAKI Le FRONT | 107% | 107% | 103% | 105% | 118% | 119% | 115% | 112% | 109% | 110% | 114% | 109% |
| | MARINE & WALK YOKOHAMA | 153% | 125% | 104% | 110% | 98% | 112% | 107% | 103% | 100% | 97% | 98% | 99% |
| | Machinoma Omori | 102% | 111% | 107% | 109% | 106% | 106% | 115% | 121% | 116% | 115% | 117% | 114% |
| | Abiko Shopping Plaza | 96% | 100% | 99% | 99% | 100% | 100% | 97% | 101% | 103% | 97% | 103% | 106% |
| Osaka area | KAMISHIN PLAZA | 100% | 105% | 109% | 105% | 105% | 106% | 105% | 95% | 107% | 107% | 112% | 108% |
| | Kyoto Family | 105% | 107% | 101% | 108% | 105% | 111% | 115% | 113% | 111% | 105% | 107% | 106% |
| | Nara Family | 99% | 101% | 102% | 101% | 110% | 109% | 104% | 107% | 111% | 102% | 108% | 107% |
| Nagoya area | mozo wonder city | 119% | 109% | 104% | 104% | 115% | 132% | 115% | 106% | 104% | 103% | 106% | 103% |
| Other area | Oyama Yuen Harvest Walk | 106% | 106% | 96% | 101% | 103% | 109% | 106% | 105% | 104% | 98% | 104% | 102% |

Revenue-based rent, etc. increased due to a recovery of sales

11 retail properties + 1 Hotel

Impact on sales-linked rent, etc. (40th+41st vs 42nd+43rd)

Increase from revenue-based rent

+11.4% **+482mn yen/year**

- Hotel occupancy of OMO3 Tokyo Akasaka is higher due to the lifting of COVID-19 restrictions and Inbound Impact
- Contribution from revenue-based rent due to strong sales
- Sales increased in mozo wonder city, GYRE, and KAWASAKI Le FRONT

Increase from other sales-linked revenue

+13.3% **+39mn yen/year**

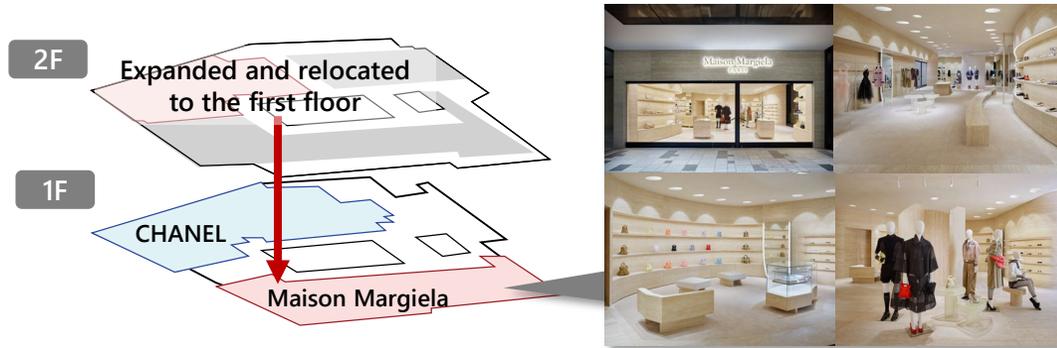
- Revenue contribution of 341mn yen/year from credit card fees, revenue that was not earned previously due to promotion of DX, especially at KAWASAKI Le FRONT and mozo wonder city.

Examples of fixed and revenue-based rent increases

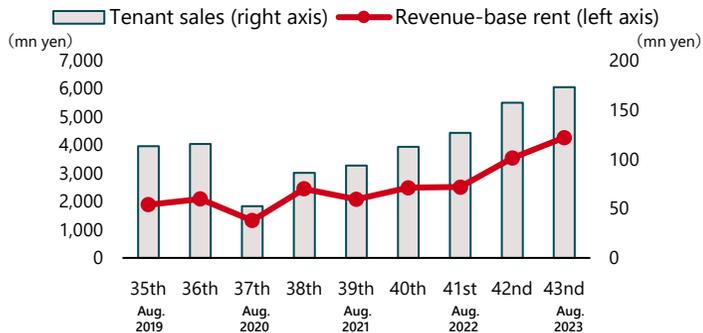
GYRE (Shibuya-ku, Tokyo)

Tenant replacements at the time of contract renewal contributed to fixed rent increase

- Refurbishment work done in 23% of the entire facility; a high-end boutique from Paris, "Maison Margiela," expanded and relocated, opening in Aug. 2023 as the first phase
"CHANEL" on the first floor will also expand to the second floor; currently under construction (to open in 2024 or later)
- Fixed rent increased in the entire facility due to refurbishment work, etc., so as cash flow improved, appraisal value increased



Strong sales continued and contributed to the increase in revenue-based rent



Overall fixed rent increased (41st vs stable earnings period)

+16%

Appraisal value increased

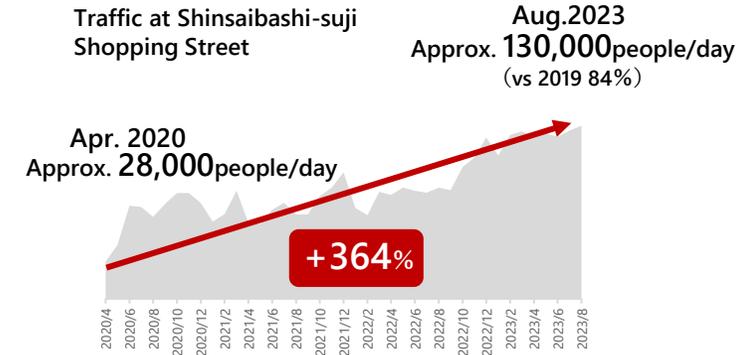
End of 43rd **32.0bn**
(vs 42nd **12%UP**)

G-Bldg. Shinsaibashi 01 (Osaka-shi, Osaka)

Activity returned to the area, where traffic declined drastically during the COVID-19 pandemic

For contracts agreed during the COVID-19 pandemic, rents were increased at the periodic rent renewal discussions held every three years

Fixed rent increased due to contract revision
+33%



JMF-Bldg. Higobashi01 (Osaka-shi, Osaka)

Completed backfill of four floors vacated at the end of July by expanding floor space and attracting new tenants



| | |
|-----|----------------------|
| 11F | New tenant |
| 10F | Expanded floor space |
| 9F | New tenant |
| 8F | Expanded floor space |

Fixed-rent increase rate **+22%**

Effect on DPU **1.4yen**

Occupancy rate

| | |
|-----------|-----------|
| Aug. 2023 | Oct. 2023 |
| 80.3% | 100% |

Examples of fixed rent increases

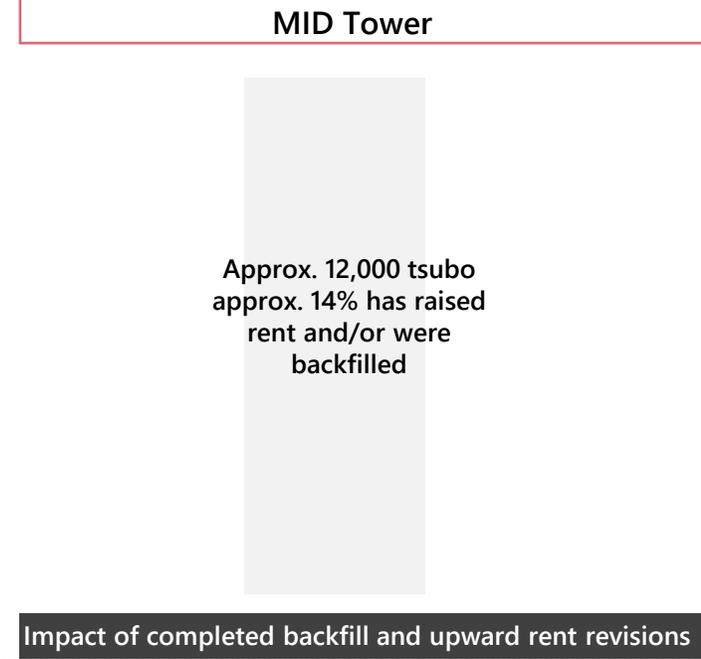
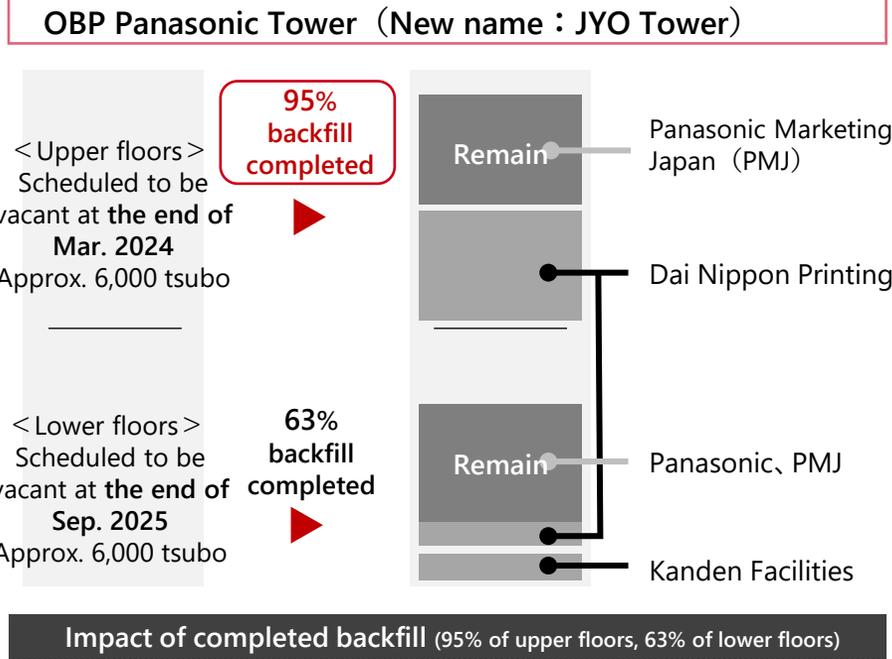
Twin 21 (Osaka-shi, Osaka)

Fixed rent increased due to tenant replacement, etc. Appraisal value increased and unrealized losses have diminished. Further upsides expected from leasing remaining areas



OBP Panasonic Tower MID Tower
(New name : JYO Tower)

* The illustration does not correspond to the actual floors that tenants occupy.



| | | |
|---|---|---|
| Rent increase rate | Approx. +14% | Revised area with an increase : Approx. +8% backfill completed area : Approx. +18% |
| Increase per period | Approx. 100mn yen | Approx. 16mn yen |
| Effect on DPU | Approx. +16yen | Approx. +2yen |
| Appraisal Value / Unrealized Gains·Losses | 64.8bn yen (vs 42nd +11%) / Unrealized Gains 4.4bn yen (42nd Unrealized Losses 2.0bn yen) | |

Vacancies eliminated by lease-up



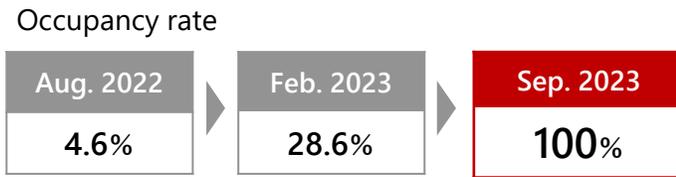
G-Bldg. Shinsaibashi 03 (Osaka-shi, Osaka)

Completed backfill of areas vacated during the COVID-19 pandemic; 100% occupancy rate

- Bldg. A: Signed another contract with UNIQLO Reopening as "UNIQLO SHINSAIBASHI"
- Bldg. B: "ALLU Shinsaibashi ANNEX" opening



Bldg. A: open on Nov. 23, 2023 (scheduled)



Effect on DPU **55yen/ fiscal period**



Bldg. B: open in Dec. 2023 (scheduled)



Pre-owned • Brand Shop

* The image is a prospective rendering



JMF-Bldg. Akasaka 02 (Minato-ku, Tokyo)



Completed backfill of four floors that were vacant at the time of acquisition; 100% occupancy rate

| | |
|-------|----------------|
| 16F | Retail, Office |
| 15F | Office×2 |
| 14F | Office |
| 13F | Office×2 |
| 1~12F | |
| B1F | |

Effect on DPU

23yen/ fiscal period

Occupancy rate

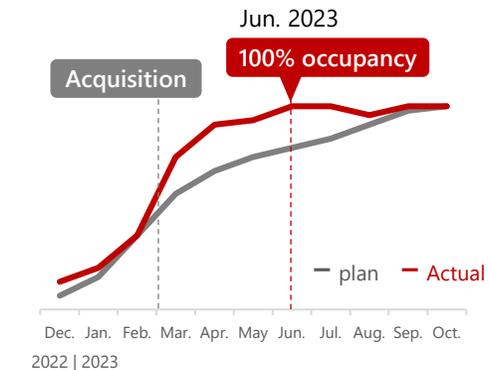


JMF-Residence Ikebukuro 1-chome (Toshima-ku, Tokyo)



Completed in Nov. 2022

Leased-up the newly constructed property at a faster pace than expected



Secured future rent increase

Secured future rent increase mainly in Tokyo and with urban retail properties on the back of their strong sales performance

- The step-up rent system set for properties, mainly in the Ginza, Omotesando, and Midouji areas where many luxury brand shops are located, contributed to revenue in stages

Total amount of rent increase to be implemented by 2025 from 43rd period onward

Approx. **500mn yen**
(Effect on DPU Approx. **70yen**)

Future rent increases were secured in the master lease agreements with some retail tenants

- Extended the terms of contracts (20+ years) and achieved higher rents at AEON MALL Sapporo Hassamu, Tsudanuma, DFS T GALLERIA OKINAWA. The contract rent of the three properties under the step-up rent system ultimately increased by approx. 15% (approx. +270mn yen)

Total amount of rent increase to be implemented by 2025 from 43rd period onward

Approx. **100mn yen**
(Effect on DPU Approx. **15yen**)

Case: Urban retail facility in a good location



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

BOUCHERON Ginza Main Store, the largest flagship store in Japan, opened in Sep. 2023



Case : Master Lease retail tenant



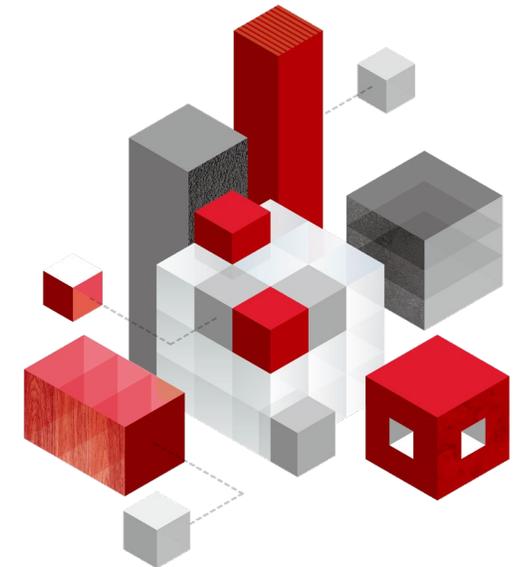
AEON MALL Sapporo Hassamu
(Sapporo-shi, Hokkaido)

The introduction of step-up rent contracts, taking advantage and consideration of inflationary phase, improved cash flow and asset value



Appraisal value increased
End of 43rd **23.2bn yen**
(vs 42nd **18%UP**)

External Growth & Asset Replacement



Executed asset replacement and other investments using JMF's unique methods

Asset replacement through reciprocal transactions

| | | | |
|---|-------------------------------|---------------------------------|---------------------------|
| NOI yield in three newly-built residential properties | 4.2% | Secured a profit on disposition | Approx. +0.6bn yen |
| Acquisition for a price 9% below the appraisal value | | Through asset replacement | |
| Increased NOI after depreciation | Approx. +51mn yen/year | Increased NAV per unit | +55 yen |

Acquisition



JMF-Residence Sakuranomiya (A) JMF-Residence Miyakojima (B) JMF-Residence Ebie (C)

Disposition



Round1 Sannomiya Station

| Asset class/Location | Residence/Osaka-shi, Osaka |
|--|------------------------------|
| Acquisition/Disposition date (Scheduled) | A,B: Apr. 2024, C: Apr. 2025 |
| Acquisition/Disposition price (Planned) | 5.3bn yen |
| Appraisal value/ Unrealized profits* | 5.9bn yen/ +0.5bn yen |
| Gain on disposition (Planned) | — |
| NOI after depreciation | 223 (169) mn yen |
| NOI yield after depreciation | 4.2% (3.1%) |

| Asset class/Location | Urban retail/Kobe-shi, Hyogo |
|--|------------------------------|
| Acquisition/Disposition date (Scheduled) | Feb. 2024 |
| Acquisition/Disposition price (Planned) | 3.8bn yen |
| Appraisal value/ Unrealized profits* | 3.3bn yen/ +0.1bn yen |
| Gain on disposition (Planned) | 0.6bn yen |
| NOI after depreciation | 131 (117) mn yen |
| NOI yield after depreciation | 4.1% (3.7%) |

* Figures stated in the press release are indicated.

Additional investments in private REITs

Second additional investment in HPR

- Additional investment to strengthen external growth, etc. by obtaining highly profitable housing exposure and collaborating with HPR through the units acquired



Jul. 2023 Additional Investments

| | | | |
|-----------------------|-----------|----------------|------|
| Additional investment | 1.0bn yen | Dividend yield | 4.4% |
| Amount of investments | 2.1bn yen | (Share 35.0%) | |

*HPR stands for "Hoosiers Private REIT Investment Corporation"

Disposition of urban retail property with low profitability

Disposition on Aug. 2023 G-Bldg. Minami Aoyama 02

- The revenue increase was limited due to long-term fixed-term building lease agreement with the main tenant
- Disposed of at a price level above the appraisal value under current environment and secured the profit on disposition

| Asset class/Location | Urban retail/Minato-ku, Tokyo | | |
|----------------------|-------------------------------|-------------------------------------|-----------------------|
| Disposition price | 5.3bn yen | Appraisal value/ Unrealised profits | 5.1bn yen / +18mn yen |
| Gains on disposition | 18mn yen | NOI yield after depreciation | 2.3% (2.1%) |

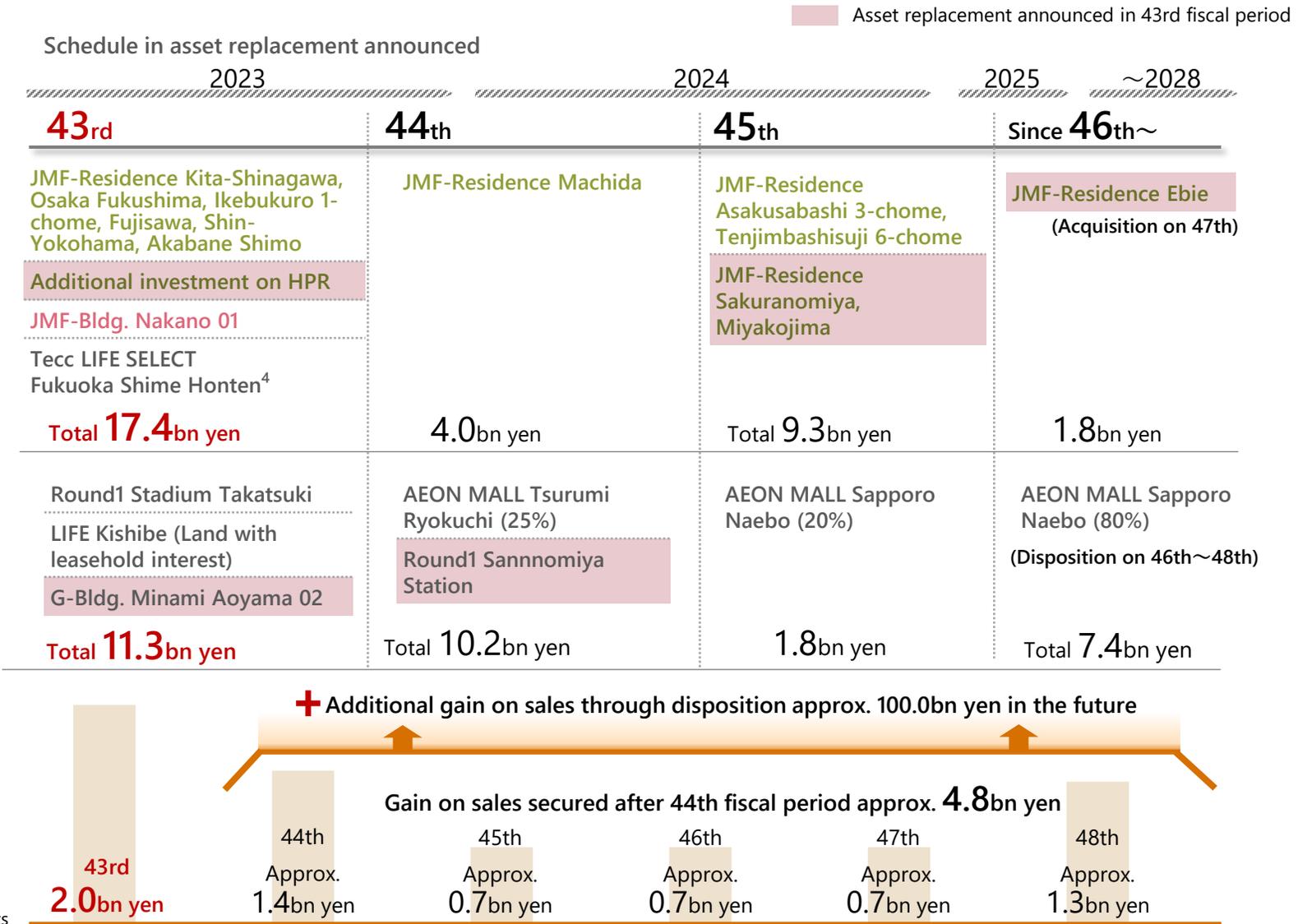
* Appraisal value – Acquisition price (Planned)

200.0 bn yen progress in asset replacement

Announcement from the merger in 2021 until the announcement of financial results for the 43rd fiscal period

| | | |
|----------------|---|---------------------------|
| Acquisition | Acquisition price total ¹ | 132.9bn yen |
| | Average NOI yield ² | 3.7% |
| | Average NOI yield (after depreciation) ² | 3.3% |
| | <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Mixed-use 40.4bn </div> <div style="text-align: center;"> Residence 40.3bn </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <div style="text-align: center;"> Office 42.4bn </div> <div style="text-align: center;"> Retail 9.7bn </div> </div> | |
| Disposition | Disposition price total | 96.7bn yen |
| | <div style="display: flex; align-items: center;"> Retail 96.7bn yen </div> | |
| Gains on sales | Estimated gain on sales ³ | Approx. 12.5bn yen |

1. Includes the total investment amount in private REITs.
2. Calculated including distributions from investment in private REITs.
3. Calculated by deducting the sum of the book value and the asset disposition costs from the disposition price. The book value and cost of sale of the property to be disposed are calculated using assumed values. The same applies thereafter.
4. The property name has been changed from "Kaden sumairukan YAMADA Fukuoka Shime Honten".



Further strengthen external growth

Synergy with KKR

Collaboration with KKR

- Joint proposals with KKR, collaboration with business investment targets, and consideration of carve-outs
- Sought growth opportunities through M&

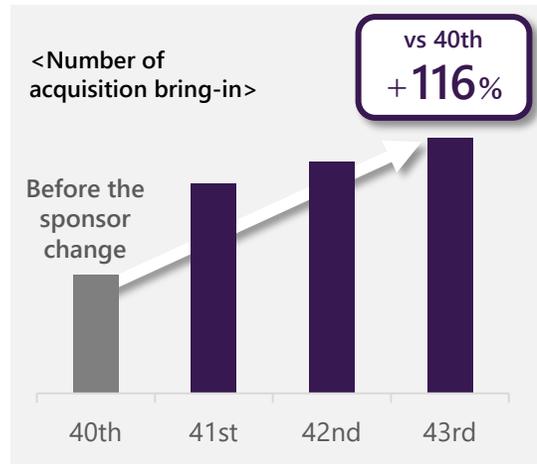
Jointly Participation in Large-Scale Deals

- Participate with KKR in deals to acquire only properties that meet JMF's investment criteria

Example: acquired "JMF Residence Fujisawa" from a large residential deal involving 10 properties

Increase in pipeline information

- The amount of deal information increased every period after the sponsor change
- Doubled from the period before the change (40th vs. 43rd)



Acquisition of preferential negotiation rights

Through our proprietary information networks and acquisition methods, we acquired preferential negotiating rights for highly profitable projects

Preferential Negotiation Rights NOI yield (Estimated)
10 Rights / Approx. **48.0**bn yen Over **4%**

- A bulk purchase of residences, primarily new construction in Tokyo
- Urban retail properties located in highly commercial areas
- Suburban complexes located in front of stations in Tokyo
- Offices close to stations in a business hub city
- A mixed-use property in an area with high tourism demand
- Part of an S-class mixed-use building directly connected to Sapporo Station (the Sapporo Station Exchange Center North 5 West 1 and West 2 District Urban Redevelopment Project)

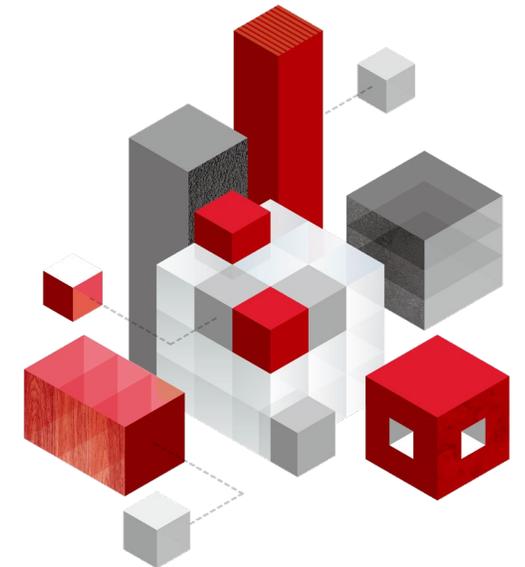
<Various acquisition methods for external growth>

| | | | |
|---|--|---|--|
| 1 | Reciprocal transaction | 5 | Mezzanine loan bond investment |
| 2 | Initiatives with developers | 6 | M&A |
| 3 | Collaboration with tenants | 7 | Sponsor support by KKR |
| 4 | Related to investment in private REITs | 8 | Participation in Redevelopment Projects as a Participating Partner |

JMF

04

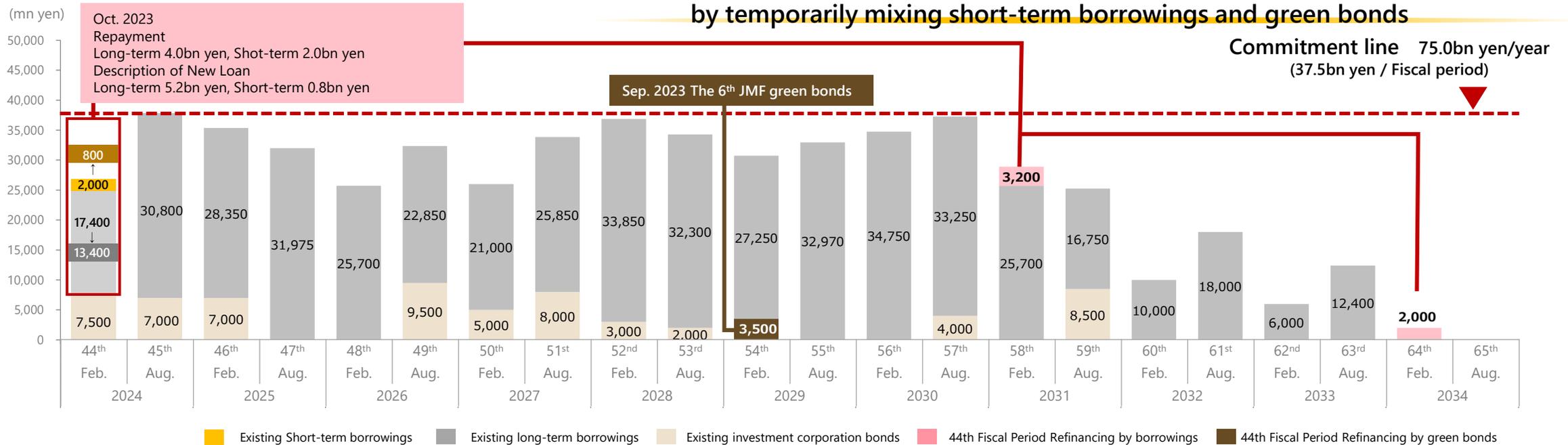
Finance & ESG



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

| Credit ratings (JCR) | LTV ¹ | Average debt cost ² | Average loan term remaining ³ | Long-term borrowing ratio ⁴ | Fixed-interest ratio |
|-----------------------|--|--------------------------------|--|--|----------------------|
| AA (Stable) | Book value : 44.1% Appraisal value: 38.7% | 0.72% | 4.4years | 99.6% | 95.7% |

Considering changes in the current environment, **employ a flexible financing approach** by temporarily mixing short-term borrowings and green bonds



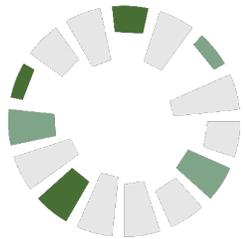
1. Book value: It is calculated by dividing the total interest-bearing debt as of the end of Aug. 2023 (43rd) Period by the total assets as of the end of the Aug. 2023 (43rd) Period.
Appraisal value: It is calculated by dividing the total interest-bearing debt as of the end of Aug. 2023 (43rd) Period by the sum of the unrealized gain or loss and the total assets as of the end of Aug. 2023 (43rd) Period.
2. It is calculated by dividing the annual total of interest for debt and investment corporation bonds, loan-related expenses, expenses for issuance and redemption of investment corporation bonds and custodial fees of investment corporation bonds as of the end of Aug. 2023 (43rd) Period, by the total interest-bearing as of the end of Aug. 2023 (43rd) Period.
3. The figure is a weighted average of remaining loan terms based on the amount of interest-bearing as of the end of Aug. 2023 (43rd) Period.
4. Long-term loans and investment corporation bonds that become due within one year are included in the long-term borrowing.

Continue proactive ESG initiatives



Designated as the Highest Rank "Five Stars" in GRESB

Top rating for the seven consecutive years



G R E S B
★★★★★ 2023

Designated as "A", the top rating for the seven consecutive years

- Leadership
- Policies
- Reporting
- Risk Management
- Stakeholder Engagement
- Target
- Data Monitoring & Review

Highest evaluation in the above seven categories

Jun. 2023 Acquired SBTi Certification

Toward Net Zero



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Year 2030 Reduction Target **42%**
(compared with 2020)

Year 2050 Reduction Target **100%**

Biodiversity Initiatives

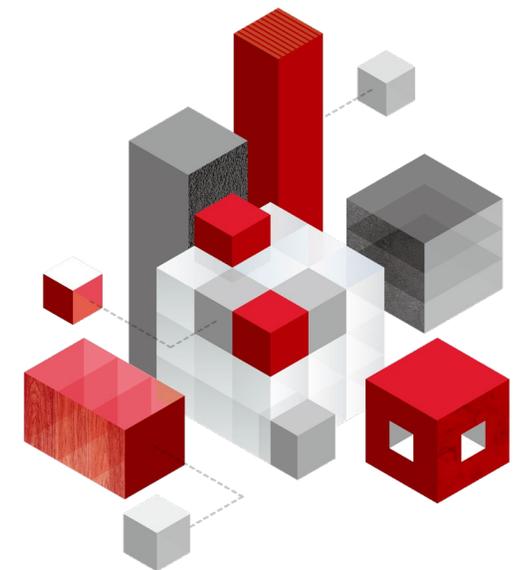
Now submitting

Joining "Japan Business Initiative for Biodiversity"

Signing "the 30by30 Alliance"

As the first step in an effort for TNFD disclosure, a framework shared by TCFD, we participated in Japan Business Initiative for Biodiversity and applied for membership to gather information

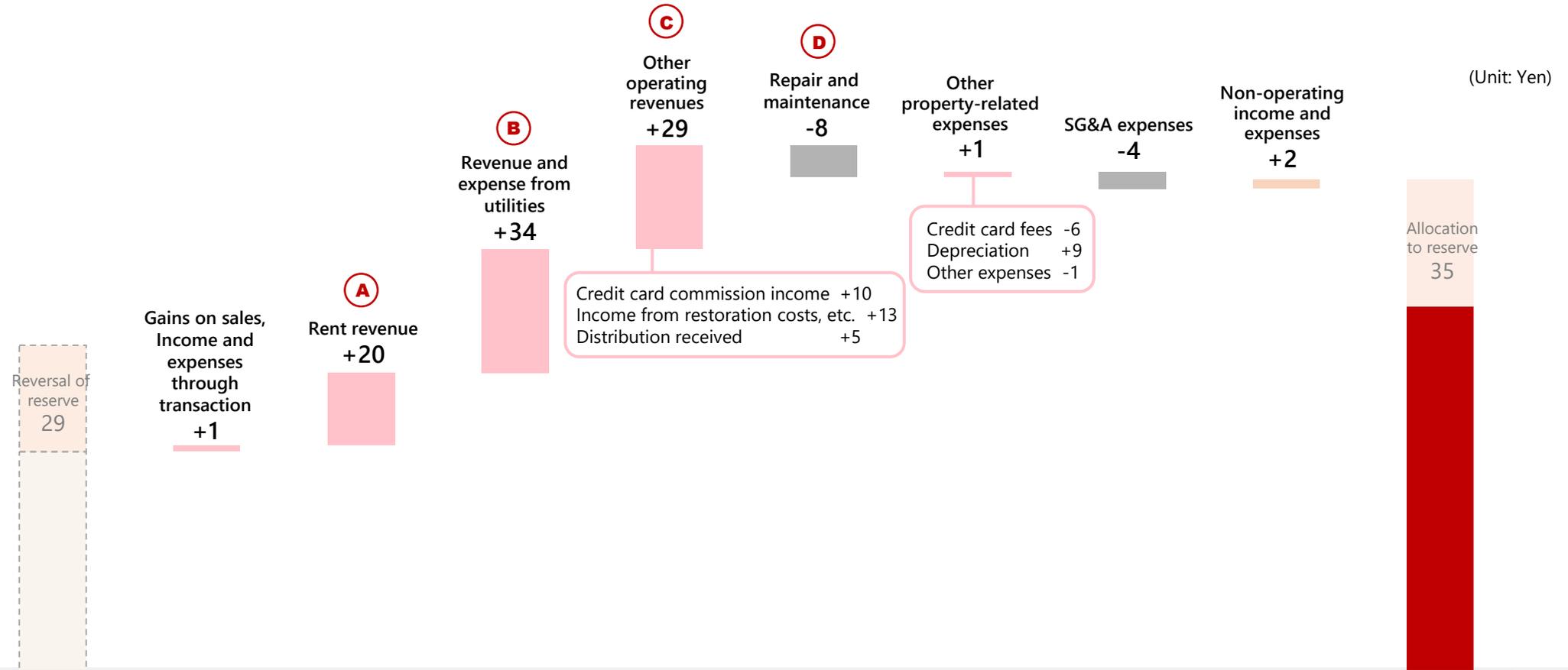
Accounting Results



Actual results for the fiscal period ended Aug. 31, 2023 and forecasts for the fiscal periods ending Feb. 29, 2024 and Aug. 31, 2024

| | Aug. 2023 (43 rd) period Forecast A | Aug. 2023 (43 rd) period Actual B | Change (B-A) | Feb. 2024 (44 th) period Previous forecast C | Feb. 2024 (44 th) period Revised forecast D | Change (D-C) | Aug. 2024 (45 th) period Forecast E | vs FP 44 th (E-D) |
|---|--|--|----------------------|---|--|-----------------|--|---------------------------------|
| Operating revenue (Gain on sales of properties) | 41,353 mn yen (2,008 mn yen) | 41,405 mn yen (2,026 mn yen) | +51 mn yen +0.1% | 40,388 mn yen (823 mn yen) | 40,787 mn yen (1,465 mn yen) | +399 mn yen | 39,760 mn yen (679 mn yen) | -1,027 mn yen |
| Operating income (Loss on sales of properties) | 17,536 mn yen (-) | 18,054 mn yen (-) | +518 mn yen +3.0% | 16,932 mn yen (-) | 17,759 mn yen (-) | +827 mn yen | 17,095 mn yen (-) | -664 mn yen |
| Net income | 15,515 mn yen | 16,051 mn yen | +536 mn yen +3.5% | 14,890 mn yen | 15,735 mn yen | +845 mn yen | 15,001 mn yen | -734 mn yen |
| Earnings per unit (EPU) (EPU before amortization of goodwill) | 2,220 yen (2,277 yen) | 2,296 yen (2,354 yen) | +76 yen +3.4% | 2,130 yen (2,187 yen) | 2,251 yen (2,308 yen) | +121 yen | 2,146 yen (2,203 yen) | -105 yen |
| Distribution per unit (DPU) | 2,250 yen | 2,261 yen | +11 yen +0.5% | 2,250 yen | 2,270 yen | +20 yen | 2,250 yen | -20 yen |
| Reserve balance | 5,499 mn yen | 5,958 mn yen | +459 mn yen +8.3% | 4,664 mn yen | 5,829 mn yen | +1,164 mn yen | 5,105 mn yen | -724 mn yen |

Factors affecting DPU : 43rd Fiscal Period ending Aug. 2023 (forecast vs. actual)



Fiscal period ended
Aug. 2023 (43rd period)
Previous Forecast

DPU Forecast

2,250 yen

Main Factors

- A** Increase rent revenue due to increase revenue-based rent of retail and Hotel property
- B** Improvement in utility cost balance
- C** Increase in other operating revenues due to credit card commission income by introducing DX and income from restoration costs
- D** Increase in repair and maintenance

Fiscal period ended
Aug. 2023 (43rd period)
Actual

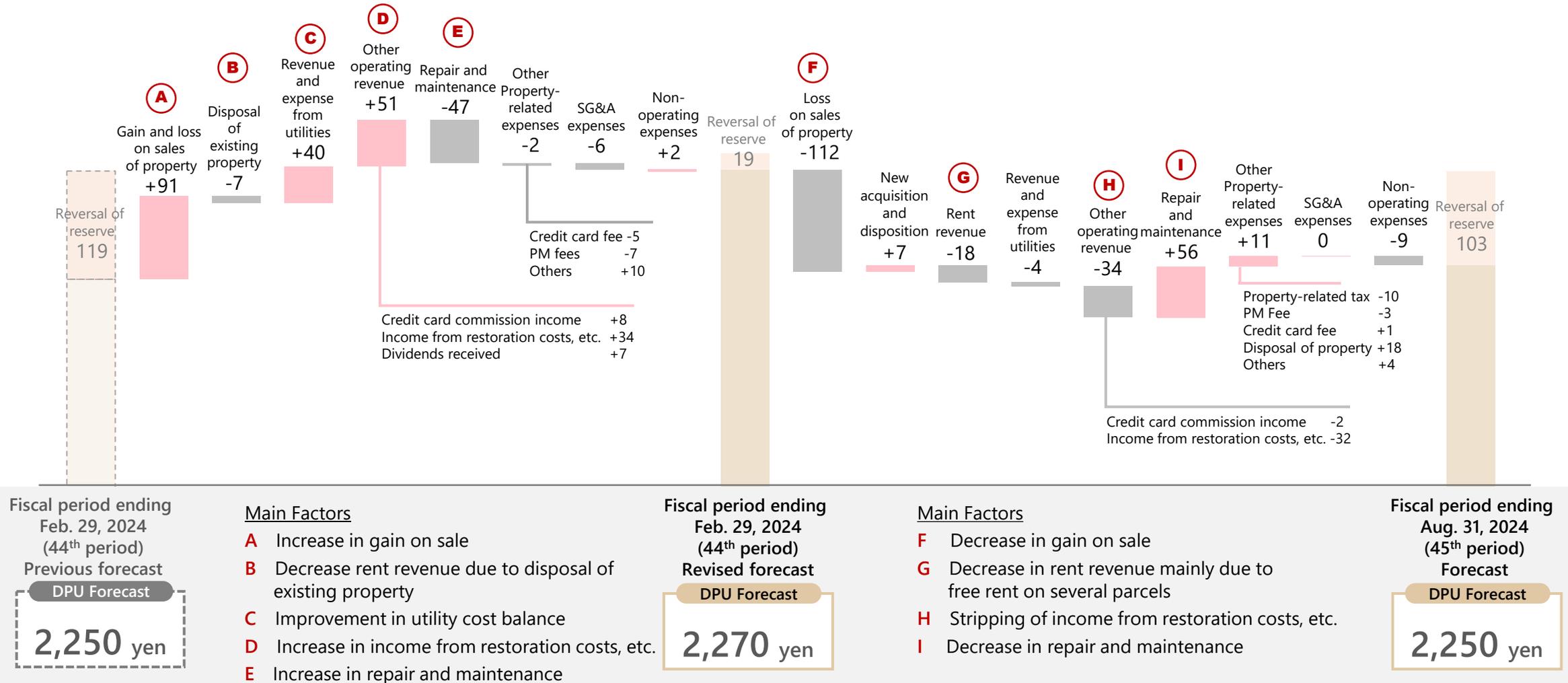
DPU Actual

2,261 yen

Factors for increase/decrease in DPU :

Feb. 2024 period (44th period), Aug. 2024 period (45th period) (forecast)

(Unit: Yen)



Financial highlights of Aug. 2023 (43rd) period

Asset

| | |
|---|-----------------------|
| No. of properties | 132 properties |
| Asset size | 1,214.3 bn yen |
| Appraisal value | 1,324.3 bn yen |
| Unrealized gain | 171.3 bn yen |
| NOI yield ¹ | 4.3% |
| NOI yield after depreciation ¹ | 3.4% |

Debt

| | |
|---|---------------------|
| Interest-bearing debt | 550.6 bn yen |
| LTV ratio ² | 44.1% |
| Average debt cost ³ | 0.72% |
| Average loan term remaining until maturity ⁴ | 4.4 years |
| Credit ratings (JCR) | AA (Stable) |

Equity

| | |
|------------------------------------|---------------------|
| Market capitalization ⁵ | 683.5 bn yen |
| NAV per unit ⁶ | 111,600 yen |
| Balance of reserve | 5.9 bn yen |

1. Including dividends income

2. It is calculated by dividing the total interest-bearing debt as of the end of Aug. 2023 (43rd) Period by the total assets as of the end of the Aug. 2023 (43rd).

3. It is calculated by dividing the annual total of interest for debt and investment corporation bonds, loan-related expenses, expenses for issuance and redemption of investment corporation bonds and custodial fees of investment corporation bonds as of the end of Aug. 2023 (43rd) Period, by the total interest-bearing as of the end of Aug. 2023 (43rd) Period.

4. The figure is a weighted average of remaining loan terms based on the amount of interest-bearing as of the end of Aug. 2023 (43rd) Period.

5. As of the end of Aug. 2023

6. (Net assets + Unrealized profits and losses - Total distribution) / Total units outstanding

Japan Metropolitan Fund Investment Corporation

Disclaimer

- This material may contain information such as data on future performance, plans, management targets, and strategies. Such descriptions with regard to the future are based on current hypotheses and assumptions about future events and trends in the business environment, but these hypotheses and assumptions are not necessarily correct. As such, actual results may vary significantly due to various factors.
- This material is prepared based on Japanese accounting principles unless otherwise noted.
- This material is to be used for analyzing the financial results of JMF, and is not prepared for the purpose of soliciting the acquisition of JMF's investment securities or the signing of financial instruments contracts. When investing, we ask investors to invest on their own responsibility and their own judgment.
- JMF is a publicly-offered real estate investment corporation (J-REIT) investing in real estate and related assets the prices of which may fluctuate. Unitholders of the Investment Corporation may suffer loss when unit prices decline in the market or an amount of distributions declines, according to economic and interest rate circumstances, a balance of supply and demand for units, real estate market environment, fluctuations of prices of, and rent revenues from real estate properties under management, disasters, aggravation of financial status of JMF and other reasons. For details, please see "Investment Risk" in the Securities Registration Statement (offering circular) and the Securities Report of JMF.

Asset Management Company: KJR Management

(Financial Instruments Dealer Director of Kanto Financial Bureau (Financial Instruments Dealer) Number 403, Member of The Investment Trusts Association, Japan, Member of the Japan Investment Advisers Association, Member of the Type II Financial Instruments Firms Association)