

44th

Financial Results

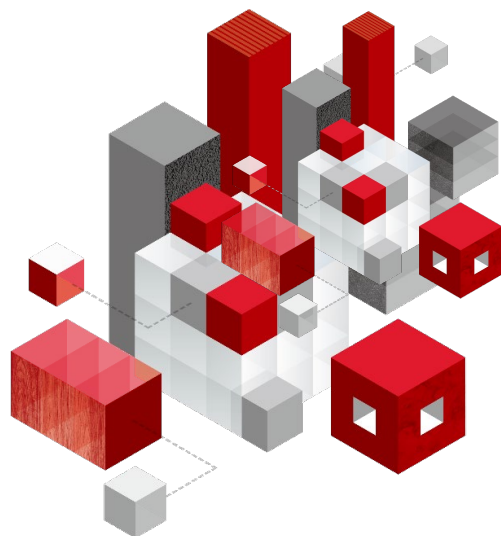
February 2024 (44th) Period (September 1, 2023 - February 29, 2024)

Japan Metropolitan Fund Investment Corporation

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

Japan Metropolitan Fund
Investment Corporation

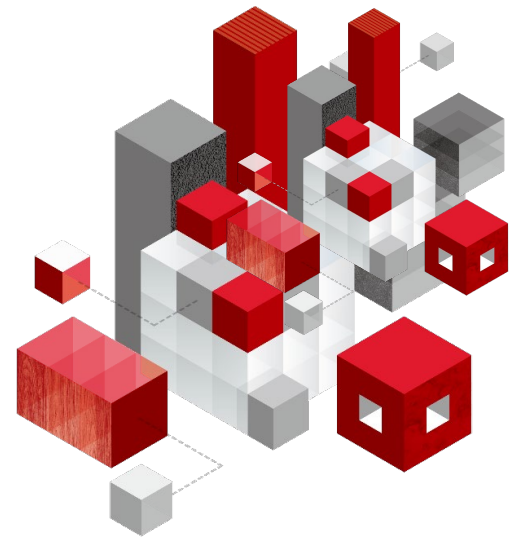
Management Report



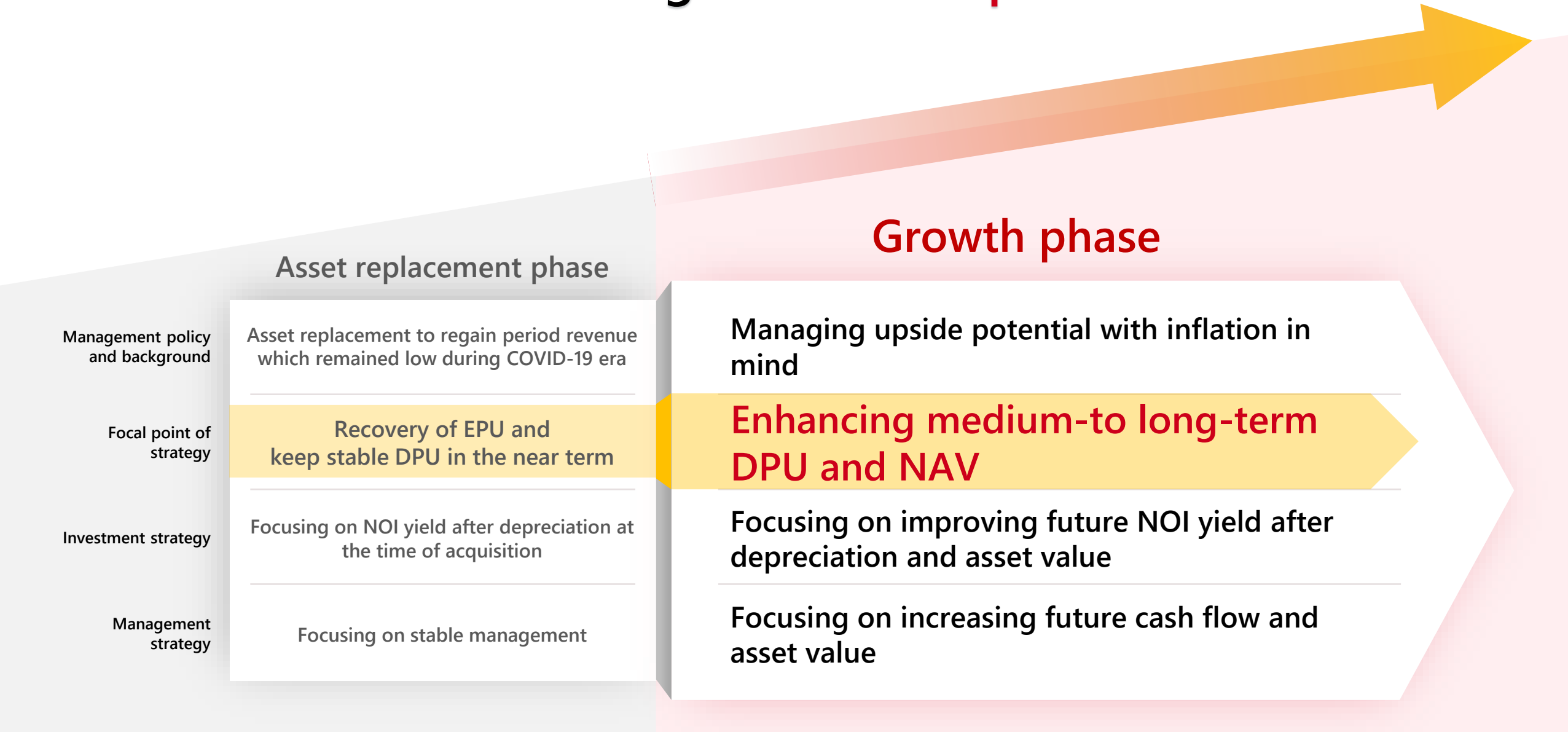
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JMF 01

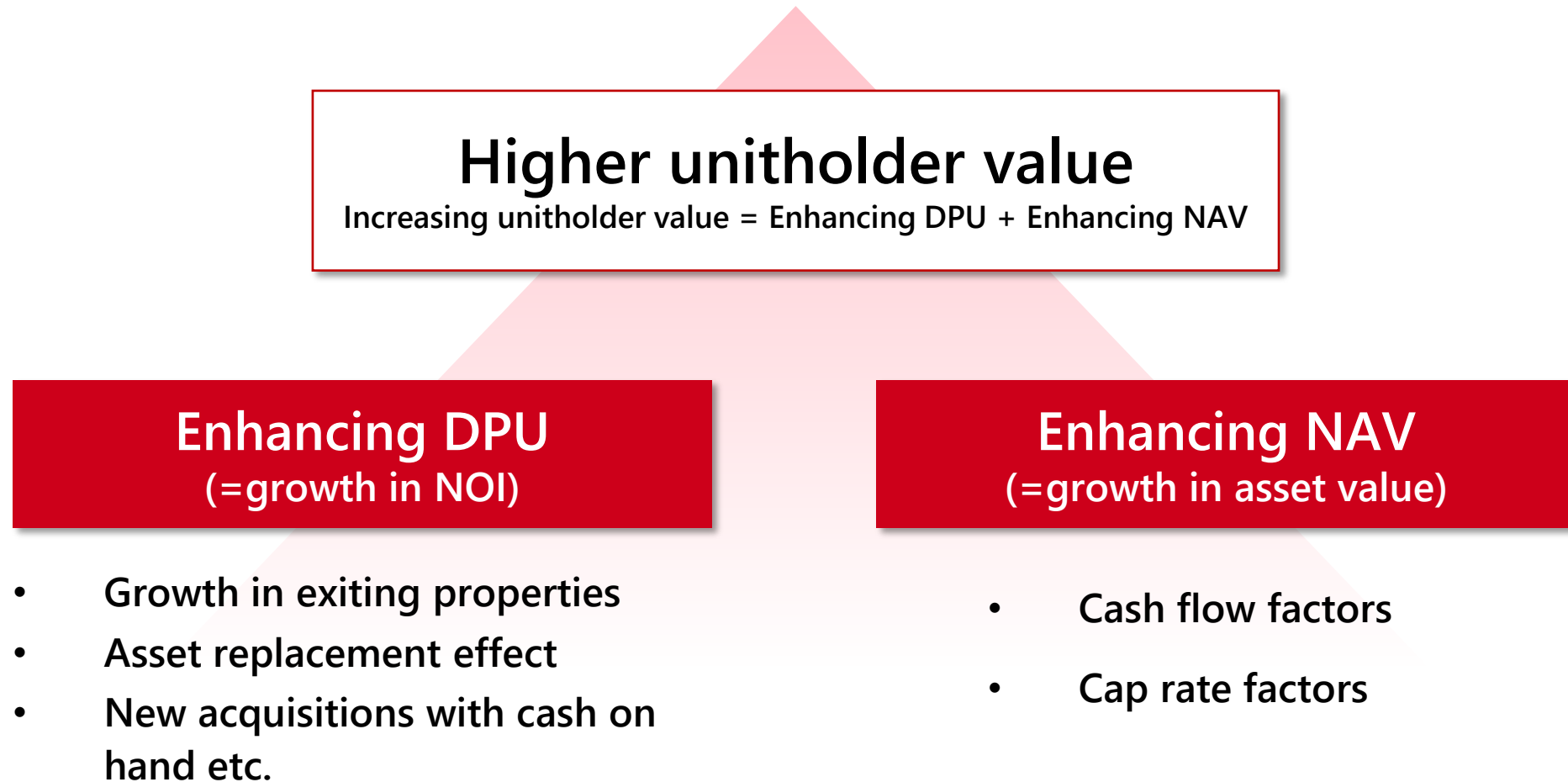
JMF Strategy



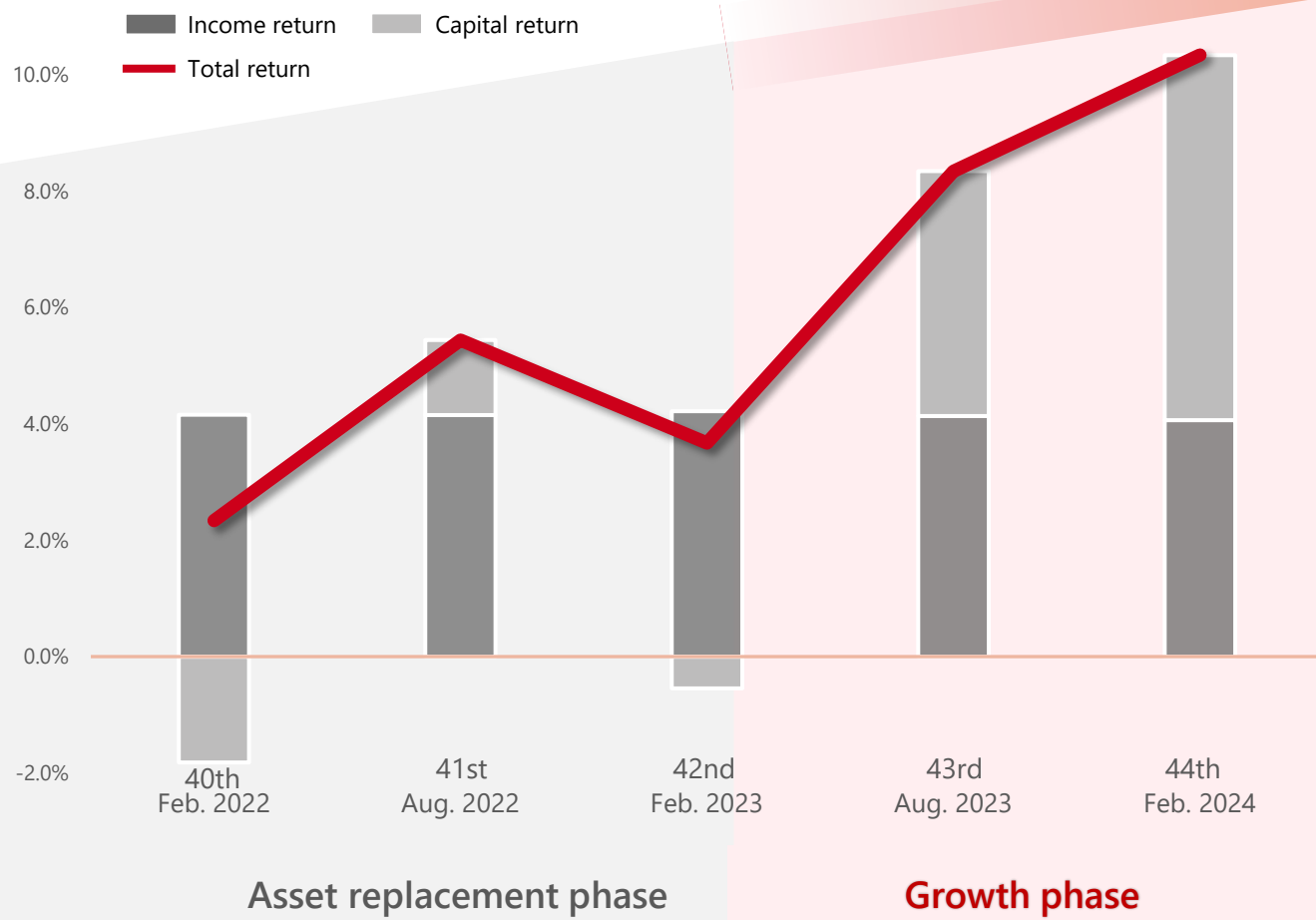
Shifting to "Growth phase"



Aiming to **improve total returns** as JMF enters the growth phase



Increasing total returns

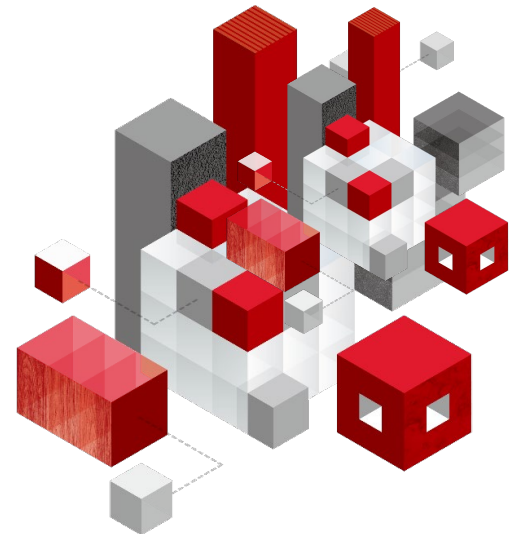


44th total return
10.3%

JMF's total return

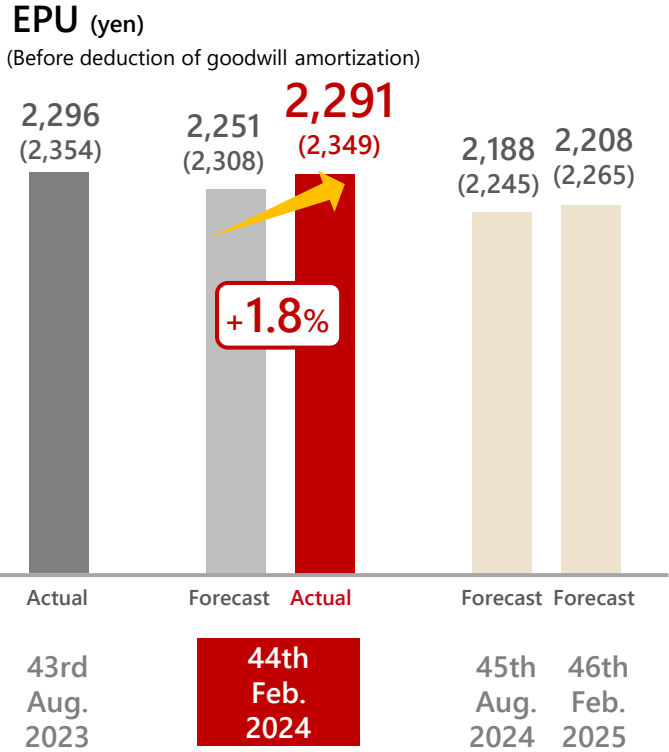
Income return	Capital return
DPU yield (annualized)	NAV growth rate (annualized)
$\frac{\text{DPU in the fiscal period}}{\text{NAV per unit at the beginning of the fiscal period}}$	$\left(\frac{\text{NAV per unit at the end of the fiscal period}}{\text{NAV per unit at the beginning of the fiscal period}} - 1 \right)$

Financial Highlights



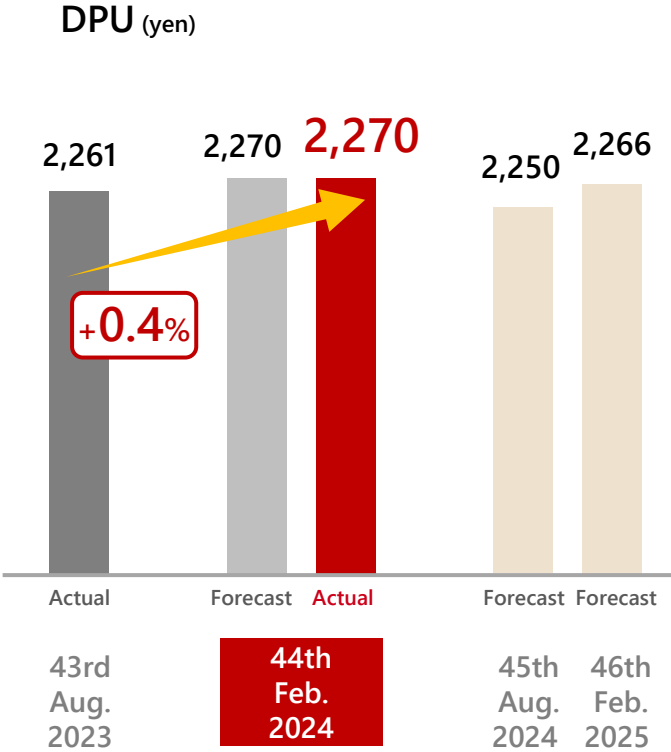
EPU

+1.8% exceeds forecast
by internal growth



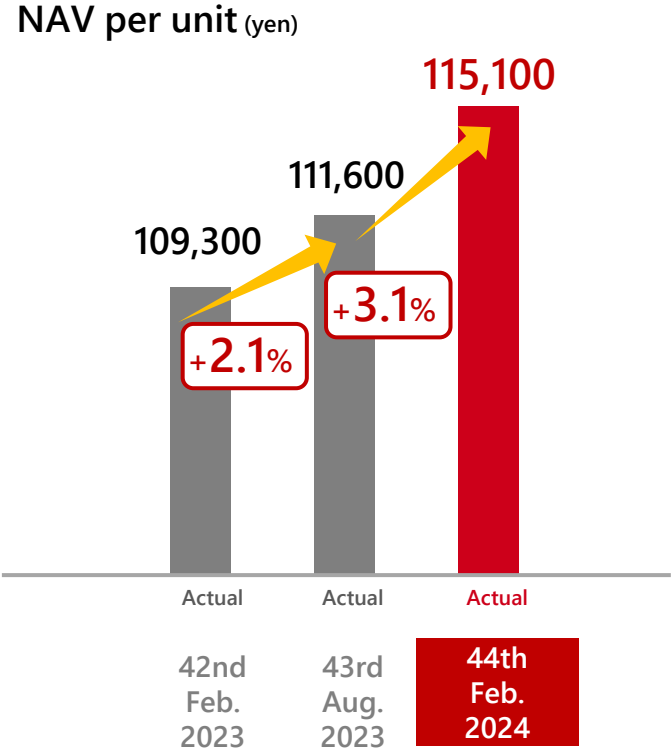
DPU

+0.4% increase
compared to previous period



NAV per unit

+3.1% increase
from the previous period



Why can JMF **increase the rents** of its properties?

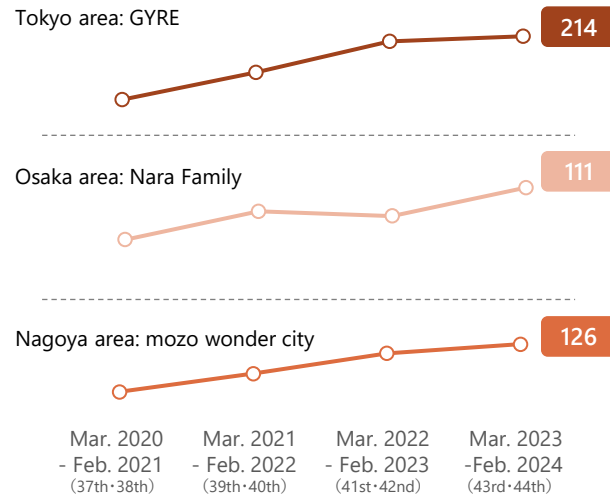


Retail

Due to **strong consumption and sales** fixed and revenue-based rent increased
Sectors benefiting most from inflation

Sales of representative properties

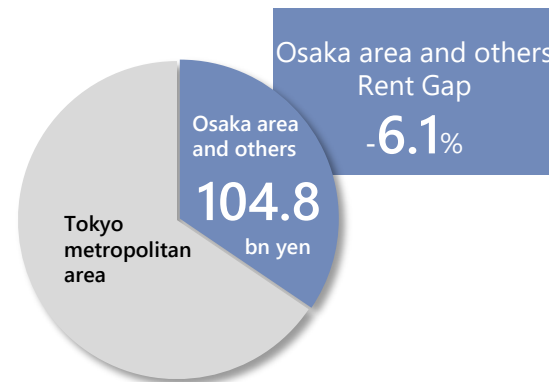
*Total of 37th and 38th fiscal periods as 100



Office

Room for rent increase at Osaka area and others where **rent gap** exists

Office scale & rent gap in "Osaka and other" area



(Including Twin 21 and JMF-Bldg. Osaka Fukushima 01)

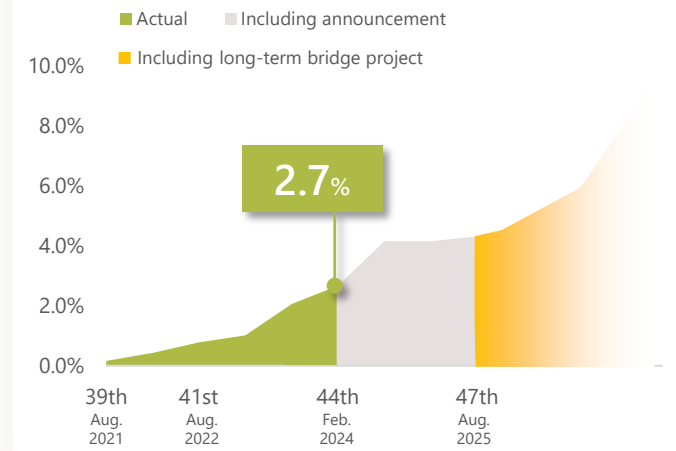


Residence

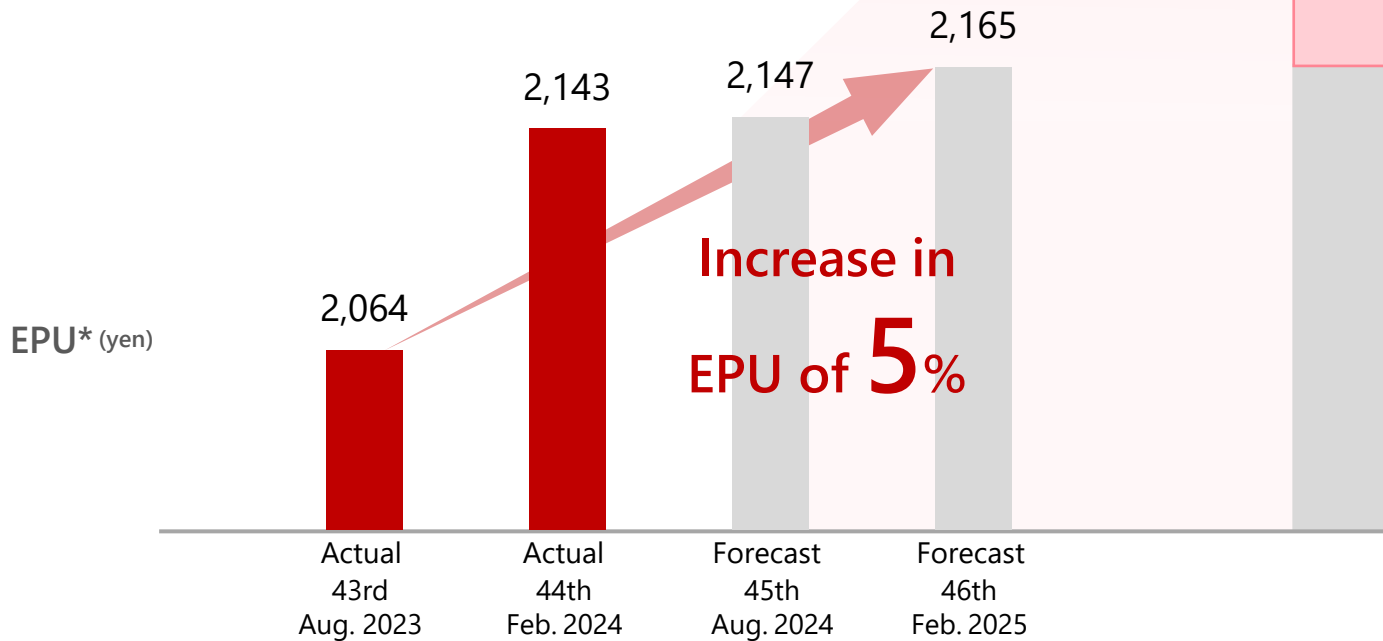
With **the increase in unit rent** and with **the increase in the residential ratio** rental income also increased

Percentage of residences in portfolio

*Based on acquisition price



With the measures in place at this time
EPU well over 2,250 yen
Aiming for growth **beyond that.**



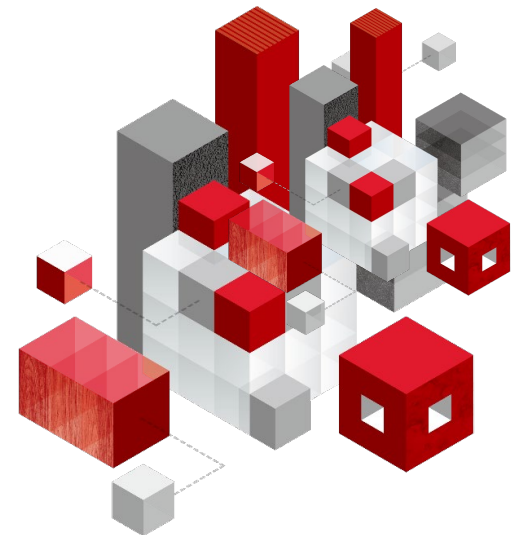
Increase EPU further after 45th period

- Upside**
- Increase revenue-based rent and fixed rent etc.
- Expect approx. **200-300 million yen**
- Elimination of office vacancies, etc.
- Approx. 800-900 million yen** has already been secured through the following initiatives
- Increase in fixed rent
 - Contribution of step-up rent
 - Free rent elimination

As a commitment to future EPU increases
conducted repurchase of own investment units

* Before deduction of goodwill amortization, excluding gains on disposal

Internal Growth



Rapid growth of rents throughout the portfolio (top line)

From the 41st to the 46th term

Overall portfolio rents

(mn yen)

35,500

35,000

34,500

34,000

33,500

33,000

32,500

32,000

Actual
41st
Aug. 2022

Actual
42nd
Feb. 2023

Actual
43rd
Aug. 2023

Actual
44th
Feb. 2024

Forecast
45th
Aug. 2024

Forecast
46th
Feb. 2025

+1.7 bn yen (+ over 5%)

Through internal growth

Approx. +1.2 bn yen

Internal
growth

Property
acquisition

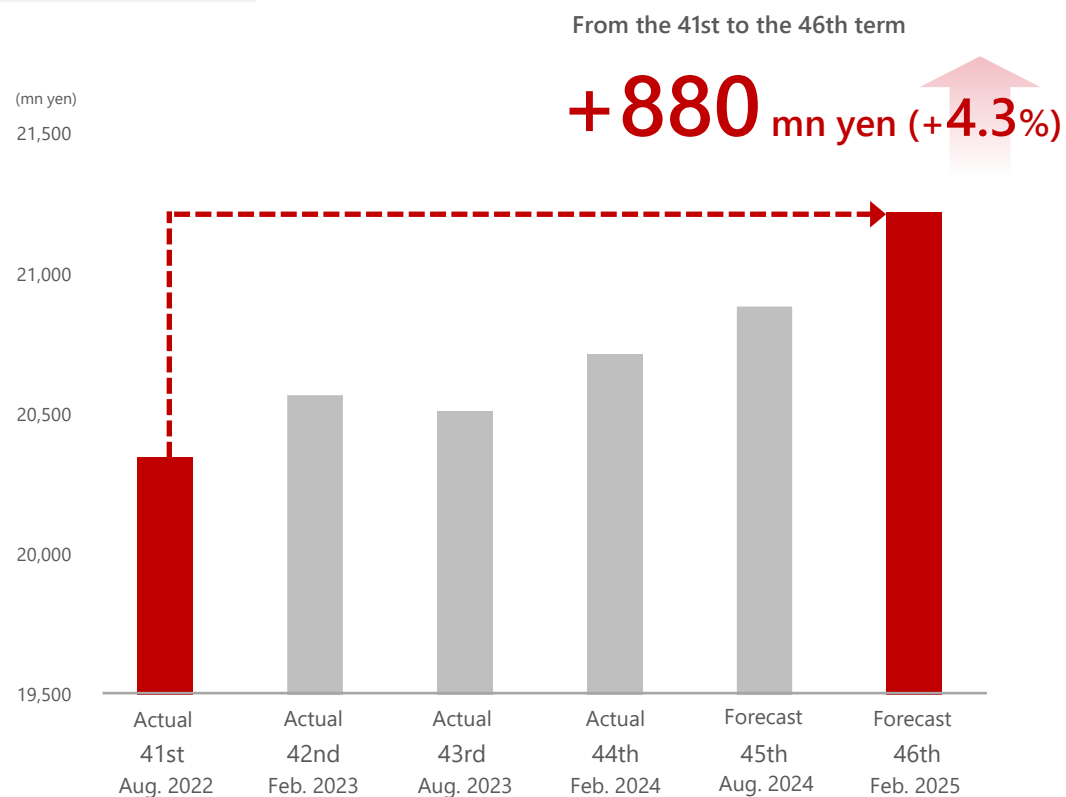
Property
disposition

Future increases in fixed rents of retail properties is ensured.
Further increases in rents due to additional growth are expected.

Actual

+4.3% growth by 46th fiscal period is ensured

Change in fixed rents (retail)



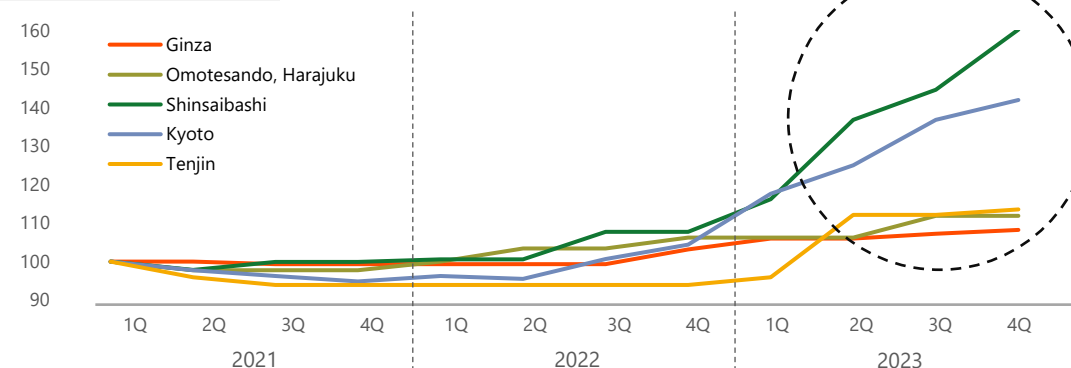
* Properties held in the 41st fiscal period (excluding properties that were disposed of or the disposition was announced after the 42nd fiscal period)

Future outlook

With the market rents on an uptrend, further growth is expected by increasing rents at the time of contract renewal

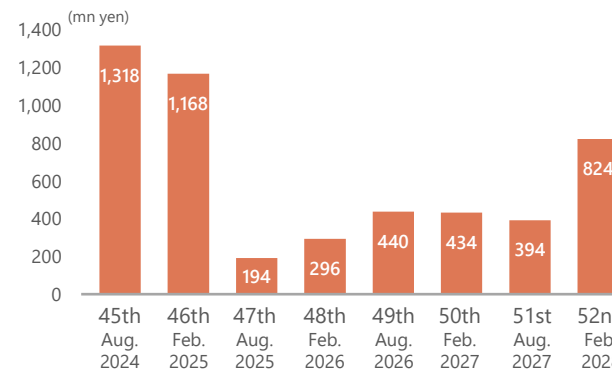
Change in high street rents

*The 1Q of 2021 term is set as 100.



Source: CBRE K.K., "Japan Retail Market View"

Contract expiration date and total rent of fixed lease tenants (Retail)



Property with expected rent increase

Not factored into earnings forecast properties with significant rent increase expected

- KAWASAKI Le FRONT (commercial portion)
- Kyoto Family
- mozo wonder city

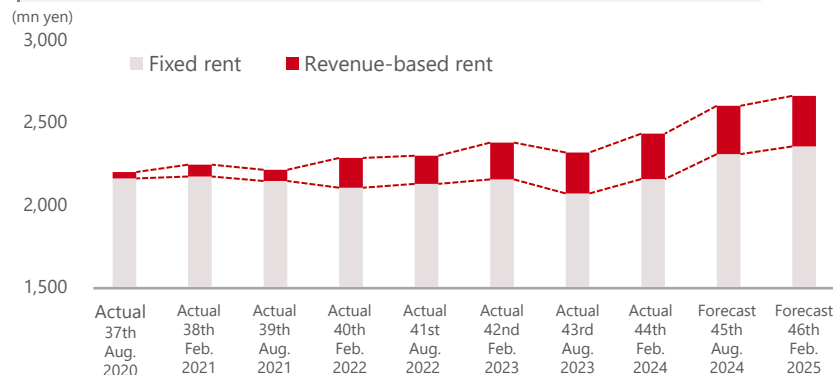
Revenue-based rents in retail properties have significantly increased in tandem with rising sales

Actual

Urban street-front properties

Succeeded in **introducing a revenue-based rent** in the COVID-19 in properties that had been mainly fixed.

Change in total rents of properties with introduction of revenue-based rent



The revenue-based rent from 37th to 46th

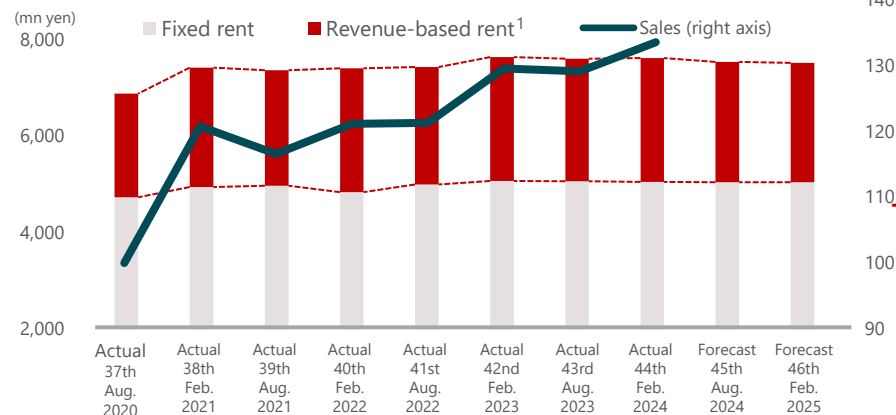
+260 mn yen
(+710.8%)

SC/Mall-type properties

Favorable sales in SC/Mall-type properties, most of which set a revenue-based rent type, **increased revenue-based rents**

Change in rents of 9 SC/Mall-type properties

※Sales are based on the 37th fiscal year as 100.



The revenue-based rent from 37th to 46th

+320 mn yen
(+15.0%)

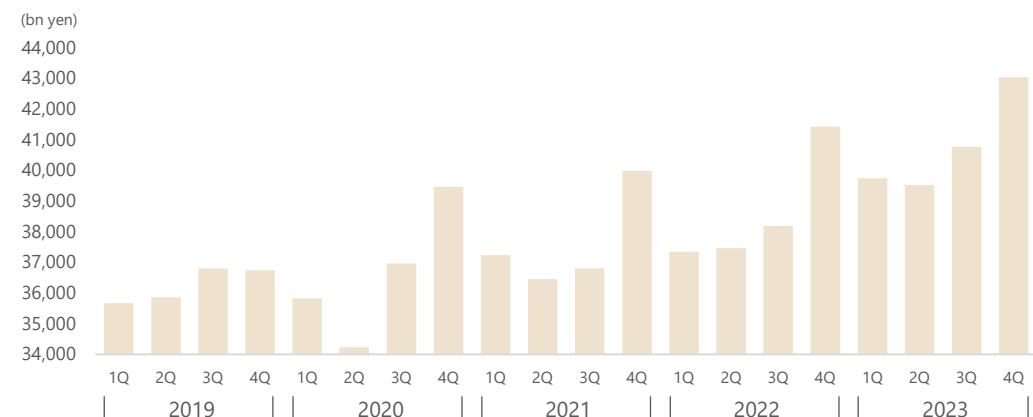
1. Part of the rent includes a minimum guaranteed rent.

Future outlook

Because retail tenants' **revenue-based rent is linked to sales**, not profits, it is expected to grow due to an increase in sales.

Retail sales in Japan on the rise

Retail sales (quarterly)



Source: Ministry of Economy, Trade and Industry "Current Survey of Commerce,"

JMF Initiatives

Urban street-front properties

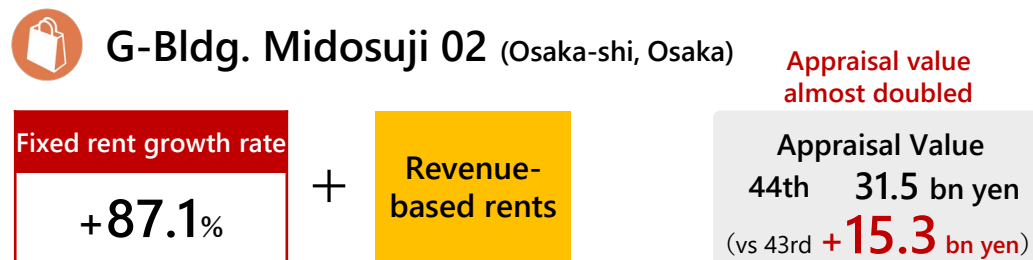
Continue to introduce revenue-based rent to street-front properties in urban areas aggressively

SC/Mall-type properties

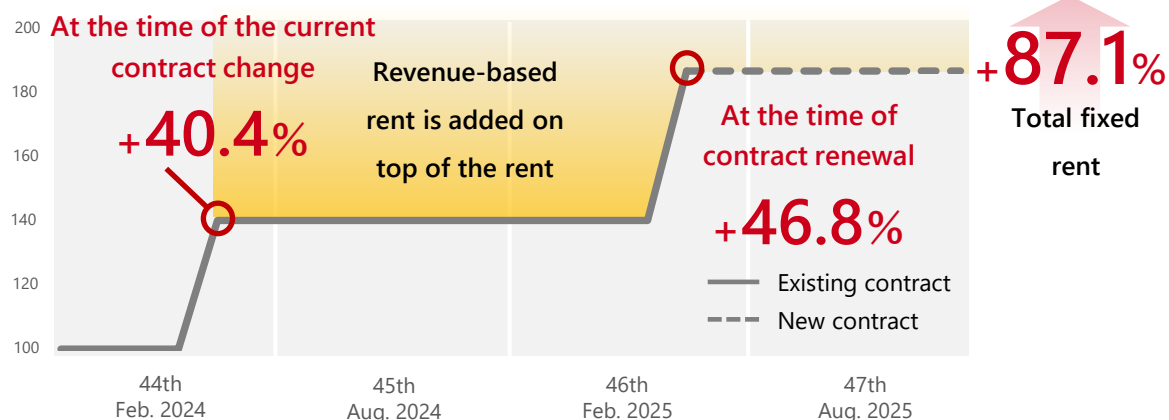
Increase sales by leveraging operational capabilities

By making use of JMF's "Area Management" capability and its tenant relationships

With value in the Midosuji area increasing, JMF increased fixed rents on current contracts with introducing revenue-based rents



Fixed rent growth rate *Rent under the current contract is set at 100.



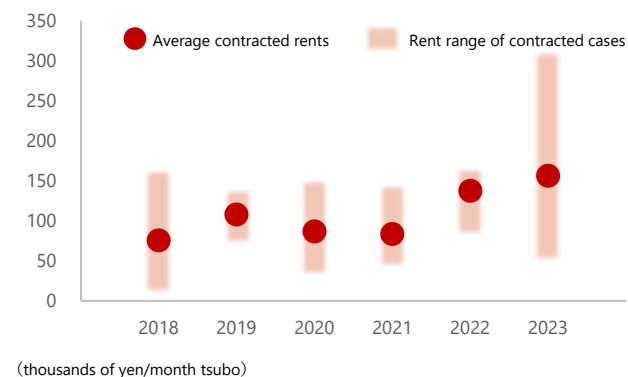
Decision made to open "Dior" in FY2024

JMF-Bldg. Midosuji 01
(Osaka-shi, Osaka)



- Contracted rents for tenants along Midosuji are on the rise
- Revitalization of the Midosuji area through public-private collaboration increased values in the area and further improved the superiority of properties.

Tenant contracts in Midosuji



(thousands of yen/month tsubo)

Source : Data provided by BAC Urban Projects Co., Ltd.

Midosuji future plan

Conversion to a full mall (pedestrian walkway) by 2037



Source: "Midosuji Future Vision," Osaka City website

Increased rents through tenant replacement by renovating properties



Retail



Rents will substantially increase starting in the 46th period under the value-up construction plan.



G-Bldg. Minami Ikebukuro 01

(Toshima-ku, Tokyo)

Fixed rent growth rate

+19.9%

Appraisal Value
44th 10.6 bn yen
(vs 43rd **+2.16** bn yen)



- Increased rents of more than half of the tenants (including new tenants due to replacement) at the time of expiration of contracts.
- Structural diagnosis in the process of construction is expected to prolong economic durability.
- Positive impact evaluation expected in fall 2024.

Investment
amount

Approx.
0.4 bn yen

ROI

22%

Increased rents by reviewing blocks and replacing tenants.



Abiko Shopping Plaza (Abiko-shi, Chiba)

Fixed rent growth rate, etc.

+1.8%

Appraisal Value
44th 13.3 bn yen
(vs 43rd **+0.4** bn yen)



- Increased rents due to renovation of the 3rd floor and tenant replacement.
- Attracted large hub shops to one-third of the 2nd floor, including a block tenanted by Ito-Yokado. Three tenants are to open in Oct. 2024.
- Appraisal value rose due to higher tenant rents on the 3rd floor. (tenants on the 2nd floor not reflected)

Operate with options of asset replacement and tenant replacement in mind.



Ito-Yokado Tsunashima

(Yokohama-shi, Kanagawa)



- Consider options to maximize unitholder value.

Asset
replacement

**Ensure gains
on sales**

Received offers at an
amount far beyond
appraisal value.

Retentions

**Increase
property value**

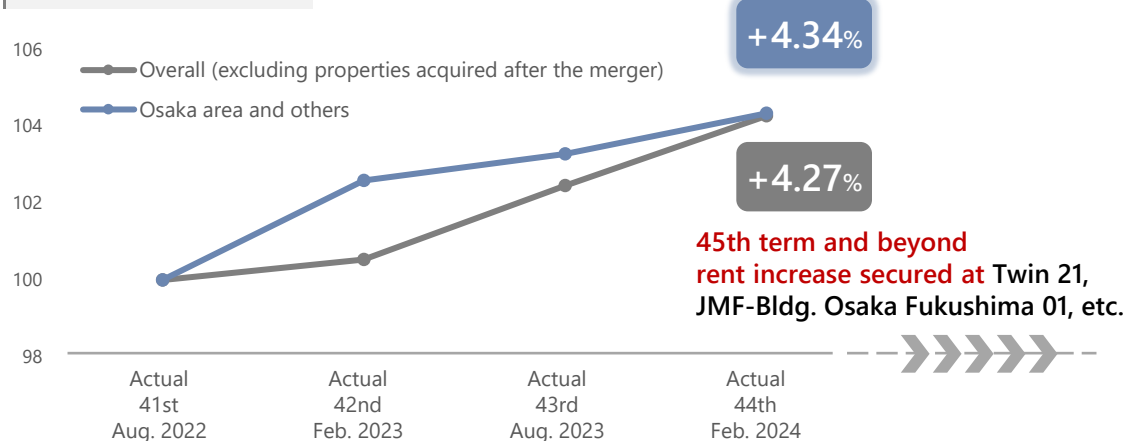
Confirmation of intent to
open new stores from
potential new tenants

Actual

Office rent growth is strong in the Osaka area

Trends in Total Office Rents

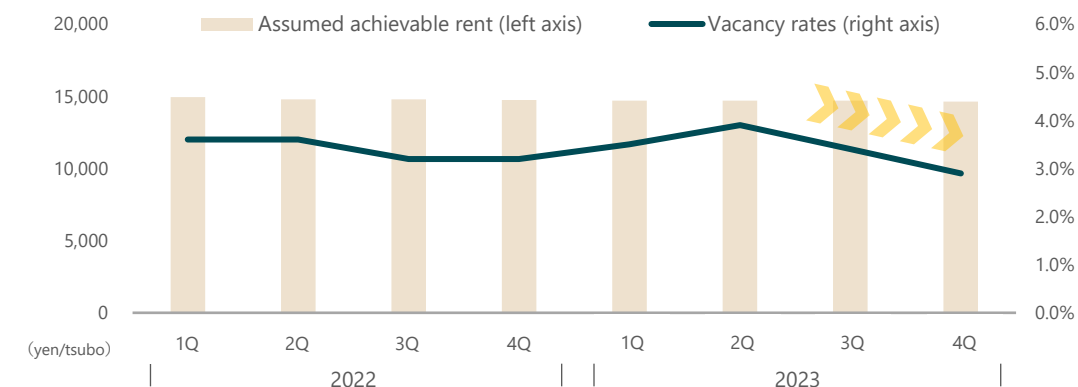
*The 41st term is set as 100.



Future outlook

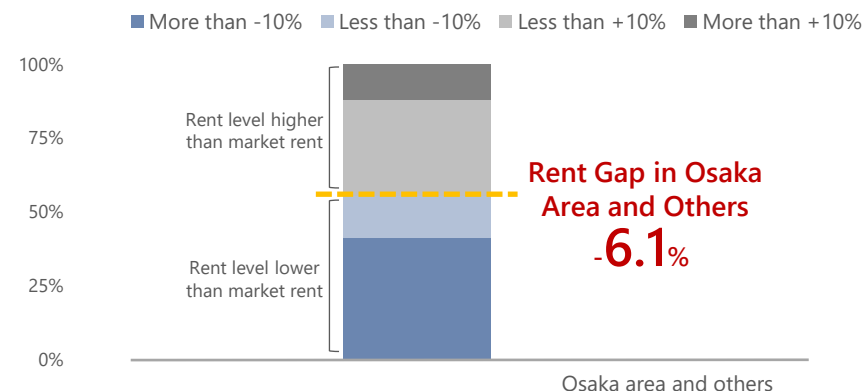
Vacancy rates are declining

Change in rents/vacancy rates of offices in Osaka (Grade B)



Source: Japan Office Market View, CBRE K.K.

Office rent gaps (contract rent-based)



JMF-Bldg. Osaka Fukushima 01 (Osaka-shi, Osaka)



Contribution from 45th

Fixed rent growth rate

+9.5%

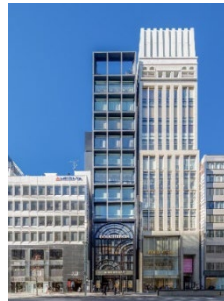
(only relevant floors)

Appraisal Value

44th 9.84 bn yen

(vs 43rd +20 mn yen)

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



Contribution in full since 46th

Fixed rent growth rate

+18.0%

(only relevant floors)

Appraisal Value

44th 13.55 bn yen

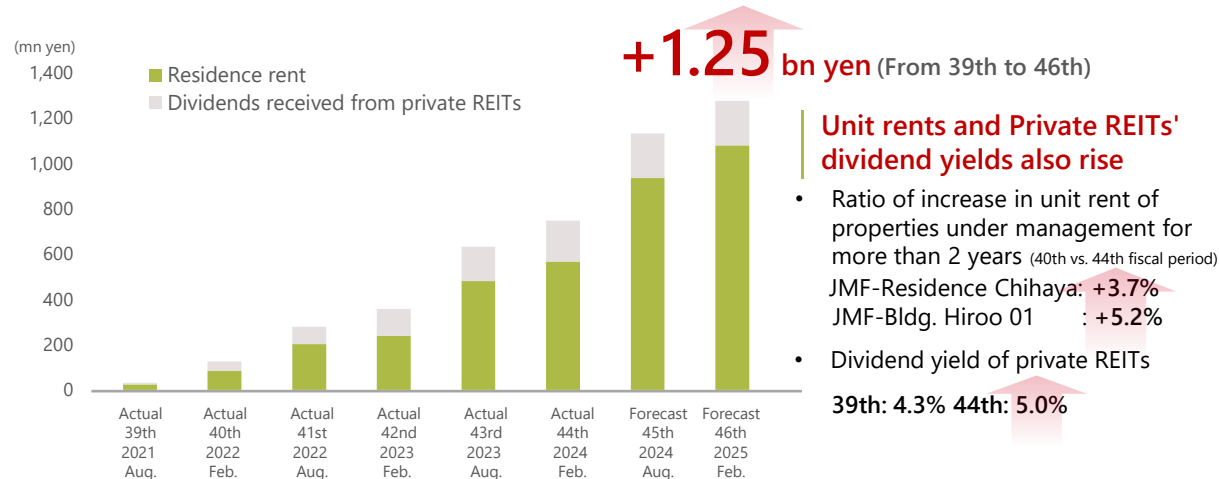
(vs 43rd +150 mn yen)

Significant increase in total rent due to synergistic effect of increase in unit rent and residential ratio

Actual

Steady progress in residence acquisitions and total rental income

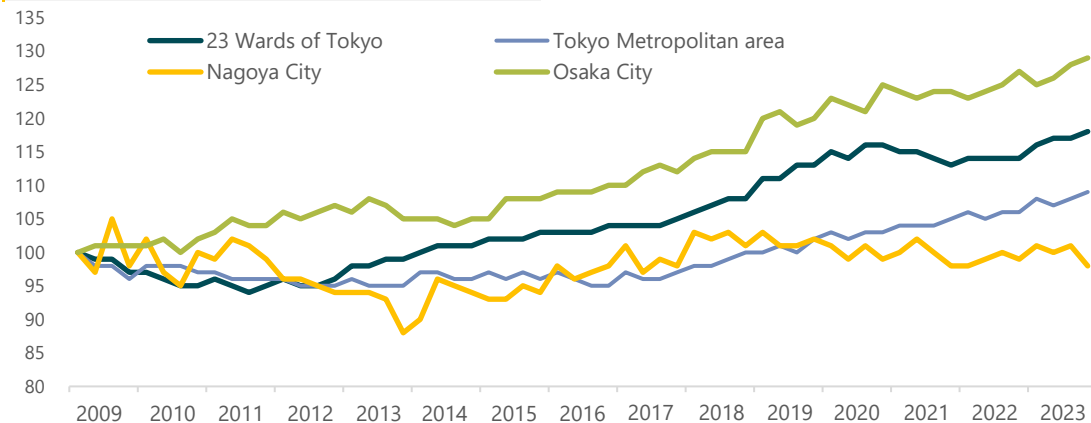
Change in total rents of residences (including dividend income from private REITs)



Future outlook

Unit rents in Tokyo, Osaka, and Nagoya are on the rise

Trends in unit rents of condominiums (quarterly) *The 1Q of 2009 term is set as 100.

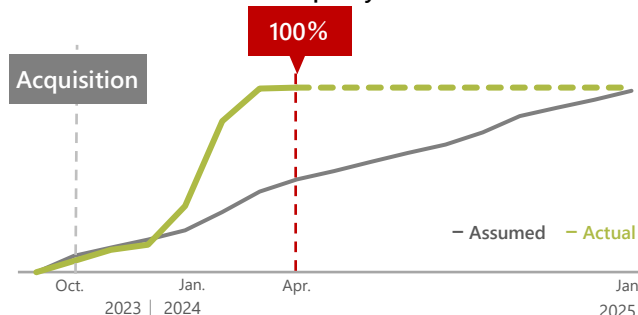


Expectation for early lease-up at a level over appraisal rents

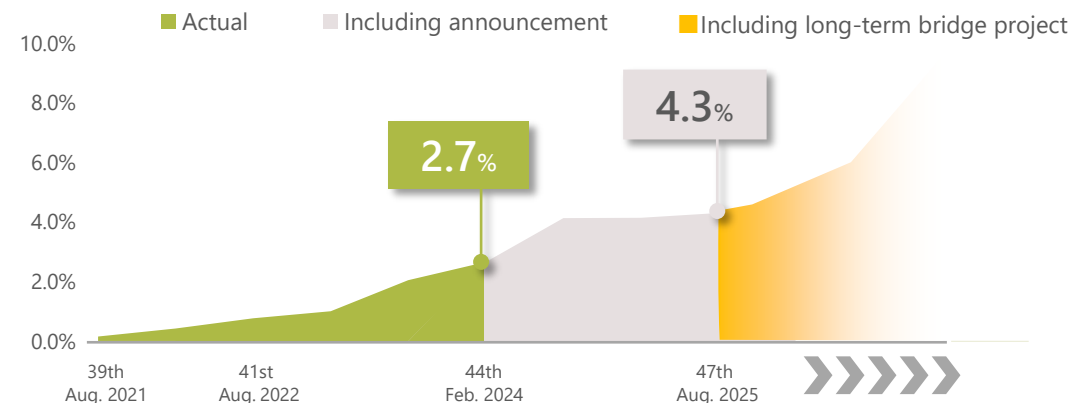
JMF-Residence Machida (Machida-shi, Tokyo)



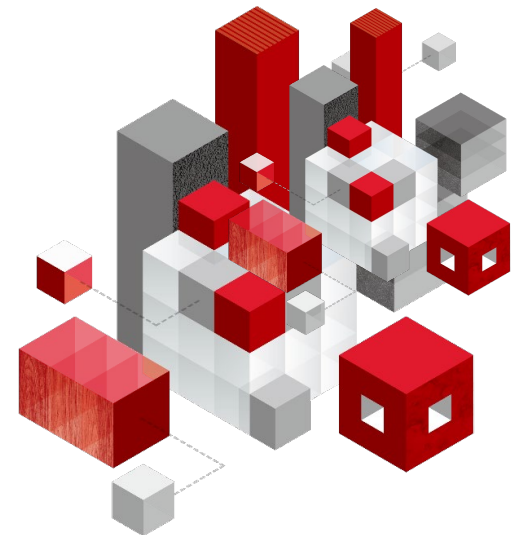
Assumed and actual occupancy rates



Changes in the ratio of residential properties in the portfolio (based on acquisition price)

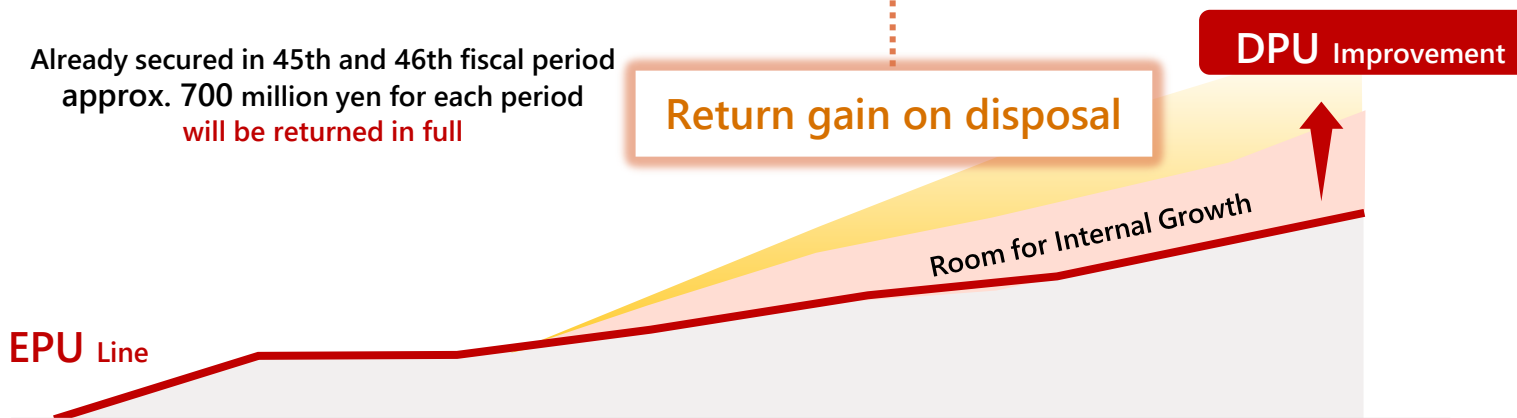
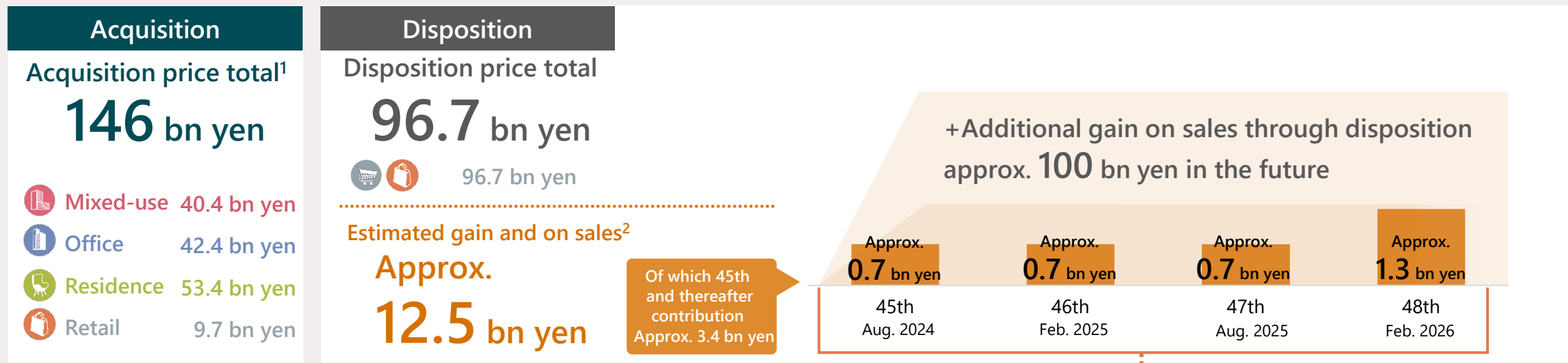


External Growth & Asset Replacement



Progress of 200 billion yen in asset replacement

Announcement from the merger in 2021 until the Asset replacement announced in 44th fiscal period



1. Includes the total investment amount in private REITs.
2. 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.

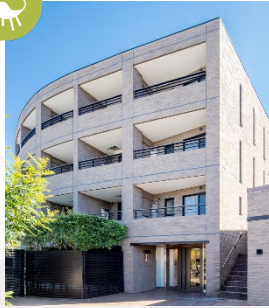
Acquired 6 residential properties for 13 billion yen, increasing the ratio of residential properties in the portfolio



Acquired properties



**JMF-Residence
Meiekinami**



**JMF-Residence
Setagaya Mishuku**



**JMF-Residence
Shin-Itabashi**



**JMF-Residence
Kuramae 2-chome**



**JMF-Residence
Kuramae Torigoe**



Additional investments in private REIT

Nisshin Private
Residential Reit, Inc.

Location
Acquisition date
Acquisition price
Appraisal value
NOI yield

Nagoya-shi, Aichi
December 2023
2,290 million yen
2,420 million yen
4.3%

Setagaya-ku, Tokyo
March 2024
3,050 million yen
3,410 million yen
3.7%

Itabashi-ku, Tokyo
March 2024
1,420 million yen
1,600 million yen
3.8%

Taito-ku, Tokyo
April 2024
3,070 million yen
3,380 million yen
3.5%

Taito-ku, Tokyo
April 2024
1,960 million yen
2,220 million yen
3.6%

Date of additional acquisition January 2024
Additional investment 1.2 billion yen
Amount of investments (Share) 6.2 billion yen (25.2%)
Dividend yield 5.1%



Acquisition of long-term bridge projects

Through our own information network and acquisition methods
acquired profitable long-term bridge projects

7 projects / approx. 85 bn yen

NOI yield (Estimated)

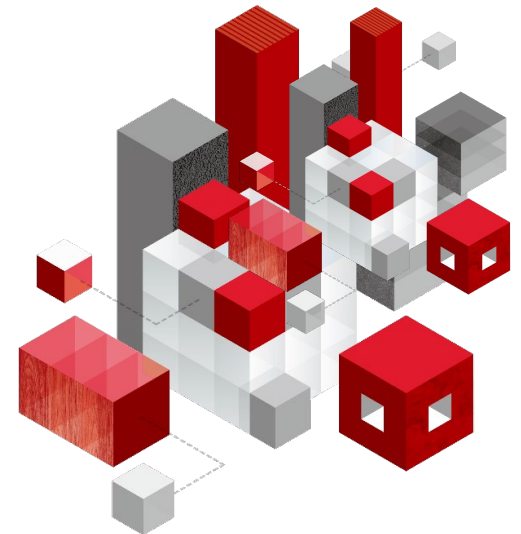
More than 4%



Utilization of various financing methods

- Funds for the sale of properties due to asset replacement
- Cash on hand
- Borrowings (Acquisition capacity up to 45% LTV: approx. 20.8 bn yen)
- Public offering

Finance & Sustainability

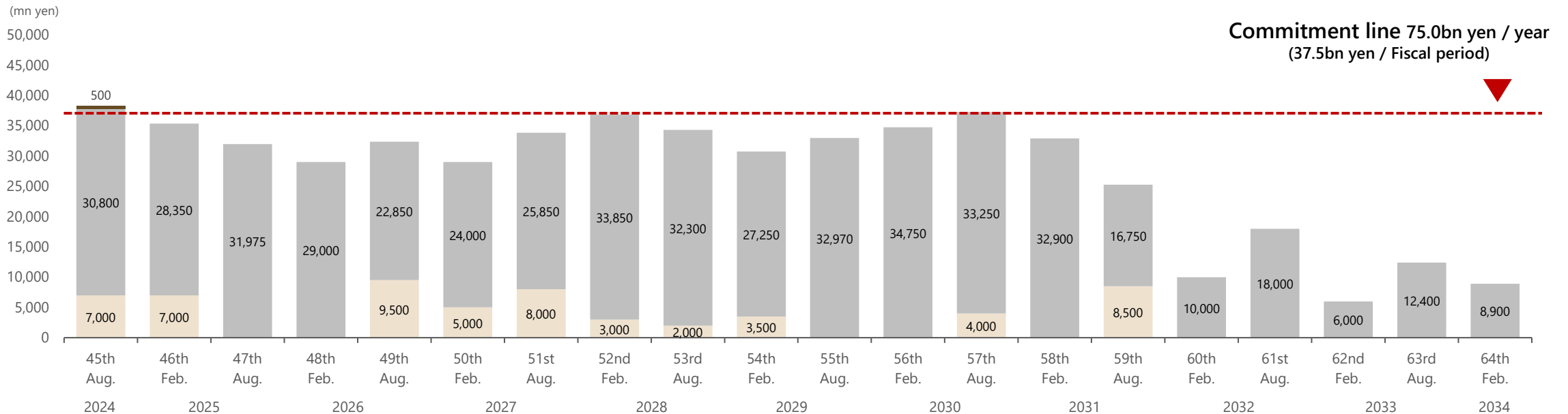


Adopt flexible funding methods, such as a mix of variable borrowing rates, in light of current changes in the environment.

Financial Indicators

Credit ratings (JCR)	LTV ¹	Average debt cost ²	Average loan term remaining ³	Long-term borrowing ratio ⁴	Fixed-interest ratio
AA (Stable)	Book value : 44.1% Appraisal value : 38.1%	0.73% (43rd : 0.72%)	4.2 years (43rd : 4.4 years)	99.9%	96.4%

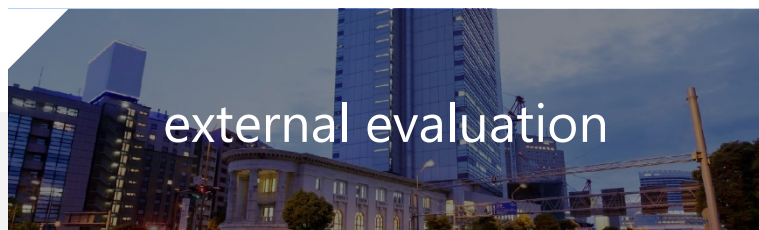
Maturity ladder (as of Feb. 29, 2024)



Existing investment corporation bonds Existing long-term borrowings Existing Short-term borrowings

1. Book value: It is calculated by dividing the total interest-bearing debt as of the end of Feb. 2024 (44th) Period by the total assets as of the end of the Feb. 2024 (44th).
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 Feb. 2024 (44th) 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 Feb. 2024 (44th) Period, by the total interest-bearing as of the end of Feb. 2024 (44th) Period.
3. The figure is a weighted average of remaining loan terms based on the amount of interest-bearing as of the end of Feb. 2024 (44th) Period.
4. Long-term loans and investment corporation bonds that become due within one year are included in the long-term borrowing.

Continued proactive approach to sustainability



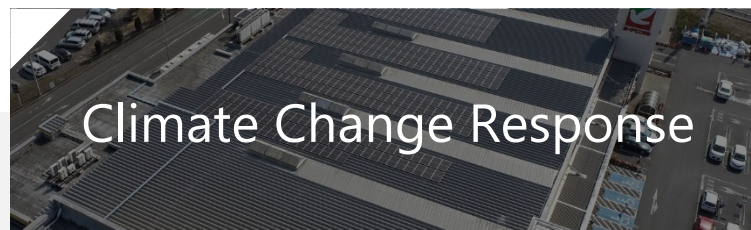
Designated as "Five Stars" in GRESB Received "A-" in CDP



Designated Five Stars, the highest rank in three consecutive years. As for disclosure evaluation, designated A, the top rating, in seven consecutive years



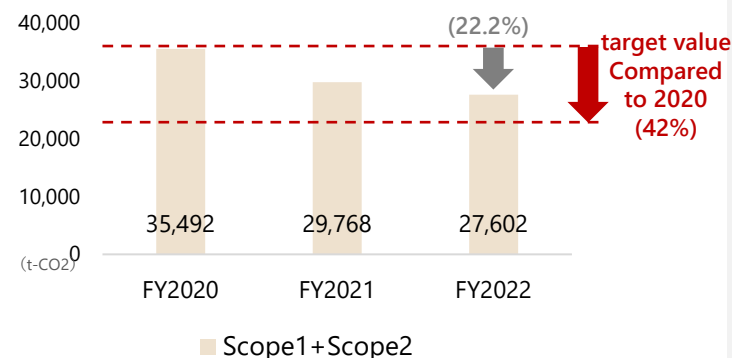
Designated as A-, a rank higher than the previous year. As for supplier engagement evaluation, designated as the highest rank and appointed as a supplier engagement leader.



Progress steadily toward 2030 GHG emissions reduction target

FY2030 Reduction target **42%** (Compared to FY2020)

Reduction results through FY2022 **22.2%** (Compared to FY2020)



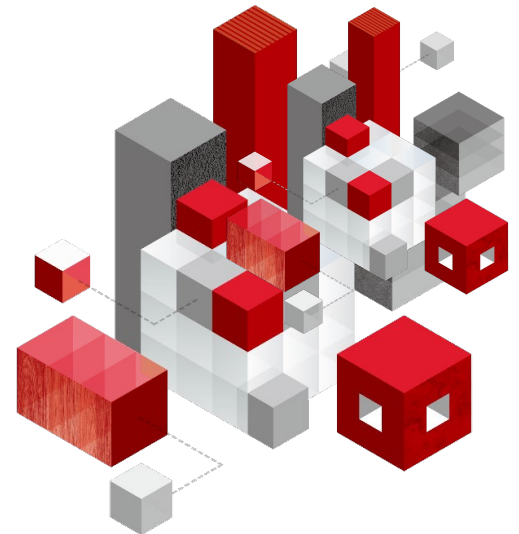
Biodiversity Initiatives

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 joined and signed membership to gather information.

Accounting Results

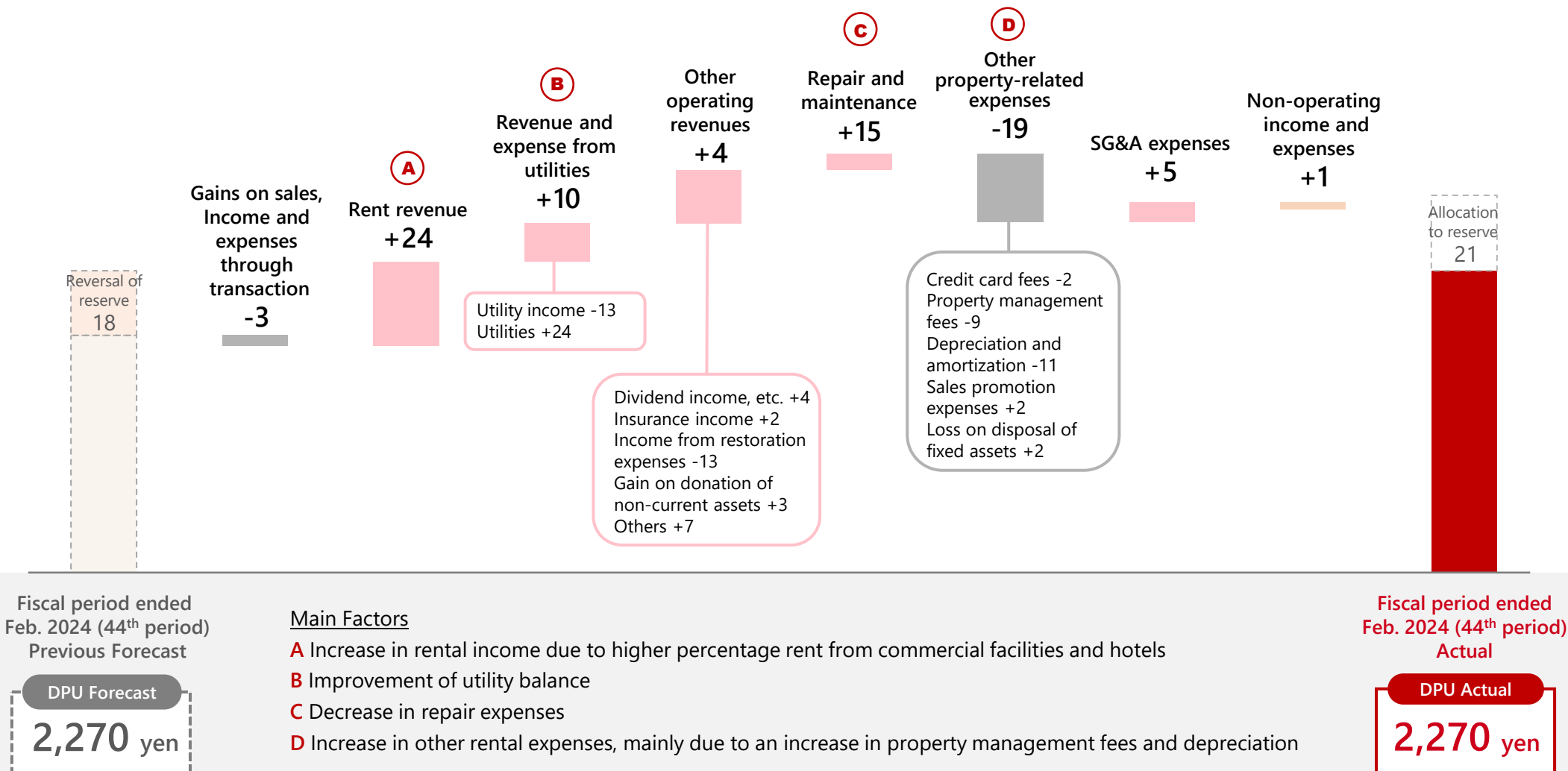


Actual results for the fiscal period ended Feb. 29, 2024 and forecasts for the fiscal periods ending Aug. 31, 2024 and Feb 28, 2025

	Feb. 2024 (44 th) period Forecast A	Feb. 2024 (44 th) period Actual B	Change (B-A)	Aug. 2024 (45 th) period Previous forecast C	Aug. 2024 (45 th) period Revised forecast D	Change (D-C)	Feb. 2025 (46 th) period Forecast E	vs FP 45 th (E-D)
Operating revenue (Gain on sales of properties)	40,787 mn yen (1,465 mn yen)	40,879 mn yen (1,434 mn yen)	+91 mn yen +0.2%	39,760 mn yen (679 mn yen)	40,478 mn yen (684 mn yen)	+718 mn yen +1.8%	40,700 mn yen (699 mn yen)	+221 mn yen +0.5%
Operating income (Loss on sales of properties)	17,759 mn yen (-)	18,026 mn yen (-)	+266 mn yen +1.5%	17,095 mn yen (-)	17,409 mn yen (-)	+314 mn yen +1.8%	17,597 mn yen (-)	+187 mn yen +1.1%
Net income	15,735 mn yen	16,016 mn yen	+280 mn yen +1.8%	15,001 mn yen	15,293 mn yen	+292 mn yen +1.9%	15,434 mn yen	+141 mn yen +0.9%
Earnings per unit (EPU) (EPU before amortization of goodwill)	2,251 yen (2,308 yen)	2,291 yen (2,349 yen)	+40 yen +1.8%	2,146 yen (2,203 yen)	2,188 yen (2,245 yen)	+42 yen +2.0%	2,208 yen (2,265 yen)	+20 yen +0.9%
Distribution per unit (DPU)	2,270 yen	2,270 yen	-	2,250 yen	2,250 yen	-	2,266 yen	+16 yen +0.7%
Reserve balance	5,829 mn yen	6,109 mn yen	+280 mn yen +4.8%	5,105 mn yen	5,677 mn yen	+572 mn yen +11.2%	5,272 mn yen	-404 mn yen -7.1%

Factors affecting DPU : 44th Fiscal Period ended Feb. 2024 (forecast vs. actual)

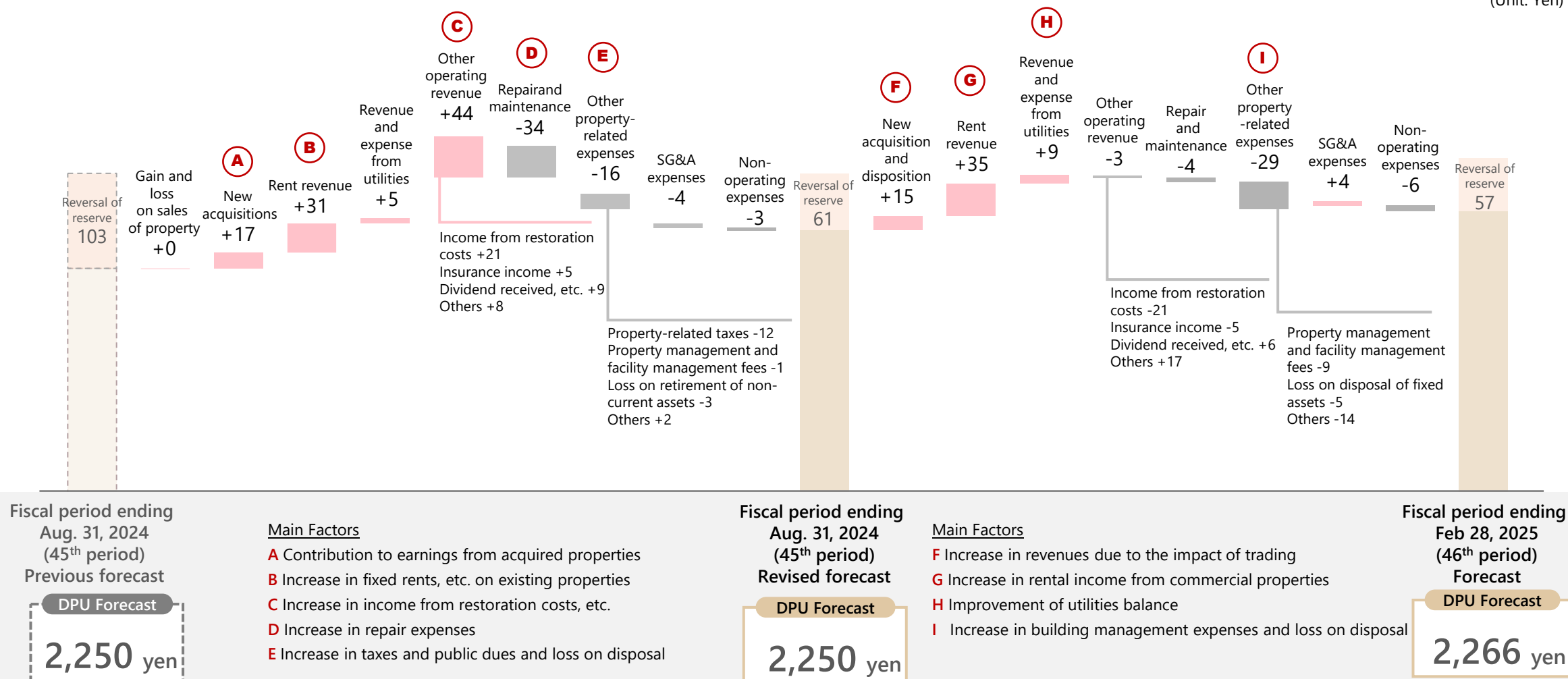
(Unit: Yen)



Factors for increase/decrease in DPU :

Aug. 2024 period (45th period), Feb. 2025 period (46th period) (forecast)

(Unit: Yen)



Financial highlights of Feb. 2024 (44th) period

Asset

No. of properties	133 <small>properties</small>
Asset size	1,210 <small>bn yen</small>
Appraisal value	1,344.5 <small>bn yen</small>
Unrealized gain	194.9 <small>bn yen</small>
NOI yield ¹	4.4 %
NOI yield after depreciation ¹	3.5 %

Debt

Interest-bearing debt	550.1 <small>bn yen</small>
LTV ² (based on appraisal value) ³	44.1 % (38.1%)
Average debt cost ³	0.73 %
Average loan term remaining until maturity ⁴	4.2 <small>years</small>
Long-term borrowing ratio	99.9 %
Fixed-interest ratio	96.4 %
Credit ratings (JCR)	AA (Stable)

Equity

Market capitalization ⁵	617.1 <small>bn yen</small>
NAV per unit ⁶	115,100 <small>yen</small>
Balance of reserve	6.1 <small>bn yen</small>

Sustainability

GRESB Real Estate Assessment	5 Star (Highest Rank)
CDP Climate Change Program	A-
MSCI ESG Rating ⁷	BBB
Renewable energy introduction ratio ⁸	16.2 % (Portfolio ratio)
Green building certified Buildings	79.2 % (Total floor area basis)
Female employee ratio (Asset Manager) ⁹	34.5 %

1. Including dividends income

2. It is calculated by dividing the total interest-bearing debt as of the end of Feb. 2024 (44th) Period by the total assets as of the end of the Feb. 2024 (44th).

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 Feb. 2024 (44th) Period, by the total interest-bearing as of the end of Feb. 2024 (44th) Period.

4. The figure is a weighted average of remaining loan terms based on the amount of interest-bearing as of the end of Feb. 2024 (44th) Period.

5. As of the end of Feb. 2024

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

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

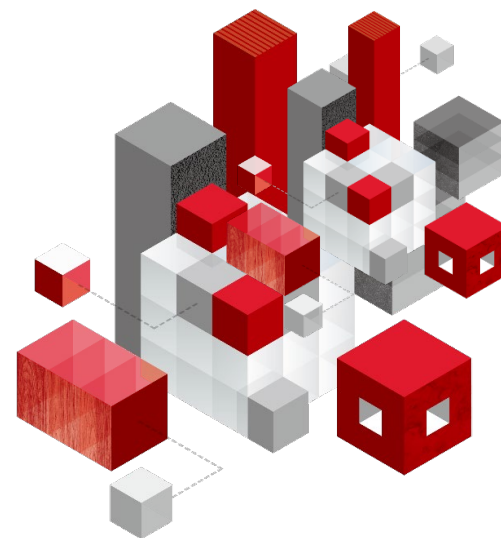
8. Calculated based on electricity consumption from March 1, 2023 to the end of February 2024.

9. Excluding executives and temporary staff

JMF

Reference

About JMF



Philosophy of JMF

Japan's largest diversified REIT investing in real estate properties serving as a foundation of the metropolitan life (live, work and consume)

01 Over **20**-year track record and approximately 160 professionals

02 **1.2** trillion yen in AUM [No. **1** among diversified J-REITs and No. **2** among all J-REITs]

03 Inflation-resistant portfolio
Focused on urban retail properties located in three major metropolitan areas

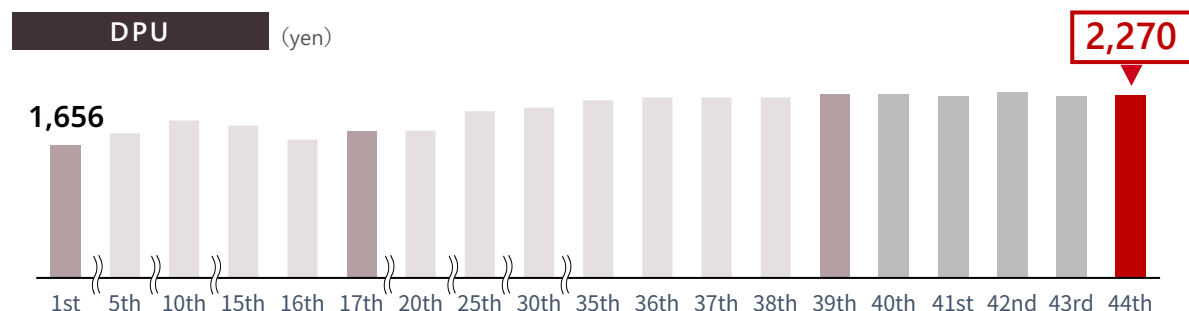
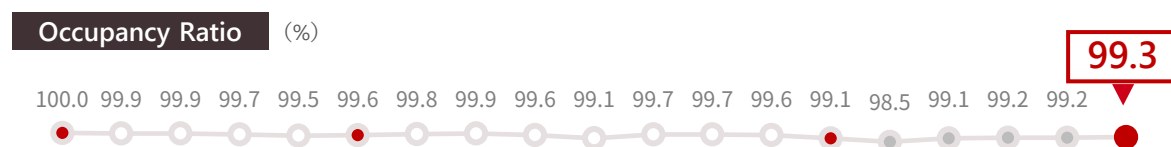
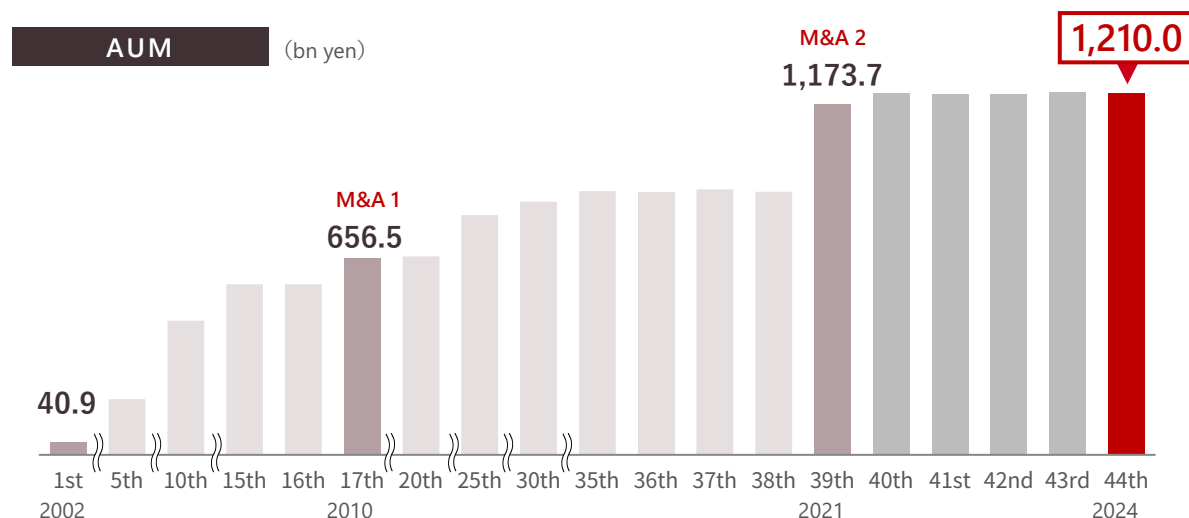
04 Sponsor synergies with **KKR**, a leading global investment firm with US\$553 billion in AUM

05 Stable financial base (**AA** rating) and industry-leading Sustainability

Corporate Name	Japan Metropolitan Fund Investment Corporation JMF
Security Codes	8953
Fund Listing	March 12, 2002
Closing Month	Six months ending in February and August of each year (Distribution payment months: May & November)

Asset management company	KJR Management KJRM
Sponsor	K K R (76KK, a subsidiary of KKR)
Other entrusted asset management	Industrial & Infrastructure Fund Investment Corporation IIF (The only J-REIT specializing in industrial properties.) AUM : 494.5 bn yen (as of March 31, 2024, after taking into account of the announced sale of properties) Private funds AUM : 115.0 bn yen (as of March 31, 2024)

AUM has grown to 1.2 trillion yen through two mergers since listing in 2002



History of JMF

Mar. 2002 (1st)

Japan Retail Fund (JRF) listed as Japan's third REIT and first REIT specializing in retail properties in Japan

Mar. 2010 (17th)

M&A 1 Merged with LaSalle Japan REIT Inc.

Mar. 2021 (39th)

M&A 2 Merged with office-focused REIT MCUBS MidCity Investment Corporation (former MID REIT, Inc.)

Diversified REIT, Japan Metropolitan Fund Investment Corporation was born

History of KJRM

Nov. 2000

Established an asset management company (Mitsubishi Corp.-UBS Realty, Inc.)

Mar. 2002
JRF IPO

Oct. 2007
IIF IPO

Apr. 2015

Acquired shares of MID REIT Management (MCUBS MidCity Inc.)

Jul. 2019

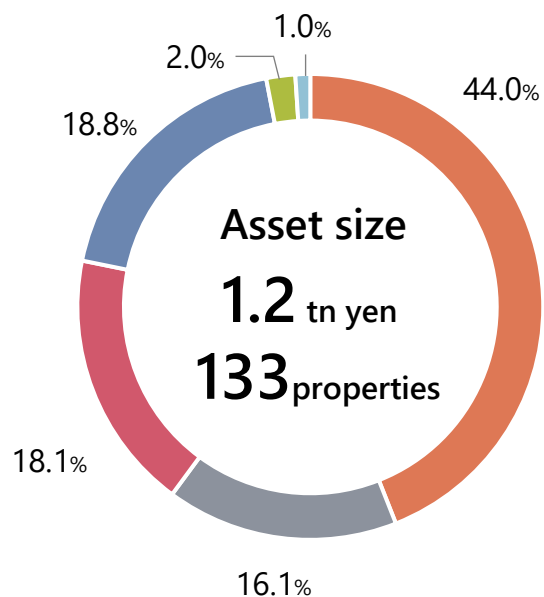
M&A Merged with MCUBS MidCity

Apr. 2022

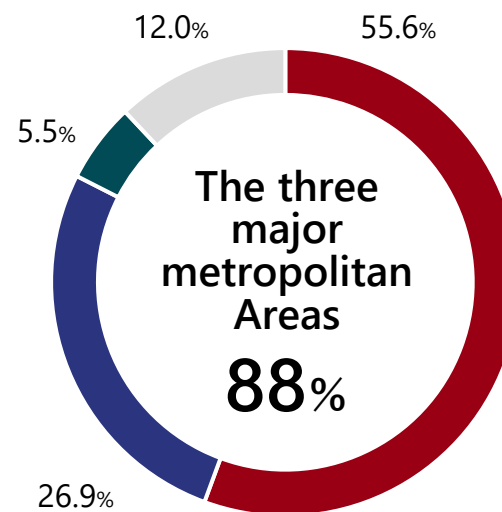
Change of sponsor Acquired by KKR
The name changed to KJR Management

Oct. 2022
Started Private Solutions business

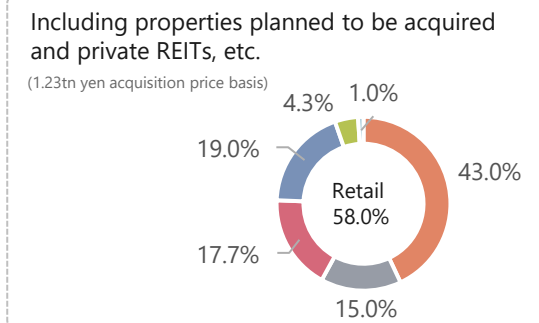
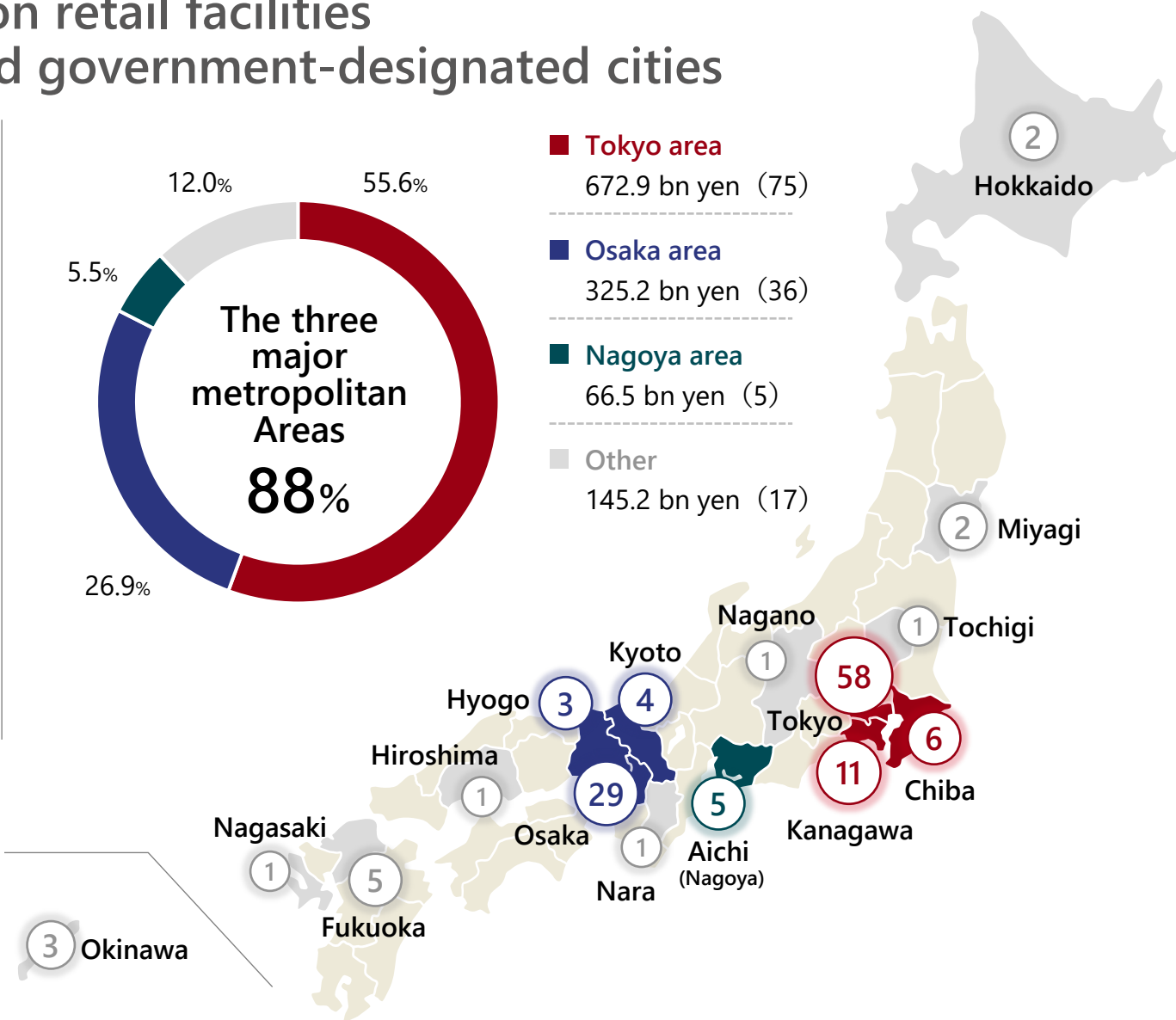
Distributed investment with a focus on retail facilities in three major metropolitan areas and government-designated cities









- Urban retail**
532.5 bn yen (62)
- Suburban retail**
194.8 bn yen (14)
- Mixed-use**
218.7 bn yen (24)
- Office**
227.1 bn yen (20)
- Residence**
24.3 bn yen (11)
- Other**
12.4 bn yen (2)



- Tokyo area**
672.9 bn yen (75)
- Osaka area**
325.2 bn yen (36)
- Nagoya area**
66.5 bn yen (5)
- Other**
145.2 bn yen (17)



* Acquisition price (1.21tn yen) basis as of Feb. 29, 2024
* Figures in parentheses are numbers of properties

Type of Use (Number of property)	Acquisition Price (bn yen)	Appraisal Value (bn yen)	Unrealized profits and losses (bn yen)	Annual basis NOI ¹ (bn yen)	NOI Yield
 Urban retail (62)	532.5	633.6	134.3	24.9	4.7%
 Suburban retail (14)	194.8	190.9	31.5	9.6	4.9%
 Mixed-use (24)	218.7	247.4	23.0	17.4	3.9%
 Office (20)	227.1 (235.7 ²)	232.8	3.7		
 Residence (11)	24.3 (32.7 ³)	27.1	2.0	0.8	3.6%
 Hotel (2)	12.4	12.4	0.1	0.5	4.5%
ALL (133)	1,210.0	1,344.5	194.9	53.4	4.4%
VS 43rd Actual ALL (+1)	-4.3	+20.1	+23.6	+1.3	+0.1point

Occupancy Rate				
The 43rd period (Aug. 31, 2023)	The 44th period (Feb. 29, 2024)		The 45th period (Aug. 31, 2024) Forecast	The 46th period (Feb. 28, 2025) Forecast
	Forecast	Actual		
99.7%	99.8%	99.8%	99.9%	99.3%
96.9%	96.2%	97.5%	95.4%	95.0%
96.6%	86.6%	93.3%	92.7%	96.5%
100.0%	100.0%	100.0%	100.0%	100.0%
99.2%	99.1%	99.3%	99.0%	98.6%

1. Annual basis NOI does not include dividend income etc..
2. Includes ownership of silent partnership interests related to Nagoya Lucent Tower.
3. Includes the total investment amount in private REITs.
4. Total acquisition price including ownership of silent partnership interests related to Nagoya Lucent Tower and private REITs is 1,227.0bn yen.

Focuses on investing in retail properties and diversifies investments to mixed-use, offices, and residential properties

< Major investment targets >



Retail

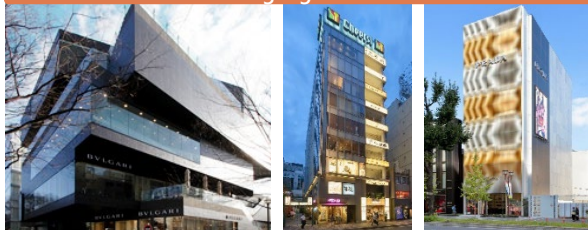
Investment targets

- Facing high street
- Urban retail properties
- Residential stations

JMF's targets

- High commercial viability, such as downtown and trade area population
- Properties with the potential for appreciation during inflation due to percentage rents

Facing high street



GYRE
(Tokyo : Omotesando)

Cheers Ginza
(Tokyo : Ginza)

G-Bldg. Midotsuji 02
(Osaka : Midotsuji)

Urban retail properties



MARINE & WALK YOKOHAMA
(Yokohama)



DFS T GALLERIA OKINAWA (Okinawa)

Residential Stations



mozo wonder city (Nagoya)

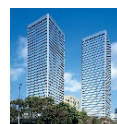
Machinoma Omori (Tokyo)



Mixed-use

Investment targets

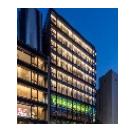
- Mixed-use properties located in urban areas



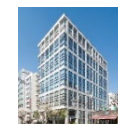
Retail x Office
Twin 21



Retail x Residence
JMF-Bldg. Hiroo 01



Retail x Hotel
JMF-Bldg.
Shibuya 01



Office x Residence
JMF-Bldg.
Ichigaya 01

JMF's targets

- Tenant mix based on retail facility management know-how
- Conversion of existing properties to make the most efficient use of their uses



Offices

Investment targets

- Urban & Commuter-town Offices



JMF-Bldg.
Nihombashi Hamacho 01
(Tokyo)



JMF-Bldg.
Higobashi 01
(Osaka)

JMF's targets

- Distributed investments mainly in Tokyo and Osaka
- Medium and B-class properties that do not compete with newly developed S-class properties



Residence, other

Investment targets

- Rental residential properties in densely populated areas with good access to the city center
- Hotels in urban areas



JMF-Residence
Gakugeidaigaku (Tokyo)

JMF's targets

- Mainly new or recently built residential for singles and DINKS
- Invest in private REITs that invest in residential properties

Build a portfolio that transcends use through property management and acquisition capabilities

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

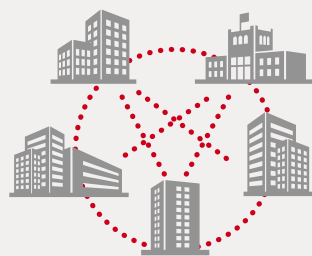
- Industry-leading information gathering capabilities
- JMF's proprietary acquisition methods (Private REIT investment, M&A, etc.)
- Synergies with KKR, including from carve-outs

The highest & best use of properties



Improve profitability of assets by making the best use of properties to meet rental needs

Area management



Improve profitability and asset value by linking assets held in the same area



Proprietary network



Since listing, build a proprietary information network that does not rely on sponsors

Development of new methods



Expands acquisition methods further by converting to a diversified REIT

Property Management

▼ Management methods ▼ Details

The highest & best use of properties		
1	Review of contract details	<ul style="list-style-type: none"> Change contract terms (increase rent, convert to a fixed-term lease, etc.) Introduce revenue-based rent or step-up rent
2	Tenant replacement	<ul style="list-style-type: none"> Eliminate rent gaps Improve contract terms
3	Large-scale renewal	<ul style="list-style-type: none"> Maintain freshness of facilities and improve value
4	Conversion	<ul style="list-style-type: none"> Convert to mixed-use facilities
5	Reconstruction	<ul style="list-style-type: none"> Temporarily take properties off the balance sheet and repurchase them after reconstruction The investment corporation reconstructs properties with them on the balance sheet
Area management		
	Attracting tenants between properties	<ul style="list-style-type: none"> Introduce other properties to meet tenant needs for new store openings
	DX	<ul style="list-style-type: none"> Building a Customer Data Platform (CDP)
	Sustainability	<ul style="list-style-type: none"> Introduce green leasing Contribute to the environment, society, and employee satisfaction

Property acquisition

▼ Acquisition Method ▼ Details

1	Reciprocal transaction	<ul style="list-style-type: none"> Asset replacement to create alignment of mutual strategic interests
2	Initiatives with developers	<ul style="list-style-type: none"> Acquisition of properties developed for exit
3	Collaboration with tenants	<ul style="list-style-type: none"> Acquire tenant assets based on tenant needs
4	Related to investment in private REITs	<ul style="list-style-type: none"> Acquired units of privately placed REITs that meet the investment criteria Acquisition of properties developed by private REIT sponsors
5	Mezzanine loan bond investment	<ul style="list-style-type: none"> Investments in funds organized for mezzanine loan bond investment purposes Acquire properties by leveraging a network of lenders with mezzanine loans
6	M&A	<ul style="list-style-type: none"> Mergers with J-REITs
7	Sponsor support by KKR	<ul style="list-style-type: none"> Jointly participate in large-scale deals with sponsors to acquire properties that meet investment criteria
8	Participation in Redevelopment Projects as a Participating Partner	<ul style="list-style-type: none"> Participation in large-scale redevelopment projects as a participating partner Acquire properties to be developed after redevelopment

The highest & best use of properties

Tenant replacement

□ 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

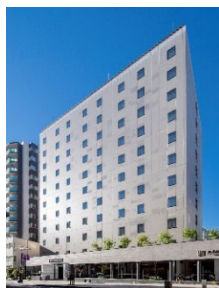


Floor	Tenant
11F	New
10F	Expanded floor space
9F	New
8F	Expanded floor space
1-7F	

Fixed-rent increase rate
+22%

□ OMO3 Tokyo Akasaka

(Mitnato-ku, Tokyo)



- In 2021, a former tenant began civil rehabilitation proceedings and moved out
- Replaced by a new tenant, OMO, a Hoshino Resort Group brand
- Occupancy increased after the COVID-19 pandemic, increasing revenue-based rent

Large-scale renewal

□ mozo wonder city

(Nagoya-shi, Aichi)

Major renovation regularly implemented to maintain freshness

Main renewal 2022

Expenditure	Increase in NOI	ROI
620mn yen	54mn yen	8.8%

A pop-up store with a focus on sustainability



Takeout Food & Beverage Zone
"mozo Food Marché"



- Created a new food sales zone to capture changes in consumer behavior during the COVID-19 pandemic
- Established industry-university partnerships with local universities and set up stores under the theme of sustainability
- Both sales and customer numbers exceeded plan expectations

Conversion to mixed-use

□ JMF-Bldg. Tenjin Nishi-dori 01

(Fukuoka-shi, Fukuoka)

- The Tenjin Big Bang project extends to the redevelopment of the surrounding area
- In September 2022, exterior wall construction work was conducted, envisioning a mixed-use facility while utilizing the old building without demolishing it
- Attracted co-working space and service tenants after restaurant tenants left



Floor	BEFORE	AFTER
9F	Restaurant (Dining bar)	Coworking space
8F	Restaurant (Izakaya)	Restaurant (Izakaya)
7F	Restaurants (Darts bar)	Restaurants (Darts bar)
6F	Restaurant (Izakaya)	Beauty salon
5F	Restaurant (Izakaya)	Restaurant (Izakaya)
4F	Restaurant (Izakaya)	Beauty salon
3F	Restaurant (Izakaya)	Medical clinic
1F - 2F	Sales of goods	Sales of goods

Reconstruction

□ JMF-Bldg. Jiyugaoka 01

(Meguro-ku, Tokyo)

- In 2015, decided to reconstruct the 30-year-old Building B as the investment corporation's first reconstruction with the property on the balance sheet
- The building now has an advanced structure, with the main structure made of fire-resistant wood, which gives it an advantage in leasing and reduces environmental impact
- In 2020, after the tenants moved out, the building was designed to allow for subdivided leasing when reconstructed and successfully attracted successor tenants



Former name : Corinne



Bldg. B

Expenditure	Increase in NOI	ROI
598mn yen	37mn yen	6.4%

Area management

Attracting tenants between properties

Attracted MUJI stores to large blocks in two properties

- ❑ KAMISHIN PLAZA (Osaka-shi, Osaka)
- ❑ Kyoto Family (Kyoto-shi, Kyoto)

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

KAMISHIN PLAZA

Queue at the opening



Kyoto Family

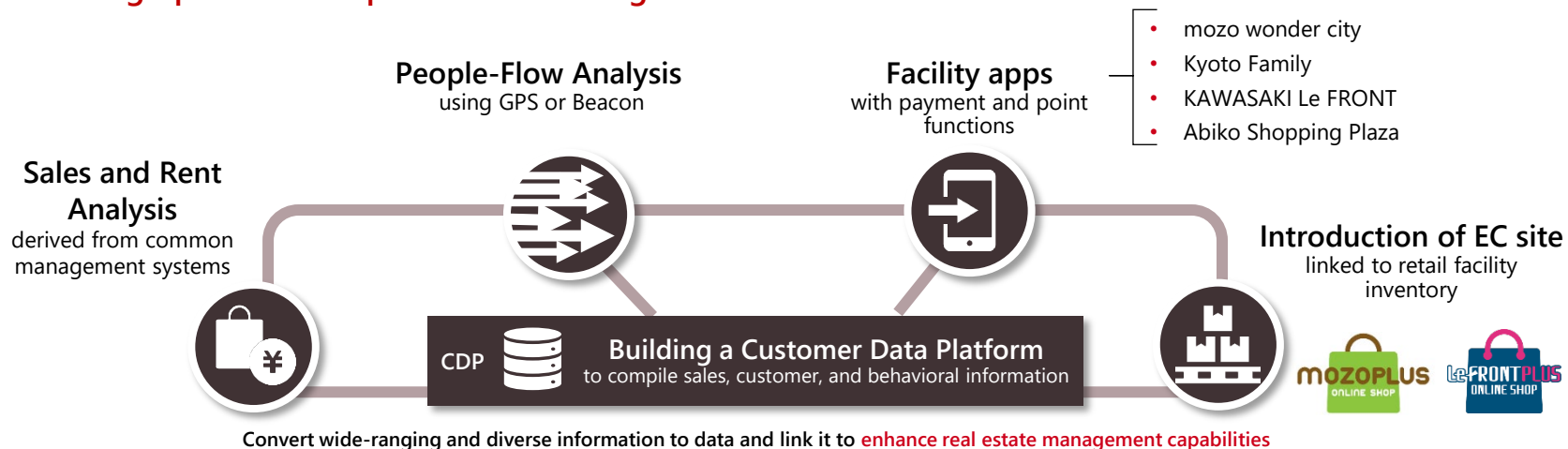


DX

Synergistic effects on revenue expansion and area management through DX

Promoting operational sophistication through DX

* See the Appendix Material for examples of sustainability.



~ Effects of DX ~

❑ Revenue expansion

Sales increase

- Increase sales per customer through membership
- Increase sales and income by raising the membership sales ratio

Cost reduction

- Discontinuation of advertising costs for paper-based advertising and old systems in conjunction with the introduction of the app
- Optimization of SG&A expenses by determining visitor attributes and residences

❑ Expansion of customer base and trade area

- Increase in sales from outside the trade area
- Increase in customers outside of business hours

❑ Area management

- Generation of demand through customer referrals, etc. (Tsunagu Pass)
- Investigation of appropriate property acquisition

❑ Leasing

- Investigation of accurate store opening by determining traffic volumes and customer attributes, etc.

Reciprocal transaction

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

Asset replacement to create alignment of mutual strategic interests

Through reciprocal transactions with Hulic Co., Ltd. In 2021

- Acquired Class-A office space in a prime location
- Secured adequate gain on sales of real estate divided into three fiscal periods (approx. 5.5 billion yen)

Secured gains on sales through reciprocal sales

Acquisition price

42.4bn yen

Disposition price

20.8bn yen

Gains on sales

5.6bn yen



G-Bldg. Ginza 01
G-Bldg. Shinjuku 01
Summit Store Nakano
Minamidai

Initiatives with developers

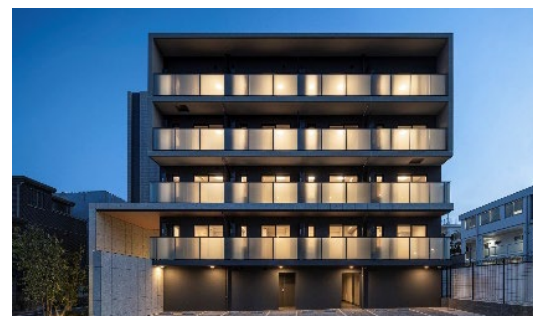
□ JMF-Residence Gakugeidaigaku (Setagaya-ku, Tokyo)

Acquisition of properties developed by developers for exit

- In March 2022, JMF acquired a newly built stand-alone residential property for the first time
- Contracts concluded at a faster pace than expected at the time of acquisition, resulting in a higher occupancy rate
- Assumed yield at the time of acquisition exceeded

Effects were greater than expected at the time of acquisition

	Forecast	After Acquisition (44th)
NOI yield	3.7%	3.8%
NOI yield (after depreciation)	3.1%	3.2%



Collaboration with tenants

□ Tecc LIFE SELECT Fukuoka Shime Honten (Kasuya-gun, Fukuoka)

Acquisition of tenant assets based on tenant needs for additional floor space

- Additionally acquired portions constructed by tenants in Mar. 2023 by succeeding the position of the construction ordered
- Realized contract period extensions (20+ years) and enhanced profitability by signing a new lease contract

Effects on expansion

	Existing building	Existing building & Expanded portion
Acquisition price	4,150mn yen	4,852mn yen
NOI yield	7.4%	7.8%
NOI yield (after depreciation)	5.5%	5.8%



Related to investment in private REITs

□ Investment units of NSPR and HPR

Investment in privately placed REITs, a first for a publicly offered investment corporation

Amount of Investments	Dividend yield
8.3bn yen (as of Feb. 2024)	4.3% → 5.0% 39th 44th

Significance of investment in private REITs

1. **Acquire exposure to residential property with high profitability**
Enjoy profitability with a dividend yield of at least 4%
2. **Increased knowledge of residential property management**
Acquire market information and management know-how, etc.
3. **Stronger External Growth Potential**
Possibility of acquisition of properties developed by sponsors of private REITs



◀ In March 2023, we acquired the property from Hoosiers Asset Management

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

*NSPR stands for "Nisshin Private Residences REIT, Inc."
*HPR stands for "Hoosiers Private REIT Investment Corporation"

KKR, a leading global investment firm

KKR

Listed on the New York Stock Exchange with offices in 4 continents across 25 cities worldwide



Credit & Liquid Strategies

USD **246**bn

- Leveraged Credit
- Alternative Credit
- Hedge Fund
- Strategic Partnerships



Private Equity & Real Assets

USD **308**bn

- Private Equity
- Infrastructure
- Growth Equity
- Real Estate
- Energy

* As of Dec. 31, 2023

Extensive track record of investing in Japan

- KKR has invested about USD18bn in Japanese companies across asset classes since the Japan office was established in 2006
- Extensive track record of investing in the success of Japanese businesses



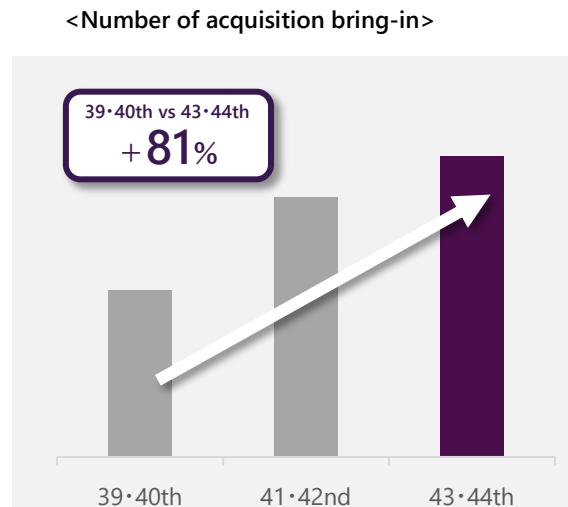
Provide growth opportunities by leveraging our corporate network

- Generate significant real estate deal flow by leveraging KKR's extensive global network of partners and portfolio companies across asset classes (private equity, real estate, infrastructure, etc.)
- Tap into KKR's M&A and capital markets expertise and value creation capabilities to create both organic and inorganic growth opportunities

Synergy with KKR

■ Increase in pipeline information

- Significant increase in deal information after KKR took over the sponsor in 2022 (41st period) in addition to conversion to a diversified REIT in 2021 (39th period)



■ Joint Participation in Large-Scale Deals

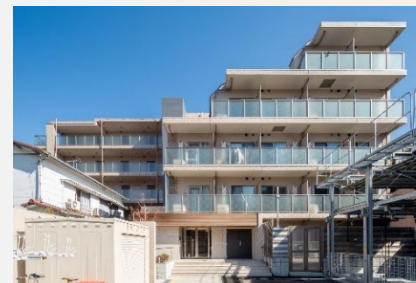
- Collaborate with KKR on deals that would otherwise be challenging to enter alone to acquire properties that meet JMF's investment criteria

■ Collaboration with KKR

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

JMF × KKR

Joint participation with KKR in large-scale deals



Participated with KKR in a large-scale portfolio deal for 10 residential properties and acquired JMF-Residence Fujisawa, which meets JMF's investment criteria

Acquired in Mar. 2023

JMF-Residence Fujisawa (Fujisawa, Kanagawa)

<Reference> IIF × KKR

Carve-out deals through CRE Proposal

Example of "Industrial & Infrastructure Fund Investment Corporation" for which KJRM is entrusted with asset management

Central Tank Terminal Co., Ltd.
IIF acquired three rare sites with leasehold interest for tank terminals



IIF Kawasaki Port Tank Terminal
(Land with leasehold interest)

LOGISTEED, Ltd.
IIF acquired 28 core logistics facility properties



IIF Osakaibaraki Logistics Center

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)