

NEXT JMF

JAPAN METROPOLITAN FUND

45th

|||||

Investor Presentation

August 2024 (45th) Period (March 1, 2024 - August 31, 2024)

Japan Metropolitan Fund Investment Corporation

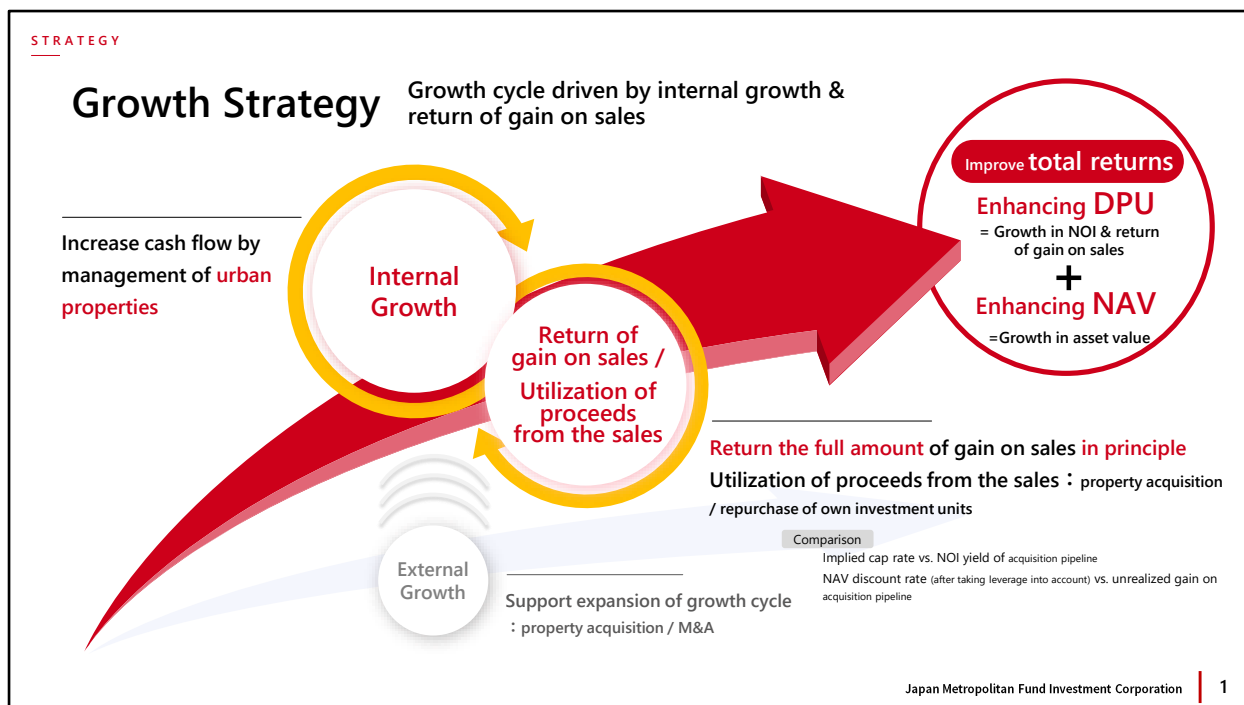
<https://www.jmf-reit.com/english>

In my capacity as Head of the Asset Management Company's Metropolitan Division, I welcome you to this video presentation of JMF's financial results for the August 2024 45th period, the six-months from March 1, 2024 to August 31, 2024.

To begin with, after reaching the 2,200-yen level in the previous period, DPU came in above 2,700 yen, the forecast distribution for the coming two periods.

This reflects steady progress in "Internal Growth" and "Return of gain on sales" based on the replacement of assets in line with JMF's Growth Strategy.

Going forward, we will strengthen asset management with the aim of maintaining DPU at this new level of more than 2,700 yen, while working to secure further growth going forward.



Please turn to page 1.

I would like to begin with an overview of JMF's growth strategy.

JMF will continue to pursue higher total returns, or in other words, enhance DPU and NAV.

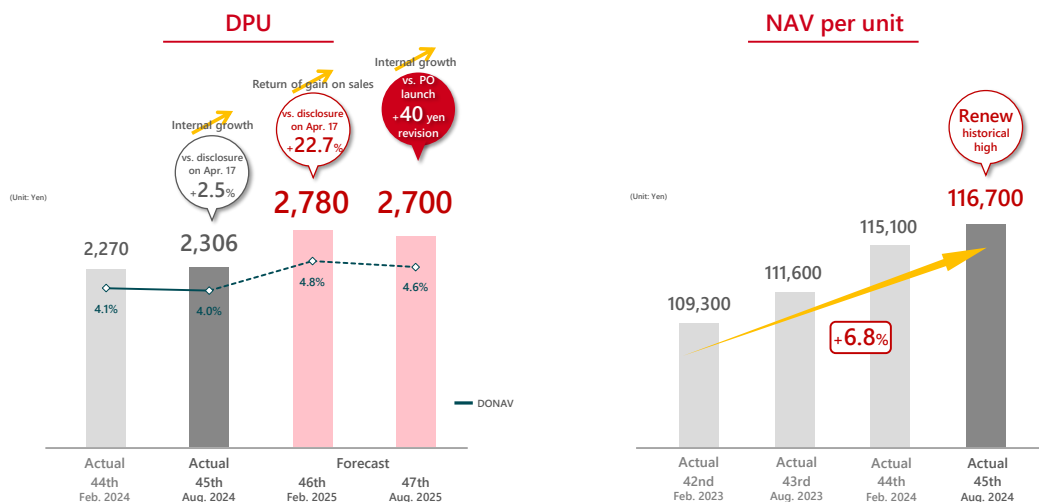
The two main drivers for this are internal growth based on elevated cash flows from urban real estate, and in principle the return of total gain on sales.

Although not a goal in and of itself, external growth through new property acquisitions and M&As is also seen as one potential method to support expansion of the growth cycle such as accelerating and expanding internal growth as well as the return of gain on sales.

Similarly, we will apply proceeds from the sale of properties in the most appropriate manner, whether it be new property acquisitions or the repurchase of own investment unit, with a view to improving total returns.

- From an income return perspective, the method will depend on whether we are able to acquire properties above the implied cap rate.
- As far as capital return is concerned, the method will incorporate a comparison with higher NAV through the repurchase of own investment units under an NAV discount, and higher NAV through the increase in unrealized gains in the event property acquisitions after taking a higher level of LTV because of the repurchase of own investment units.

Realizing growth cycle DPU of 2,700 yen level through internal growth & return of gain on sales



Here on page 2, I will comment on trends in DPU and NAV per unit.

While announcing a DPU for the 45th period of 2,250 yen in April, JMF revised its forecast to 2,300 yen following a review of its operating results on July 29. This revised forecast took into account higher revenue-based rent due to strong sales at urban retail properties and the upswing in GOP from hotel properties. This robust trend in revenue-based rent from urban retail properties has continued, driving JMF's final DPU for the period under review to 2,306 yen, 2.5% above the figure announced in April.

DPU for the 46th period is forecast to come in at 2,780 yen, 22.7% above the figure announced in April. DPU for the 47th period is anticipated to reach 2,700 yen, 40 yen higher than the 2,660 yen initially disclosed at the time of the PO announcement. Although only a short time has passed since announcing details of the PO, this increase reflects higher rents at urban retail properties, increased office rents coinciding with the replacement of tenants, and elevated rents for existing tenants at hotels, among others.

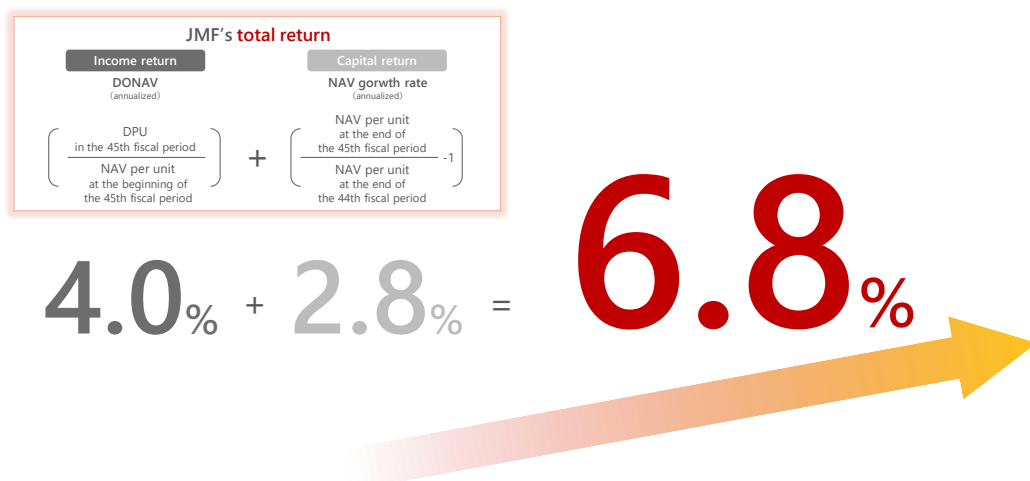
Moreover, NAV per unit rose to a historical high of 116,700 yen as of the end of the 45th period.

This increase was primarily due to a higher appraisal value for the 45th period of approximately 9.7 billion yen on the basis of the existing portfolio, excluding disposal of the 20% quasi-co-ownership interest in AEON Mall Sapporo Naebo and acquisition of eight new residential properties.

Additionally, if we exclude the 10-basis point decline for offices in the Yokohama area and Dormy Inn Hakata Gion, the cap rate for the period under review saw almost no change. As a result, the impact on the rise in appraisal value was negligible.

The primary factors behind this higher appraisal value were therefore progress in internal growth, in other words, higher revenues through the replacement of tenants, and increases across all asset classes. In fact, urban retail properties and mixed-use properties accounted for 82% of the higher appraisal value.

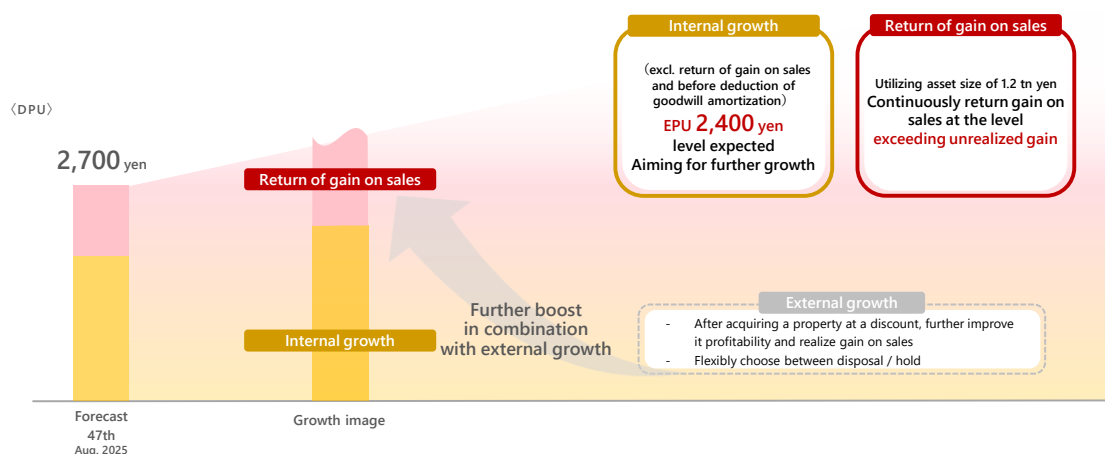
Securing high total return of approx. 7%



This steady growth in DPU and NAV during the period under review, as I described a moment ago, led to an annualized total return for the 45th period of 6.8%, as you can see from page 3.

Although we have not changed the calculation method for income return as a constituent of total return, we switched the notation to DONAV in this instance to more clearly present it as an indicator of capital efficiency. In addition, with the intent of elevating DONAV beyond 4.5%, slightly above the 4.4% required dividend yield, we will secure a new level for DPU at 2,700 yen, which will exceed the required return on the basis of NAV per unit. Here, the required dividend yield is obtained by dividing 2,250 yen as the lower limit for DPU used thus far, by the average investment unit price following the JMF merger.

Continue DPU above 2,700 yen aiming for further growth



Please turn to page 4.

JMF has exercised the two main drivers of internal growth and returning gain on sales based on our asset management capabilities built up over our many years of experience in asset management. This has enabled us to broadly increase the level of DPU from the 2,200-yen level achieved through the previous period, to the level of 2,700 yen, as I discussed previously.

Centered on these two drivers, we intend to maintain a DPU above 2,700 yen even as we aim for further growth going forward.

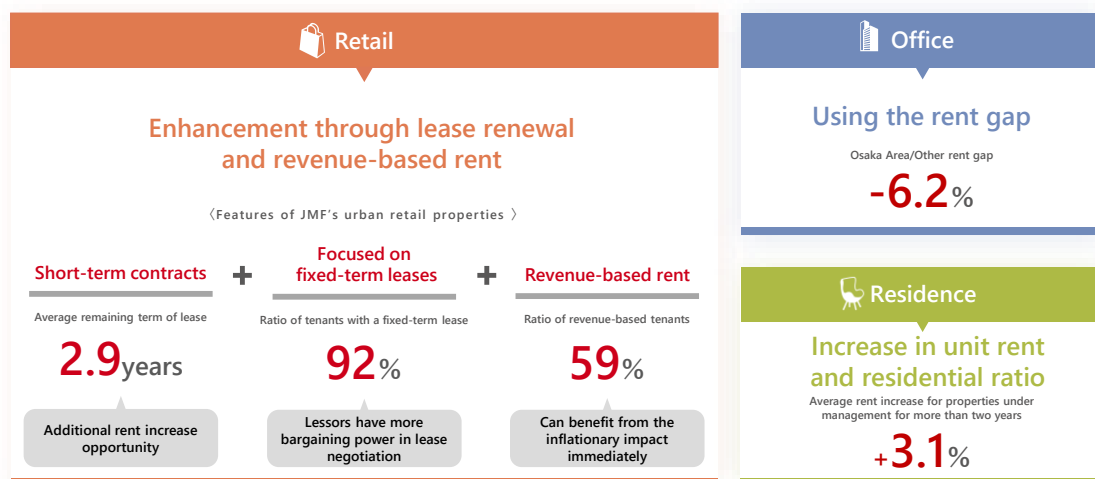
In terms of profitability, JMF's portfolio is expected to exceed an actual EPU of 2,400 yen before goodwill amortization excluding gain on sales. Meanwhile, the existing portfolio and the four properties acquired through the public offering executed the other day hold significant potential for continued internal growth.

Moreover, based on an asset size in excess of 1.2 trillion yen, we will exercise the strengths of JMF, namely our property sales capabilities,

with the aim of achieving a gain on sales that greatly exceeds unrealized gains. Although we would have previously allocated some of the resulting gain on sales to internal reserves with the intention of stabilizing dividends, going forward we plan to return the full amount, in general, in the pursuit of higher DPU.

Likewise, when it is possible to acquire properties that exceed the implied cap rate, that possess a high unrealized gain ratio, and that offer significant room for internal growth going forward, we will execute external growth activities in an effort to expand the growth cycle. For the immediate future, this effort will be centered on the use of proceeds from sales and borrowings, yet will also leverage some equity in terms of the cost of capital.

Portfolio with internal growth potential



I would now like you to turn to page 5.

As the main driver for JMF's expansion, internal growth has steadily progressed within today's inflationary environment. I would therefore like to discuss the features of JMF's portfolio that have supported this internal growth.

Accounting for 45% of the portfolio, urban retail properties tend to have relatively short tenant lease contract periods, where the remaining average contract duration is only 2.9 years. Meanwhile, 92% of contracts are fixed-term leases. This presents numerous opportunities to raise rents during the replacement of tenants and rate hike negotiations, and provides lessors with more bargaining power during lease negotiations.

Moreover, we have introduced revenue-based rent for 59% of lease contracts, which has allowed us to establish a portfolio structure that benefits from inflationary impacts, and that increases revenue-based rents.

A relatively high proportion of JMF's offices are located in the Osaka and

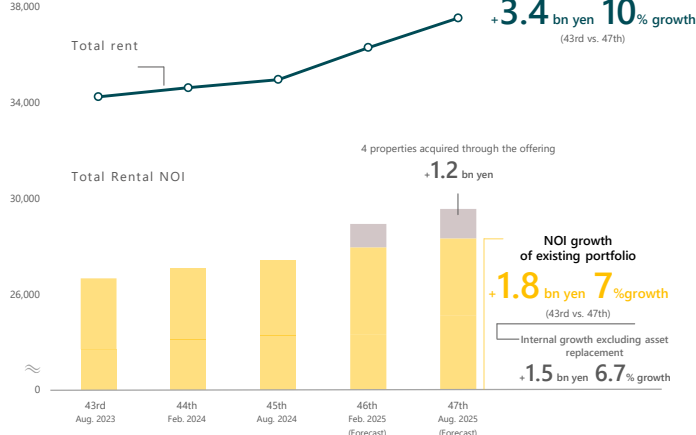
other areas, where there is a rent gap of 6.2%. Having achieved rent increases in the Osaka area and Sendai to date, we will continue to increase rents at the time of rent revision and tenant replacement.

Turning now to residences, we have continued to acquire properties with a high potential for increasing rents using various acquisition methods. We successfully acquired eight properties valued at 18.8 billion yen during the 45th period. The rate of rent increase for residential properties owned and managed for more than two years is 3.1%, so we will continue to raise total rent income and unit rent.

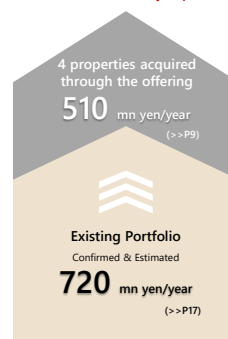
Internal Growth: Further Growth in Both Rent and NOI

<Total portfolio rents and rental NOI>

(Unit: mn yen)



Upside
not factored into earnings forecasts
Total 1.23 bn yen/year
(DPU conversion: 86 yen/period)



Looking now at page 6, I will discuss the key points to internal growth as promoted by JMF from the August 2023 43rd period to the August 2025 47th period, along with the upside that allows us to continue to steadily promote internal growth.

Total portfolio rents from the 43rd period to the 47th period grew 10% to 3.4 billion yen, which, when annualized, comes to a growth rate of approximately 5%.

Moreover, excluding the four properties involved in the current public offering, total rental NOI for the same period rose 7% to 1.8 billion yen, for an annualized growth rate of approximately 3.5%.

In this way, total NOI has generally grown in tandem with the rise in total rents.

I would now like you to take a look at the right side of this page, which shows the upside for JMF.

JMF's portfolio is expected to see further upside going forward, where the

upside we have accumulated at the present time alone will allow rents to increase by 1.23 billion yen annually. This increase is equivalent to an impact of approximately 86 yen per period when converted to DPU.

The breakdown of this annual 1.23 billion yen in upside is 720 million yen in confirmed or estimated upside regarding the existing portfolio, excluding PO properties, while the upside for the four properties acquired through the PO will amount to 510 million yen.

Return of Gain on Sales: Aiming to acquire gain on sales that greatly exceeded unrealized gains and return the full amount in principle

<Asset replacement strategy>

1 Optimize portfolio and stabilization of dividends

(Continuation: Since JMF's launch in March 2021~)

Diversification of portfolio, Improvement of profitability, Gain on sales

Sales targets

- Mainly suburban retail facilities
- Low-profit urban retail facilities

Losses on sales are offset by gains on other sales
Gain or loss on sales acquired 12.0 bn yen
(14 properties)
Appraisal value +3%

2 Increase dividends (Add : 2024~)

Acquire and return Gain on sales exceeding unrealized gains

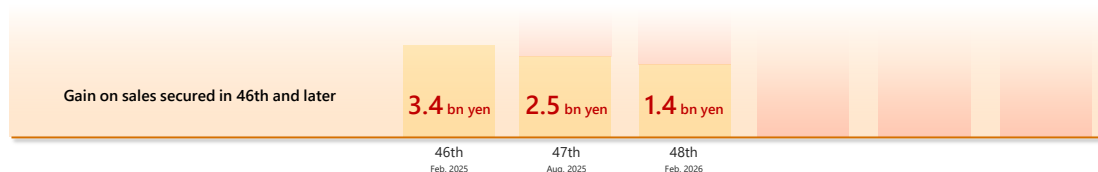
Sales targets

- Adequate gain on sale based on Buyer's needs (Diversion to other uses, business use)
- Improve DPU and NAV through asset replacement

Disposition of "Ito-Yokado Tsunashima" vs.
Acquisition of CROSS MUKOGAOKA
Gain on sales acquired 4.6 bn yen
Appraisal value +75%
Improved NAV +78 yen



Multiple potential sales projects in progress : Aim to obtain and return additional gain on sales



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Please turn to page 7.

Next, I would like to comment on return of gain on sales as the other driver that supports DPU growth.

To begin with, as far as asset replacement activities that lead to gain on sales are concerned, we started replacing assets worth 200 billion yen with the launch of JMF in 2021. The purpose of this move is to diversify the portfolio, enhance quality, and stabilize dividends using gain on sales, where the primary sales targets are suburban retail properties and low-profit urban retail properties. This 200 billion yen in asset replacement activities has now entered its final stage.

Running parallel to ongoing asset replacement activities, we will also engage in new asset replacement activities in the future. The purpose here is to generate a gain on sales that greatly exceeds unrealized gains, which, in principle, we will return in full to investors in order to enhance DPU. As an example of a new asset replacement activity, announced in September, we disposed of Ito-Yokado Tsunashima. In this case, we applied a sales method that achieved a high sale price exceeding 75% of

the appraisal value, and successfully generated a gain on sales of 4.6 billion yen, which can be used to increase DPU over several periods.

We are also currently advancing concrete sales activities for several properties in an effort to obtain and return additional gains on sales.

Property Acquisition: Pile Up Properties Exceeding Implied Cap Rate

Select a method that will improve the total return in the future

Acquisition criteria

Exceeding implied cap rate

Acquisition pipeline

Approx. **30** bn yen



Asset Replacement

Pipeline of specific sales negotiations is underway

Approx. **50** bn yen



Borrowing

Acquisition capacity

Up to LTV40%

Approx. **35** bn yen

Up to LTV45%

Approx. **170** bn yen



Public Offering

Prerequisites

Acquisition yield

Average NOI yield after depreciation is above portfolio average

NAV

Increase in NAV due to the offering and property acquisition

Total Return

Improving both DPU and NAV through the offering

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Turning now to page 8, I would like to discuss our approach to property acquisitions.

The key point here is that JMF prioritizes, above all, purchasing properties that exceed the implied cap rate when making acquisitions. Our currently secured acquisition pipeline has steadily built up approximately 30 billion yen in value at a level of return rate that exceeds the implied cap rate.

Moreover, we intend to select methods for procuring new property acquisition funds that are best expected to enhance total return on a case-by-case basis, regardless of whether the methods rely on proceeds from the sale of assets, borrowings, or public offerings.

At present, given that negotiations regarding sales of assets of approximately 50 billion yen in value are proceeding in a concrete manner, we intend to acquire property acquisition funds of approximately 30 billion yen by using proceeds from sales and borrowings based on our LTV capacity.

With this in mind, I would like to explain the LTV indicator at this point.

Starting from the period under review, JMF now defines market value LTV as LTV going forward, and defines conventional book value LTV as the ratio of interest-bearing debt to total assets.

Compared with book value LTV, market value LTV better reflects asset value and is based on the idea of appropriately assessing financial risk.

Specifically, we will manage assets within a target LTV range of 40% to 50%. Although LTV only stood at 38.0% as of the end of the 45th period, upon accounting for anticipated property acquisitions and disposals through the 47th period, when seen within an appropriate range, acquisition capacity up to an LTV of 40% stands at approximately 35 billion yen, and acquisition capacity up to an LTV of 45% is approximately 170 billion yen.

Public Offering

- 9/25 PO Highlights -

- Discounted acquisition - average unrealized gain ratio of over 17%
- average NOI yield exceeding implied cap rate
- **Upside potential from All Anticipated Acquisition**
- **Enhancing total return (unitholder value)** in combination with strategic asset replacement

Property name	Type	Anticipated acquisition price	Appraisal value	Unrealized gain ratio (unrealized gain / anticipated acquisition price)	NOI yield	NOI yield after depreciation	Upside
unimo chiharadai (Chihara-shi, Chiba)	Urban retail	30,000 mn yen	34,200 mn yen	14.0%	4.9%	4.5%	High setting ratio of revenue-based rent of 78% Room for expansion
G-Bldg. Jingumae 10 (Shibuya-ku, Tokyo)	Urban retail	7,020 mn yen	10,100 mn yen	43.9%	4.1%	3.9%	Increase in market rent
JMF-Bldg. Yokohama Kohoku 01 (Yokohama-shi, Kanagawa)	Mixed-use	5,477 mn yen	6,530 mn yen	19.2%	5.1%	3.7%	Shift to mixed-use
JMF-Bldg. Osaka Fukushima 02 (Osaka-shi, Osaka)	Office	14,600 mn yen	16,200 mn yen	11.0%	4.4%	4.0%	Eliminating rent gap of 16.7%
Total / average Anticipated Acquisition		57,097 mn yen	67,030 mn yen	17.4%	4.7%	4.2%	Total 0.51 bn yen/year
Implied cap rate					4.3%		

(as of Sep 17, 2024)

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I would now like to move on to page 9 to discuss the three key points regarding the public offering JMF conducted at the end of September.

The first of these is that the four acquired properties have an average NOI yield of 4.7%, an implied cap rate above 4.3%, and an average NOI yield after depreciation of 4.2%, which greatly exceeds the 3.5% average NOI yield after depreciation for the portfolio.

Moreover, the average unrealized gain ratio exceeded 17%, indicating we acquired highly profitable properties at a steep discount.

The second point is that all four acquired properties have an upside capacity resulting from internal growth.

As I mentioned a moment ago, the future annual rent increase capacity for the four acquired properties is 510 million yen, making for an increase in capacity of 36 yen when converted to DPU.

On an individual basis, at approximately 78%, revenue-based rent for “unimo chiharadai” has been set to an extremely high ratio, leading to

expectations for further increases in revenue-based rent coinciding with sales growth, not simply with higher fixed rents.

As a large retail property with 155 tenant blocks, this property perfectly demonstrates JMF's real estate management capabilities, and will enable greater profitability. This property also has a larger site area than most of the JMF portfolio, and with an unused site area ratio of approximately 100%, leveraging these characteristics and expanding floor space offers the potential for further rent hikes.

“G-Bldg. Jingumae 10” is located in Omotesando, one of the prime commercial areas of Tokyo. And with extremely robust consumption by both Japanese and inbound visitors, retail tenants maintain a vigorous desire to enter the area, which has driven up market rents. In fact, according to CBRE data, retail market rents in this area have nearly doubled over the past 10 years. Thankfully, JMF maintains a dominant position in this area with 14 properties. We will therefore apply our area management capabilities leveraging the strengths of the area with the aim of both increasing rents at the time of contract renewal, and of raising rents through tenant replacement.

Although “JMF-Bldg. Yokohama Kohoku 01” was originally designed as a retail property, we expect to see it record higher rents and occupancy rates as we reorient it toward a mixed-use property, an area in which JMF excels.

Meanwhile, “JMF-Bldg. Osaka Fukushima 02” offers a rent gap of approximately 16.7%, so we will aggressively pursue higher rents through the replacement of tenants and at the time of contract renewal. Moreover, JMF also owns the adjacently located “JMF-Bldg. Osaka Fukushima 01,” which will allow us to pursue higher revenues by exercising area management in a way that shares leasing tenants and coordinates cost reduction measures between the two adjacent properties.

In this way, the second key point is the upside capacity for all four properties acquired this time around.

The third key point is enhanced DPU and NAV, in short, higher total returns, achieved in conjunction with the strategic asset replacement activities that we have advanced at the same time.

HIGHLIGHT

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

	Aug. 2024 (45 th period Forecast A	Aug. 2024 (45 th period Actual B	Change (B-A)	Feb. 2025 (46 th period Previous forecast C	Feb. 2025 (46 th period Revised forecast D	Change (D-C)	Aug. 2025 (47 th period Forecast E
Operating revenue (Gain on sales of properties)	40,478 mn yen (684 mn yen)	40,836 mn yen (686 mn yen)	+357 mn yen +0.9%	40,700 mn yen (699 mn yen)	45,747 mn yen (3,488 mn yen)	+5,047 mn yen +12.4%	45,851 mn yen (2,572 mn yen)
Operating income (Loss on sales of properties)	17,409 mn yen (-)	17,798 mn yen (-)	+389 mn yen +2.2%	17,597 mn yen (-)	21,747 mn yen (-)	+4,149 mn yen +23.6%	21,366 mn yen (-)
Net income	15,293 mn yen	15,696 mn yen	+402 mn yen +2.6%	15,434 mn yen	19,454 mn yen	+4,020 mn yen +26.0%	18,894 mn yen
Earnings per unit (EPU)¹ (EPU before amortization of goodwill)	2,188 yen (2,245 yen)	2,249 yen (2,306 yen)	+61 yen +2.8%	2,208 yen (2,265 yen)	2,704 yen (2,760 yen)	+496 yen +22.5%	2,626 yen (2,682 yen)
Distribution per unit (DPU)¹	2,250 yen	2,306 yen	+56 yen +2.5%	2,266 yen	2,780 yen	+514 yen +22.7%	2,700 yen
ROE (Before depreciation and amortization of goodwill)²		7.2%			8.3%		8.1%
DONAV³		4.0%			4.8%		4.6%

1. The figures in A and C are calculated based on the total number of investment units as of the end of Feb. 2024, the figures in B are calculated based on the total number of investment units as of the end of Aug. 2024, and the figures in D and E are calculated based on the total number of investment units as of the end of each calculation period as of October 31, 2024.
2. Calculated as $\text{EPU} \div (\text{Gain/loss on sale of properties}) \div \text{book value of investment}$.
3. The figures for the fiscal periods ending Feb. 2025 and Aug. 2025 are projected figures that reflect the NAV as of the end of Aug. 2024 and the acquisition and disposition of properties that have been announced and are scheduled for each period.

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Finally, I would like to elaborate on the key points of JMF's financial results for the 45th period and our outlook for the 46th and 47th periods, seen here on page 10.

Following the previous financial results announcement, we conducted an interim revision, executed a public offering, and reissued forecast announcements in each instance. For this reason, I included the forecasted figures announced in April on this page for comparative purposes.

Looking first at actual results for the 45th period, net income came in at 15 billion 696 million yen, 420 million yen above the April announcement. The primary factors for this achievement were an increase of 357 million yen in leasing business income resulting from internal growth in every sector, including revenue-based rent coinciding with growing retail sales, credit card transaction fee income, higher sales promotion expense income, lower vacancy rates resulting from progress in office leasing, elevated residential occupancy rates, and expanded revenue-based rent from hotels.

As a result, DPU came in at 2,306 yen, 2.5% above the initial forecast of 2,250 yen.

Turning now to forecasts for the 46th period, net income is expected to reach 19 billion 454 million yen, 4 billion and 20 million yen above the figures announced in April. This will be primarily due to an increase in leasing business revenue of 755 million yen, owing mainly to higher revenue-based rents from retail properties and hotels, to leasing centered on retail properties and offices, and to higher rents from the existing portfolio. Other factors will include 2 billion 789 million yen from a gain on sales involving Ito-Yokado Tsunashima, and an additional 592 million yen as a result of public offerings.

As a result, DUP is expected to reach 2,780 yen, a 22.7% increase from the initial forecast of 2,266 yen.

Moving on to forecasts for the 47th period, net income is expected to decline to 18 billion 894 million yen, 560 million yen below the current forecast for the 46th period. This decline is primarily due to a smaller gain on sales of 917 million yen accounted for by the difference in the sales ratio stemming from the loss of Ito-Yokado Tsunashima. Similarly, DPU is expected to contract to 2,700, a decline of 80 yen from the 2,780 yen forecast for the 46th period. On the other hand, DPU will still rise 40 yen, or 1.5%, from the 2,660 yen forecast announced on September 25. This is due to the finalization of large rent increases owing to tenant replacement at JMF-Bldg. Shibuya 02, higher rents at the high-street retail property and other retail properties in central Tokyo, and a large rent hike for Dormy Inn Hakata Gion. Although only one month has passed since the previous announcement, I believe this indicates that internal growth is steadily progressing for our retail, office, and hotel assets.

In closing, I believe JMF has successfully elevated the growth stage to a new level during the 45th period. We therefore anticipate what we term the actual EPU, before amortization of goodwill and excluding gain on sales, to come in at 2,400 yen. And with the start of asset replacement activities intended to more aggressively capture gain on sales under the asset replacement strategy, the resulting level of DPU will rise to 2,700 yen.

Founded on robust internal growth and returns of gain on sales as the main drivers, we will continue our aggressive fund management activities with the aim of maintaining and further enhancing DPU to the level of 2,700 yen. I therefore humbly request your continued support and assistance. Thank you.

Financial highlights of Aug. 2024 (45th) period

Asset

No. of properties	141 <small>properties</small>
Asset size	1,227 <small>bn yen</small>
Appraisal value	1,373.1 <small>bn yen</small>
Unrealized gain	206.7 <small>bn yen</small>
NOI yield ¹	4.4 %
NOI yield after depreciation ¹	3.5 %

Debt

Interest-bearing debt	553.6 <small>bn yen</small>
LTV (Interest-bearing debt to total assets ratio) ²	38.0 % (44.2%)
Average debt cost ³	0.75 %
Average loan term remaining until maturity ⁴	4.2 years
Long-term borrowing ratio	99.3 %
Fixed-interest ratio	95.8 %
Credit ratings (JCR)	AA (Stable)

Equity

Market capitalization ⁵	644.8 <small>bn yen</small>
NAV per unit ⁶	116,700 <small>yen</small>
Balance of reserve	5.7 <small>bn yen</small>

~ Change LTV definition ~.
Market value LTV, which reflects asset value and can appropriately assess financial risk, is defined as LTV going forward.
The conventional book value LTV is defined as the ratio of interest-bearing debt to total assets.

Sustainability

GRESB Real Estate Assessment	5 Star (Highest Rank)
CDP Climate Change Program	A-
MSCI ESG Rating ⁷	BBB
Renewable energy introduction ratio ⁸ (Portfolio ratio)	15.0 %
Green building certified Buildings (Total floor area basis)	78.0 %
Female employee ratio (Asset Manager) ⁹	35.9 %

1. Including dividends income
2. It is calculated by dividing the total interest-bearing debt as of the end of Aug. 2024 (45th) Period by the total assets as of the end of the Aug. 2024 (45th).
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. 2024 (45th) Period by the total interest-bearing as of the end of Aug. 2024 (45th) 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. 2024 (45th) Period.
5. As of the end of Aug. 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 Feb 2024.
9. Excluding executives and temporary staff

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Reference

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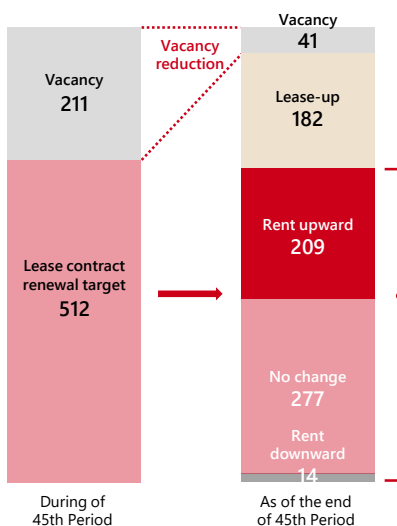
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Internal Growth

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Contract Renewal Results for the 45th fiscal period

Leasing results for blocks for leasing¹



Increase in Fixed Rent
+222 mn yen / fiscal period

Effect of DPU²
+31 yen



Retail

Driven by upward rent revisions through tenant replacement at urban retail properties



Office

Continued to revise rents upward and replacement, mainly in the Osaka area



Residence

Upward rent revisions increased through tenant replacement

	Retail	Office	Residence
Rent upward	48	46	115
No change	39	114	124
Rent downward	10	2	2
Total	97	162	241
Fixed-rent Increase /Decrease ³	+5.5% (+132 mn yen /fiscal period)	+3.7% (+84 mn yen /fiscal period)	+2.6% (+5 mn yen /fiscal period)

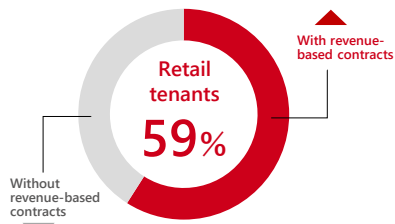
- It is intended for the spaces which will come into the due timing to the expiration of the ordinary building lease contract or fixed-term building lease contract of the tenants during the fiscal period ended Aug. 2024 (45th fiscal period) and which is vacant at the beginning of the fiscal period ended Aug. 2024 (45th 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. 2024 (45th) 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.

A structure of **"rising sales = higher revenue-based rent"** is in place against the backdrop of a high percentage of revenue-based rents set.

■ Revenue-based rent for approx. 60% of retail tenants ■ Increase in percentage rent in line with increase in sales

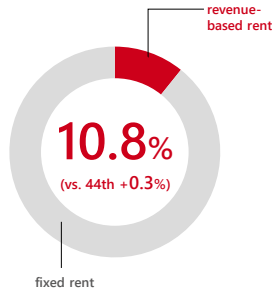
<Percentage of contracts with set revenue-base rent
(based on retail tenant contracts)>

Aiming to receive
-further revenue-based rent from
tenants with strong sales
-newly gained revenue from tenants
that had not reached a certain
threshold by generating revenue-based
rent based on sales growth

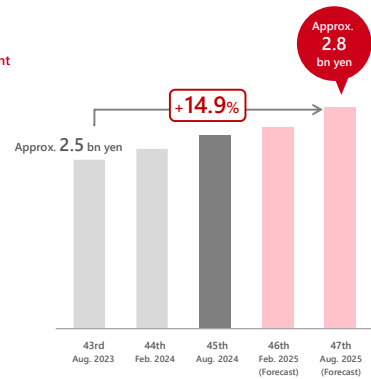


Aiming for setting a revenue-based rent with additional tenants
at the timing of contract renewal arriving soon

<Percentage of revenue-based rent to total rent
(based on retail rents)>



< Trends in total revenue-based rent (retail rents only)>



Major internal growth initiatives that contributed to performance up to the 47th (Aug. 2025)

Tenant replacement

Kyoto Family (Kyoto-shi, Kyoto)



Effects of tenant replacement

Rent impact +37 mn yen/year

appraisal value 45th **6.11** bn yen
vs. 44th +0.52 bn yen (+9.3%)

Contract renewal

Kawasaki Le FRONT (Kawasaki-shi, Kanagawa)



Negotiations with existing tenants on re-signing contracts, increase in ancillary income, etc.

Rent impact +73 mn yen/year

appraisal value 45th **43.3** bn yen
vs. 44th +2.0 billion yen (+4.8%)

Tenant replacement






Abiko Shopping Plaza (Abiko-shi, Chiba)



Tenants of large parcels in phases starting from the 44th effects of renewal due to tenant replacement, etc.

Rent impact +34 mn yen/year

appraisal value (bn yen)
43rd **12.9** 44th **13.3** 45th **13.4**
vs. 43rd +0.5 bn yen (+3.9%)











Property Name	Achievements	Rent Impact
Contract renewal  Dormy Inn Hakata Gion (Fukuoka-shi, Fukuoka)	Achieved rent increase through discussions on rent revision	Not disclosed
Lease-up  JMF Bldg. Sasazuka 01 (Shibuya-ku, Tokyo)	Leased up some of the space with almost no downtime after the previous tenant moved out	+20 mn yen/year
Contract renewal  JMF Bldg. Shibuya 02 (Shibuya-ku, Tokyo)	Increase in rent at the time of contract renewal with existing tenants etc.	+56 mn yen/year
Revenue-based rent  G-Bldg. Midosuji 02 (Osaka-shi, Japan)	In addition to the +40.4% increase in fixed rent achieved in the previous term, the newly introduced revenue-based rent has also contributed. (Monthly rent will further increase by +46.8% in the 46th)	43rd vs. 45th +54.8%
Contract renewal  Urban retail	Currently in negotiations to revise rent for a high-street retail property in central Tokyo. further improve the amount of the increase.	Growth rate +25.6%

Major internal growth initiatives expected to contribute to performance from the 48th period (Feb. 2026)

Of the existing portfolio, contracts have been concluded or are expected to be concluded in the

48th and beyond: +720 mn yen/year

〈Major internal growth initiatives〉

	Property Name	Achievements	Estimated Rent Impact	
Tenant replacement Contract renewal	 Twin 21 (Osaka-shi, Osaka)	 Effect of rent increase upon tenant replacement and contract renewal	+299 mn yen/year	Initiatives that contributed to performance up to the 47th (Aug. 2025)
Lease-up	 JMF-Bldg. Kawasaki 01 (Kawasaki-shi, Kanagawa)	 Leasing up vacant space	+112 mn yen/year	Lease up on floors other than those listed on the left +43 mn yen/year
Step-up rent	 G-Bldg. Shinsaibashi 03 (Osaka-shi, Osaka)	 Step-up rent from existing tenants	+26 mn yen/year	Effects of tenant replacement +11 mn yen/year
Step-up rent	 JMF-Bldg. Ginza Chuo-dori 01 (Chuo-ku, Tokyo)	 Step-up rent from existing tenants	+12 mn yen/year	
Renewal	 mozo wonder city (Nagoya-shi, Aichi)	 Significant increase in NOI is expected by tenant replacement in the future due to large-scale renewal after March 2025 Expect a high ROI of 43.4% (investment amount: approx. 200 mn yen)	(NOI Impact) +92 mn yen/year	

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Further DPU growth driven by ample opportunities for internal growth



Diverse asset classes with room for internal growth

Urban retail
Mixed-use
Office
Residence
Hotel
Suburban retail

Future Internal Growth Opportunity	Fiscal year 2026 (49th-50th)	Fiscal year 2027 (51st-52nd)	Fiscal year 2028 (53rd-54th)	Fiscal year 2029 (55th-56th)	Fiscal year 2030 (57th-58th)	Fiscal year 2031 (59th-60th)
Contract expiration of large tenants, etc.	<ul style="list-style-type: none"> G-Bldg. Shinsaibashi 02 Urban Terrace Jingumae m-city Kashiwa G-Bldg. Shinsaibashi 04 JMF-Bldg. Umeda 01 JMF-Bldg. Shibuya 03 	<ul style="list-style-type: none"> G-Bldg. Shinsaibashi 03(B) G-Bldg. Shinsaibashi 05 G-Bldg. Tenjin Nishi-dori 02 JMF-Bldg. Midotsuji 01 JMF-Bldg. Shibuya 02 JMF-Bldg. Kitahama 01 JMF-Bldg. Osaka Fukushima 02 	<ul style="list-style-type: none"> G-Bldg. Shinsaibashi 03(A) G-Bldg. Omotesando 02 Life Taiheiji * Life Shimodera * JMF-Bldg. Yokohama Bashamichi 01 Ario Otori 	<ul style="list-style-type: none"> G-Bldg. Akihabara 01 G-Bldg. Naha-shintoshin 01 JMF-Bldg. Tenjin Nishi-dori 01 	<ul style="list-style-type: none"> GYRE G-Bldg. Shinsaibashi 01 La Porte Aoyama JMF-Bldg. Jiyugaoka 01 CROSS MUKOGAOKA 	<ul style="list-style-type: none"> Round1 Machida Round1 Stadium Itabashi Round1 Stadium Kawasaki Daishi Round1 Stadium Sennichimae *
Rent revision of long-term contracts	<ul style="list-style-type: none"> G-Bldg. Shinsaibashi 03(A, B) DFS T GALLERIA OKINAWA JMF-Bldg. Ginza Chuo-Dori 01 MrMax Nagasaki 	<ul style="list-style-type: none"> G-Bldg. Shinsaibashi 03(B) Ito-Yokado Yabashira m-city Toyonaka CROSS MUKOGAOKA 	<ul style="list-style-type: none"> JMF-Bldg. Shibuya 01 Dormy Inn Hakata Gion 	<ul style="list-style-type: none"> JMF-Bldg. Hiroo 01 	<ul style="list-style-type: none"> m-city Toyonaka CROSS MUKOGAOKA 	<ul style="list-style-type: none"> DFS T GALLERIA OKINAWA Dormy Inn Hakata Gion
SC/Mall-type renewal, Re-tenanting plan	<ul style="list-style-type: none"> Abiko Shopping Plaza 	<ul style="list-style-type: none"> MARINE & WALK YOKOHAMA unimo chiharadai 	<ul style="list-style-type: none"> mozo wonder city KAMISHIN PLAZA 	<ul style="list-style-type: none"> KAWASAKI Le FRONT 	<ul style="list-style-type: none"> KAMISHIN PLAZA 	<ul style="list-style-type: none"> mozo wonder city
Rent revision of residence properties	<ul style="list-style-type: none"> Average remaining term of lease is 1.1 years and ample opportunities for rent increase at contract expiration and tenant replacement 					

* Land with leasehold interest

Note : Based on leases as of the end of Aug 2024. Future plan is not currently fixed and may vary in the future.

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JMF
02

External Growth & Asset Replacement

NEXT JMF
JAPAN METROPOLITAN FUND

External Growth/Asset Replacement (Announcements through 45th (Aug. 2024))

Asset replacement to improve DPU and NAV (Increase NAV per unit by 78 yen)

Asset to be disposed

Ito-Yokado Tsunashima (Yokohama-shi, Kanagawa)

- Select "Asset disposal" from multiple scenarios due to tenant eviction
- Sale of 42 year-old property at 75% above appraisal value

Acquisition and return of gain on sales from asset replacement

- Gain on sales of 4.6 bn yen (645 yen per unit), planned to be fully returned over 2 periods



Address	Yokohama-shi, Kanagawa	Appraisal value	5.13 bn yen
Use	Urban retail	Unrealized gain	+ 0.8 bn yen
Scheduled disposition date	① Feb. 2025 (46th) ② Mar. 2025 (47th)	Expected gain on sales	4.6 bn yen (Contribute to 46th and 47th)
Planned disposition price	9.0 bn yen (① 5.4 bn yen (60% quasi-co-ownership interest) ② 3.6 bn yen (40% quasi-co-ownership interest))		

* Unrealized gain is calculated by Appraisal value - Assumed book value - Planned acquisition price. The same applies herein after.



Asset to be acquired

CROSS MUKOGAOKA (Kawasaki-shi, Kanagawa)

- Comparison of capital costs for utilization of proceeds from the sales
- Acquisition of new urban retail facility exceeding implied cap rate with unrealized gains of approximately 30%

Increase in revenue through internal growth

- With a yield after depreciation of 4.4% (portfolio average of 3.5%), future NOI growth is expected.



Address	Kawasaki-shi, Kanagawa	Appraisal Value	6.2 bn yen
Use	Urban retail	Unrealized Gain (Ratio)	+ 1.4bn yen (29.4%)
Scheduled acquisition date	Apr. 2025 (47th)	NOI (After depreciation)	245 (211) mn yen
Anticipated acquisition price	4.8 bn yen	NOI yield (After depreciation)	5.1% (4.4%)

External growth and asset replacement (Announcements through 45th (Aug. 2024))

Acquisition of newly built mixed-use property through bilateral transactions

(70% co-ownership interest)

(Tentative Name) JMF-Bldg. Okinawa Kokusai-Dori 01
(Naha-shi, Okinawa)



Exchanging opinions on development plan with the seller since the development stage and working together in leasing to obtain stable revenue leveraging JMF's management know-how

Scheduled acquisition date	Feb. 2026 (48th)
Anticipated acquisition price	2.4 bn yen
Appraisal value	2.7 bn yen
Unrealized gain (ratio)	+ 0.25 bn yen (10.2%)
NOI yield (after depreciation)	4.5% (3.6%)

Discounted acquisition of 4 properties with room for internal growth

(acquisition through the offering)

unimo chiharadai
(Ichihara-shi, Chiba)



JMF-Bldg. Yokohama
Kohoku 01
(Yokohama-shi, Kanagawa)



G-Bldg. Jingumae 10
(Shibuya-ku, Tokyo)



JMF-Bldg. Osaka
Fukushima 02
(Osaka-shi, Osaka)



Scheduled acquisition date	Oct. 2024 (46th)
Anticipated acquisition price	57 bn yen
Appraisal value	67 bn yen
Unrealized gain (ratio)	+ 9.9 bn yen (17.4%)
NOI yield (after depreciation)	4.7% (4.2%)

Others

(acquisition and disposal completed during 45th)

Acquisition	
No. of properties	8 residential properties
Acquisition price	18.8 bn yen
Appraisal value	20.6 bn yen
Unrealized gain (ratio)	+ 1.8 bn yen (9.7%)

Disposal	
Name of property	AEON Mall Sapporo Naebo (20% quasi-co-ownership interest)
Disposal date	Aug. 30, 2024
Disposal price	1.8 bn yen
gain on sales	0.68 bn yen

Overview of Acquisition through PO: unimo chiharadai①



Highlights

One of the largest retail facilities in Chiba prefecture with large catchment and upside potential from revenue-based rent clauses

Location

- Chiharadai is a large-scale new town located in Chiba-shi and Ichihara-shi, Chiba Prefecture
- Potential visitors are expected to increase given the expansion plan of university campus near the facility as well as the relocation plan of a university hospital

Property Potentials

- Upside in rent from increased sales as revenue-based rent component accounts for 78%
- The largest renovation project since opening has been completed in 2023. Implemented large-scale tenant replacement over 30% of retail floor space
- Uniqlo and GU have opened side by side, totaling approx. 1,000 tsubo in space. The property also houses MUJI's one of the largest retail space in Chiba, three ABC-MART brands (the first opening in the prefecture), as well as 10-screen (2,099 seats) cinema complex. One of the largest retail facilities in Chiba prefecture which can accommodate needs in the market area
- Eco-friendly specifications such as roof-top solar panels. Concluded a comprehensive partnership agreement with Ichihara-shi in 2023 to achieve SDGs and received the Excellence Award in SDGs award

Unrealized gain ratio	NOI Yield
14.0%	4.9%

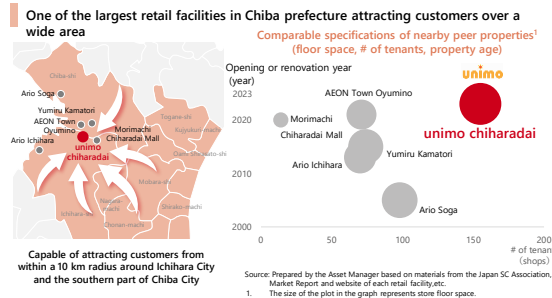
Location	3-4-1 Chiharadai Nishi, Ichihara-shi, Chiba, etc		
Total floor area	70,429.19㎡	Completion date	August 2007
# of tenants	155	Occupancy rate	98.2%
Anticipated acquisition price	30,000 mn yen	Appraisal value	34,200 mn yen
Acquisition date (Scheduled)	October 31, 2024		



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Overview of Acquisition through PO: unimo chiharadai②

Urban retail facility with strong ability to attract customers and potential demand

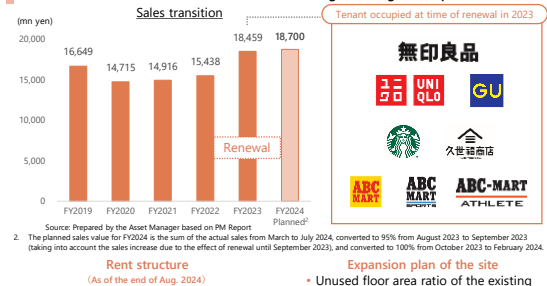


Potential demand from expansion of university campus and relocation of its affiliated hospital, which is planned to take place all within walking distance



Capable of capturing upside derived from inflation

Tenant mix accommodates broad customer base, generating sales uptick



Source: Prepared by the Asset Manager based on aerial photographs provided by the Map and Aerial Photo Viewing Service of the Geospatial Information Authority of Japan

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Overview of Acquisition through PO: G-Bldg. Jingumae 10①



Highlights

Discount purchase of urban retail facility in a prime location of Omotesando / Harajuku area where JMF has over 20 years of management experience

Location

- Omotesando / Harajuku area is one of Japan's iconic retail districts where JMF has over 20 years of experience in managing several properties. Highly scarce location due to its reputation as a cultural and fashion center
- 3-min walk from Omotesando station where multiple Tokyo Metro lines are available

Property Potentials

- Luxurious wedding hall with a symbolic chandelier that matches the ambience of the district
- As demand for space that meet consumption and leisure needs is increasing, this facility is able to cater to not only users' particular weddings, but also corporate outings, film location, meetings and other social events
- Modernistic design includes black exterior painting and large glass panels, which meets the needs of a broad array of retail tenants
- Acquire underpriced grade-A asset in a prime location

Unrealized gain ratio	NOI Yield
43.9%	4.1%

Location	4-5-6 Jingumae, Shibuya-ku, Tokyo		
Total floor area	2,659.55㎡	Completion date	May 2012
# of tenants	1	Occupancy rate	100%
Acquisition price	7,020 mn yen	Appraisal value	10,100 mn yen
Acquisition date	October 9, 2024		



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Overview of Acquisition through PO: G-Bldg. Jingumae 10②

JMF portfolio assets in Omotesando / Harajuku area

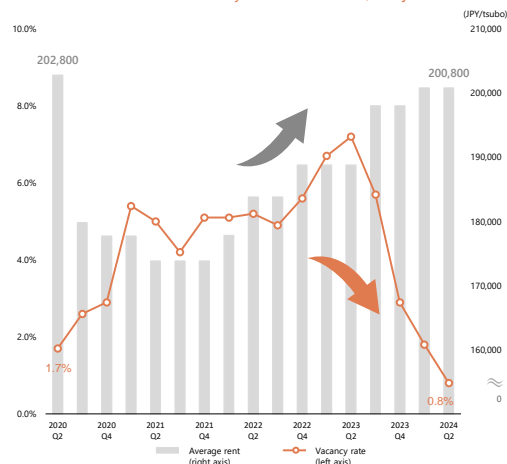
Expansion of portfolio in Omotesando / Harajuku area where JMF has extensive management know-how of properties



Market trends in the Omotesando / Harajuku area

Average rent and vacancy rate in the Omotesando / Harajuku area have recovered since covid-19

Historical rent and vacancy rate in Omotesando / Harajuku area



Overview of Acquisition through PO: JMF-Bldg. Yokohama Kohoku 01①



Highlights

Mixed-use property in Kohoku New Town which satisfies “live, work and consume” aspects
Leverage JMF’s know-how to enhance property value

Location

- Tsuzuki-ku in Yokohama is an administrative district created by re-adjusting borders of Midori-ku and Kohoku-ku in 1994. Tsuzuki-ku is located in the core of Kohoku New Town and has good access to Yokohama and Shibuya stations
- The facility is located in front of Center Kita station in the center of Kohoku New Town (1-min walk)
- A foreign manufacturer moved its HQ near Center Kita Station in May 2024. Given that many SMEs tenant mixed-use buildings in the vicinity, this property can target both residents and office workers

Property Potentials

- Modernistic exterior design is befitting of the new town community
- Proactive leasing through bridge warehousing phase in accordance with KJRM’s direction has transformed the property into a mixed-use facility with service-operating tenants, clinics, shared work spaces, and offices
- Highly profitable property that meets community needs

Unrealized gain ratio	NOI Yield
19.2%	5.1%

Location	1-30-1 Nakagawa Chuo, Tsuzuki-ku, Yokohama-shi, Kanagawa		
Total floor area	15,434.34㎡	Completion date	September 2013, March 2016
# of tenants	41	Occupancy rate	96.5%
Acquisition price	5,477 mn yen	Appraisal value	6,530 mn yen
Acquisition date	October 9, 2024		

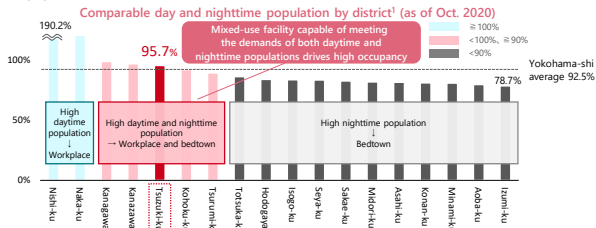


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Overview of Acquisition through PO: JMF-Bldg. Yokohama Kohoku 01②

Nearby environment fits both bedtown and workplace characteristics

Daytime population consists of workers and students while the nighttime population consists of Tsuzuki-ku residents



Source: Prepared by the Asset Manager based on Statistical Summary of Tsuzuki Ward, FY2023.

1. Comparable day and nighttime population by district are calculated by dividing the daytime population by the nighttime population x 100.

Positioning of Center Kita station on the Yokohama Municipal Subway

Center Kita can be accessed by both the Green Line and Blue Line, providing excellent access to various areas.



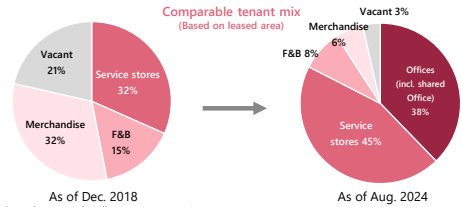
Source: City of Yokohama website

BOSCH HQ relocation to Center Kita

- Located 5-min walk from Center Kita station. BOSCH (automobile parts manufacturer) built their new HQ here in May 2024
- Workplace for over 2,000 employees commuting from Tokyo and Kanagawa

Conversion to mixed-use

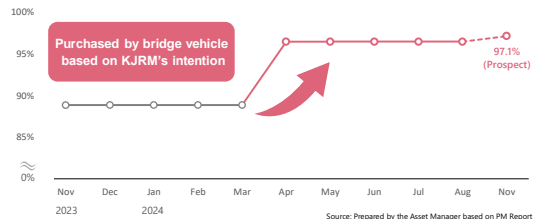
Converted the property from facility focusing on merchandise stores into a mixed-use facility to capture demand from the surrounding area



As of Dec. 2018 (prior to large merchandise store move-out)

Source: Prepared by the Asset Manager based on PM Report

Historical occupancy rates



Source: Prepared by the Asset Manager based on PM Report

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Overview of Acquisition through PO: JMF-Bldg. Osaka Fukushima 02①



Highlights

Mid-sized office located near the major redevelopment site on the north side of JR Osaka Station
Creating added value from area management with the adjacent JMF property

Location

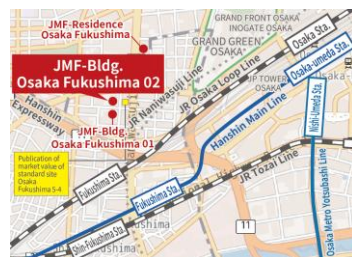
- Near a major redevelopment site on the north side of JR Osaka Station called "Grand Green Osaka". Expecting enhanced property value from the redevelopment
- "Grand Green Osaka" is a redevelopment plan centered on the construction of new large-scale buildings and commercial facilities, and there is expected to be room for rent increases to spread to offices in the surrounding areas

Property Potentials

- Current occupancy is solid. The redevelopment of nearby areas is expected to drive demand further.
- Ground floor is tenanted to a luxury car dealership. This location draws strong retail demand
- Abundant growth potential drawing on retail and office management expertise
- Across the street is JMF-Bldg. Osaka Fukushima 01. Going forward, it is possible to operate both properties in conjunction
- Expecting future upside from an underpriced asset in an area with ongoing redevelopment project

Unrealized gain ratio	NOI Yield
11.0%	4.4%

Location	7-20-1 Fukushima, Fukushima-ku, Osaka-shi, Osaka		
Total floor area	23,392.56㎡	Completion date	April 1995
# of tenants	21	Occupancy rate	100%
Acquisition price	14,600 mn yen	Appraisal value	16,200 mn yen
Acquisition date	October 9, 2024		



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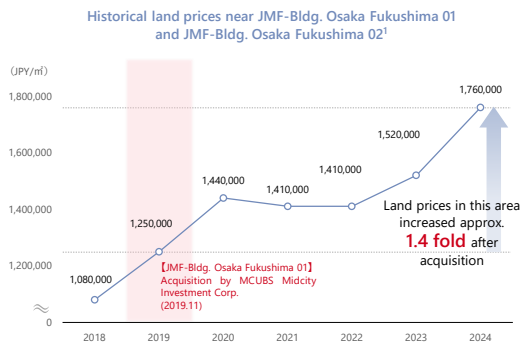
28

Overview of Acquisition through PO: JMF-Bldg. Osaka Fukushima 02②

Rising land prices due to redevelopments in the periphery

Acquisition of property in an area with rising land prices

- The Grand Green Osaka project (Umekita Phase 2) is run by a private sector consortium that will redevelop a roughly 91,000sqm land lot on the site of the former Umeda Freight Station on the north side of Osaka Station
- Land prices of JMF-Bldg. Osaka Fukushima 01 and JMF-Bldg. Osaka Fukushima 02 is rising thanks to this redevelopment project



1. Trends in Public Land Prices in Osaka Fukushima 5-4
Source : Prepared by the Asset Manager based on the "Real Estate Information Library" of the Ministry of Land, Infrastructure, Transport and Tourism

Operation in conjunction with JMF-Bldg. Osaka Fukushima 01

Leveraging JMF management know-how in the Osaka Fukushima area

- Early backfilling of vacancies has been implemented utilizing unique operational capabilities after acquiring JMF-Bldg. Osaka Fukushima 01 in 2019
- Enhanced property value by eliminating the rent gap upon lease renewal and tenant replacement
- Deploy all expertise gained in this area to JMF-Bldg. Osaka Fukushima 02, which has a rent gap approx. 16.7%. Aiming to capture further upside in this area

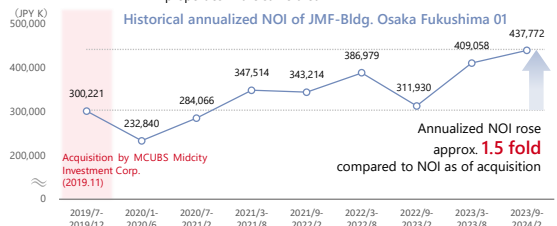


Area management

- Concentrate acquisitions in a specific area
- Enhance property value by integrated operation of multiple properties in the same area

Leasing

- Leasing activities utilizing internal and external networks
- Lead the market through the management of two major properties in the same area



Source: Prepared by the Asset Manager based on PM Report

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JMF
03

Finance & Sustainability

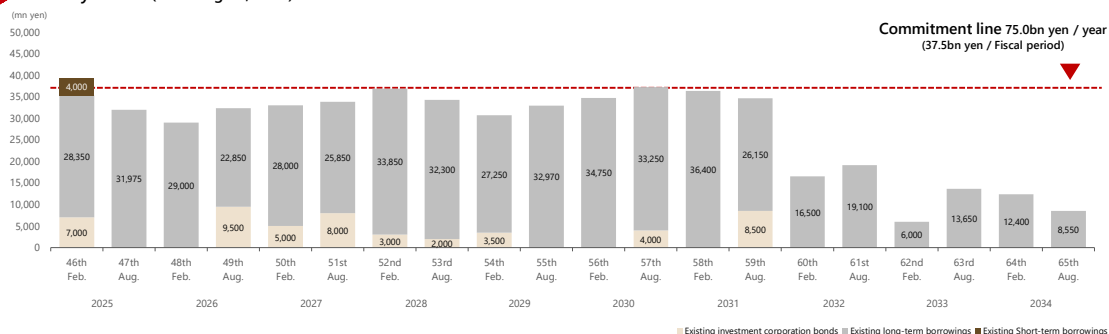
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JAPAN METROPOLITAN FUND

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)	LTV : 38.0% Interest-bearing debt to total assets ratio : 44.2%	0.75% (44th : 0.73%)	4.2 years (44th : 4.2 years)	99.3%	95.8%

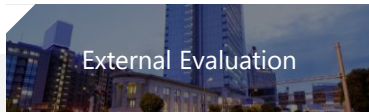
Maturity ladder (as of Aug. 31, 2024)



1. LTV: It is calculated by dividing the total interest-bearing debt as of the end of Aug. 2024 (45th) Period by the sum of the unrealized gain or loss and the total assets as of the end of Aug. 2024 (45th) Period.
2. Interest-bearing debt to total assets ratio: It is calculated by dividing the total interest-bearing debt as of the end of Aug. 2024 (45th) Period by the total assets as of the end of the Aug. 2024 (45th).
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. 2024 (45th) Period by the total interest-bearing as of the end of Aug. 2024 (45th) 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. 2024 (45th) Period.

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Sustainability Initiatives



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

External evaluations obtained in FY2023 & 2024
GRESB Real Estate Assessment CDP Climate Change Reporting



5 Star (highest rank)



A- (Leadership)

**Information Disclosure Based on TCFD
Recommendations (Quantitative Analysis)**



- 2022 : "Qualitative Analysis" disclosed
- 2024 : "Quantitative Analysis" disclosed

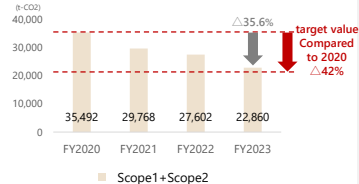
For details, please see the Sustainability page on the JMF's website.



**Acquired SBTi certification in June 2023
Steady progress toward
GHG emission reduction targets**

Reduction target FY2030 **42%** (Compared to FY2020)
FY2050 **100%**

Reduction results through FY2023 **35.6%** (Compared to FY2020)



Biodiversity Initiatives

Consider obtaining "ABINC Certification"

Taking steps to obtain "ABINC certification" created by JBIB (Japan Business Initiative for Biodiversity) for "Twin 21"

Twin 21



Activities in the green space
(installation of bird baths)



JMF
04

About JMF

NEXT JMF
JAPAN METROPOLITAN FUND

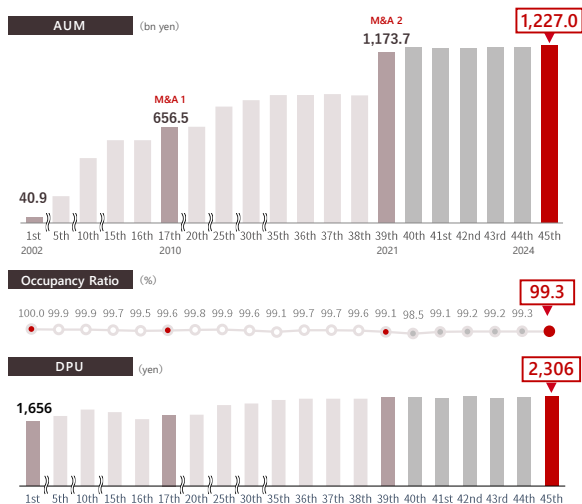
Philosophy of JMF

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\$601 billion in AUM
- 05 Stable financial base (AA rating) and industry-leading Sustainability

Corporate Name	Japan Metropolitan Fund Investment Corporation <small>JMF</small>
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 <small>KJRM</small>
Sponsor	K K R (76KK, a subsidiary of KKR)
Other entrusted asset management	Industrial & Infrastructure Fund Investment Corporation <small>IIF</small> (The only J-REIT specializing in industrial properties.) AUM : 504.8 bn yen (as of Sep. 2024, after taking into account of the announced sale of properties) Private funds AUM : 115.0 bn yen (as of Sep. 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

Apr. 2015

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

Oct. 2007

IIF IPO

Jul. 2019

M&A Merged with MCUBS MidCity

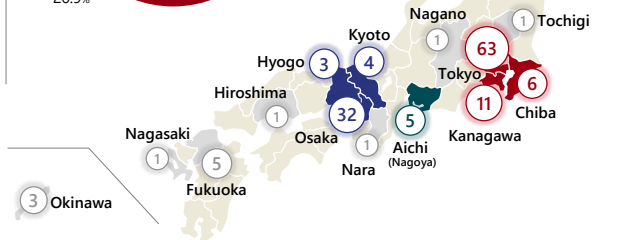
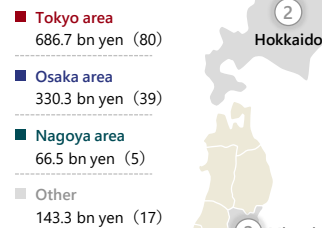
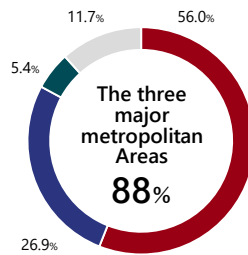
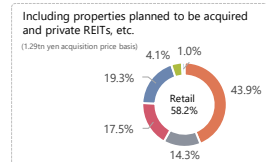
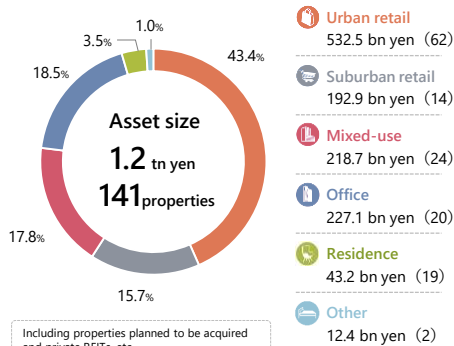
Apr. 2022

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



* Acquisition price (1.22tn yen) basis as of Aug. 31, 2024
* Figures in parentheses are numbers of properties

JMF's Portfolio Outlook

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	Occupancy Rate			
						The 44th period (Feb. 29, 2024)	The 45th period (Aug. 31, 2024) Forecast Actual	The 46th period (Feb. 28, 2025) Forecast	The 47th period (Aug. 31, 2025) Forecast
 Urban retail (62)	532.5	638.2	140.0	25.3	4.8%				
 Suburban retail (14)	192.9	189.3	31.9	9.6	5.0%	99.8%	99.9%	99.9%	99.9%
 Mixed-use (24)	218.7	250.8	25.6						
 Office (20)	227.1 (235.7 ³)	234.0	4.8	16.6	3.7%	97.5%	95.4%	96.7%	96.6%
 Residence (19)	43.1 (51.5 ³)	48.1	4.0	1.5	3.7%	93.3%	92.7%	96.5%	96.5%
 Hotel (2)	12.4	12.5	0.3	0.6	5.1%	100.0%	100.0%	100.0%	100.0%
ALL (141)	1,227.0	1,373.1	206.7	53.9	4.4%	99.3%	99.0%	99.3%	99.3%
VS. 44th Actual ALL (+8)	+17.0	+28.6	+11.7	+0.4	-0.0point				

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. Midosuji 02 (Osaka: Midosuji)

Urban retail properties



MARINE & WALK YOKOHAMA (Yokohama)



mozo wonder city (Nagoya) Machinoma Omori (Tokyo)



DFS T GALLERIA OKINAWA (Okinawa)



Mixed-use

Investment targets

- Mixed-use properties located in urban areas



Retail + Office Twin 21



Retail + Residence JMF-Bldg. Hiroo 01



Retail + Hotel JMF-Bldg. Shibuya 01



Office + 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. Nishimbashi 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

Property Management

Property Acquisition

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

I 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

I 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

Examples of JMF's Property Management Capabilities

The highest & best use of properties

Tenant replacement

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

Completed backfill of four floors vacated at the end of Jul. 2023 by expanding floor space and attracting new tenants



□ OMO3 Tokyo Akasaka (Mitsunato-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



- 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



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

Examples of JMF's Property Management Capabilities

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

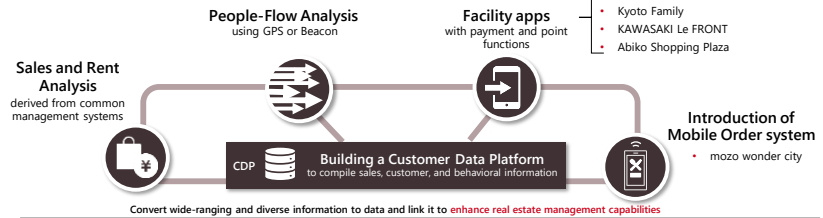


DX

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

□ 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.

Examples of JMF's Property Acquisition Capabilities

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	Disposition price
42.4bn yen	20.8bn yen
	Gains on sales
	5.6bn yen



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 (45th)
NOI yield	3.7%	4.0%
NOI yield (after depreciation)	3.1%	3.4%



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 (as of Aug. 2024)	Dividend yield 39th 45th
8.3bn yen	4.3% → 5.0%

Significance of investment in private REITs

- Acquire exposure to residential property with high profitability**
Enjoy profitability with a dividend yield of at least 4%
- Increased knowledge of residential property management**
Acquire market information and management know-how, etc.
- 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 "Noshin 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 237 bn

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



Private Equity & Real Assets

USD 333 bn

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

* As of Dec. 31, 2023

Extensive track record of investing in Japan

- KKR manages around USD18bn in AUM in Japan across asset classes, and has had a Japan office since 2006
- Extensive track record of investing in the success of Japanese businesses

PHC

HOKOKI

MARELLI

ctt

Intelligence

弥生

SEIYU

dataX

NETSTARS

LOGISTEED

Bushu Pharma

KE
KOKUSAI ELECTRIC

Provide growth opportunities by leveraging our corporate network

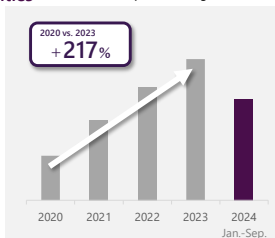
- Generate significant real estate deal flow by leveraging KKR's extensive global network of partners and portfolio companies across asset classes (private equity, real estate, infrastructure, etc.)
- Tap into KKR's M&A and capital markets expertise and value creation capabilities to create both organic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

Synergy with KKR

■ Increase in pipeline opportunities

<Number of acquisition bring-in>

- Significant increase in deal pipeline after KKR took over as 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-shi, 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 (JREIT) 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)