

Think bold today for a brighter tomorrow.



37th

Investor Presentation

August 2020 (37th) Period

March 1, 2020 - August 31, 2020

Japan Retail Fund
Investment Corporation

Security code **8953**

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



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1

Overview of the Merger

Merged with MCUBS MidCity Investment Corporation to create one of Japan's largest Diversified REIT⁽¹⁾⁽²⁾

Japan Retail Fund Investment Corporation
(JRF)

MCUBS MidCity Investment Corporation
(MMI)



Japan Metropolitan Fund Investment Corporation

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

MCUBS MidCity Investment Corporation

Main investment target	Office buildings located in the three major metropolitan areas (Tokyo area, Osaka area and Nagoya area)	
Operating results	<ul style="list-style-type: none"> Proactive acquisition of properties since the MC-UBS Group participation as sponsor in 2015 Almost doubled asset size in the past five years Shifted the focus of the portfolio from Osaka area to Tokyo area 	
	Before MC-UBS Group participation⁽³⁾	(End of) latest period⁽⁴⁾
	Number of properties ⁽⁵⁾	12
	Asset size ⁽⁵⁾⁽⁶⁾	157.6bn yen
		25
		282.7bn yen

Key properties



Twin 21



Yokohama i-land Tower



Cube Kawasaki

*Please refer to page 38 for the notes to this page.

Enhance unitholder values of both JRF and MMI through transition into diversified REIT

1. Fit to Environment Changes

- Promote flexible operation of facilities beyond the framework of asset classes, amid changes in operational environment
- Strengthen capabilities to operate mixed-use properties by area or by asset level, under the structure of diversified REIT

2. Expand Investment Universe

- Able to acquire mixed-use properties⁽¹⁾ and residential properties etc.
- Able to enter into large scale transactions, such as bulk sale of multiple type assets
- Allow greater flexibility in acquisition strategies to cope with expected changes in the social structure

3. Create one of the Largest J-REIT

- Increase market presence significantly
- Improve stability by more-diversified portfolio
- Enhance liquidity by increasing market capitalization

Enhance Stability

- Further diversify portfolio
- Build resilience to deterioration in business environment
- Increase liquidity of the investment units and exposures in major indices



Accelerate Growth

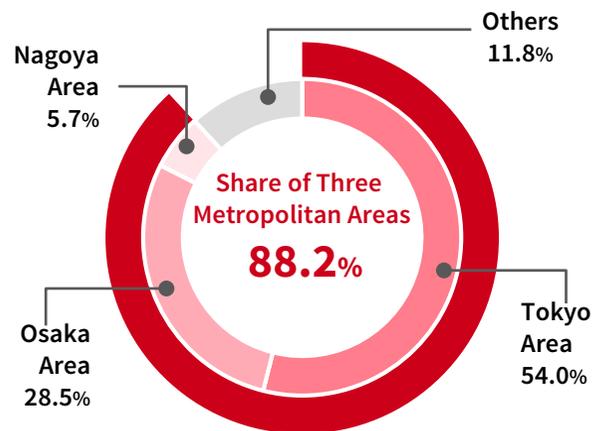
- Further promote asset replacement and external growth
- Make the best use of properties beyond the framework of asset class
- Accelerate investment for growth on the back of higher risk tolerance

(1) The term "Mixed-use properties" means properties occupied by more than two types of tenants such as retail, office, residential, hotel or other uses.

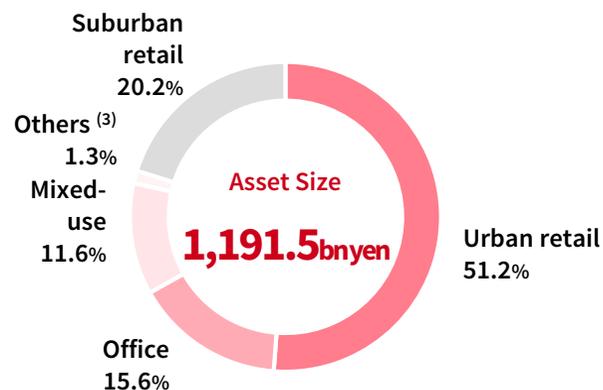
		Japan Retail Fund Investment Corporation (as of August 31, 2020)	MCUBS MidCity Investment Corporation (as of June 30, 2020) ⁽⁶⁾	New Investment Corporation (Japan Metropolitan Fund) (as of March 1, 2021) (Pro forma) ⁽⁷⁾			
Portfolio	Asset size (based on acquisition price)	888,884 million yen	282,710 million yen	1,191,594 million yen			
	Number of properties	102 properties	25 properties	127 properties			
	NOI yield (based on acquisition price) ⁽¹⁾	4.6%	4.5%	4.5%			
	NOI yield after depreciation (based on acquisition price) ⁽²⁾	3.4%	3.6%	3.5%			
	Unrealized gain or loss ⁽³⁾	161,156 million yen	23,241 million yen	161,156 million yen			
Financials	LTV	45.6%	42.1%	43.9%			
	Interest-bearing debt	411,725 million yen	126,975 million yen	538,700 million yen			
	Credit rating	AA-(R&I)	AA-(JCR)	AA-(R&I)			
Unit holder Value	NAV per unit ⁽⁴⁾	224,000 yen	98,500 yen	108,400 yen			
	Book value per unit ⁽⁵⁾	166,600 yen	87,500 yen	87,600 yen			
		Feb. 2021 Period (38th) (Forecast)	Jun. 2020 Period (28th) (Actual)	Aug. 2021 Period (39th) (Forecast)			
DPU	DPU (forecast)	4,500 yen	2,049 yen	2,286 yen			
	DPU (forecast) (after accounting for merger ratio and unit split)	2,250 yen	2,049 yen				
				<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="background-color: #dc3545; color: white;">%⁽⁸⁾ Change</td> <td style="background-color: #f8d7da;">Japan Retail Fund Investment Corporation + 1.6%</td> <td style="background-color: #6c757d; color: white;">MCUBS MidCity Investment Corporation + 11.6%</td> </tr> </table>	% ⁽⁸⁾ Change	Japan Retail Fund Investment Corporation + 1.6%	MCUBS MidCity Investment Corporation + 11.6%
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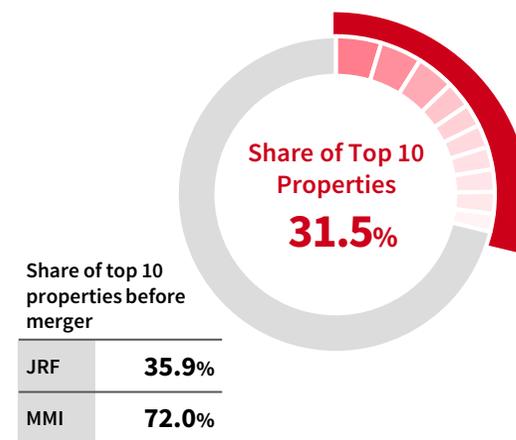
Diversification by Area⁽¹⁾



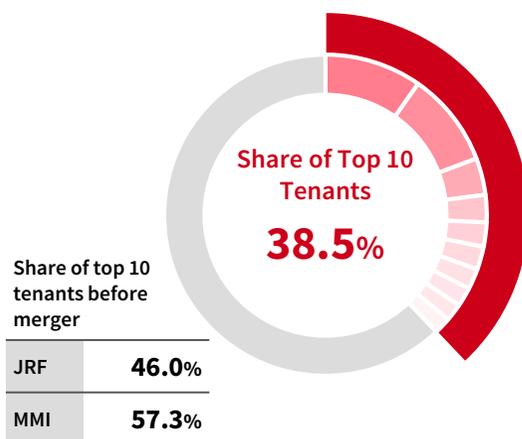
Diversification by Use⁽²⁾



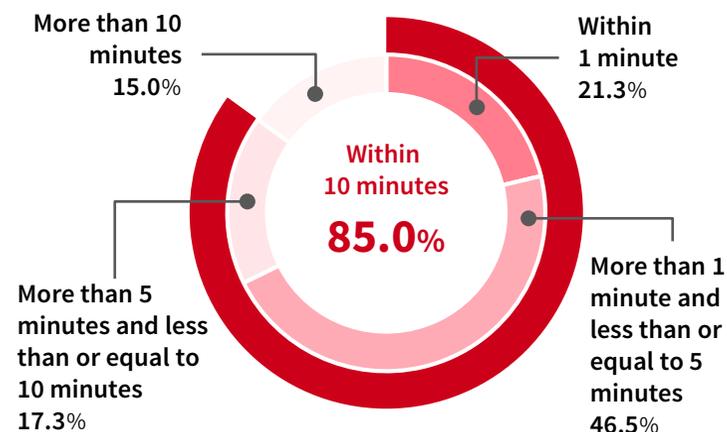
Diversification by Property Size⁽⁴⁾



Tenant Diversification⁽⁵⁾



Walking Minutes from Nearest Station⁽⁶⁾



Others

Rent Type (based on annual rent)	Fixed	97.4%
	Revenue-based	2.6%
Lease Type (based on annual rent)	Ordinary building (land) lease contract	42.5%
	Fixed-term building (land) lease contract	57.5%
Lease Period ⁽⁷⁾	Average lease period	10.3years

*Please refer to page 38 for the notes to this page.

Enhance Unitholder Value

Future
Vision

Create virtuous cycle where area value and asset value improve together

Mid- to
Long-term

Execute various growth investments

- Revenue increase backed by external growth
- Implementing reconstruction and conversion, etc.
- Other investment measures for growth such as M&As

Short- to
Mid-term

Build base for growth and improve profitability

- Further shift into urban properties and diversify asset type
- Aim to increase DPU level

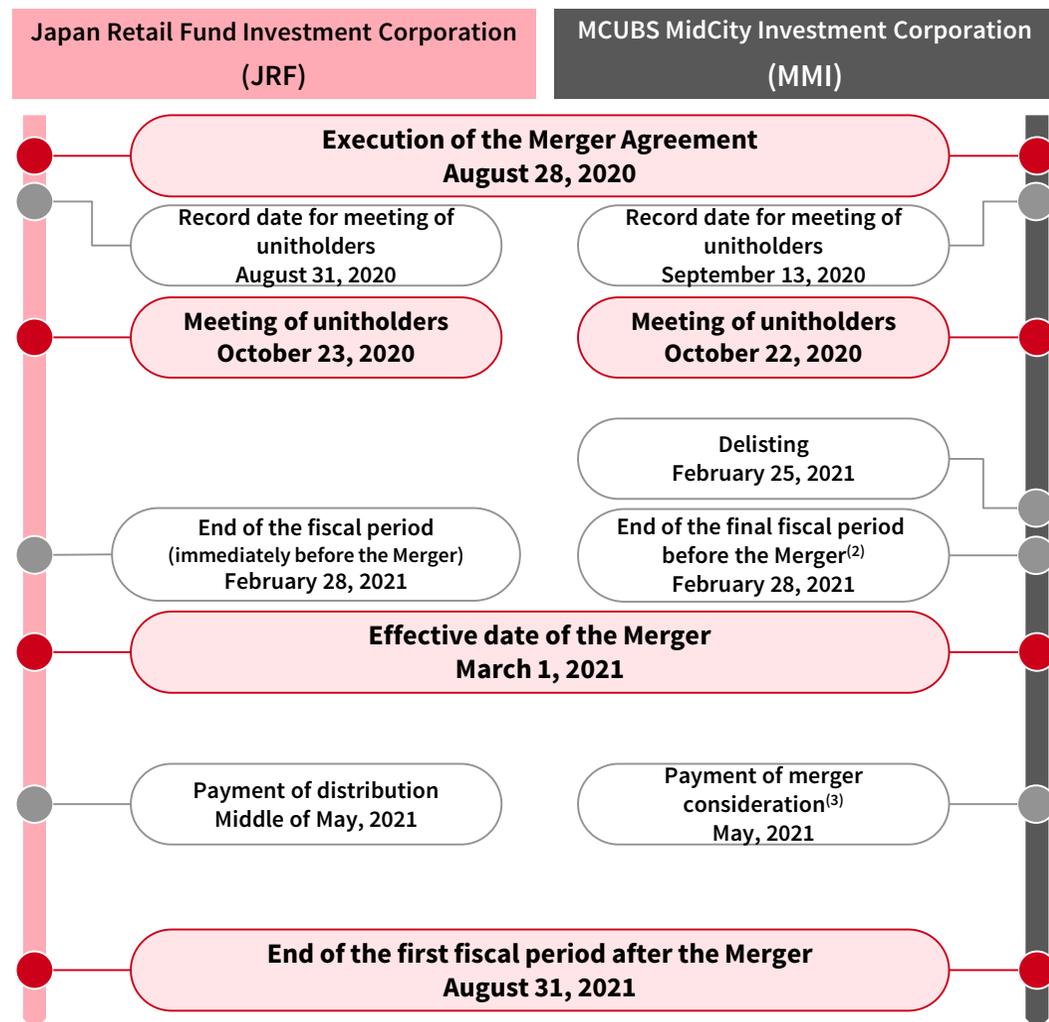
Basic Principle of the New Investment Corporation

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

Outline of Merger

Name of the new investment corporation	Japan Metropolitan Fund Investment Corporation Abbreviation : JMF
Method of the Merger	Absorption-type merger Surviving corporation : Japan Retail Fund Investment Corporation (JRF) Dissolving corporation : MCUBS MidCity Investment Corporation (MMI)
Merger ratio	JRF : MMI = 1 : 1 (Allot 1 JRF investment unit per one MMI investment unit※) ※ A two for one unit split of JRF is scheduled in order to allot one or more JRF investment units to MMI unitholders and the merger ratio will be based on the number of JRF units after the unit split ※ For reference, the merger ratio based on the number of JRF units before the unit split is JRF : MMI = 1 : 0.5
Conditions for the Merger	The Merger is subject to that a proposal for approval of the Merger Agreement (a special resolution ⁽¹⁾) will be approved at the meetings of unitholders of both JRF and MMI

Planned Schedule



(1) Such resolution shall be passed with at least a two-thirds majority of the votes of the attending unitholders with the unitholders in attendance holding over half of the units outstanding.

(2) MMI will submit a proposal for a revision of the Articles of Incorporation to change the 29th business period, from the period from July 1, 2020 to December 31, 2020 to that from July 1, 2020 to February 28, 2021, to its general meeting of unitholders to be held on October 22, 2020, subject to approvals of the Merger Agreement at the respective general meetings of unitholders of JRF and MMI. The same shall apply hereinafter.

(3) An amount equivalent to the cash distribution for the business period of MMI from July 1, 2020 to February 28, 2021 will be paid as the merger consideration.



2

Impact of and Response to COVID-19

Portfolio

Achieve recovery in the average sales to the level of around 85% to the previous year after resumption of business since June

Tenants

Show a recovery trend among facilities and tenants characterized by elements of “dedicated retail zones / Japanese-focused customer universe / outdoor”

Impact to EPU

Aug. 2020
(37th) period

Feb. 2021
(38th) period

**Maintain the level of the forecast announced in April
Decrease by approx. 4% from the level of the forecast announced in April**

Impact to DPU

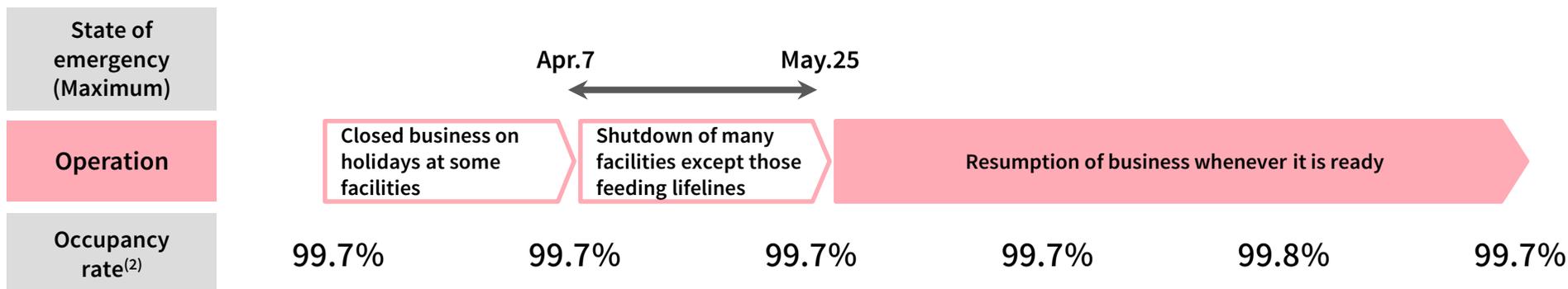
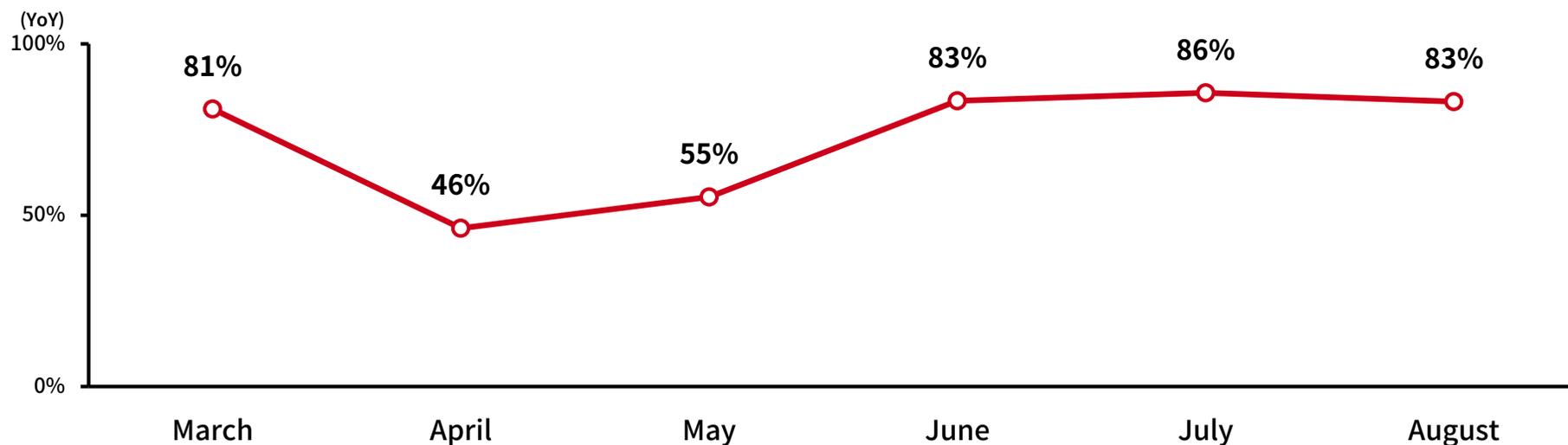
Aug. 2020
(37th) period

Feb. 2021
(38th) period

4,500yen (fixed at the same amount as the forecasts announced in April and August)
4,500yen (no change from the forecasts announced in April and August)

Recovery in the average sales to the level of around 85% to the previous year after resumption of business since June

Sales performance of portfolio total⁽¹⁾ (YoY)

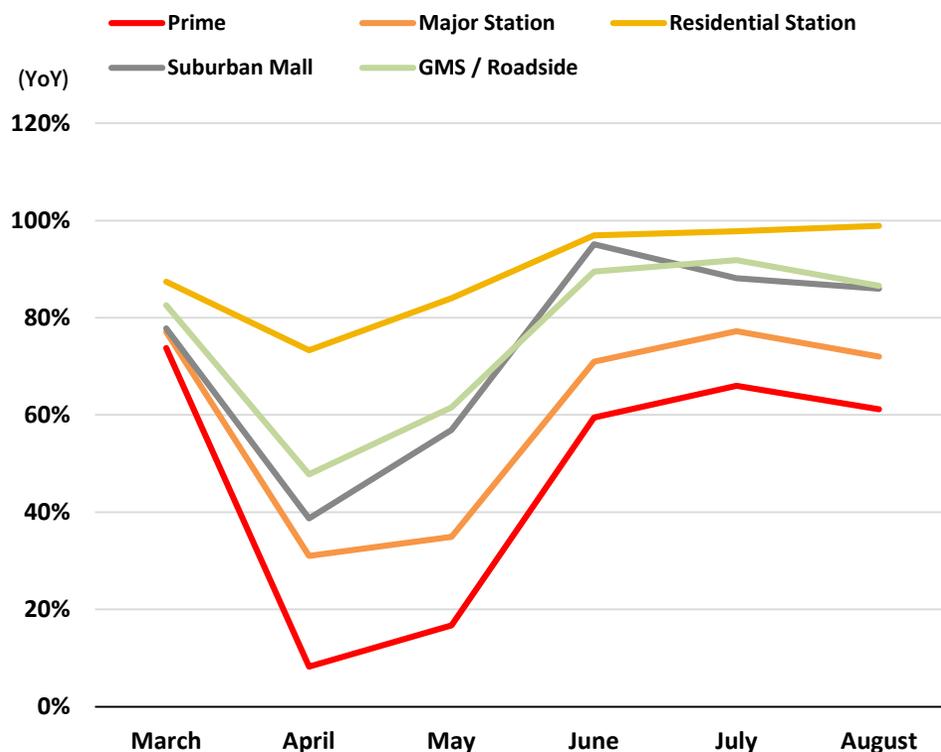


(1) Based on interview by asset management company (excluding tax)

(2) Based on the contracted area occupied in the total leasable area of the property at the end of each month

Recovery trend among facilities and tenants characterized by elements of “dedicated retail zones / Japanese-focused customer universe / outdoor”

Sales performance by portfolio segmentation⁽¹⁾ (YoY)



(1) Based on interview by asset management company (excluding tax)

Dedicated Retail Zones

- Strong sales performance in Residential Station properties backed by demand for food and household goods/living ware
- Good performance in KAWASAKI Le FRONT because of the needs for leisure at closer destinations
- Stronger recovery in needs for opening new stores at streetside in narrower and more dedicated retail zones such as Jiyugaoka and Daikanyama, than in front of large terminal stations in broader retail zones

Japanese-focused Customer Universe

- Recovery trend in revenues of tenants the customer universe of which demonstrates the higher rate of Japanese customers

Sales performance case (YoY)

Case	Property	June	July	August
Tenant A (Apparel)	GYRE	121%	116%	100%
Tenant B (Service)	La Porte Aoyama	81%	100%	92%

Outdoor (Streetside Stores / Open Malls)

- Recovery in traffic at main streets in major shopping districts
- Relatively better performance in merchandising tenants in open malls such as MARINE & WALK YOKOHAMA and Oyama Yuen Harvest Walk

Pedestrian traffic in main streets (Sep. 2020) (YoY)

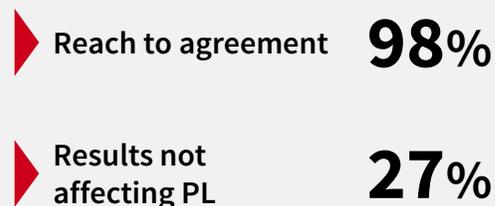
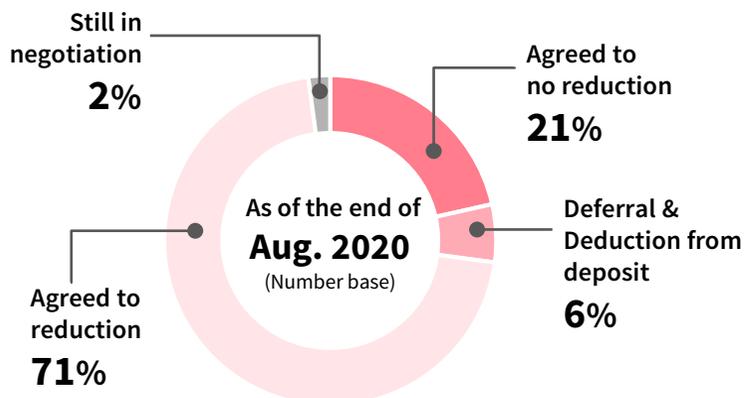
Ginza	Omotesando	Jiyugaoka	Kichijoji	Shinsaibashi	Tenjin
82%	86%	111%	101%	85%	90%

(Note) Using “KDDI Location Analyzer,” the figures were calculated based on the total population estimated by expanding data from public statistics.

Nearly 100% of rent collection after completion of almost all rent negotiations with tenants

Negotiation Status

About 70% of all the tenants requested rent negotiation and many of them demanded rent decrease as a result of shutdown during the state of emergency



Rent Collection Rate⁽¹⁾

As of the end of Aug. 2020

96%

Uncollected only from some tenants
How to collect is under consideration (Uncollected rents does not exceed security deposits)

Examples of Care for Tenants Unique to JRF

Tenant by Tenant Negotiations

Negotiated with tenants on a case-by-case basis considering impact, not decreasing rents across the board as seen in peers

Support for Application for subsidies

Provided cost-free support for complicated process to apply for subsidies via the chartered public accountant office in alliance with the Asset Manager

Support for Coupon Preparations

Provided support for preparation of coupons to draw more customers and increase revenues, by making up for discounts

Food and Drink Delivery Service

Found community-based delivery operators
Helped restaurants secure new sources of revenues by incurring initial and delivery costs

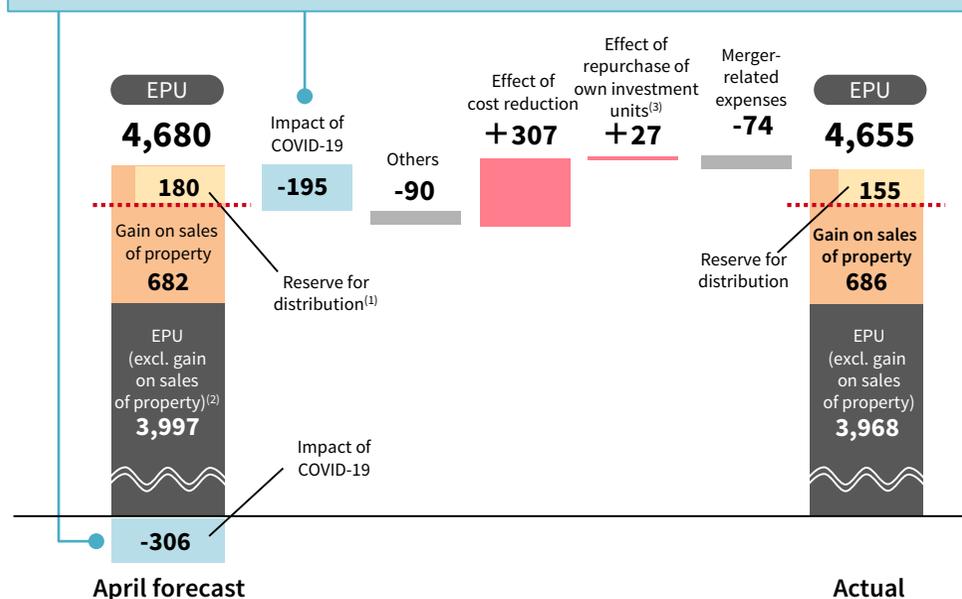
(1) The rent collection rate is calculated by dividing the amount receivable as of the end of the month by the accumulated amount of rent billings..

Maintenance of DPU of 4,500 yen through efforts to minimize negative impacts on revenue and utilize gain on sales of property and reserves

Aug. 2020 (37th) period

Impact of COVID-19
-1,314mn yen

- Temporary decline in fixed rents
- Decrease in sales-based rents along with revenue decline
- Downtime due to cancellation of store openings



DPU
4,500yen

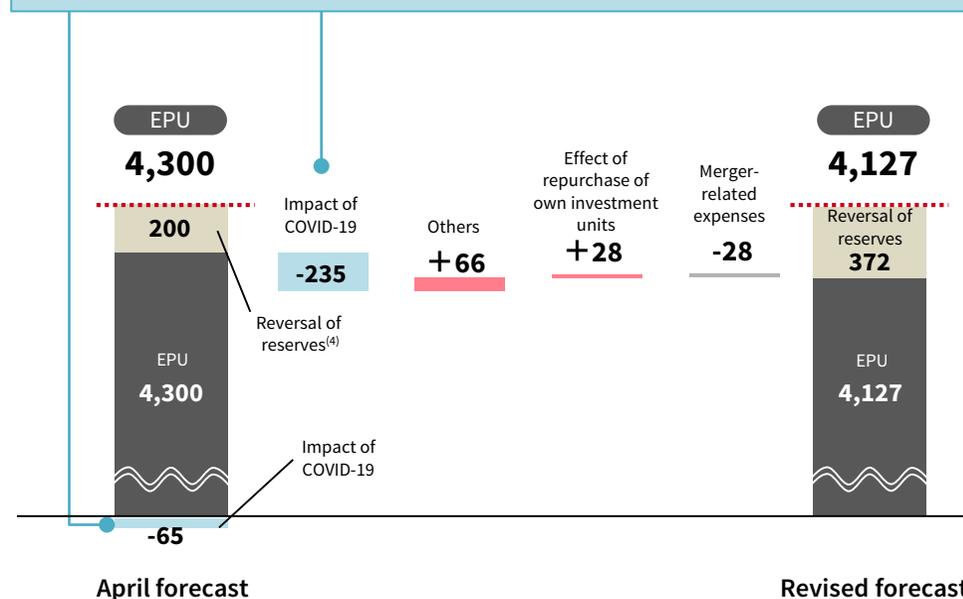
Reserve balance⁽⁵⁾⁽⁶⁾

7.3bn yen

Feb. 2021 (38th) period

Impact of COVID-19
-786mn yen

- Decrease in fixed rents for some tenants in negotiation
- Downtime due to cancellation of contracts by some tenants



DPU
4,500yen

Reserve balance

6.8bn yen

DPU
4,500yen

Reserve balance

6.3bn yen

※ Please refer to page 38 for the notes to this page.

No change in wider perspective in focus on urban areas in the world of With / Post COVID-19

JRF's Views

<p>Demographics</p>	<p>Possible migration within urban areas Urban ↔ Commuter-town</p> <p>Limited migration from urban areas to less convenient suburban areas</p>	<p>No change in the structure in which the population will concentrate into urban areas</p>
<p>commercial location</p>	<p>Impact of remote working Positive: Increase in consumption in Residential Station Negative: Decrease in floating customers around large terminal stations</p> <p>Impact of e-commerce Positive: Increase in floor areas used for showrooms and other new purposes Negative: Decrease in floor areas used for merchandizing</p>	<p>No change in advantage of urban areas that attract many people, despite some differences by area and changes in use of locations</p>
<p>Inbound tourism</p>	<p>Certain degree of recovery in inbound tourists in the future, from the current level of zero</p>	<p>Inbound consumption in central urban areas when it recovers</p>

Potential improvement in asset value of prime locations in urban areas, supported by needs for opening stores of various types

Market Outlook

Increase in mixed-use properties for diversified purposes

Change of use that takes advantage of locations most effectively

Deepened multi-beneficial relations among tenants of different uses

Pop-up use of various locations

Extended scope of pop-up locations from vacant spaces to those within floors rented to tenants and within buildings for office and residential uses

Increase in demand for opening stores in prime locations

No change in the value of main streets

Continued demand for relocation to prime locations and opening stores from well-performing tenants

Demand for opening stores in food services and apparel sectors

Demand from well-performing tenants even in the sectors severely affected by COVID-19

Emergence of new ways of use of floors

Shared floors by tenants

Spread of uses of floors shared by more than one tenant specializing different services

Places of experience that cannot be gained through E-commerce

Transition into customer touch points: showrooms, hands-on facilities and private salons, etc.

Recent Cases

G-Bldg. Jiyugaoka 01 Bldg. B



Machinoma Omori



Office Building in urban areas



G-Bldg. Shinsaibashi 01



G-Bldg. Jingumae 09



G-Bldg. Umeda 01



La Porte Aoyama



G-Bldg. Minami Aoyama 02



GYRE



Ability in asset management to cope with a future market environment in which mixed-use properties increase holds the key

(1) Including cases where some stores are scheduled to open.

Asset

No. of properties **102 properties**

Asset size⁽¹⁾ **888.8bn yen**

Appraisal value **997.1bn yen**

Unrealized gain⁽²⁾ **161.1bn yen**

NOI yield⁽³⁾ **4.6%**

NOI yield after depreciation⁽³⁾ **3.4%**

Due to a temporary rent reduction impact by COVID-19, Aug. 2020 (37th) period NOI yield and the after-depreciation NOI yield have been lower than in the normal period

Debt

Interest-bearing debt **411.7bn yen**

LTV ratio (excluding tenant leasehold and security deposits) **45.6%**

LTV ratio (including tenant leasehold and security deposits) **50.9%**

Average debt cost **0.82%**

Average loan term remaining until maturity **4.4 years**

Equity

Market capitalization⁽⁴⁾ **416.1bn yen**

NAV per unit⁽⁵⁾ **224,000yen**

Distribution per unit

	Before unit split (2-for-1) ⁽⁶⁾	
Aug. 2020 (37 th) period Actual	4,500yen	-
Feb. 2021 (38 th) period Forecast	4,500yen	-
Aug. 2021 (39 th) period Forecast	2,286yen	4,572yen

(1) Total acquisition price

(2) Appraisal value at the end of period — Book value at the end of period

(3) Aug. 2020 (37th) actual figures on an annualized basis divided by acquisition price

(4) As of the end of Aug. 2020

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

(6) Planned to split investment units 1: 2 on March 1, 2021



3

Operating Results

Steady progress in asset replacement and advanced diversification by use through continued focus on urban properties after the Merger

Aug. 2020 (37th) period

After the Merger

Focus on urban type assets, mainly Core assets

Further shift into urban properties and diversify asset type

Acquisition

G-Bldg.Tenjin Nishi-dori 02

(Chuo-ku, Fukuoka-shi, Fukuoka)



Acquisition Price

5,000mn yen

VS Appraisal value

91.2%

NOI yield after depreciation

3.8%

Acquisition by warehousing completed⁽¹⁾

Approx. 30bn yen

- Mixed-use Approx. 20bn yen
- Retail Approx. 9bn yen

Scheduled to be acquired in 2021

Assets to be Acquired

Mixed-use Properties

- Office x Retail
- Office x Residence
- Residence x Retail
- 3 or more purposes

Retail Properties

- Facing high street
- Urban retail properties
- Residential Station

Office

- Urban offices
- Commuter-town offices

Others

- Hotels in urban areas
- New categories

Residence

- Rental houses in urban areas

Disposition

Sale of Suburban Retail Properties

Under concrete negotiations with potential buyers based on letter of intent received⁽²⁾

2properties Approx. 30bn yen

Assets to be Sold

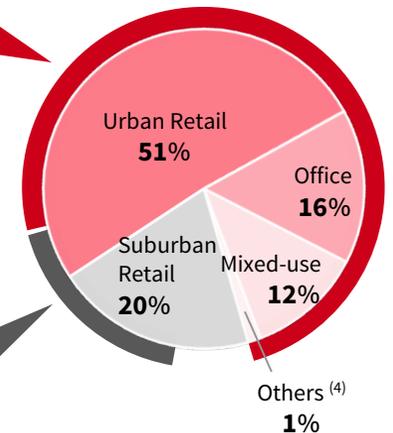
Suburban Retail Properties

- Properties with inferior location/profitability that fall under the categories of sub assets and secondary core assets of JRF

Urban Retail Properties with Low Profitability

- Properties with low profitability that are unlikely to improve in the future
- Properties that may be offered in exchange for other properties which requires replacement property to be proposed

Post-merger Portfolio⁽³⁾



(1) Acquisition by Japan Retail Fund Investment Corporation is not guaranteed.

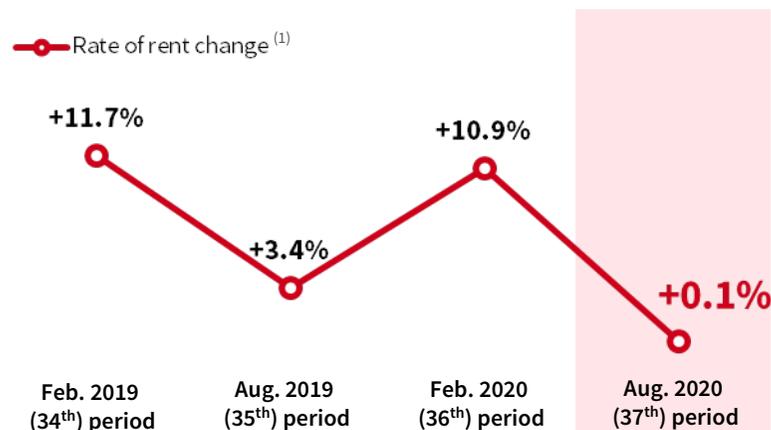
(2) Transfers by Japan Retail Fund Investment Corporation are not guaranteed.

(3) It is based on acquisition price of the New Investment Corporation.

(4) Hotel assets are classified into this category. In addition, residential and other new types of assets are classified into this category although that none of them are owned at present.

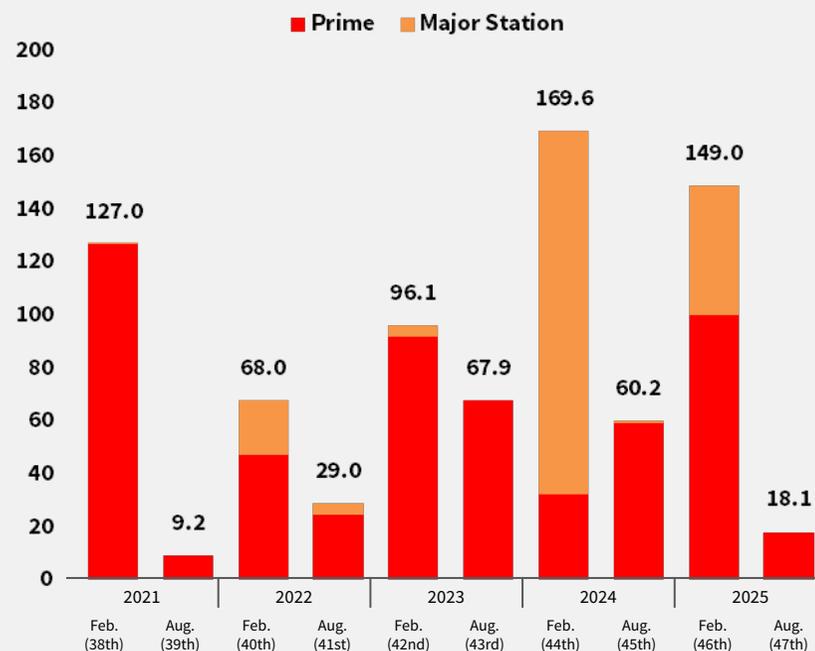
Rent increase revisions even under the impact of COVID-19

Summary of rent revisions



Monthly rent subject to revision ⁽²⁾	50.9mn yen	29.8mn yen	61.5mn yen	100.8mn yen
Number of contracts subject to revision ⁽²⁾	19	12	15	16
Changes in monthly rent after the revision (on net basis)	+5.9mn yen	+1.0mn yen	+6.7mn yen	+0.1mn yen
Effect to the DPU ⁽³⁾	+14yen	+2yen	+15yen	+0yen

Monthly rent subject to revision in the next 5 years⁽²⁾



(1) Increase/decrease rate is represented by (monthly rent after revision – monthly rent before revision) / monthly rent before revision (excluding rents specified in unsigned leasing contracts).

(2) Represented by the aggregated rents and numbers for blocks of the fixed-term leasing contracts, which will expire and renew in Core assets (Prime/Major station).

(3) Calculated by the difference of monthly rent before revision and monthly rent after revision converted to semi-annualized basis and divided by the issued investment units as of Aug. 2020 (37th) period.

Significant increase in sales and visitors of the entire building upon completion of renewal work with the opening of the aquarium

Opening of Aquarium

Good start for target of 1million annual visitors by addressing demand for leisure at closer destinations

Presentation utilizing state-of-the-art digital technologies

- Utilization of AI and IOT technologies
- Elaborated tank presentations leveraging images, movies and illuminations



Delivery of one-of-a-kind experience

- Events intended for contact with aquatic animals
- Interior zone recreating a tropical rain forest



Area management in collaboration with neighborhood facilities

- Posters jointly prepared with 10 retail facilities located nearby
- Accommodation plans at Kawasaki Nikko Hotel with an aquarium ticket



Positive Effects of Aquarium

**Significant increase in revenues and visitors of the entire building after the opening of the aquarium.
Completion of leasing of all the vacant spaces**

Sales exceeded forecasts previously planned by COVID-19

Current sales excluding aquarium ⁽¹⁾ (vs. forecast)(June 2020 – Aug. 2020)

June	July Open on July 14	August
98%	102%	101%

The number of visitors has increased to 130% since the opening of the aquarium

Average number of visitors per day (June 2020 = 100)

June	July Open on July 14	August
100	116	132

Leasing of vacant spaces was completed on the back of the facility's ability to draw customers

Occupancy rate⁽²⁾

Aug. 2020	Oct. 2020
99.9%	100%

(1) Sales of publicly disclosed tenants only are calculated based on assumed sales.

(2) Based on the contracted area occupied in the total leasable area of the property at the end of each period

Aggressively promoting activities with utilizing IT technologies

Facility Point App

- Already introduced in two facilities
- Scheduled to be introduced in two facilities in 2021
- Holding cashless payment and point features

Customer
Attributes
&
Purchase
history

Beacon

- Already introduced in three facilities
- Scheduled to be introduced in one facility in 2021
- Behavioral characteristics and other facilities visited in the area can be analyzed

Behavioral
Characteristics
of visitors

Sales management system

- Integration of system in five facilities
- Scheduled to be integrated in three facilities in 2021
- Sales data and number of customer data of different facilities can be analyzed by tenant

Sales
&
Number of
customers

Utilization of IT technology Case



Leasing

- Targeting
- Simulation of sales and number of customers
- Negotiation



Sales Promotion

- Targeting
- Verification of sales promotion effect
- Distribution of coupons and event information tailored to respective customers



Facility Management

- Extraction of focus points in security and cleaning
- Construction of management system

Consider to utilize in other asset types and mixed-use properties after the Merger

Aim to reduce debt cost by maintaining the strong balance sheet

Financial Indices as of Aug. 2020 (37th) period

Credit ratings (R&I)	LTV	Average debt cost ⁽¹⁾⁽²⁾	Average loan term remaining ⁽²⁾⁽³⁾	Long-term borrowing ratio ⁽²⁾⁽⁴⁾	Fixed-interest ratio ⁽²⁾
AA- (Stable)	Book value 45.6% Appraisal value 38.7%	0.82%	4.4 years	98.5%	92.8%

Commitment Line

	Maximum amount	Contract period	Longest borrowing period	Lender
①	50bn yen	3 years	5 years	MUFG Bank, Ltd., Sumitomo Mitsui Trust Bank, Ltd., Mizuho Bank, Ltd.
②	10bn yen	2 years	3 years	Sumitomo Mitsui Banking Corporation

Total:60bn yen

Largest amount in the J-REITs⁽⁵⁾

(As of Oct. 16, 2020)

Borrowings maturing within 6 periods including the Post-merger (Long-term Fixed and Investment Corporation Bond Only) (As of Oct. 16, 2020)

	Feb. 2021 Period (38th)	Aug. 2021 Period (39th)	Feb. 2022 Period (40th)	Aug. 2022 Period (41st)	Feb. 2023 Period (42nd)	Aug. 2023 Period (43rd)	Total/ Average
Total Amount	0 yen	30,250mn yen	21,000mn yen	27,900mn yen	14,500mn yen	26,900mn yen	120,550mn yen
Avg. term	-	7.2 years	7.9 years	7.6 years	8.4 years	7.4 years	7.6 years
Avg. debt cost ⁽⁶⁾	-	0.99%	1.11%	1.04%	1.06%	0.90%	1.01%

Latest Debt Financing (Sep. 18, 2020 – Oct. 7, 2020)

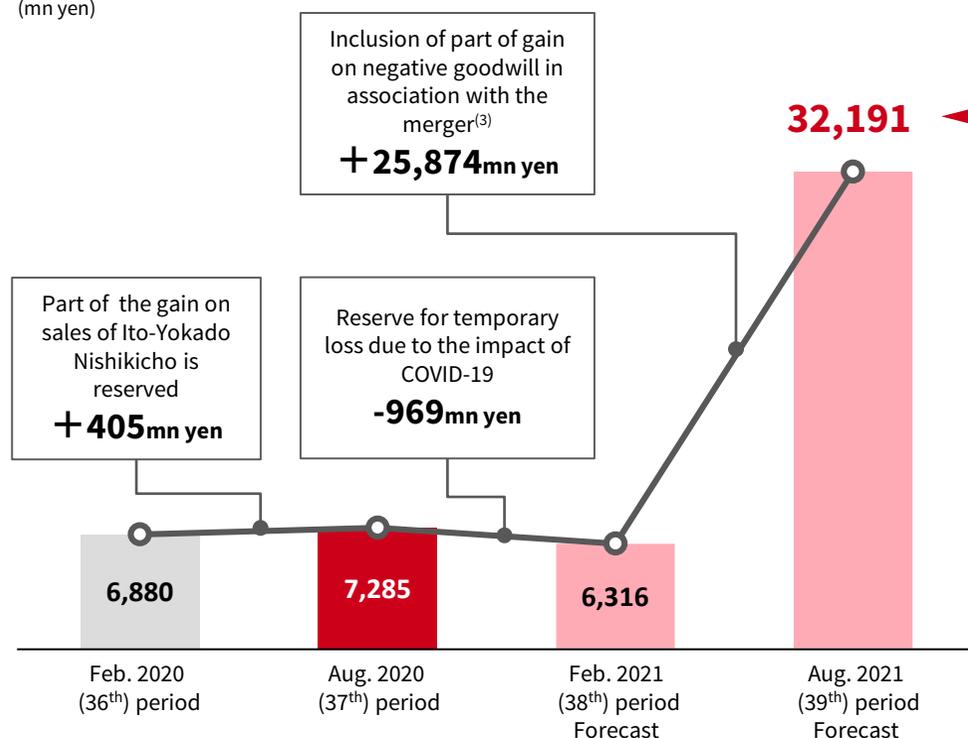
Amount	30.5bn yen
Borrowing term	8.9 years
Debt cost ⁽⁷⁾	0.44%

*Please refer to page 38 for the notes to this page.

Estimated substantial increase in reserve after the Merger

Transition in reserve balance⁽¹⁾⁽²⁾

(mn yen)



The reserve is used for stabilization of the DPU level

Policy to utilize the reserve

- Regular reversal of retained earnings for temporary difference adjustment (50 years, 100 fiscal periods)
- Makeup for temporary revenue decrease due to changes in external circumstances
- Makeup for temporary revenue decrease due to an exit of large-lot tenant
- Makeup for temporary revenue decrease due to asset replacement in which asset sale precedes acquisition
- Makeup for revenue decrease along with reconstruction, conversion and renewal

(1) Balance of reserve after approval of distributions at the JRF's Board of Directors meeting for each period

(2) Total amount of reserve for reduction entry of property, reserve for temporary difference adjustments, and reserve for dividend

(3) Estimate based on the investment unit price of JRF as of October 8, 2020 and the appraisal value of the properties in MMI's portfolio as of June 30, 2020 (the end of 28th Period) (market value as of the same date with regard to silent partnership interest) - Amortization of existing reserve for temporary difference adjustments of JRF on a straight-line basis

One of the largest pools of unrealized gain among J-REITs of approx. 160 billion yen, and continued increase in NAV per unit

Breakdown of appraisal value

Aug. 2020 (37th) period

	Appraisal value	Unrealized profits and losses
Prime	386,810 mn yen	65,253 mn yen
Major Station	138,730 mn yen	27,655 mn yen
Residential Station	236,270 mn yen	40,744 mn yen
Core	761,810 mn yen	133,653 mn yen
Secondary core	117,790 mn yen	18,508 mn yen
Sub	117,560 mn yen	8,996 mn yen
Total	997,160 mn yen	161,156 mn yen

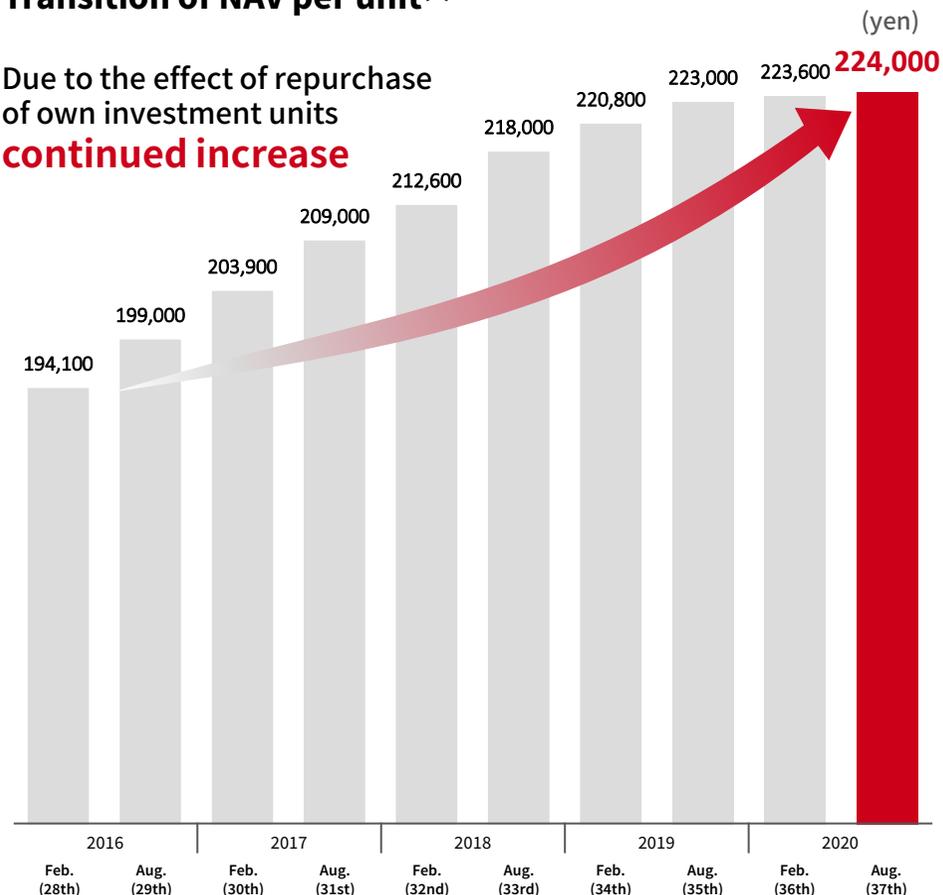
Excluding sale of property increased by **1.4 bn yen**

Breakdown of Cap Rates⁽¹⁾

	Feb. 2020 (36th) period	Aug. 2020 (37th) period	Change
Prime	3.22 %	3.22 %	+0.01 points
Major Station	4.32 %	4.29 %	- 0.03 points
Residential Station	4.96 %	4.90 %	- 0.06 points
Core	3.95 %	3.94 %	- 0.01 points
Secondary core	5.16 %	5.15 %	- 0.00 points
Sub	5.01 %	4.98 %	- 0.03 points
Total Ave.	4.26 %	4.21 %	- 0.05 points

Transition of NAV per unit⁽²⁾

Due to the effect of repurchase of own investment units **continued increase**



(1) Weighted average of direct cap rates at appraisal value (excluding properties to which the direct capitalization method is not applied)

(2) Excluding properties to which the direct capitalization method is not applied or those acquired during the respective fiscal periods with no appraisal value for the previous fiscal period obtained.

Our continued efforts on ESG are highly appreciated

ESG Topic

Upgrading in MSCI Japan ESG Rating to AA

- Ranked up on May 15, 2020
- The highest rating among J-REITs



Continued inclusion into MSCI Japan ESG Select Leaders Index

- Continued inclusion as of June 2020
- 8 J-REITs are now selected as constituents

2020 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

Participated in Japan Climate Initiative (JCI)

- Asset manager (MCUBS) participated in Japan Climate Initiative (JCI) in May 2020 in support of the JCI's declaration "Joining the front line of global trend for decarbonization from Japan."



Environmental certification⁽¹⁾



23 properties
Certificated

Occupancy rate in the portfolio
31.7%



17 properties
Certificated

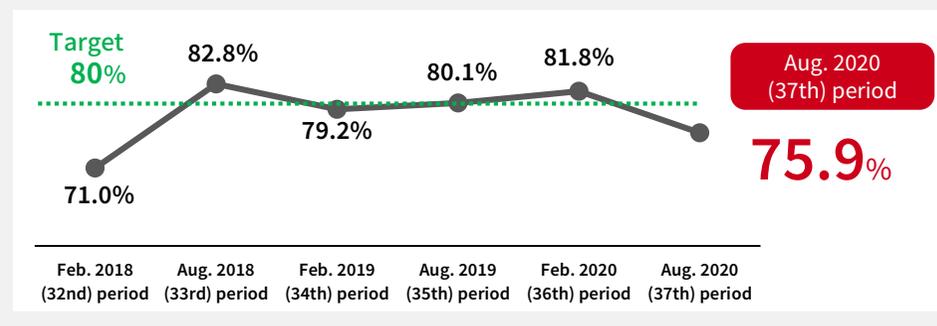
Occupancy rate in the portfolio
63.1%



1 property
Certificated

Occupancy rate in the portfolio
0.1%

Transition in Ratio of properties that acquired environmental certificates⁽²⁾



(1) As of the end of Aug. 2020

(2) Total floor area basis (excluding land with leasehold interest assets)

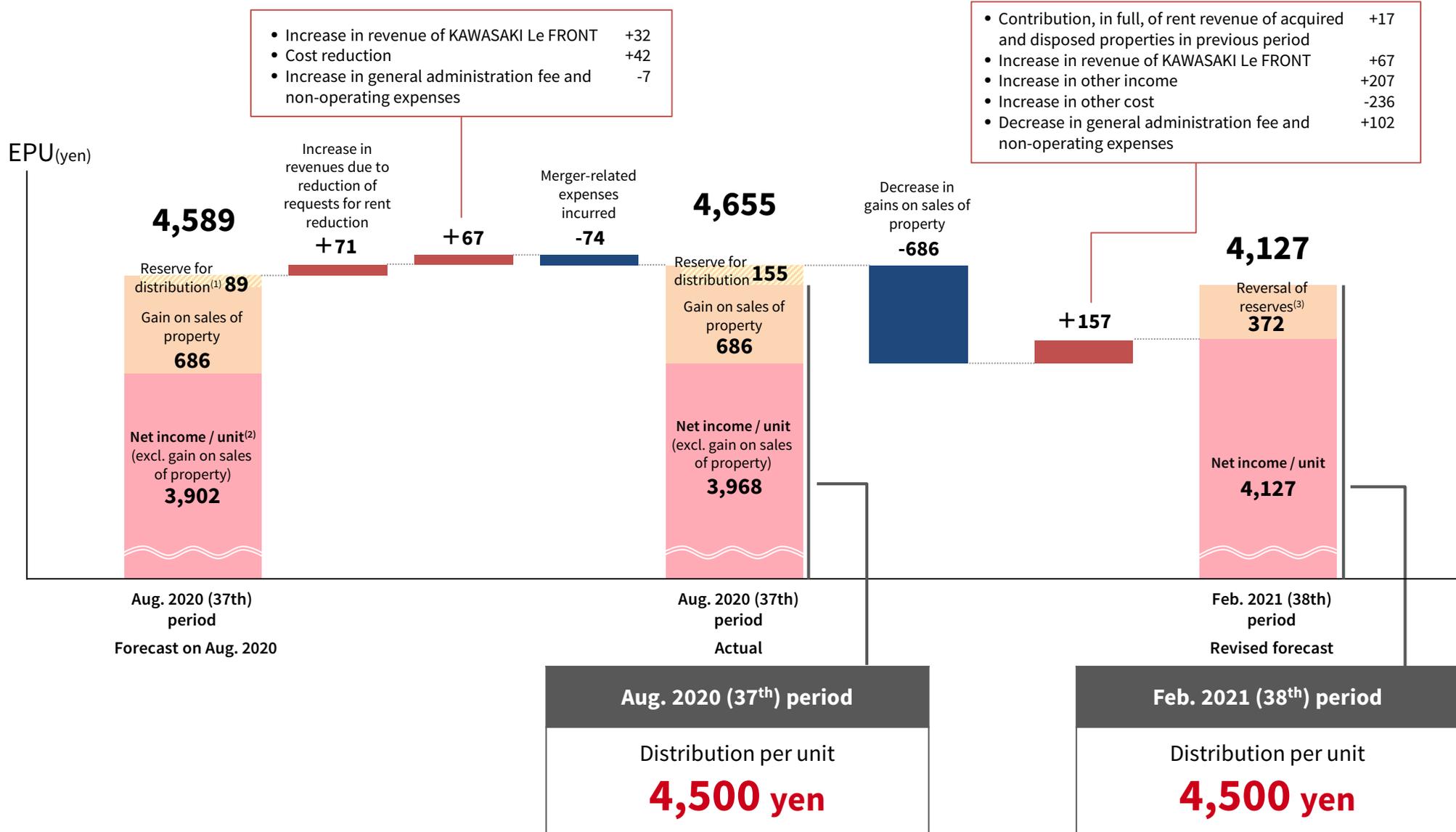
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4

Financial Results and Forecasts



(1) Calculated by deducting the amortization of reserve amount of reserve for temporary difference adjustments from the reversal amount of reserve for dividend

(2) Net income - gain on sales of real estate

(3) Includes reversal of reserve for temporary difference adjustment to avoid additional tax burden due to tax association discrepancy

Forecast of Post-merger Operating Results

Japan Retail Fund Investment Corporation

	Aug. 2021 Period (39th) (Forecast)	Memo
Operating revenue	39,633 mn yen	Takes into account the delay in leasing activities caused by COVID-19, etc.
Operating expenses	22,993 mn yen	Decrease in depreciation and SG&A of MMI due to the Merger
Of which temporary expenses related to merger ⁽¹⁾	1,357 mn yen	Merger fee of 1,000 million yen, Merger cost of 357 million yen
(NOI: excluding gain on sales of property)	27,977 mn yen	
Operating income	16,640 mn yen	
Non-operating revenues	- mn yen	
Non-operating expenses	2,047 mn yen	Decrease in cost related to financing, etc. of MMI due to the Merger
Ordinary income	14,592 mn yen	
Extraordinary income	27,263 mn yen	Gain on negative goodwill in association with the Merger
Net income	41,855 mn yen	
Allocation to reserve	25,906 mn yen	Addition to reserve of gain on negative goodwill excluding temporary cost in association with the Merger
Reversal of reserve	31 mn yen	Amortization of existing reserve for temporary difference adjustments of JRF on a straight-line basis
Total distribution	15,977 mn yen	
Units outstanding	6,989,091 units	
Distribution per unit	2,286 yen	
Capital expenditure	3,985 mn yen	
Repair cost	947 mn yen	
Total	4,933 mn yen	
Depreciation	6,470 mn yen	

(1) This is the total of merger fees payable to the Asset Manager and expenses related to the Merger including financial advisory fee and other advisory fees payable to professional advisors; the same shall apply hereinafter.

August 2020 (37th) Period P/L Performance

Japan Retail Fund Investment Corporation

	Feb. 2020 Period (36th) (Actual)	Aug. 2020 Period (37th) (Actual)	Change	Aug. 7, 2020 (Revision of forecast)	Change
Operating revenue	32,007	30,848	-1,158	30,617	+231
Gain on sales of real estate, etc.	2,022	1,787	-234	1,787	—
Operating expenses	17,444	17,020	-424	16,955	+64
(Rent NOI excl. gain and loss on sale)	21,044	20,806	-237	20,443	+363
Operating income	14,563	13,828	-734	13,661	+167
Non-operating revenue	2	3	+1	0	+3
Non-operating expenses	1,764	1,715	-48	1,716	-0
Ordinary income	12,801	12,116	-684	11,945	+171
Net income	12,800	12,116	-684	11,944	+171
Allocation to reserve	1,050	437	-613	265	+171
Reversal of reserve	31	31	+0	31	+0
Total distribution	11,781	11,711	-69	11,711	—
Units outstanding	2,618,017 units	2,602,483 units	-15,534 units	2,602,483 units	—
DPU	4,500 yen	4,500 yen	—	4,500 yen	—
FFO per unit ⁽¹⁾	6,170 yen	6,057 yen	-113 yen	5,999 yen	+58 yen
FFO pay out ratio ⁽²⁾	72.9 %	74.3 %	—	75.0 %	—
Capital expenditures	4,217	2,724	-1,493	2,853	-129
Maintenance	1,737	1,775	+37	1,835	-60
Enhancement	2,479	949	-1,530	1,018	-69
Repair expenses	826	442	-384	500	-58
Total	5,044	3,166	-1,877	3,354	-187
Depreciation	5,377	5,436	+59	5,455	-18

(1) (Net income + loss on sales of real estate, etc. - gain on sales of real estate, etc. + depreciation + other real estate related depreciation) / total units outstanding

(2) Distribution per unit / FFO per unit

(3) Million yen unless otherwise noted

Major factors behind change during Aug. 2020 (37th) Period (Compared to previous period)

	(mn yen)
Operating revenues	-1,158
✓ Decrease in gain on sales of Ito-Yokado Nishikicho	-234
✓ Decrease in rent revenue, etc. related to disposed Ito-Yokado Nishikicho	-178
✓ Increase in rent revenue, etc. related to newly acquired 3 properties and disposed 1 property ⁽¹⁾	+444
✓ Increase in rent revenue, etc. due to renewal of KAWASAKI Le FRONT	+93
✓ Decrease in rent revenue due to COVID-19	-1,313
✓ Other properties ⁽²⁾ (utility charge received -130, card fee income -115, penalty income +326, others -47)	+30
Operating expenses	-424
✓ Decrease in expenses related to disposed Ito-Yokado Nishikicho	-61
✓ Increase in expenses related to newly acquired 3 properties and disposed 1 property ⁽¹⁾	+230
✓ Decrease in repair expense, etc. due to renewal of KAWASAKI Le FRONT	-342
✓ Other properties ⁽²⁾ (property-related tax +59, BM fee +11, repair expense -54, utility charge -88, PM fee -157, promotion expense -118, card fee -79, commission paid +10, others -16, loss on disposal of fixed assets -5, depreciation -12)	-453
✓ Increase in general administration fees (merger-related expenses +193)	+202
Operating income	-734
✓ Decrease in interest payments, etc.	-46
Ordinary income	-684
Net income	-684

(1) Acquisition: Machinoma Omori, G-Bldg. Daikanyama 02, G-Bldg. Tenjin Nishi-dori 02

Disposition: Arkangel Daikanyama(Land with leasehold interest) (45.04% quasi-co-ownership)

(2) Properties excluding the following from the properties owned during Aug. 2020 (37th) period.
(Ito-Yokado Nishikicho, Machinoma Omori, G-Bldg. Daikanyama 02, G-Bldg. Tenjin Nishi-dori 02, Arkangel Daikanyama(Land with leasehold interest), KAWASAKI Le FRONT)

Major factors behind change during Aug. 2020 (37th) Period (Compared to the revised forecast as of Aug. 7, 2020)

	(mn yen)
Operating revenues	+231
✓ Increase in rent revenue, etc. due to renewal of KAWASAKI Le FRONT	+45
✓ Other properties ⁽¹⁾ (rent +181, utility charge received -28, card fee income +11, others +16)	+186
Operating expenses	+64
✓ Decrease in repair expense, etc. of KAWASAKI Le FRONT	-40
✓ Other properties ⁽¹⁾ (repair expense -35, utility charge -46, PM fee +19, promotion expense -36, card fee +7, others -9, depreciation -8)	-109
✓ Increase in general administration fees (merger-related expenses +193)	+214
Operating income	+167
✓ Increase in non-operating revenues, etc.	+2
Ordinary income	+171
Net income	+171

(1) Properties excluding the following from the properties owned during Aug. 2020 (37th) period
(KAWASAKI Le FRONT)

Forecast for February 2021 (38th) Period P/L Performance

Japan Retail Fund Investment Corporation

	Aug. 2020 Period (37th) (Actual)	Feb. 2021 Period (38th) (Forecast)	Change	Apr. 13, 2020 (Published forecast)	Change
Operating revenue	30,848	29,857	-991	30,476	-618
Gain on sales of real estate, etc.	1,787	—	-1,787	—	—
Operating expenses	17,020	17,493	+473	17,563	-70
(Rent NOI excl. gain and loss on sale)	20,806	20,946	+139	21,444	-497
Operating income	13,828	12,363	-1,465	12,912	-548
Non-operating revenue	3	—	-3	—	—
Non-operating expenses	1,715	1,620	-94	1,653	-32
Ordinary income	12,116	10,742	-1,374	11,259	-516
Net income	12,116	10,742	-1,374	11,258	-516
Allocation to reserve	437	—	-437	—	—
Reversal of reserve	31	969	+937	522	+446
Balance of reserve ⁽¹⁾	7,285	6,316	-969	6,829	-513
Total distribution	11,711	11,711	—	11,781	-69
Units outstanding	2,602,483 units	2,602,483 units	—	2,618,017 units	+15,534 units
DPU	4,500 yen	4,500 yen	—	4,500 yen	—
FFO per unit ⁽²⁾	6,057 yen	6,213 yen	+156 yen	6,381 yen	+168 yen
FFO pay out ratio ⁽³⁾	74.3 %	72.4 %	—	70.5 %	—
Capital expenditures	2,724	2,345	-378	2,428	-82
Maintenance	1,775	2,221	+446	2,357	-136
Enhancement	949	124	-824	70	+53
Repair expenses	442	600	+157	683	-83
Total	3,166	2,945	-220	3,112	-166
Depreciation	5,436	5,428	-7	5,447	-18

(1) Balance of reserve after approval of distributions as the JRF board directors meeting for each period

(2) (Net income + loss on sales of real estate, etc. - gain on sales of real estate, etc. + depreciation + other real estate related depreciation) / total units outstanding

(3) Distribution per unit / FFO per unit

(4) Million yen unless otherwise noted

Major factors behind change during Feb. 2021 (38th) Period (Compared to actual for Aug. 2020 (37th) period)

	(mn yen)
Operating revenues	-991
✓ Absence of gain on sales of Ito-Yokado Nishikicho	-1,787
✓ Contribution, in full, of rent revenue, etc. of acquired and disposed properties in previous period ⁽¹⁾	+84
✓ Increase in rent revenue, etc. due to renewal completion at KAWASAKI Le FRONT	+171
✓ Decrease in rent revenue due to COVID-19	+813
✓ Other properties ⁽²⁾ (utility charge received +105, received income from tenants -54, card fee income +72, penalty income +371, others -24)	-272
Operating expenses	+473
✓ Contribution, in full, of expense, etc. of acquired and disposed properties in previous period ⁽¹⁾	+37
✓ Decrease in repair expense, etc. due to renewal completion at KAWASAKI Le FRONT	-4
✓ Other properties ⁽²⁾ (BM fee +11, repair expense +205, utility charge +78, PM fee +191, promotion expense +104, card fee +42, commission paid -8, others +18, loss on disposal of fixed assets +17, depreciation -37)	+615
✓ Decrease in general administration fee (merger-related expenses -120)	-174
Operating income	-1,465
✓ Decrease in interest payments, etc.	-98
Ordinary income	-1,374
Net income	-1,374

- (1) Acquisition: Machinoma Omori, G-Bldg. Daikanyama 02, G-Bldg. Tenjin Nishi-dori 02
Disposition: Arkangel Daikanyama(Land with leasehold interest) (45.04% quasi-co-ownership)
(2) Properties excluding the following from the properties owned during Aug. 2020 (37th) period.
(Ito-Yokado Nishikicho, KAWASAKI Le FRONT)

Major factors behind change during Feb. 2021 (38th) Period (Compared to forecast for Feb. 2021 (38th) period announced on Apr. 13, 2020)

	(mn yen)
Operating revenues	-618
✓ Increase in rent revenue due to acquisition of G-Bldg. Tenjin Nishi-dori 02	+92
✓ Decrease in rent revenue due to COVID-19	-615
✓ Other properties ⁽¹⁾ (utility charge received -28, received income from tenants +8, card fee income -21, penalty income +68, others -123)	-95
Operating expenses	-70
✓ Increase in expense due to acquisition of G-Bldg. Tenjin Nishi-dori 02	+6
✓ Other properties ⁽¹⁾ (property-related tax +20, repair expense -84, utility charge -50, PM fee -31, card fee -10, commission paid -14, others +28, loss on disposal of fixed assets +16, depreciation -22)	+146
✓ Decrease in general administration fee (non-deductible consumption tax -48)	-69
Operating income	-548
✓ Decrease in interest payments, etc.	-32
Ordinary income	-516
Net income	-516

- (1) Properties excluding the following from the properties owned during Aug. 2020 (37th) period.
(G-Bldg. Tenjin Nishi-dori 02)

	Feb. 2020 Period (36th) (Actual)	Aug. 2020 Period (37th) (Actual)	Change
Total assets (1)	899,888	903,461	+ 3,573
Total liabilities	464,590	469,736	+ 5,146
Interest-bearing liability (2)	404,725	411,725	+ 7,000
Tenant leasehold and security deposits (3)	47,978	48,083	+ 104
Net assets	435,298	433,725	- 1,572
LTV ((2)+(3)) / (1)	50.3 %	50.9 %	+0.5 points
LTV (2) / (1)	45.0 %	45.6 %	+0.5 points
Long-term borrowings ratio	100.0 %	98.5 %	-1.5 points
Fixed interest rate ratio	93.3 %	92.8 %	-0.5 points
Average debt cost	0.86 %	0.82 %	- 0.04 points
Number of properties	100 properties	102 properties	+2 properties
Aggregate acquisition price	877,288	888,884	+ 11,595
Unrealized profits and losses	+ 162,128	+ 161,156	- 972
Book value	826,061	836,003	+ 9,942
Appraisal value	988,190	997,160	+ 8,970

<Reference: Balance of reserve> * Balance of reserve after approval of distributions at the JRF board directors meeting for each period

Balance of reserve	6,880	7,285	+ 405
Reserve for dividends	3,915	3,915	—
Reserve for reduction entry of property	15	452	+ 437
Reserve for temporary difference adjustments	2,949	2,918	- 31

Major factor behind change during Aug. 2020 (37th) period (Compared to previous period)

Total assets	+3,573
✓ Acquisition of new properties	+17,682
✓ Disposition of existing properties	-4,783
✓ Decrease in cash and bank deposits	-6,673
✓ Increase in operating accounts receivable	+238
✓ Depreciation, loss on disposal of fixed assets	-5,478
✓ Decrease in construction in progress account	-241
✓ Capital expenditures	+2,724
Total liabilities	+5,146
✓ New debt financing	+7,000
✓ Increase in tenant leasehold and security deposits	+104
✓ Decrease in accounts payable - operating	-830
✓ Decrease in accrued expenses	-264
✓ Decrease in deposits received	-926
Net assets	-1,572
✓ Increase in reserve for dividends	+1,019
✓ Deduction of unitholders' capital surplus	-1,999
✓ Deferred gains and losses on hedges	+91
✓ Decrease of retained earnings	-684

Million yen unless otherwise noted

P.3

- (1) It is based on the comparison between the total acquisition price stated in the financial information of respective investment corporations as of August 31, 2020 (as of the end of the most recent fiscal period) and the estimated value which are the sum of total acquisition price of Japan Retail Fund Investment Corporation ("JRF") as of August 31, 2020 and the appraisal values of MCUBS MidCity Investment Corporation ("MMI") as of June 30, 2020. Such value may be different from the actual asset size (based on acquisition price) of the New Investment Corporation as of the effective date of the Merger, and it is not guaranteed that the asset size of the New Investment Corporation will be the largest among J-REITs as of the effective date of the Merger. The total of appraisal values of MMI is adopted to calculate the asset size of the New Investment Corporation after the Merger, as JRF will succeed the MMI assets at market value, based on the purchase accounting method for accounting purposes.
- (2) The New Investment Corporation will not acquire any new industrial real estate properties which are investment target of Industrial & Infrastructure Fund Investment Corporation. The same applies hereinafter.
- (3) It means "as of April 22, 2015" for the number of properties and asset size, "as of the Dec. 2014 (17th) Period" for DPU or "as of the end of the Dec. 2014 (17th) Period" for NAV per unit, which are before Mitsubishi Corp.-UBS Realty Inc. acquired 65% shares in MID REIT Management Co., Ltd.
- (4) As of June 2020 (28th) period
- (5) It means the total of acquisition price, excluding the equity interest in a silent partnership (tokumei kumiai), the underlying asset of which is Nagoya Lucent Tower.
- (6) It means the total of acquisition price.

P.5

- (1) The figure is calculated by dividing the total actual or estimated annual NOI by the asset size (based on acquisition price).
- (2) The figure is calculated by subtracting actual or estimated annual depreciation from the total actual or estimated annual NOI and dividing it by the asset size (based on acquisition price).
- (3) Appraisal value at the end of period – Book value at the end of period
- (4) (Net Asset + Unrealized Gain or Loss - Total Distribution (to be) Paid) / Units Outstanding
- (5) Net Asset / Units Outstanding
- (6) The portfolio does not include the silent partnership interest in Nagoya Lucent Tower.
- (7) Assumption of New Investment Corporation (Japan Metropolitan Fund Investment Corporation) as of March 1, 2021:
 - Asset size (based on acquisition price): the asset size of the portfolio of the New Investment Corporation is represented by the sum of the total of acquisition price of the properties in JRF's portfolio as of August 31, 2020 and the total of appraisal value of the properties in MMI's portfolio as of June 30, 2020, as JRF, an acquiring investment corporation, will succeed assets of MMI, an investment corporation being acquired, at market value, subject to the purchase accounting method.
 - NOI yield: The figure is calculated by dividing the total of actual or estimated annual NOI by the asset size (based on acquisition price); the acquisition price of MMI's assets used for calculation of NOI yield of the portfolio of the New Investment Corporation are based on their appraisal value as of June 30, 2020.
 - NOI yield after depreciation: The figure is calculated by dividing the figure calculated by deducting actual or estimated annual depreciation expenses from the total of actual or estimated annual NOI, by the asset size (based on acquisition price); the acquisition price of MMI's assets used for calculation of NOI yield of the portfolio of the New Investment Corporation are based on their appraisal value as of June 30, 2020.
 - Unrealized gain or loss: unrealized gain or loss of the portfolio of the New Investment Corporation is represented by that of JRF as JRF will succeed the MMI's assets at market value.
 - Book value per unit: For the units outstanding of the New Investment Corporation, please refer to Page 32; the net assets of the New Investment Corporation is calculated based on the appraisal value of MMI's assets as of June 30, 2020; the same shall apply hereinafter.
 - NAV per unit: calculated according to the following formula: (Net assets + Unrealized gain or loss – Total distribution (to be) paid) / Units outstanding. NAV per unit of the New Investment Corporation is calculated according to the following formula: (Net assets calculated under certain conditions based on the merger ratio and JRF's investment unit price as of August 26, 2020 + Unrealized gain or loss of JRF – Estimated total distribution (to be) paid) / Units outstanding.
- (8) It indicates a rate of an increase or a decrease in DPU of the New Investment Corporation from (estimated) DPU of the respective investment corporations before the Merger in consideration of the merger ratio and unit split.

P.6

- (1) Diversification by Area: It is based on acquisition price of the New Investment Corporation.
 - Tokyo Area: Tokyo, Kanagawa, Saitama and Chiba Prefecture
 - Osaka Area: Osaka, Kyoto and Hyogo Prefecture
 - Nagoya Area: Aichi Prefecture
- (2) It is based on acquisition price of the New Investment Corporation.
- (3) Hotel assets are classified into this category. In addition, residential and other new types of assets are classified into this category although none of them are owned at present.
- (4) It is based on acquisition price of the New Investment Corporation.
- (5) It is based on annual rent.
- (6) It is based on the number of properties in the portfolio of the New Investment Corporation.
- (7) It is based on the weighted average of rent.

P.15

- (Note) The actual for the Aug. 2020 (37th) period and the forecast for the Feb. 2021 (38th) period are calculated by dividing by the number of investment units issued as of end of Aug. 2020 (37th) period by 2,602,483 units. Other figures are calculated by dividing the number of investment units issued as of the end of Feb. 2020 (36th) period by 2,618,017 units before cancellation of own investment units
- (1) Calculated by deducting the amortization of reserve amount of reserve for temporary difference adjustments from the reversal amount of reserve for dividend.
 - (2) Net income – gain on sales of real estate
 - (3) This is the difference in EPU from the forecast for the fiscal year ending August 31, 2020 (the 37th period) calculated based on the assumption that no repurchase investment units will be acquired from the EPU.
 - (4) Includes reversal of reserve for temporary difference adjustment to avoid additional tax burden due to tax association discrepancy.
 - (5) Balance of reserve after approval of distributions at the JRF's Board of Directors meeting for each period.
 - (6) Total amount of reserve for reduction entry of property, reserve for temporary difference adjustments, and reserve for dividend.

P.25

- (1) 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. 2020, by the total interest-bearing debt as of the end of Aug. 2020. The same shall apply hereinafter.
- (2) Calculation including the tenant leasehold and security deposits.
- (3) The figure is a weighted average of remaining loan terms based on the amount of interest-bearing as of the end of Aug. 2020.
- (4) Long-term loans and investment corporation bonds that become due within one year are included in the long-term borrowing.
- (5) Based on the publicly-available information of other investment corporations as of the end of Aug. 2020.
- (6) The figure is a weighted average of debt cost based on the amount of interest-bearing debt that will be due within the respective fiscal periods, including loan-related fees, etc.
- (7) This includes loan-related fees, etc.

Think bold today for a brighter tomorrow.



Japan Retail 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 JRF, and is not prepared for the purpose of soliciting the acquisition of JRF'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.
- JRF 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 JRF and other reasons. For details, please see "Investment Risk" in the Securities Registration Statement (offering circular) and the Securities Report of JRF.

Asset Management Company : Mitsubishi Corp.- UBS Realty Inc.

(Financial Instruments Dealer Director of Kanto Financial Bureau (Financial Instruments Dealer) Number 403, Member of The Investment Trusts Association, Japan)