

Think bold today for a brighter tomorrow.



37th

Investor Presentation

August 2020 (37th) Period
March 1, 2020 - August 31, 2020

Security code **8953**

**Japan Retail Fund
Investment Corporation**

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

Welcome to this video presentation of JRF's operating results for the 37th August 2020 period, the six months from March 1, 2020 to August 31, 2020.



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Directing you to the “Contents” page, I will first provide an overview of our merger with MCUBS MidCity Investment Corporation, details of which were announced on August 28.

I will then elaborate on the impact of and our response to COVID-19, before passing the microphone to Mr. Araki, Head of the Asset Management Company’s Retail Division, who will comment on operating results, financial results, and forecasts.

Please turn to page 3.



Overview of the Merger

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



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	25
	Asset size ⁽⁵⁾⁽⁶⁾	157.6bn yen	282.7bn yen

Key properties



Twin 21



Yokohama Hand Tower



Cube Kawasaki

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

JRF and MCUBS MidCity announced details of their decision to undertake an absorption-type merger on August 28, 2020. Taking effect on March 1, 2021, JRF, as the surviving corporation, will change its name to Japan Metropolitan Fund Investment Corporation while transitioning to a diversified REIT. Looking ahead, the Investment Corporation will invest in real estate, which remains the foundation for urban life in Japan guided by the philosophy of “supporting metropolitan life (living, working and consuming) from the perspective of real estate.”

Please turn to page 4.

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.

In undertaking this merger, JRF and MCUBS MidCity have identified three broad objectives: To respond to changes in the operating environment, expand the investment universe and create one of the largest real estate investment trusts in Japan, or J-REITs. In specific terms, the merger and three broad objectives will benefit investors by enhancing stability and accelerating growth which in turn will lead to increased unitholder value.

For more details regarding the merger, I would ask that you refer to the presentation materials posted on JRF's website on August 28.

I would also like to take this opportunity to ask for your support at JRF's General Meeting of Unitholders which is scheduled to be held on October 23.

Moving on, I would like to elaborate on the impact of and our response to COVID-19. Please turn to page 11.

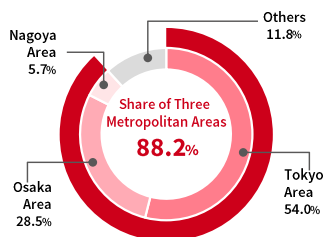
Merged Investment Corporation at a Glance

Japan Retail Fund Investment Corporation

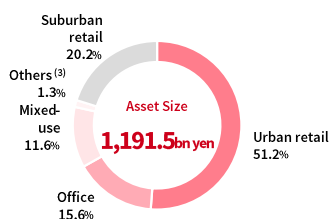
		Japan Retail Fund Investment Corporation (as of August 31, 2020)	MCUBS MidCity Investment Corporation (as of June 30, 2020) ⁽ⁱ⁾	New Investment Corporation (Japan Metropolitan Fund) (as of March 1, 2021) (Pro forma) ⁽ⁱⁱ⁾
Portfolio	Asset size (based on acquisition price)	888,884 million yen	282,710 million 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/Share 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	
				% Change
				Japan Retail Fund Investment Corporation +1.6%
				MCUBS MidCity Investment Corporation +11.6%

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

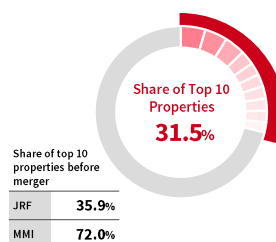
Diversification by Area⁽¹⁾



Diversification by Use⁽²⁾

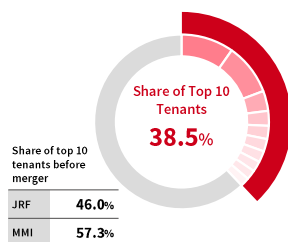


Diversification by Property Size⁽⁴⁾



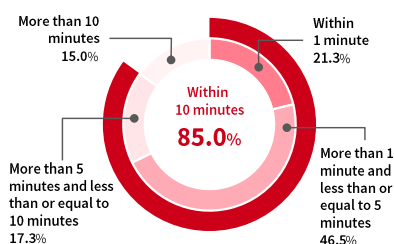
Share of top 10 properties before merger	
JRF	35.9%
MMI	72.0%

Tenant Diversification⁽⁵⁾



Share of top 10 tenants before merger	
JRF	46.0%
MMI	57.3%

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

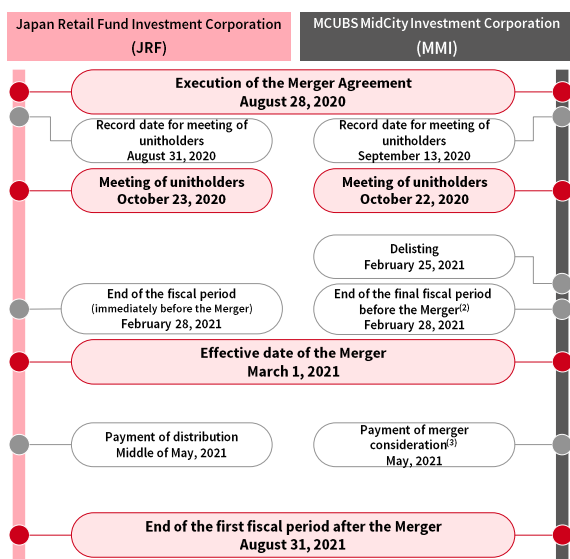
Outline of Merger and Planned Schedule

Japan Retail Fund Investment Corporation

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※) ※ At 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.





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)

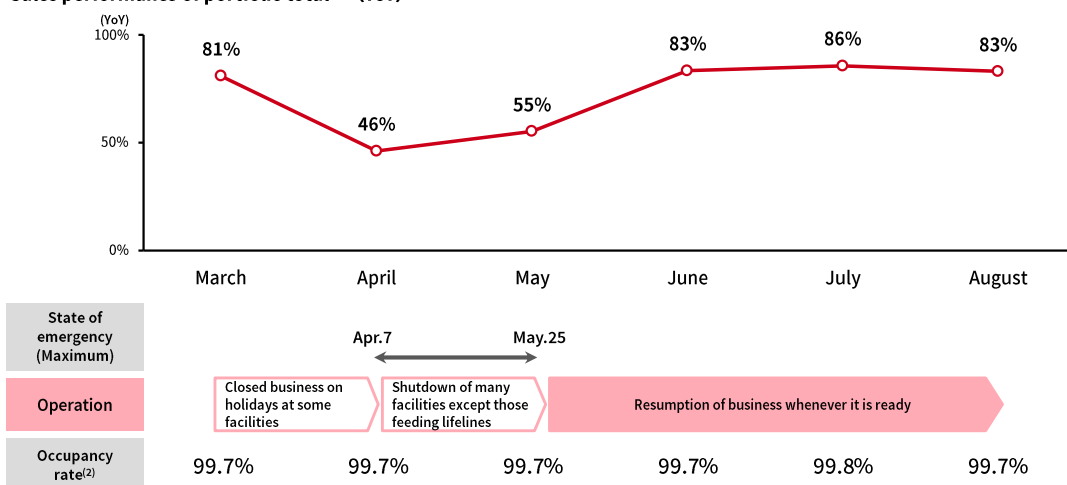
From an overall perspective, tenant sales for the portfolio as a whole, which are the source of rent payments, have recovered to around 85% of the level recorded for the corresponding period of the previous year. This recovery trend is especially evident among facilities and tenants that exhibit “dedicated retail zone, Japanese-focused customer universe and outdoor” elements. I will elaborate on this later in the presentation.

As far as the allocation of profit to each investment unit is concerned, we anticipate earnings per unit, or EPU, will remain at the level announced in April for the period ended August 2020. Turning to the period ending February 2021, we anticipate EPU will slightly decline.

Meanwhile, JRF’s distribution per unit, or DPU, is projected to come in at 4,500 yen for both the August 31, 2020 and February 28, 2021 periods, which is in line with previously announced forecasts.

Directing your attention to page 12, I would like to touch briefly on sales performance trends for the portfolio.

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

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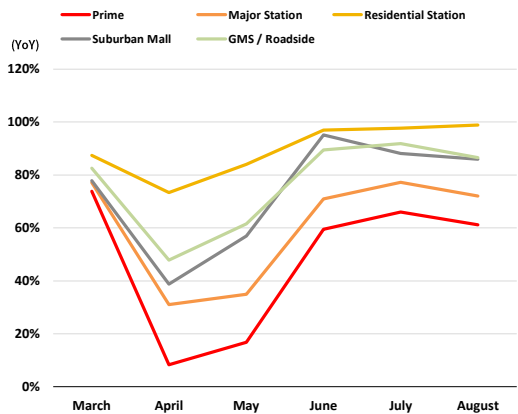
In response to the spread of COVID-19, a nationwide state of emergency was declared for about two months in April and May. During this period, many of our facilities, except for such lifeline tenants as supermarkets, were forced to temporarily close. After the state of emergency was lifted, these facilities progressively resumed operations from June. While sales fell to roughly half of the previous year during the period of temporary closure, levels have recently recovered to around 85%.

In addition, occupancy rates remained close to 100% during the period in question, with only a small number of tenants vacating premises.

Commenting in more detail on the current situation, I ask that you turn to page 13.

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.

Investors often ask if the impact of COVID-19 is greater in urban areas. With inbound traffic falling to practically zero, I understand that there may be some concern that our prime properties in particular are taking a big hit. Turning your attention to the graph at the left side of the page, and performance trends by portfolio segmentation, the decline in sales is indeed greater for facilities located close to urban centers in the prime and major station categories. However, when we look at the trends of individual facilities and tenants, a different aspect emerges that is not evident in a simple segmentation by area and type.

I refer here to the three key “dedicated retail zone, Japanese-focused customer universe and outdoor” elements. Facilities and tenants with these three elements, regardless of area or type, are demonstrating their strength against the COVID-19 pandemic.

Looking first at dedicated retail zones, you will all be aware that sales of properties located in front of residential stations, where demand for food and household goods as well as living ware is high, are firm. As a result, the performance of JRF’s properties in the residential station category is also robust in overall terms. Over and above these residential areas, locations in front of major stations that are backed by hinterland residences are engaging in strong activities that address neighborhood leisure needs.

Rather than drawing customers from a wide geographic area, KAWASAKI Le FRONT,

which opened an aquarium the other day, for example, is attracting many visitors from closer destinations. Sales have been stronger than anticipated prior to the COVID-19 outbreak.

In the course of our leasing activities, we have however found that the need to open stores in front of large terminal stations including Shinjuku and Shibuya, where efforts are made to attract customers from a wide area along railway lines, is weak, even in the prime area segment. This mainly reflects the continued strong concern surrounding COVID-19 and decrease in the number of floating customers due to the upswing in telecommuting. On the other hand, in relatively narrower and more dedicated retail zones such as Jiyugaoka and Daikanyama, current demand for new stores is recovering.

Turning to the second element, tenants that largely cater to Japanese customers are experiencing a steady recovery in sales even in the absence of inbound traffic. Here on this page, we provide a snapshot of GYRE and La Porte Aoyama, as two tenant examples located in areas with a high percentage of inbound traffic. Even in the instance of apparel and other sector tenants that are operating in prime areas, sales are already showing signs of a recovery where the focus is mainly on Japanese customers. Given these two examples, it is difficult to simply say that the sales recovery in prime and urban areas is weak. We have in fact confirmed a large number of similar cases within our portfolio, including instances of a sales recovery where tenants have transitioned from an inbound traffic-based focus to a product mix that targets Japanese customers.

Looking next at the third element, we refer to outdoor-type street-side stores and open malls that benefit from high pedestrian traffic as opposed to so-called in-building type facilities and closed malls.

The gradual recovery in outdoor-type street frontage store sales can be attributed to the positive turnaround in pedestrian traffic. Looking at year-on-year trends along main streets in major shopping districts in September, foot traffic has recovered to more than 80% in such prime and extensive trading areas as Ginza and Omotesando. Levels have in fact surpassed the previous year in dedicated retail zones including Jiyugaoka and Kichijyoji. While the recovery in sales has also been marked at outdoor-type open malls, we believe this reflects the peculiarities of consumer behavior and the emphasis placed on enjoyment when engaging in, for example, shopping while avoiding close contact settings, or in other words closed and crowded spaces. In specific terms, sales of merchandising tenants at such open malls as MARINE & WALK YOKOHAMA and Oyama Yuen Harvest Walk have recently exceeded the previous year's level and are performing relatively well.

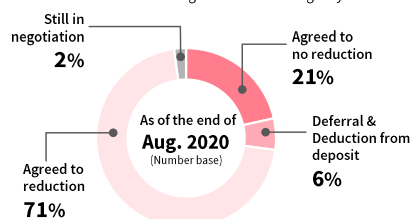
Next, I would like to provide details of the current status of rent negotiations with tenants.

Please turn to page 14.

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



► Reach to agreement **98%**
 ► Results not affecting PL **27%**

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.

During the current operating period, about 70% of all tenants requested that we negotiate their rents. The vast majority asked that their rent be reduced to offset the period of closure as a result of the state of emergency declaration.

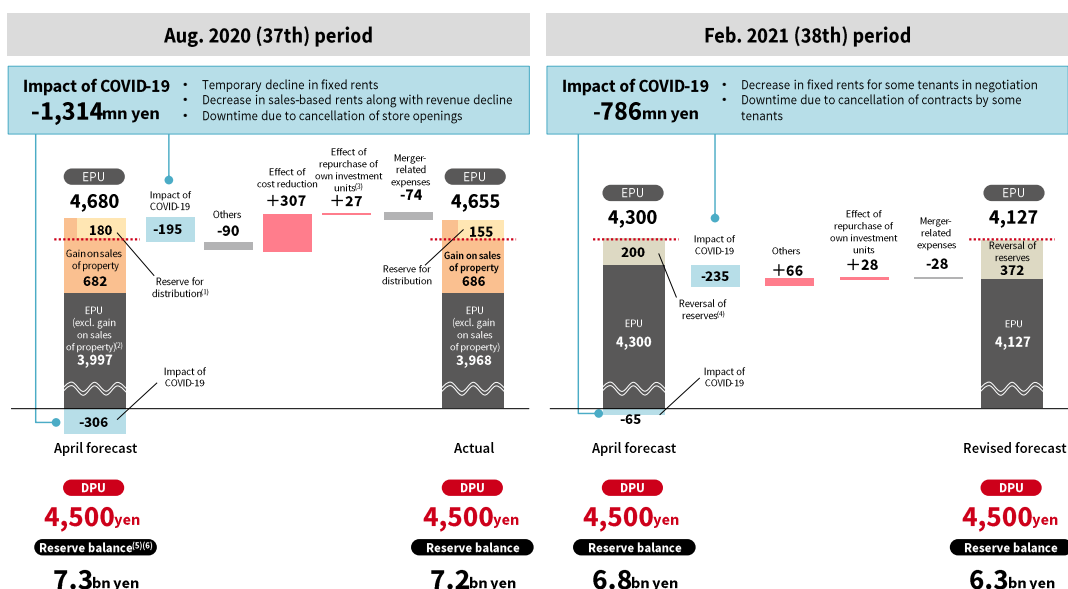
In response, we identified a responsible officer for each tenant to carefully address individual requests on a case-by-case basis. Rather than decrease rents across the board, a strategy adopted by industry peers, we remained resolute in our negotiations while taking into account tenant circumstances and incorporating a supportive stance to ensure a positive outcome. As one example, we took steps to support tenants in their efforts to apply for the various government subsidies put forward in response to COVID-19. Given the complex nature of the subsidy programs available and their regular update, we partnered with our chartered public accountant's office to help tenants apply for subsidies while bearing the cost of consultation fees. Moreover, we are helping tenants attract customers through a wide range of support measures. In addition to covering the discount amount on coupons, we are assisting struggling restaurants in the introduction of delivery services.

Thanks largely to these endeavors, we have reached an agreement on 98% of the total number of negotiations as of the end of August. While agreeing to a reduction in rent for roughly 70%, agreements were reached to maintain rents at their existing levels, defer payments dates, or reduce security deposits for the remaining 30%. In striking a balance between reductions in rent and outcomes

that do not impact profit and loss, JRF has been able to demonstrate its unique negotiating skills.

At the same time, JRF's rent collection rate continues to fall just under 100%. While there are certain tenants whose rents remain uncollected, the total amount is less than the balance of security deposits held.

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



⁽⁵⁾ Please refer to page 38 for the notes to this page.

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Here on page 15, I would like to elaborate further on the impact of COVID-19 on performance. As I mentioned a moment ago, we have worked to minimize the negative impact on revenue by implementing a variety of measures including persistent rent negotiations and efforts to reduce costs. As a result, JRF's DPU remains unchanged from the announced forecast of 4,500 yen, after utilizing the gain on sales of properties.

As far as JRF's performance in each period is concerned, EPU was essentially in line with our previously announced forecast even after taking into account merger-related expenses of roughly 200 million yen. While revenue declined approximately 1.3 billion yen compared with our forecast in April, due to the temporary downturn in fixed rents, decrease in sales-based rents along with the drop in revenue, and downtime attributable to the cancellation of store openings as a result of COVID-19, JRF's performance was supported by successful efforts to reduce costs and the positive effect of repurchasing own investment units. As a result, DPU for the August 2020 37th period was in line with our previous announcement at 4,500 yen.

Turning to the February 2021 38th period, the impact of COVID-19 is expected to come in roughly 800 million yen lower than the forecast announced in April. This is despite factoring in rent negotiations and the reduction in certain fixed rents and the downtime attributable to cancellation of contracts by some tenants. Meanwhile, positive steps have been taken to absorb some of this impact through

the acquisition of new properties and repurchase of own investment units. As a result, EPU is projected to fall around 4% to 4,127 yen. We expect to maintain DPU at 4,500 yen by partially reversing reserves.

Touching briefly on our view of the world in the “with” and “post” COVID-19 periods, I direct your attention to page 16.

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

JRF's Views

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

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In broad terms, our wider perspective and focus on urban areas remains unchanged in the “with” and “post” COVID-19 periods.

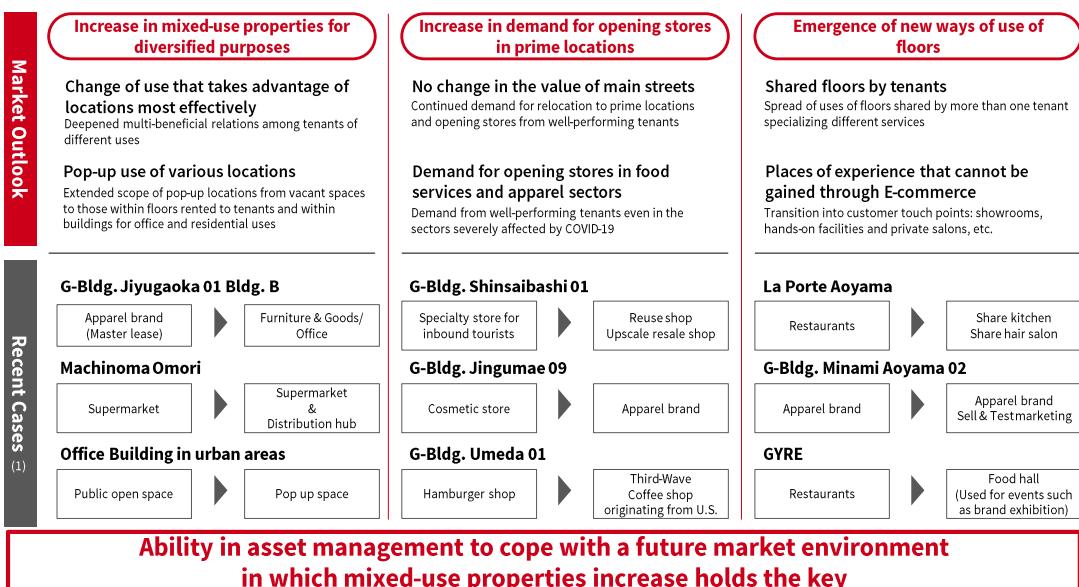
First, and from a demographic perspective, despite the potential for migration within urban areas, from urban to commuter-towns for example, movement from urban to suburban areas remains limited. This largely reflects the importance placed on convenience with respect to commuting, shopping, hospitals, and entertainment. On this basis, we are not expecting any change in the structure of the population that continues to concentrate in urban areas.

As far as commercial locations are concerned, the impact of remote working and e-commerce has been varied depending on the area and application. Despite this trend, we do not envisage any change in the advantage that urban areas maintain as locations where people gather.

Moreover, with regard to inbound tourism, restrictions on entry due to COVID-19 have pushed down the number of foreign visitors to Japan to essentially zero. Recognizing that inbound tourism will recover to some extent at some time in the future, we believe that any pickup will again center on urban areas.

Please turn to page 17.

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



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

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Taking into consideration the aforementioned, I would like to comment on our outlook for the future. In prime urban locations, we see the potential for improvement in asset values in light of the need to open stores for a variety of applications.

First of all, we anticipate the increase in mixed-use properties for diversified purpose to continue going forward. This includes a change that most effectively takes advantage of each location, and in some cases may entail the combination of flexible forms, such as a pop-up store. The most recent example is G-Bldg. Jiyugaoka 01 Bldg. B, where an apparel brand store closed and was replaced by a mixed-use furniture and sundry goods sales and office space format. In addition, the supermarket at Machinoma Omori has incorporated the functions of an online distribution hub into its existing operations. Furthermore, in urban office building areas where many workers come and go, we are seeing the emergence of pop up applications in public open spaces. This trend of combining applications for mixed purpose use is expected to accelerate further in the future.

Next, there is the increase in demand for opening stores in prime locations. Certain well-performing tenants see the current environment as an opportune time to open new stores in highly sought-after locations. These tenants are actively relocating or opening new stores. For example, while the specialty store for inbound tourists at G-Bldg. Shinsaibashi 01 has closed, a general reuse and upscale resale shop has decided to move in immediately. In addition, we are

witnessing the need to open new stores even in the restaurant and apparel brand sectors, which are generally regarded as susceptible to the impact of COVID-19. While an upscale hamburger shop has closed at G-Bldg. Umeda 01, plans are in place for a third wave coffee shop from the U.S. to take up the space as its flagship store in the Kansai area.

As another emerging trend, we are seeing new and innovative ways to apply open floor space. I refer here to the sharing of floor space by specialty tenants in an effort to provide a comprehensive range of services. As one example, La Porte Aoyama is planning to open a shared kitchen and shared hair salon on the site of a former restaurant in the near future. In addition to reopening GYRE's fourth floor as a food hall comprising a variety of restaurants this year, GYRE.FOOD was established as a multi-purpose space for events such as brand exhibitions. Employing an earth-based concept, GYRE.FOOD has received the Good Design Award as an application of space that provides visitors with a unique experience.

Taking into consideration the value of first-hand experience, which cannot be obtained through e-commerce, we expect to see a further increase in the variety of sales methods that combine e-commerce with points of customer contact such as showrooms and experience-based facilities. For example, an apparel brand tenant at G-Bldg. Minami Aoyama 02 has taken up the challenge of adopting a new business model. This tenant is now using the site to not only engage in product sales, but also as a place for collaboration and test marketing for brands that have not yet entered Japan. In an environment where e-commerce is becoming more prevalent, we believe there will be an accelerating trend to reduce the size of traditional sales areas and to focus on spaces that deliver enhanced customer experience.

Drawing on this outlook of the market in the future, the hurdles to real estate management will become increasingly prominent as mix-used applications continue to expand. Against this backdrop, we believe that management know-how will become an absolute necessity.

Our decision to merge with MCUBS MidCity and transition to a diversified REIT therefore taked into consideration the need to respond quickly to these changes in the environment. Through the merger, we are determined to further refine our unique management capabilities and increase unitholder value.

This then concludes my portion of the presentation. I would now like to hand the microphone to Mr. Araki, Head of the Asset Management Company's Retail Division.

Financial highlights of Aug. 2020 (37th) period

Japan Retail Fund Investment Corporation

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 (37th) period Actual	4,500yen	-
Feb. 2021 (38th) period Forecast	4,500yen	-
Aug. 2021 (39th) 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



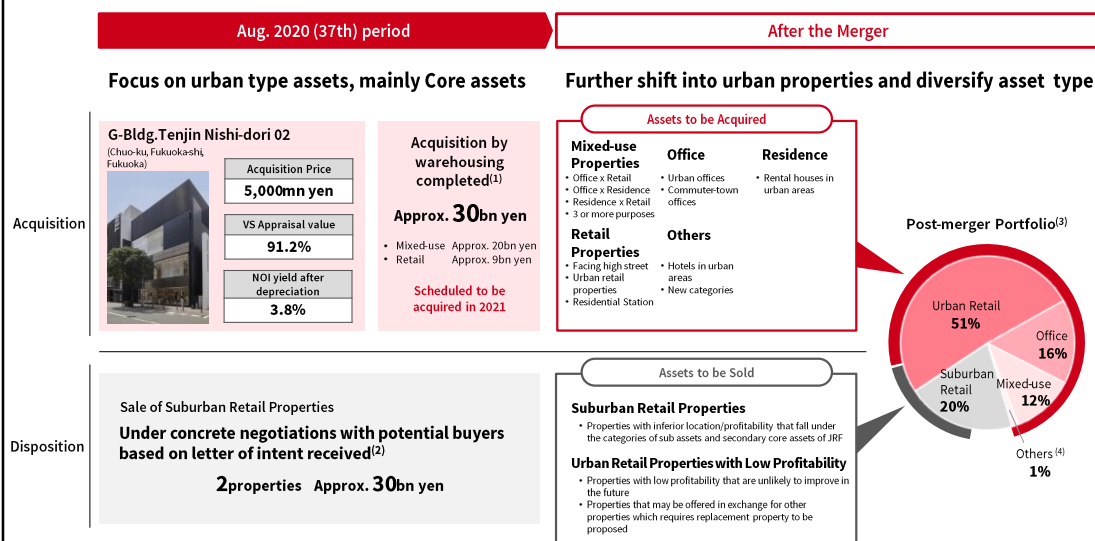


Operating Results

Thank you, Mr. Okamoto. In my capacity as Head of the Asset Management Company's Retail Division, I would like to comment on JRF's operating and financial results as well as forecasts.

Please turn to page 21.

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



(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.

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Against the backdrop of the COVID-19 pandemic, steady progress has been made to replace assets during the period ended August 2020. JRF has acquired urban type core assets in excellent locations, while disposing of properties in the sub asset category, focusing mainly on general merchandise stores, in a bid to strengthen the quality of its portfolio. In addition to concluding the acquisition of G-Bldg. Tenjin Nishi-dori 02 as of the end of August, steps were taken to complete the bridge scheme purchase of a mixed-use office and residential building and a retail property in a bulk deal as of the end of September.

G-Bldg. Tenjin Nishi-dori 02 is a high street facing retail property located along Tenjin Nishi-dori. As the main thoroughfare of the Fukuoka Tenjin area in the busiest commercial district in the Kyushu area, the property enjoys especially heavy pedestrian traffic. Tenanted under a long-term stable lease agreement by a single company that boasts the world's highest sales in the fashion industry, the property serves as a flagship store in the Kyushu area. While G-Bldg. Tenjin Nishi-dori 02 is located in a highly sought-after area, the existing tenant's rent is low compared with the market. Given the incidence of strong demand and the property's versatility for use not only in the sale of goods, but also as a showroom or service facility, we believe there is considerable room to increase revenue and earnings in the event something should happen to the existing tenant.

Taking into consideration COVID-19 and our current operating environment, completing the purchase of G-Bldg. Tenjin Nishi-dori 02 at a relatively low price

was critical to our decision-making process. Put another way, we placed considerable emphasis on ensuring a reasonable price while properly accounting for uncertainties surrounding the pandemic. In specific terms, we have taken steps to acquire G-Bldg. Tenjin Nishi-dori 02 at 91.2% of its appraisal value. The purchase will be completed at a net operating income, or NOI, yield of 4.0% compared with an appraisal NOI yield of 3.4%.

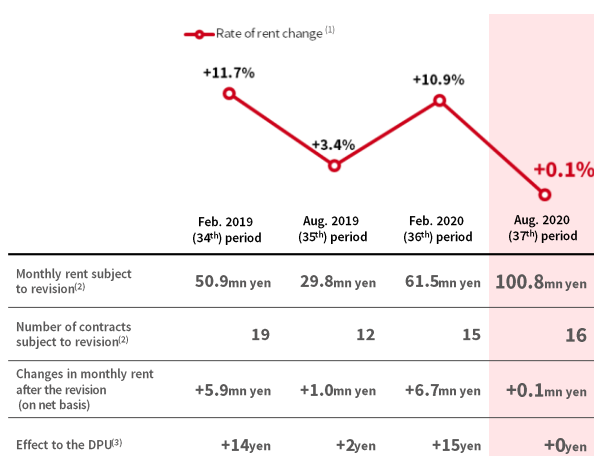
In addition, the bridge scheme acquisition of mixed-use properties represents an investment in highly competitive mixed-use Class A office and residential buildings located in the three central wards of Tokyo. These are exactly the types of assets that the new investment corporation will look to acquire in the wake of the merger as a part of efforts to lift the ownership ratio in mixed-use properties. The other asset acquired using bridge finance is a retail property that faces a high street with heavy pedestrian traffic. This acquisition is also in line with the new investment corporation's efforts to strengthen its urban property portfolio and its stringent screening retail property investment policy.

With an eye on the portfolio strategy of the new investment corporation, we will continue to engage in the replacement of assets in line with the decline in retail facility ownership while shifting into urban properties and diversifying asset types.

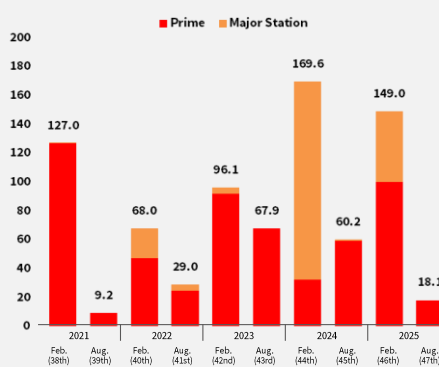
Turning next to the revision of rents against the backdrop of the COVID-19 pandemic, I draw your attention to page 22.

Rent increase revisions even under the impact of COVID-19

Summary of rent revisions



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 it by the issued investment units as of Aug. 2020 (37th) period.

Over the six months ended August 2020, which included the two-month state of emergency declaration period, 16 lease agreements subject to revision were either renewed or newly executed due to the replacement of tenants. Without the need for a reduction, monthly rents have remained at roughly the same level in overall terms. Despite the uncertainty surrounding COVID-19, we believe this reflects both the willingness of existing tenants to pay the current level of rent to continue operations in prime locations, where JRF properties are held, and the existence of new tenants willing to take up space at pre-pandemic rent levels.

Changing tack, I would like to touch briefly on JRF's efforts to internalize the existing property renovation and tenant leasing functions. Here, our strengths lie in the ability to fully demonstrate our real estate management skills and improve the competitiveness of properties.

Please turn to page 23.

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

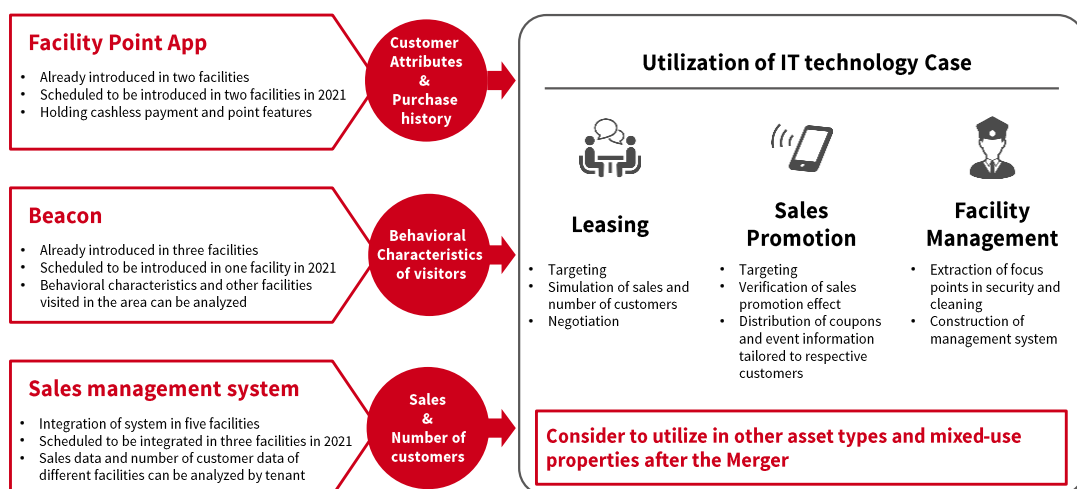
As I am sure you are all well aware, we have continued to promote major renewal work at KAWASAKI Le FRONT for some time. With the opening of an aquarium in mid-July, the final and third stage of existing plans were brought to an end. Building on the burgeoning e-commerce market and a shift in the reasons why people visit retail properties, JRF has taken steps to open the KAWASUI Kawasaki Aquarium on the 9th and 10th floors of KAWASAKI Le FRONT. Here, our goals are to provide enjoyment through a one-of-a-kind experience while lifting the ratio of visitors who place a premium on how they spend their time.

KAWASUI is unique in that it utilizes state-of-the-art digital technology. Through a combination of water tanks, presentations that leverage images, movies, and illumination, and a huge screen in the event space, the aquarium strives to provide the ultimate visual entertainment experience. In addition to its function as an aquarium, an area has been set aside for visitors to come in contact with capybaras and other small animals.

Since its opening, visitors to the aquarium on a stand-alone basis have trended at a pace that is in line with the pre-COVID-19 target. The number of visitors to the facility as a whole is now 1.3 times higher than prior to the aquarium's opening, and overall sales have continued to exceed projections set prior to COVID-19. As a result, the facility's reputation among prospective tenants has improved significantly, with the occupancy rate reaching 100% in October.

Here on page 24, I would like to comment on our use of IT technology.

Aggressively promoting activities with utilizing IT technologies



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As a part of our retail property management, we have engaged in various activities that employ information technology for several years now. In addition to extending these activities to other facilities, we intend to draw on the data accumulated to further strengthen the Fund's management capabilities in an integrated manner.

Our use of IT falls into three broad categories. First, we have rolled out a proprietary facility app that captures and collates data on customer attributes and purchase history. This initiative is already in place at the large multi-tenant facilities MOZO Wonder City and Kyoto Family. Second, is the deployment of beacons, which enable the compilation of data on visitor behavior in and around each facility. This initiative is up and running at three facilities including KAWASAKI Le FRONT. Third, is the further integration of sales management systems at five large multi-tenant facilities. Here, we are working to convert and extend tenant sales and customer data, which has been analyzed on a facility-by-facility basis, across the portfolio as a whole.

Applying the data from each of these three activities in an integrated manner, we look beyond the confines of individual facilities to engage in management that covers the portfolio as a whole. In this regard, data will be used especially in leasing, promotion, facility, and other management activities.

After the new investment corporation is launched, this approach of using IT

technology will also be applied to the management of properties outside the retail field including mixed-use facilities. In addition, IT technology will be used in the management of areas where investment is concentrated.

Next, I would like to comment on JRF's financial strategy. Please turn to page 25.

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	Latest Debt Financing (Sep. 18, 2020 – Oct. 7, 2020)	
Total Amount	0 yen	30,250mn yen	21,000mn yen	27,900mn yen	14,500mn yen	26,900mn yen	120,550mn yen	Amount	30.5bn yen
Avg. term	-	7.2 years	7.9 years	7.6 years	8.4 years	7.4 years	7.6 years	Borrowing term	8.9 years
Avg. debt cost ⁽⁶⁾	-	0.99%	1.11%	1.04%	1.06%	0.90%	1.01%	Debt cost ⁽⁷⁾	0.44%

⁽⁶⁾Please refer to page 38 for the notes to this page.

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As far as its credit standing is concerned, JRF has received a double A minus rating, which remains a top-class assessment among J-REITs. The Investment Corporation's loan-to-value, or LTV, ratio on an appraisal value basis excluding tenant security deposits comes in at 38.7%. JRF maintains extremely high long-term debt and fixed interest rate ratios.

JRF has in place commitment lines of credit totaling 60 billion yen with borrowing periods of 3 to 5 years. These figures are best-in-class among J-REITs. Moreover, JRF leverages the high credit standing of its sponsors. Through these measures, every effort is being made to ensure a robust financial condition against the uncertainty surrounding COVID-19.

Over the past 2 months, from September and over October, JRF refinanced debt totaling 30.5 billion yen. In specific terms, the average term of this debt is 8.9 years and the average debt cost is 0.44%.

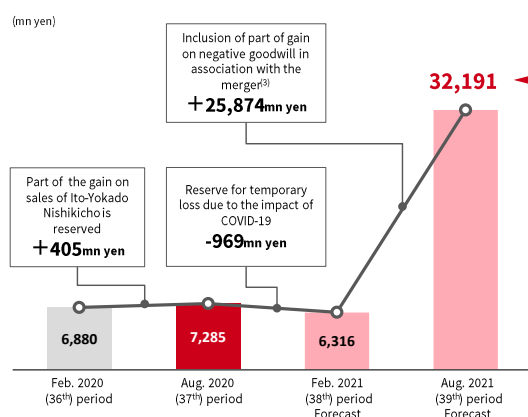
Looking further ahead at the next 3 years, or 6 fiscal periods, which includes the merger, borrowings totaling 120 billion 550 million yen are scheduled to mature. The average term and debt cost on these borrowings are 7.6 years and 1.01%, respectively. Depending on the financial environment going forward, we believe there is significant room to reduce costs through refinancing.

Directing your attention to page 26, I would like to elaborate on the use of

reserves.

Estimated substantial increase in reserve after the Merger

Transition in reserve balance⁽¹⁾⁽²⁾



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 MM'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 straightline basis

26

As you can see from the transition in the balance of reserves, JRF held a substantial amount totaling 7 billion 285 million yen as of the end of August 2020.

In order to maintain its distribution for the February 2021 period, JRF will draw on reserves to the tune of 969 million yen to cover the temporary loss due to the impact of COVID-19, bringing the balance of reserves to approximately 6.3 billion yen.

Turning to the August 2021 period, and after taking into account a part of the gain on negative goodwill associated with the merger, the estimated amount of reserves is projected to come in at 25 billion 874 million yen based on JRF's unit price as of October 8, 2020. The balance of reserves is then forecast to climb to 32 billion 191 million yen.

Based on its abundant reserves, we remain confident in our ability to stabilize distributions in the future.

Given the amortization requirement over 50 years, or 100 fiscal periods, JRF is well positioned to increase its distribution by approximately 259 million yen each period. In maintaining abundant reserves, the Investment Corporation is also able to offset any temporary downturn in revenue attributable to such unforeseen circumstances as the COVID-19 pandemic, major disaster, or decision by a major tenant to vacate a property. At the same time, reserves can help alleviate the

burdens associated with the rebuilding, conversion, and renovation of properties held. In other words, maintaining abundant reserves allows JRF to proactively engage in management that is geared toward growth.

Please turn to page 27.

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

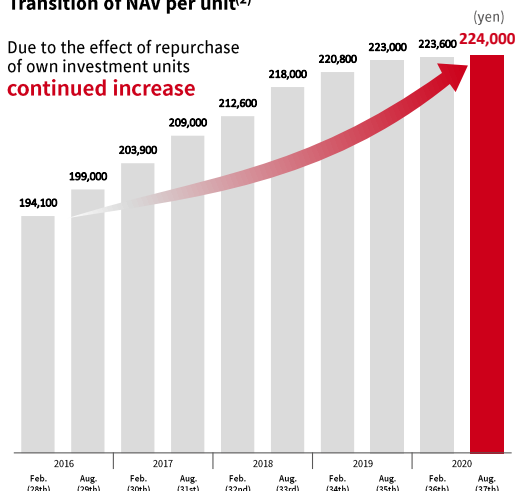
Excluding sale of property increased by **1.4 bn yen**

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.

Here on this page, I would like to comment briefly on appraisal values and net asset value, or NAV, per unit.

Unrealized gains on JRF's portfolio as a whole came in at 161.1 billion yen in the August 2020 period. This is one of the largest pools among J-REITs. On this basis, unrealized gains increased 1 billion 380 million yen compared with the previous period after excluding portions of the unrealized gains on Ito-Yokado Nishikicho and the land with leasehold interest in Arkangel Daikanyama, which were sold during the period under review.

In addition, and despite the effects of COVID-19, the CAP rate has remained virtually unchanged across the portfolio as a whole. From this, you can see there have been no adjustments to the valuations of retail properties in excellent locations.

Accounting for the effects of repurchasing own investment units, NAV per unit has continued to rise steadily to 224,000 yen as of the end of August 2020.

With an eye to the manner in which JRF addresses environmental, social, and governance, or ESG, concerns, I direct you to page 28.

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

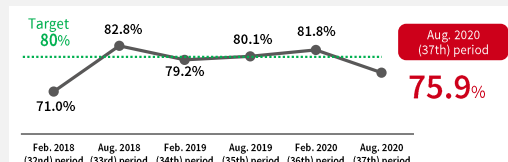
Occupancy rate in the portfolio
63.1%



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)

(Note) The inclusion of JRF 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 JRF by MSCI or any of its affiliates.

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JRF remains committed to vigorously engaging in ESG activities. Based on its wide-ranging activities, the Investment Corporation is held in high esteem.

As far as external party evaluations are concerned, JRF's MSCI rating was upgraded to AA, the highest among J-REITs, in May of this year. the Investment Corporation is one of only 8 J-REITs to be included in the MSCI Japan ESG Select Leaders' Index.

Also, in May 2020, the Asset Management Company joined and participated in the Japan Climate Initiative.

From an environmental certification perspective, we provide snapshots of JRF's track record at the right side of the page.

While the ratio of properties with environmental certifications fell below our goal of 80% due to the sale of properties and other factors, we will continue to proactively acquire certifications with the aim of exceeding this target.

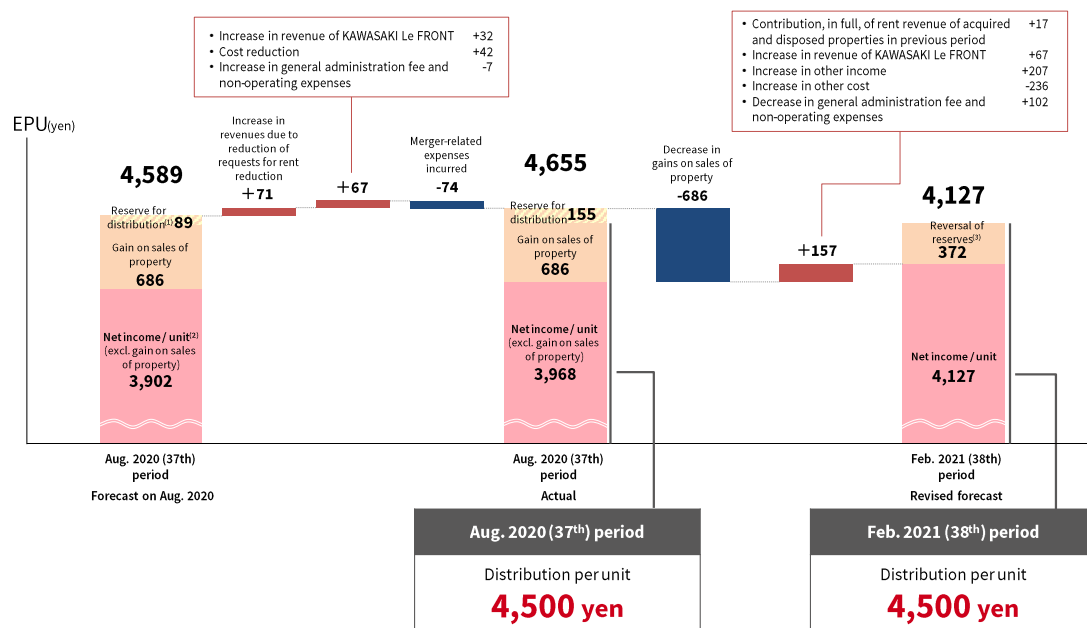
Moving on, I would now like to comment on JRF's financial results and forecasts. Please turn to page 31.





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

31

Here, we provide a summary of results for the 37th and forecasts for the 38th periods.

First, JRF plans to pay a DPU of 4,500 yen for both the 37th and 38th periods, as recently announced.

From left to right, the graph on this page outlines forecasts announced on August 8 and actual results for the 37th period. As indicated, EPU increased 65 yen, to 4,655 yen.

Despite the incidence of merger-related expenses that equated to 74 yen per unit, this increase over the forecast was mainly due to an improvement of 67 yen per unit, which included 32 yen per unit from the increase in revenue from KAWASAKI Le FRONT as a result of renovations, and 71 yen per unit following successful efforts to cutback requests for rent reduction in light of COVID-19 through persistent negotiations. EPU for the 37th period came in at 4,655 yen largely on the back of the substantial gain on sale of Ito-Yokado Nishikicho, which was sold over three successive tranches. In light of the current uncertain environment, JRF has set its DPU at 4,500 yen, in line with previous announcements, with plans to allocate a portion of the gain on sales of properties equivalent to 155 yen per unit to reserves.

Moving on to forecasts for the 38th period, EPU is projected to come in at 4,127

yen. This is 528 yen lower than the 4,655 yen in the 37th period.

This downturn of 528 yen is attributable to a variety of factors, most notably the absence of the gain on sales of properties following the disposition of Ito-Yokado Nishikicho totaling 686 yen in the period under review.

On a positive note, we are projecting an increase in revenue from KAWASAKI Le FRONT that equates to 67 yen per unit. While factoring in a reduction in fixed rents for certain tenants and downtime attributable to cancellations as a result of COVID-19, the decrease in the 38th period is expected to be considerably smaller than the 37th period. Accounting for these factors, we are anticipating an increase in other income of 207 yen per unit. Despite a forecast increase in other rental expenses in line with such factors as the upswing in repair costs totaling 236 yen per unit, we estimate an improvement in revenue of 157 yen per unit on a net basis. Based on the aforementioned, EPU in the 38th period is anticipated to come in at 4,127 yen.

As a result, JRF plans to undertake a reversal of reserves totaling 372 yen per unit and pay a DPU of 4,500 yen for the 38th period, unchanged from the period under review.

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.

32

As I come to the end of my presentation, I would like to provide details of forecasts for the 39th period, the first business term of the new investment corporation following the merger, here on page 32.

In preparing forecasts for the new investment corporation, ordinary income is basically calculated by integrating the income and expenditures of JRF and MCUBS MidCity, the subject of the merger. In this regard, we have added or subtracted reductions in ordinary expenses and temporary costs attributable to the merger.

First, operating revenue takes into account the downtime and other factors associated with delays in leasing vacant areas due to the impact of COVID-19.

In addition to a drop of roughly 200 million yen in such items as depreciation on the properties held by MCUBS MidCity as well as selling, general and administrative expenses as a result of the merger and efforts to curtail ordinary expenses, decreases in custodian fees and general administrator expenses are factored into operating expenses.

Moreover, a merger fee payable to the Asset Management Company of 1 billion yen and temporary expenses related to the merger including financial and other advisory fees payable to professional advisors in the period under review for a total of 1 billion 357 million yen will be posted separately as SG&A expenses. As a

result, operating income is forecast to come in at 16 billion 640 million yen.

Turning to ordinary income, we are looking at a decrease in such items as MCUBS MidCity's financing costs as a result of the merger and efforts to curtail ordinary expenses. In specific terms, non-operating expenses are expected to decline approximately 100 million yen as prepaid expenses such as up-front fees are taken over by the new investment corporation with no asset value. As a result, ordinary income is anticipated to total 14,592 million yen.

As far as extraordinary items are concerned, JRF's investment unit price and market value of MCUBS MidCity's assets as of the end of February next year will form the basis for calculating the final amount of negative goodwill. Taking into account JRF's investment unit price as of October 8, 2020, negative goodwill is estimated to come in at 27 billion 263 million yen. Posting this amount as extraordinary income, net income is forecast to total 41 billion 855 million yen.

Allowing for the reversal of reserves for the 31 million yen amortization of JRF's temporary difference adjustments on a straight-line basis and an allocation to reserves of the gain on negative goodwill excluding temporary costs associated with the merger of 25 billion 906 million yen, the total amount of distribution under the new investment corporation is projected to come in at 15 billion 977 million yen.

Dividing the total amount of distribution by the newly issued 6,989,091 investment units, DPU is projected to total 2,286 yen.

The six months ending August 2021 will be the first financial settlement period for the new investment corporation. Taking into consideration the many irregularities associated with the merger, it is difficult to visualize DPU on a stabilized post-merger basis. Setting 2,286 yen as a minimum DPU going forward, we will endeavor to make steady improvements by replacing assets, acquiring new properties utilizing free cash and a portion of our borrowing capacity, and reducing debt costs.

While the uncertain external environment is anticipated to continue as a result of COVID-19, we believe that JRF has in place a solid foundation that is capable of addressing any contingencies that may arise thanks to its abundant reserves and free cash, as well as top-class commitment line among J-REITs.

In preparation for the upcoming start of the new investment corporation, we will strengthen and rebalance the portfolio in line with progress under the replacement strategy. In addition, we will work to properly address tenant concerns drawing on our detailed and courteous relationship skills while utilizing IT in facility operations. As we work toward increasing the performance of the Fund, we ask for your continued support and understanding.

This then concludes the presentation. We thank you for your interest and attention.

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

August 2020 (37th) Period P/L Performance

Japan Retail Fund Investment Corporation

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-YokadoNishikicho	-234
✓ Decrease in rent revenue, etc. related to disposed Ito-YokadoNishikicho	-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-YokadoNishikicho	-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. Daikanyama02, G-Bldg. Tenjin Nishidori02
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. Daikanyama02, G-Bldg. Tenjin Nishidori02, 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

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

Japan Retail Fund Investment Corporation

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 Nishidori 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)

August 2020 (37th) Period B/S Performance

Japan Retail Fund Investment Corporation

	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 <small>properties</small>	102 <small>properties</small>	+2 <small>properties</small>
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

Million yen unless otherwise noted

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

	(million yen)
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

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 KJBS 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 JREITs 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 (Jokumeikumiai), 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) $(\text{Net Asset} + \text{Unrealized Gain or Loss} - \text{Total Distribution (to be Paid)}) / \text{Units Outstanding}$
- (5) $\text{Net Asset} / \text{Units Outstanding}$
- (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: $(\text{Net assets} + \text{Unrealized gain or loss} - \text{Total distribution (to be paid)}) / \text{Units outstanding}$. NAV per unit of the New Investment Corporation is calculated according to the following formula: $(\text{Net assets calculated under certain conditions based on the merger ratio and JRF's investment unit price as of August 26, 2020} + \text{Unrealized gain or loss of JRF} - \text{Estimated total distribution (to be paid)}) / \text{Units outstanding}$.
- (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 2,616,017 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) $\text{Net income} - \text{gain on sales of real estate}$
- (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)