

## **Disclaimers**

This document has been prepared solely for the purpose of providing U.K., Dutch Norwegian investors with certain information under Article 23 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the “AIFMD”) as implemented in their respective jurisdictions. Accordingly, you should not use this document for any other purpose.

### ***Netherlands***

The units of Japan Metropolitan Fund Investment Corporation (“JMF” or the “AIF”) are being marketed in the Netherlands in accordance with Section 1:13b of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the “Wft”). In accordance with this provision, KJR Management (the “AIFM”) has notified the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the “AFM”) of its intention to offer these units in the Netherlands. This document is not addressed to or intended for and the units of JMF have not been and may not be, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (*gekwalificeerde beleggers*) within the meaning of Article 1:1 of the Wft. As a consequence, neither the AIFM nor JMF is subject to the license requirement for investment institutions (*beleggingsinstellingen*) or their managers pursuant to the Wft. Consequently, the AIFM and JMF are only subject to the supervision of the Dutch Central Bank (*De Nederlandsche Bank*, “DNB”) or the AFM for the compliance with the ongoing regulatory requirements as referred to in the Dutch law implementation of Article 42 of the AIFMD. According to Article 23 of the AIFMD, the prospectus is not subject to approval by the AFM. No approved prospectus is required to be published in the Netherlands pursuant to Article 3 of the Regulation (EU) 2017/1129 (the “Prospectus Regulation”) as amended and applicable in the Netherlands.

### ***Norway***

This document is not a prospectus within the meaning of Chapter 7 of the Norwegian Securities Trading Act of 2007 or the Norwegian Securities Funds Act of 2011 and the document has not been, and will not be, registered with or approved by the Norwegian Financial Supervisory Authority (*Nw: Finanstilsynet*). The AIFM has obtained permission from the Norwegian Financial Supervisory Authority to market units in the JMF to professional investors in Norway pursuant to Section 6-5 of the Norwegian Alternative Investment Funds Act of 2014. Hence, nothing in this document is directed to or intended for non-professional investors as defined in Section 1-2 letter 1) of the Norwegian

Alternative Investment Funds Act of 2014 in Norway. This document must not be copied or otherwise distributed by the recipient.

### ***United Kingdom***

Units of JMF are being marketed in the United Kingdom pursuant to Article 59 of the United Kingdom Alternative Investment Fund Managers Regulations 2013. In accordance with this provision, the AIFM has notified the Financial Conduct Authority (the “FCA”) of its intention to offer these units in the United Kingdom.

For the purposes of the United Kingdom Financial Services and Markets Act 2000 (as amended, “FSMA”), JMF is an unregulated collective investment scheme which has not been authorized by the FCA.

Accordingly, any communication of an invitation or inducement to invest in JMF may only be made to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or “the Order”; or (ii) high net worth companies falling within Articles 49(2)(a) to (d) of the Order and other persons to whom it may lawfully be communicated (all such persons referred to under (i) and (ii) of this paragraph, together being referred to as “Relevant Persons”).

In the United Kingdom, this document and its contents are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. The transmission of this document and its contents in the United Kingdom to any person other than a Relevant Person is unauthorized and may contravene the FSMA and other United Kingdom securities laws and regulations.

### ***Prohibition of Sales to UK Retail Investors***

In addition to the restrictions under the AIFMD, as retained by the United Kingdom in its domestic laws, the units of JMF are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes of this provision, a “retail investor” means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the EUWA;

and the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the units to be offered so as to enable an investor to decide to purchase or subscribe the units.

Consequently no key information document required by Regulation (EU) No 1286/2014, as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”), for offering or selling the units or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the units or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

### ***European Economic Area***

In addition to the restrictions under the AIFMD, the units of JMF are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation, as amended. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the units of JMF or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the units of JMF or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

| <b>Article 23 (1)(a)</b>                          |   |
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| Objectives of the AIF                             | JMF will hold up as its vision, “Support metropolitan life (live, work and consume) in Japan from the perspective of real estate” and realize improvement of unitholder value (sustainable growth) through investment in urban real estate in Japan. JMF manages its assets by investing primarily in real estate and other assets with the aim of securing a stable income in the mid- to long-term and steadily increasing the managed assets.  |
| Investment strategy                               | JMF principally invests in retail facilities, office buildings, residences, hotels and mixed-use properties for these purposes (collectively referred to as Core Assets”) with the aim of securing a stable income in the mid- to long-term and steadily increasing the managed assets. To reduce the effect of risks such as regional economic risk and earthquakes risk which increases by converging to a specific region in locations of the Core Assets, JMF shall regularly review the relevant information and disperse locations of the Core Assets on the basis of their geographic position. When leasing the Core Assets, JMF shall endeavor to secure stable profits by carefully examining the financial position, operating results and industry potential of the lessee. JMF strives to monitor the impacts of changes in macroeconomic conditions, social trends, real estate markets, industrial dynamics, and lifestyles on real estate usage, etc., and develops an appropriate portfolio in response to such changes.   |
| Types of assets the AIF may invest in             | Real estate, real estate leasehold rights, surface rights, trust beneficiary interests in real estate and other assets specified in JMF’s articles of incorporation<br><a href="https://www.jmf-reit.com/english/ir/library/6.html">https://www.jmf-reit.com/english/ir/library/6.html</a> ).   |
| Techniques it may employ and all associated risks | The principal risks with respect to investment in JMF are as follows:<br>(1) Risks related to marketability of investment units or investment corporation bonds <ul style="list-style-type: none"> <li>• Risks related to market price fluctuations of the investment units or investment corporation bonds;</li> <li>• Risks related to transactions involving the investment units in the market;</li> <li>• Risks related to cash distributions and unit repurchases;</li> <li>• Risks related to fluctuations in revenues and expenditures;</li> <li>• Risks related to redemption and interest payment of investment corporation bonds;</li> <li>• Risks related to dilution as a result of further issuances of units;</li> </ul> (2) Risks related to JMF’s management policies <ul style="list-style-type: none"> <li>• Risks related to the fact that commercial facilities comprise a substantial portion of the portfolio;</li> <li>• Risks related to concentration of tenants;</li> <li>• Risks related to single/core tenant properties;</li> <li>• Risks related to asset replacement strategies</li> <li>• Risks related to redevelopment of properties;</li> </ul> (3) Risks related to the management of JMF in general |

- Risks related to JFM's ability to make real estate acquisitions or dispositions;
  - Risks related to financing through further issuance of the investment units, borrowings and issuance of investment corporation bonds;
  - Risks related to leasehold deposits and security deposits;
- (4) Risks related to JMF's related parties and structure
- Risks related to relying on KKR & Co. Inc., the parent company of the AIFM, and conflicts of interest;
  - Risks related to relying on JMF's related parties and conflicts of interest;
  - Risks related to relying on human resources of the AIFM;
  - Risks related to changes in investment policy of JMF;
  - Risks related to insolvency and cancellation of registration of JMF;
- (5) Risks related to real estates and trust beneficiary interests
- Risks related to defects and failures of real estate, including defective title and limited or invalid ownership rights;
  - Risks related to lease contracts;
  - Risks related to building damage, loss or deterioration;
  - Risks related to liabilities associated with ownership of properties and repair and maintenance costs;
  - Risks related to investing in properties concentrated in a geographical area;
  - Risks related to land boundaries, etc.;
  - Risks related to administrative laws, ordinances and other regulations related to real estate;
  - Risks related to enactments of new laws and regulations and revisions of existing laws and regulations;
  - Risks of being affected by bankruptcy of the sellers of the properties, etc.;
  - Risks related to subleasing;
  - Risks related to master lease contracts;
  - Risks related to the use and management of buildings by tenants, etc.;
  - Risks related to deterioration of the surrounding environment, etc.;
  - Risks related to holding properties in the form of co-ownership interests (*kyōyū-mochibun*);
  - Risks related to holding properties in the form of compartmentalized ownership of buildings (*kubun shoyū*);
  - Risks related to holding land-only properties in which third parties hold leasehold interests and own the buildings (*sokochi*);
  - Risks related to holding properties on leased lands;
  - Risks related to holding leased properties;
  - Risks related to holding properties under development;

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|  | <ul style="list-style-type: none"> <li>• Risks related to hazardous materials and environmental liabilities;</li> <li>• Risks related to investments in trust beneficiary interests;</li> <li>• Risks related to forward commitments, etc.;</li> <li>• Risks related to impairment loss;</li> </ul> <p>(6) Risks related to investment in mezzanine loan claims</p> <p>(7) Risks related to taxation</p> <ul style="list-style-type: none"> <li>• Risks related to failure to satisfy a complex series of requirements pursuant to Japanese tax regulations;</li> <li>• Risks related to satisfying conduit requirements for borrowings;</li> <li>• Risks related to JMF having no control over affiliated company requirements;</li> <li>• Risks related to JMF having no control over its investors;</li> <li>• Risks related to additional tax requirements due to correction orders as a result of taxation investigations, etc.;</li> <li>• Risks related to being unable to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs;</li> <li>• Risks related to changes in Japanese tax laws;</li> </ul> <p>(8) Other risks</p> <ul style="list-style-type: none"> <li>• Risks related to relying on expert opinions;</li> <li>• Risks that the tax burden will increase due to discrepancies between accounting treatment and tax treatment;</li> <li>• Risks related investments in Japanese anonymous association interests (<i>tokumei kumiai</i>);</li> <li>• Risks related to investment in investment units;</li> <li>• Risks related to occurrence of positive goodwill and reversal of voluntary reserve or distribution in excess of earnings in the amount equivalent to depreciation of goodwill.</li> </ul> |
| Any applicable investment restrictions | <p>JMF is subject to investment restrictions under Japanese laws and regulations (e.g., the Act on Investment Trusts and Investment Corporations (the “ITA”), the Financial Instruments and Exchange Act (the “FIEA”)) as well as its articles of incorporation.</p> <p>JMF must invest primarily in Specified Assets as defined in the ITA. Specified Assets include, but are not limited to, securities, real estate, leaseholds of real estate, surface rights (<i>chijō-ken</i>) (i.e., right to use land for the purpose of having a structure on it) or trust beneficiary interests for securities or real estate, leaseholds of real estate or surface rights.</p> <p>Furthermore, a listed J-REIT must invest substantially all of its assets in real estate, real estate-related assets and liquid assets as provided by the listing requirements. Real estate in this context includes, but is not limited to, real estate, leaseholds of real estate, surface rights, and trust beneficiary interests for these assets, and real estate-related assets in this</p>   |

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|   | <p>context include, but are not limited to, anonymous association (<i>tokumei kumiai</i>) interests for investment in real estate.</p> <p>Pursuant to the ITA, investment corporations may not independently develop land for housing or to construct buildings, but may outsource such activities in certain circumstances.</p>  |
| Circumstances in which the AIF may use leverage                                     | <p>JMF may take out loans or issue long-term or short-term investment corporation bonds. JMF shall spend borrowings and investment corporation bonds by acquiring assets, making repairs, repaying tenant leasehold deposit and tenant security deposit, paying distributions, paying JMF's expenses or repaying debts (including fulfillment of borrowings and investment corporation bond debts).</p>   |
| The types and sources of leverage permitted and associated risks                    | <p>Loans or investment corporation bonds. Currently all of JMF's outstanding long- and short-term loans are unsecured and unguaranteed.</p> <p>Loans in which JMF enters or investment corporation bonds that JMF may issue may be subject to restrictive covenants in connection with any future indebtedness that may restrict operations and limit its ability to make cash distributions to unitholders, to dispose of properties or to acquire additional properties. Furthermore, if JMF were to violate such restrictive covenants, such as with regard to loan-to-value ratios, lenders may be entitled to require JMF to collateralize portfolio properties or demand that the entire outstanding balance be paid ahead of the scheduled date.</p> <p>In the event of an increase in interest rates, to the extent that JMF has any debt with unhedged floating rates of interest or JMF incurs new debt, interest payments may increase, which in turn could reduce the amount of cash available for distributions to unitholders. Higher interest rates may also limit the capacity for short- and long-term borrowings, which would in turn limit JMF's ability to acquire properties, and could cause the market price of the investment units to decline.</p> |
| Any restrictions on leverage  | <p>The maximum amount of each loan and investment corporation bond issuance will be two trillion yen, and the aggregate amount of all such debt will not exceed two trillion yen.</p>   |
| Any restrictions on collateral and asset reuse arrangements                         | <p>No applicable restrictions.</p>  |
| Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF | <p>The maximum amount of each loan and investment corporation bond issuance will be two trillion yen, and the aggregate amount of all such debt will not exceed two trillion yen.</p> <p>JMF seeks to maintain the ratio of the balance of loans and investment corporation bonds to total assets within a range of approximately 40% - 50%. JMF may, however, temporarily exceed such level as a result of property acquisitions or other events.</p>  |
| <b>Article 23(1) (b)</b>  |   |

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| <p>Procedure by which the AIF may change its investment strategy / investment policy</p>   | <p>Amendment of the articles of incorporation. Amendment requires a quorum of a majority of the total issued units and at least a two-thirds vote of the voting rights represented at the meeting. Unitholders should note, however, that under the ITA and our articles of incorporation, unitholders who do not attend and exercise their voting rights at a general meeting of unitholders are deemed to be in agreement with proposals submitted at the meeting, except in cases where contrary proposals are also being submitted.</p> <p>Additionally, the guidelines of the AIFM, which provide more detailed policies within JMF's overall investment strategy and policy, can be modified without such formal amendment of the articles of incorporation.</p>  |
| <p><b>Article 23(1) (c)</b></p>  |   |
| <p>Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including jurisdiction, applicable law, and the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established</p> | <p>JMF is a corporate-type investment trust in the form of investment corporation (<i>toshi hojin</i>) provided for under the ITA. Therefore, the relationship between JMF and its unitholders is governed by JMF's articles of incorporation (as opposed to individual agreements), which can be amended from time to time upon resolution of a general unitholders' meeting. JMF's articles of incorporation stipulate rules relating to general unitholders' meetings, including the convocation, setting of record date, exercise of voting rights, resolutions and election of JMF's directors. The relationship between JMF and its unitholders is also governed by, and is subject to the provisions of, Japanese law, including the ITA.</p> <p>76KK, a subsidiary of KKR &amp; Co. Inc., is the parent company of the AIFM. JMF has entered into the Asset Management Agreement with the AIFM, and also entered into the following agreements with third party service providers:</p> <ul style="list-style-type: none"> <li>• Asset custodian agreement, general administrative service agreement with respect to issuance of investment units, accounting, taxes, management of institutions (general investors' meeting and board of officers) and investors' registry and special accounts administrative service agreement with Mitsubishi UFJ Trust and Banking Corporation;</li> <li>• General administrative service agreement with respect to investment corporation bonds with MUFG Bank, Ltd. and Mizuho Bank, Ltd.; and</li> <li>• Tax administrative service agreement with PwC Tax Japan.</li> </ul> <p>The courts in Japan would recognize as a valid judgment any final and conclusive civil judgment for monetary claims (which, for this purpose, are limited to those of a purely civil nature and do not include monetary claims of the nature of criminal or administrative sanction, such as punitive damages, even though they take the form of civil claims) against JMF obtained in a foreign court provided that (i) the jurisdiction of such foreign court is admitted under the laws of Japan, (ii) JMF has received service of process for the commencement of the relevant proceedings, otherwise than by a public notice or any</p> |



method comparable thereto, or has appeared without any reservation before such foreign court, (iii) neither such judgment nor the relevant proceeding is repugnant to public policy as applied in Japan, (iv) there exists reciprocity as to the recognition by such foreign court of a final judgment obtained in a Japanese court and (v) there is no conflicting judgement on the subject matter by any Japanese court.

All of the above agreements are governed by Japanese law.

JMF is not involved in or threatened by any legal arbitration, administrative or other proceedings, the results of which might, individually or in the aggregate, be material.

**Article 23(1) (d)**

The identity of the AIFM, AIF's depositary, auditor and any other service providers and a description of their duties and the investors' rights thereto

- AIFM : KJR Management  
The AIFM performs asset management services according to the Asset Management Agreement and in compliance with the articles of incorporation and asset management policies set forth therein.
- Accounting Auditor: PwC Japan LLC  
The Accounting Auditor audits financial statements and prepare audit reports.
- Asset Custodian, General Administrator and Special Accounts Administrator: Mitsubishi UFJ Trust and Banking Corporation  
The Asset Custodian provides administrative services related to custody of assets, money and related documents.  
The General Administrator provides administrative services with respect to issuance of investment units, accounting, taxes, management of institutions (general investors' meeting and board of officers) and the investor's registry.  
The Special Accounts Administrator provides administrative services with respect to the special accounts.
- General Administrator with respect to Investment Corporation Bonds: MUFG Bank, Ltd. and Mizuho Bank, Ltd.  
The General Administrator with respect to Investment Corporation Bonds provide administrative services with respect to registry of investment corporation bondholders, issuance of investment corporation bonds, etc.
- Tax Administrator: PwC Tax Japan  
The Tax Administrator provides administrative services related to taxes (except for administrative services related to payment of taxes).

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|   | <p>Service providers owe contractual obligations under their respective agreements with the AIF or AIFM, as the case may be. In addition, the FIEA provides that the AIFM owes the AIF a fiduciary duty and must conduct its activities as the AIFM in good faith.</p> <p>The FIEA also prohibits the AIFM from engaging in certain specified conduct, including entering into transactions outside the ordinary course of business or with related parties of the AIFM that are contrary to or violate the AIF's interests.</p> <p>Pursuant to the ITA, the unitholders have the right to approve the execution or termination of the asset management agreement at a general meeting of unitholders.</p> |
| <b>Article 23(1) (e)</b>  |  |
| Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance)   | Not applicable.  |
| <b>Article 23(1) (f)</b>  |  |
| Description of any delegated management function such as portfolio management or risk management and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations | <p>Not applicable.</p> <p>There is no delegation of such functions beyond the AIFM, which is responsible for portfolio and risk management, and the Custodian, which is responsible for safekeeping activities.</p>  |
| <b>Article 23(1) (g)</b>  |  |
| Description of the AIF's valuation procedure and pricing methodology, including the methods   | <p>JMF makes investment decisions based on its investment strategies and in accordance with its articles of incorporation and based on the results of due diligence, including the valuation of properties and consideration of the property appraisal value.</p> <p>JMF evaluates assets in accordance with its article of incorporation. The methods and standards that JMF uses for the evaluation of assets are based on the Regulations</p>   |

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| used in valuing hard-to-value assets  | <p>Concerning the Calculations of Investment Corporations, as well as the Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations and other regulations stipulated by ITA, in addition to Japanese GAAP.</p> <p>J-REITs may only use the valuation methods prescribed in the rules of the Investment Trusts Association, Japan, which emphasize market price valuation.</p>  |
| <b>Article 23(1) (h)</b>  |   |
| Description of the AIF’s liquidity risk management, including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors | <p>Proceeds from borrowings and investment corporation bonds are mainly used to acquire investment properties and repay outstanding borrowings. These are exposed to liquidity risk on their repayments and redemptions. Such risk is managed in ways such as preparing cash flow analyses by the AIFM, securing funds on hand, executing credit facility agreements and commitment line agreements, and other measures. Floating-rate borrowings are exposed to the risk of rising interest rates. JMF manages the ratio of the balance of loans and investment corporation bonds to total assets properly and uses derivatives (interest rate swaps) to manage such risk.</p> <p>As JMF is a closed-end investment corporation, unitholders are not entitled to request the redemption of their investment.</p>   |
| <b>Article 23(1) (i)</b>  |   |
| Description of all fees, charges and expenses and a maximum amount which is directly / indirectly borne by the investors  | <p><u>Compensation</u>: The articles of incorporation provide that JMF shall pay fees for each executive director by the final business day of each month in an amount set by the board of directors that is no more than 800,000 yen per month, and shall pay fees for each supervisory director by the final business day of each month in an amount set by the board of directors that is no more than 500,000 yen per month.</p> <p><u>AIFM</u>:</p> <ul style="list-style-type: none"> <li>• Asset Management Fee: JMF will pay the AIFM an asset management fee as follows: <ol style="list-style-type: none"> <li>1. Management Fee I</li> </ol> <p>JMF shall calculate Asset Management Fee I pursuant to the Asset Management Agreement which it entered into with the AIFM, in accordance with the resolutions of the board of directors, up to zero-point-seventy-five hundredths per annum of the gross asset values for the respective periods: (i) from the day immediately following the end of the immediately preceding accounting period of JMF until the last day of the third following month (hereinafter, “Calculation Period I”); and (ii) from the day immediately following the last day of such third following month until the end of the relevant accounting period (hereinafter, “Calculation Period II;” together with “Calculation Period I” hereinafter, the “Calculation Period”), on a pro rata basis according to the actual number of days in the relevant Calculation Period and a 365</p> </li> </ul> |

day year, and shall pay the amount to the AIFM by the last day of the second month following each Calculation Period.

#### 2. Management Fee II

JMF shall calculate Asset Management Fee II pursuant to the Asset Management Agreement which it entered into with the AIFM, in accordance with the resolutions of the board of directors, up to nine hundredths of the amount of distribution stated on the statement of distribution of monies for the immediately preceding business period of JMF and shall pay the amount to the AIFM by the last day of the second month following the month to which the date on which such statement of distribution of monies is approved at the meeting of the board of directors of JMF.

#### 3. Acquisition Fee

When JMF acquires real estate or Specified Assets principally backed by real estate, JMF shall calculate the Acquisition Fee pursuant to the Asset Management Agreement which it entered into with the AIFM, in accordance with the resolutions of the board of directors, up to two hundredths of the acquired value of such real estate or Specified Assets principally backed by real estate (not including the national and local consumption taxes and expenses incurred for such acquisition), and shall pay the amount to the AIFM by the last day of the month following the month to which the date of acquisition belongs.

#### 4. Disposition Fee

When JMF disposes real estate or Specified Assets principally backed by real estate, JMF shall calculate the Disposition Fee pursuant to the Asset Management Agreement which it entered into with the AIFM, in accordance with the resolutions of the board of directors, up to one-point-five hundredths of the disposition value of such real estate, or Specified Assets principally backed by real estate (not including the national and local consumption taxes and expenses incurred for such disposition; the same shall apply hereinafter), and shall pay the amount to the AIFM by the last day of the second month following the end of the business period to which the date of the disposition belongs. No Disposition Fee shall be paid in the case of a capital loss from such disposition will arise, where the disposition value after the deduction of the book value of such assets as of the date of the disposition, the Disposition Fee calculated based on the disposition value and the expenses incurred for such disposition is negative.

#### 5. Merger Fee

When JMF conducts a merger, JMF shall calculate the Merger Fee pursuant to the Asset Management Agreement which it entered into with the AIFM, in accordance with the resolutions of the board of directors, up to two hundredths of the appraisal value, as of the date of the merger, of real estate or Specified Assets principally backed by real estate held by the merger-counterparty, and shall pay the amount to the AIFM by the last day of the month immediately following the month to which the effective date of merger belongs.

Asset Custodian:

- Asset Custodian Fee: JMF will pay the Asset Custodian Fee agreed upon between the parties, up to the amount calculated by the following.

(Calculation formula)

The total amount calculated by the following calculation methods (a) through (j) with the total amount of assets as  $\alpha$ .

- (a) 1.25 million yen for the portion of  $\alpha$  less than or equal to 5 billion yen
- (b) The amount multiplied by 0.01% for the portion of  $\alpha$  that is over 5 billion yen and less than or equal to 100 billion yen
- (c) The amount multiplied by 0.00875% for the portion of  $\alpha$  that is over 100 billion yen and less than or equal to 200 billion yen
- (d) The amount multiplied by 0.0075% for the portion of  $\alpha$  that is over 200 billion yen and less than or equal to 300 billion yen
- (e) The amount multiplied by 0.00625% for the portion of  $\alpha$  that is over 300 billion yen and less than or equal to 500 billion yen
- (f) The amount multiplied by 0.005% for the portion of  $\alpha$  that is over 500 billion yen and less than or equal to 700 billion yen
- (g) The amount multiplied by 0.00375% for the portion of  $\alpha$  that is over 700 billion yen and less than or equal to 900 billion yen
- (h) The amount multiplied by 0.0025% for the portion of  $\alpha$  that is over 900 billion yen and less than or equal to 1.1 trillion yen
- (i) The amount multiplied by 0.00125% for the portion of  $\alpha$  that is over 1.1 trillion yen and less than or equal to 1.3 trillion yen
- (j) The amount multiplied by 0.001% for the portion of  $\alpha$  that is over 1.3 trillion yen

General Administrator (investors' registry):

- Standard Fee:  
Standard fees are for services such as maintenance and storage of investor's registry of JMF.

The monthly standard fees will be the total of the amount calculated using the following table divided by 6, with a minimum monthly fee of 220,000 yen.

| Number of Unitholders   | Fees per Unitholder |
|-------------------------|---------------------|
| first 5,000 unitholders | 390 yen             |
| over 5,000 to 10,000    | 330 yen             |
| over 10,000 to 30,000   | 280 yen             |
| over 30,000 to 50,000   | 230 yen             |
| over 50,000 to 100,000  | 180 yen             |
| over 100,000            | 150 yen             |

- Other fees:

JMF will pay the General Administrator (investor's registry) other fees for various other services, including in connection with calculation of distributions.

General Administrator (issuance of investment units, accounting, taxes and management of institutions (general investors' meeting and board of officers)):

- General Administrator Fee: JMF will pay the General Administrator Fee agreed upon between the parties, up to the amount calculated by the following formula.

(Calculation formula)

The total amount calculated by the following calculation methods (a) through (j) with the total amount of assets as  $\alpha$ .

- (a) 2 million yen for the portion of  $\alpha$  less than or equal to 5 billion yen
- (b) The amount multiplied by 0.0175% for the portion of  $\alpha$  that is over 5 billion yen and less than or equal to 100 billion yen
- (c) The amount multiplied by 0.015% for the portion of  $\alpha$  that is over 100 billion yen and less than or equal to 200 billion yen
- (d) The amount multiplied by 0.01% for the portion of  $\alpha$  that is over 200 billion yen and less than or equal to 300 billion yen
- (e) The amount multiplied by 0.00875% for the portion of  $\alpha$  that is over 300 billion yen and less than or equal to 500 billion yen
- (f) The amount multiplied by 0.0075% for the portion of  $\alpha$  that is over 500 billion yen and less than or equal to 700 billion yen
- (g) The amount multiplied by 0.00625% for the portion of  $\alpha$  that is over 700 billion yen and less than or equal to 900 billion yen
- (h) The amount multiplied by 0.005% for the portion of  $\alpha$  that is over 900 billion yen and less than or equal to 1.1 trillion yen
- (i) The amount multiplied by 0.00375% for the portion of  $\alpha$  that is over 1.1 trillion yen and less than or equal to 1.3 trillion yen

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|   | <p>(j) The amount multiplied by 0.0025% for the portion of <math>\alpha</math> that is over 1.3 trillion yen</p> <p><u>Accounting Auditor:</u></p> <ul style="list-style-type: none"> <li>JMF shall pay fees for the Accounting Auditor within one (1) month of the receipt of all of the audit reports which are required under the ITA or other laws or regulations in an amount set by the board of directors that is no more than 30 million yen for each accounting period subject to audit.</li> </ul> <p>JMF will also incur other fees in connection with Special Accounts Administrator, General Administrator with respect to Investment Corporation Bonds property management and other miscellaneous fees.</p> |
| <b>Article 23(1) (j)</b>  |  |
| Description of the AIFM's procedure to ensure fair treatment of investors and details of any preferential treatment received by investors, including detailing the type of investors and their legal or economic links with the AIF or AIFM | Under Article 77 paragraph 4 of the ITA, which applies the requirements of Article 109 paragraph 1 of the Companies Act to investment corporations, investment corporations are required to treat unitholders equally depending on the number and content of units held. In addition, upon liquidation, the allotment of residual assets to unitholders is required to be made equally depending on the number units held under Article 77 paragraph 2 item 2 and Article 158 of the ITA.  |
| <b>Article 23(1) (k)</b>  |  |
| The latest annual report referred to in Article 22(1)   | Additional information may be found in our most recent semi-annual report prepared in accordance with Article 22 of the AIFMD, which can be viewed at <a href="https://www.jmf-reit.com/english/ir/library.html">https://www.jmf-reit.com/english/ir/library.html</a>  |
| <b>Article 23(1) (l)</b>  |  |
| The procedure and conditions for the issue and sale of the units  | JMF is authorized under the articles of incorporation to issue up to 16,000,000 units. Its units have been listed on the Tokyo Stock Exchange since March 12, 2002.<br>Secondary market sales and transfers of units will be conducted in accordance with the rules of the Tokyo Stock Exchange. Unit prices on the Tokyo Stock Exchange are determined on a real-time basis by the equilibrium between bids and offers. The Tokyo Stock Exchange sets daily price limits, which limit the maximum range of fluctuation within a single trading day. Daily price limits are set according to the previous day's closing price or special quote.  |

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| <b>Article 23(1) (m)</b>   |  |                            |                                |  |
| Latest net asset value of the AIF or latest market price of the unit or share of the AIF   | JMF's latest investment unit's price is publicly available at the Tokyo Stock Exchange or from financial information vendors (including Reuters, which can be viewed at <a href="https://www.reuters.com/markets/companies/8953.T/">https://www.reuters.com/markets/companies/8953.T/</a> ). |                            |                                |  |
| <b>Article 23(1) (n)</b>   |  |                            |                                |  |
| Details of the historical performance of the AIF, where available  | The units of JMF were listed on the Tokyo Stock Exchange on March 12, 2002. The most recent fiscal period performance of the units will be listed below.   |                            |                                |  |
|  | Fiscal period  | Total Assets (JPY million) | Total Net Assets (JPY million) | Net Assets per unit (base value) (JPY) |
|  | February 28, 2022  | 1,247,439                  | 624,859                        | 89,404                                 |
|  | August 31, 2022  | 1,248,964                  | 624,776                        | 89,393                                 |
|  | February 28, 2023  | 1,249,604                  | 625,221                        | 89,456                                 |
|  | August 31, 2023  | 1,249,926                  | 625,077                        | 89,436                                 |
|  | February 29, 2024  | 1,248,078                  | 625,358                        | 89,476                                 |
| <b>Article 23(1) (o)</b>   |  |                            |                                |  |
| Identity of the prime broker, any material arrangements of the AIF with its prime brokers, how conflicts of interest are managed with the prime broker and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of | No applicable prime broker.  |                            |                                |  |



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| liability to the prime broker that may exist   |   |
| <b>Article 23(1) (p)</b>   |   |
| Description of how and when periodic disclosures will be made in relation to leverage, liquidity and risk profile of the assets, pursuant to Articles 23(4) and 23(5)  | The AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through the AIF Internet website and fiscal report. |
| <b>Article 23(2)</b>   |   |
| The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability in accordance with Article 21(13)                             | Not applicable.   |
| The AIFM shall also inform investors of any changes with respect to depositary liability without delay   | Not applicable.   |
| <b>Article 23(4)(a)</b>  |   |
| Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to special arrangements divided | There are no assets that are subject to special arrangements arising from their illiquid nature.  |

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| by the net asset value of the AIF concerned   |   |
| Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements  | There are no such special arrangements.   |
| Valuation methodology applied to assets which are subject to such arrangements  | There are no such special arrangements.   |
| How management and performance fees apply to such assets  | There are no such special arrangements.   |
| <b>Article 23(4)(b)</b>   |   |
| Any new arrangements for managing the liquidity of the AIF  | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |
| For each AIF that the AIFM manages that is not an unleveraged closed-end AIF, notify to investors whenever they make changes to its liquidity management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of Regulation | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |

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| <p>(EU) No 231/2013 (ie. there is a substantial likelihood that a reasonable investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could impact an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF).</p> |  |
| <p>Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions</p>   | <p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p>                         |
| <p>Overview of changes to liquidity arrangements, even if not special arrangements</p>  | <p>Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.</p>                         |
| <p>Terms of redemption and circumstances where management discretion applies, where relevant</p>  | <p>JMF is a closed-end investment corporation, and unitholders are not entitled to request the redemption of their investment.</p> |

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| <p>Also any voting or other restrictions exercisable, the length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included</p> | <p>There are no voting or other restrictions on the rights attaching to units.</p>  |
| <p><b>Article 23(4)(c)</b></p>   |   |
| <p>The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks</p>  | <p>The AIFM stipulates basic provisions of risk management in their risk management rules.</p> <p>Proceeds from borrowings and investment corporation bonds are mainly used to acquire investment properties and repay outstanding borrowings. These are exposed to liquidity risk on their repayments and redemptions. Such risk is managed in ways such as preparing cash flow analyses by the AIFM, securing funds on hand, executing credit facility agreements and commitment line agreements, and other measures.</p> <p>Floating-rate borrowings are exposed to the risk of rising interest rates. JMF manages the ratio of the balance of loans and investment corporation bonds to total assets properly to manage such risk. JMF may also carry out derivative transactions for the purposes of hedging the risk of rising interest rates, etc.</p> <p>Deposits are exposed to risks of failure of the financial institution holding the deposit and other credit risks, but such risks are managed through such measures as setting a minimum credit rating for the financial institutions holding the deposits.</p> |
| <p>Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed</p>  | <p>No such measures have been implemented.</p>  |
| <p>If risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded a description</p>  | <p>No such situation has occurred.</p>  |

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| of the circumstances and the remedial measures taken  |   |
| <b>Article 23(5)(a)</b>   |   |
| Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in accordance with the gross and commitment methods. This shall include the original and revised maximum level of leverage calculated in accordance with Articles 7 and 8 of Regulation (EU) No 231/2013,, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of the AIF. | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |
| Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted   | No such right or guarantee exists.  |
| Details of any change in service providers relating to the above.   | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |

**Article 23(5)(b)**

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| <p>Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods</p> | <p>The aggregate amount of debt with interest is expected to be JPY 553,645 million as of July 31, 2024.</p> |
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**SFDR art. 6 (1) a**

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| <p>The manner in which sustainability risks are integrated into investment decisions. Where financial market participants deem sustainability risks not to be relevant, an explanation of the reasons shall be provided.</p> | <p>JMF and the AIFM address sustainability risks by taking into account environmental, social and governance, or ESG, factors in our investment decision process and on a continuous basis.</p> <p>We have instituted a number of initiatives, at both the portfolio level and the property level, to promote the environmental and social characteristics. Such initiatives include energy-saving initiatives, waste management initiatives and initiatives for employees. For details, please see JMF’s website: <a href="https://jmf-reit_sustainability.disclosure.site/en/">https://jmf-reit_sustainability.disclosure.site/en/</a>.</p> |
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**SFDR art. 6 (1) b**

| <p>The results of the assessment of the likely impacts of sustainability risks on the returns of the fund.</p> | <p>While sustainability issues will severely impact our business activities, we believe that such issues may also become potential business opportunities to create new value for sustainable growth. Accordingly, we position our commitment to sustainability as a top priority in our management strategies. We also believe that integrating sustainability factors alongside traditional financial and operational metrics in our investment decision process helps us make a more holistic assessment of a property’s risks and opportunities and is commensurate with the pursuit of superior risk-adjusted returns.</p> <p><b>Risk analysis</b></p> <p>The risk analysis was conducted based on scenarios of rising temperatures developed by international organizations such as the International Energy Agency (“IEA”) and the Intergovernmental Panel on Climate Change (“IPCC”) as information sources. The main information sources referred to are as follows.</p> <table border="1" data-bbox="411 1780 1492 1960"> <thead> <tr> <th data-bbox="411 1780 614 1960"></th> <th data-bbox="614 1780 805 1960">Risk</th> <th data-bbox="805 1780 1061 1960">Sources</th> <th data-bbox="1061 1780 1292 1960">1.5°C Temperature Increase Scenario</th> <th data-bbox="1292 1780 1492 1960">4°C Temperature Increase Scenario</th> </tr> </thead> <tbody> <tr> <td data-bbox="411 1960 614 1971"></td> <td data-bbox="614 1960 805 1971"></td> <td data-bbox="805 1960 1061 1971"></td> <td data-bbox="1061 1960 1292 1971"></td> <td data-bbox="1292 1960 1492 1971"></td> </tr> </tbody> </table> |         | Risk                                | Sources                           | 1.5°C Temperature Increase Scenario | 4°C Temperature Increase Scenario |  |  |  |  |  |
|--|---|---------|-------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|--|--|--|--|--|
|  | Risk  | Sources | 1.5°C Temperature Increase Scenario | 4°C Temperature Increase Scenario |                                     |                                   |  |  |  |  |  |
|  |   |         |                                     |                                   |                                     |                                   |  |  |  |  |  |

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|  | Transition risks | Risks associated with changes in policies and regulations, technology, market, and reputation, arising from the transition to a decarbonized society | IEA (International Energy Agency) World Energy Outlook 2021   | IEA NZE2050   | IEA STEPS     |
|  | Physical risks   | Risks resulting from the consequences of changes in the climate itself   | IPCC (Intergovernmental Panel on Climate Change) Sixth Report | IPCC SSP1-1.9 | IPCC SSP5-8.5 |

JMF assesses the financial impact on the entire portfolio based on climate change-related scenarios, with 2030 as the medium term and 2050 as the long term. Based on the assessment results, JMF's efforts and measures to respond to potential risks and opportunities are as described on JMF's website at [https://jmf-reit\\_sustainability.disclosure.site/en/themes/128/#h\\_04](https://jmf-reit_sustainability.disclosure.site/en/themes/128/#h_04).

**SFDR art. 7 (1) a**

A clear and reasoned explanation of whether, and, if so, how the fund considers principal adverse impacts on sustainability factors.

JMF and the AIFM consider the principal adverse impacts of our investment decisions on sustainability factors and provide the consolidated statement on principal adverse impacts on sustainability factors of JMF and the AIFM as well as another fund managed by the AIFM on the AIFM's website at [https://kjrm-sustainability.disclosure.site/data/themes\\_101/KJRM\\_SFDR\\_Disclosure\\_Article\\_4.pdf](https://kjrm-sustainability.disclosure.site/data/themes_101/KJRM_SFDR_Disclosure_Article_4.pdf). We recognize the importance of considering adverse sustainability impacts throughout investment cycles. It should be noted that JMF mainly invests in real estate assets and real estate-related assets, and does not invest in companies. This means there are no employees within JMF's invested assets, unlike equity or bond investments. Therefore, we will only disclose data on "Indicators applicable to real

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|   | estate assets” in the consolidated statement on principal adverse impacts on sustainability factors of JMF and the AIFM.  |
| <b>SFDR art. 7 (1) b</b>  |   |
| A statement that information on principal adverse impacts on sustainability factors is available in the information to be disclosed pursuant to Article 11(2)                               | The information principal adverse impacts on sustainability factors is available in the information to be disclosed pursuant to SFDR Article 11(2) on JMF’s website at <a href="https://jmf-reit_sustainability.disclosure.site/data/themes_137/JMF_SFDR_Disclosure_Article_11.pdf">https://jmf-reit_sustainability.disclosure.site/data/themes_137/JMF_SFDR_Disclosure_Article_11.pdf</a> .  |
| <b>SFDR art. 8 (1) a</b>  |   |
| Where a fund promotes, among other characteristics, environmental or social characteristics the information to be disclosed shall include information on how those characteristics are met. | <p>JMF has integrated the concept of responsible property investment (“RPI”) into our investment management process. The RPI strategy is integrated into the asset management of JMF and is implemented by all operational functions of the company during the entire ownership cycle, from its acquisition to the ongoing asset management, marketing, renovation, and maintenance through a sale. In addition, ESG-related items are checked when properties are considered for acquisition. As an integration of ESG at the time of management, the KPIs used to evaluate environmental and social performance are set and monitored.</p> <p>JMF does not have a specific index designated as a reference benchmark to determine whether JMF is aligned with the environmental or social characteristics that it promotes. JMF specifically promotes environmental and social characteristics as follows:</p> <ul style="list-style-type: none"> <li>• Ensuring the quality of the buildings under our management through green building certifications and other means and addresses issues related to climate change and energy efficiency.</li> <li>• Striving to improve building comfort and convenience and to raise the awareness about ESG among tenant employees.</li> <li>• Working together with our tenants and local community members to address the issues of efficient water use and waste disposal. By strengthening the resilience of buildings through disaster prevention measures and the provision of community spaces, as well as social contribution activities, JMF is committed to strengthening and improving connections with local people. By doing so, we will work to establish partnerships and build green communities.</li> <li>• JMF does not designate a reference benchmark to measure the achievement of the environmental or social characteristics.</li> </ul> |



For more details, please see JMF's SFDR Article SFDR at [https://jmf-reit\\_sustainability.disclosure.site/en/themes/137/](https://jmf-reit_sustainability.disclosure.site/en/themes/137/).

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** Japan Metropolitan Fund Investment Corporation

**Legal entity identifier:** 353800QDHNIP60E1LQ93

Japan Metropolitan Fund Investment Corporation (“JMF”) promotes environmental or social characteristics, but does not have as its objective a sustainable investment within the meaning of Article 9(1) of Regulation (EU) 2019/2088 (“SFDR”). JMF has no employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations of Japan and relies on KJR Management (the “asset manager”) to manage and operate the properties in JMF’s portfolio. JMF and the asset manager are hereinafter referred to collectively as “we,” “us” or “our,” unless noted otherwise.

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**

**No**

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It promotes E/S characteristics, but **will not make any sustainable investments**



**What environmental and/or social characteristics are promoted by this financial product?**

JMF is managed by KJR Management (the “asset manager”), an asset management company that specializes in Japanese real estate investment. JMF primarily invests in retail properties, office buildings, mixed-use properties, residences and hotels.

JMF has integrated the concept of responsible property investment (“RPI”) into our investment management process. The RPI strategy is integrated into the asset management of JMF and is implemented by all operational functions of the company during the entire ownership cycle, from its acquisition to the ongoing asset management, marketing, renovation, and maintenance through a sale. In addition, ESG-related items are checked when properties are considered for acquisition. As an integration of ESG at the time of management, the KPIs used to evaluate environmental and social performance are set and monitored.

JMF does not have a specific index designated as a reference benchmark to determine whether JMF is aligned with the environmental or social characteristics that it promotes.

JMF specifically promotes environmental and social characteristics as follows:

- Ensuring the quality of the buildings under our management through green building certifications and other means and addresses issues related to climate change and energy efficiency.
- Striving to improve building comfort and convenience and to raise the awareness about ESG among tenant employees.
- Working together with our tenants and local community members to address the issues of efficient water use and waste disposal. By strengthening the resilience of buildings through disaster prevention measures and the provision of community spaces, as well as social contribution activities, JMF is committed to strengthening and improving connections with local people. By doing so, we will work to establish partnerships and build green communities.
- JMF does not designate a reference benchmark to measure the achievement of the environmental or social characteristics.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Indicators used to measure the attainment of these environmental and social characteristics include:

- Environmental indicators: GHG emissions; Scope1, Scope2 and Scope3 (PAI 18, Table 2)
- Energy consumption; Fuels, District Heating & Cooling and Electricity (PAI 19, Table 2)
- Acquiring green building certifications

JMF works actively on energy conservation measures that relate to asset management, with the aim of creating a sustainable society through the reduction of environmental impact. As part of our carbon risk measures, we collectively manage our energy consumption and GHG emissions by outsourcing this work to external contractors; this has enabled JMF to gather accurate and transparent data. JMF then analyzes this data as part of continuing efforts at managing reductions in energy consumption.

JMF is responding to the problem of climate change, which is becoming more serious

year by year, by implementing environmental-friendly and energy-saving measures and making efforts toward more efficient energy use in our properties to give greater consideration to the environment and lessen our environmental impact. Also, to reduce GHG emissions, which are one of the risk factors for climate change, it has established systems for understanding and managing GHG emissions in our portfolio as a whole. JMF collectively manage electrical power, fuel, and water consumption and analyze the accumulated data, which is both accurate and transparent to actively manage reduction of energy use.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A. JMF promotes environmental or social characteristics, but does not have a sustainable investment objective and does not make sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A. JMF promotes environmental or social characteristics, but does not have a sustainable investment objective and does not make sustainable investments.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A. JMF promotes environmental or social characteristics, but does not have a sustainable investment objective and does not make sustainable investments.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A. JMF promotes environmental or social characteristics, but does not have a sustainable investment objective and does not make sustainable investments.



## **Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

Our investments may have a principal adverse impact on sustainability factors (“PAI”) as defined in Regulation (EU) 2019/2088. The PAI throughout investment cycles is measured and evaluated with the help of defined indicators based on the asset manager's own research.

JMF and its asset manager, KJR Management, recognize the importance of the principal adverse impacts on sustainability factors (hereinafter also Principal Adverse Impacts or PAI) are taken into account throughout investment cycles.

PAIs describe the negative effects of the company’s business activities and countries in which a fund invests regarding environmental, social and employee concerns, respect for human rights anti-corruption and bribery. Therefore, the aim of our PAI strategy is to limit the negative influences on sustainability factors associated with our investment decisions. To this end, systematic procedures for measuring and evaluating, as well as measures for dealing with PAI in investment processes are applied as explained below.

The PAI throughout investment cycles is measured and evaluated with the help of defined indicators

based on the asset manager's own research.

The following indicators are used that measure the PAI of JMF;

1. GHG emissions; Scope1, Scope2 and Scope3
2. Energy consumption; Fuels, District Heating & Cooling and Electricity

GHG emissions and Energy consumption data are provided by each energy supply vendor used to bill for electricity and other services. The data is collected by a third-party property management company and stored in a system provided by another third party. The collected data and the progress in reducing GHG emissions and Energy consumption is reported on by JMF at the sustainability committee meetings, which aims to meet once a quarter.

As an engagement to reduce GHG emissions and energy consumption which are PAI, we provide explanations to our tenants about our environmentally friendly initiatives and facility renewal. When we renew facilities, we install energy-efficient equipment through green leases through engagement with tenants. In this process, we hold dialogues with property management companies (third parties) and tenants regarding GHG emissions and energy consumption of owned properties, including investigation of the causes in purpose of assessing, monitoring and mitigating PAI.

In order to fundamentally limit the negative sustainability impacts associated with the investments, JMF has taken steps to install solar power generation and renewable energy, purchase green power and implement energy-saving modification such as conversion to LEDs and updating air conditioning units which reduce GHG emissions and Energy consumption.

Further information on PAIs can be found on JMF's website: [Environmental Performance](#).

JMF's Semi-Annual Report can be found on JMF's website: [IR Library](#).

No



### **What investment strategy does this financial product follow?**

Our Responsible Property Investment (RPI) strategy is integrated into the asset management of the investment corporations and is implemented by all of our operational functions during the entire ownership cycle, from the acquisition of the asset to the ongoing asset management, marketing, renovation and maintenance through sale. We are implementing our RPI strategy in our investment and management process as follows:

#### Investment Decisions

- Incorporate environmental and social risks into the evaluation criteria when acquiring, selling or operating properties
- Integrate RPI strategies, but not at the expense of long-term client financial performance

#### Refurbishment

- Incorporate RPI strategies into the design and financial analysis of all property renovations
- Evaluate obtaining green building certifications applicable for each property type and location prior to refurbishment to expedite approval process and enhance the property's competitive position to maximize occupancy, rents and tenant quality

- Engage with planners and other external project partners and consultants to achieve objectives

#### Operations and Maintenance

- Define and implement best practice measures (priority on no costs and low costs) to improve energy efficiency, water conservation and waste management for all operating assets in order to promote sustainable practices
- Reduce operating expenses and thereby increasing property values
- Evaluate obtaining green building certifications applicable for each property type and location in order to enhance the property's competitive position to maximize occupancy, rents and tenant quality
- Monitor changes in regulations and laws in order to adopt and implement RPI strategies
- Collaborate with tenants, property managers and suppliers of services and materials to achieve objectives

As for the environment, JMF is continuously working on environmental and energy conservation measures and energy efficiency improvement in the properties owned by the investment corporation. JMF is implementing environmental-friendly and energy-saving measures and making efforts toward more efficient energy use in our properties to give greater consideration to the environment and lessen our environmental impact. For example, JMF actively engages in the effective use of water resources. JMF features more than 6,000 square meters of permeable paving, enabling rainwater to be restored underground. Furthermore, JMF introduced a water-circulation portable hand-washing stand that can be installed even in places where there is no water supply and discharge equipment, and by using a special filter, viruses can be completely removed, water can be reused.

JMF works to create important connections with local communities by implementing disaster prevention measures and performing activities that contribute to society at every one of our wide range of properties.

JMF is also continuously cooperating in public rescue and assistance and mutual help initiatives through public-private partnerships. As demonstrations of next-generation energy supply systems, JMF has been conducted to promote electric vehicle use toward realization of a low-carbon society, and based on plans for ensuring safe urban regeneration of the entire area, rules have been established for maintaining transportation during a disaster and evacuation drills have been carried out in anticipation of people being unable to return home due to a large-scale earthquake. Through participating in such initiatives, JMF is working with the community and the government to reduce environmental impact and increase resilience.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

JMF delegates its operations to the asset manager through the Asset Management Agreement. Therefore, JMF follows an investment strategy established by the asset manager which is described below. The asset manager has an [Environmental Charter](#) that sets out our environmental principles and actions, wherein it commits to climate action and the sustainable use of resources among other environmental objectives.

In addition, JMF integrated into the asset management of the investment corporations our RPI strategy. The concept of responsible property investment incorporates environmental, social, and governance considerations into the investment and management process:

investment decisions, refurbishment, and operations and maintenance. In terms of investment decisions, the asset manager incorporates environmental and social risks into the evaluation criteria when acquiring, selling, or operating properties. In terms of refurbishment, the key approach is to evaluate obtaining green building certifications applicable for each property type and location prior to refurbishment to expedite approval process and enhance the property's competitive position to maximize occupancy, rents, and tenant quality. Finally, in terms of operations and maintenance, the asset manager monitors opportunities to obtain green building certifications, monitor regulatory and legal changes, and continuously seek opportunities to implement best sustainability practices measures such as those regarding resource efficiency.

JMF is responding to the problem of climate change, which is becoming more serious year by year, by implementing environmental-friendly and energy-saving measures and making efforts toward more efficient energy use in our properties to give greater consideration to the environment and lessen our environmental impact. Also, to reduce GHG emissions, which are one of the risk factors for climate change, JMF has established systems for understanding and managing GHG emissions in our portfolio as a whole.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

JMF does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of its investment strategy. However, given the nature of the Art. 8 Funds, the asset manager takes various environmental factors into consideration such as property inspections, and land history investigations. In addition, the asset manager investigates legal compliance, credit checks, and environmental risks such as asbestos and polychlorinated biphenyls (PCBs) based on an ESG checklist used during the due diligence process, which includes ESG-related items to be checked.

● ***What is the policy to assess good governance practices of the investee companies?***

JMF invests mainly in real estate. KJR Management is the asset manager of JMF. In the course of making decisions regarding the acquisition, disposal, or operation and management of assets, approval is obtained from the Investment Committee and the Senior Advisory Board/Board of Directors. The asset manager takes various environmental factors into consideration such as property inspections, and land history investigations. In addition, the asset manager investigates legal compliance, credit checks, and environmental risks such as asbestos and PCBs based on ESG checklists.

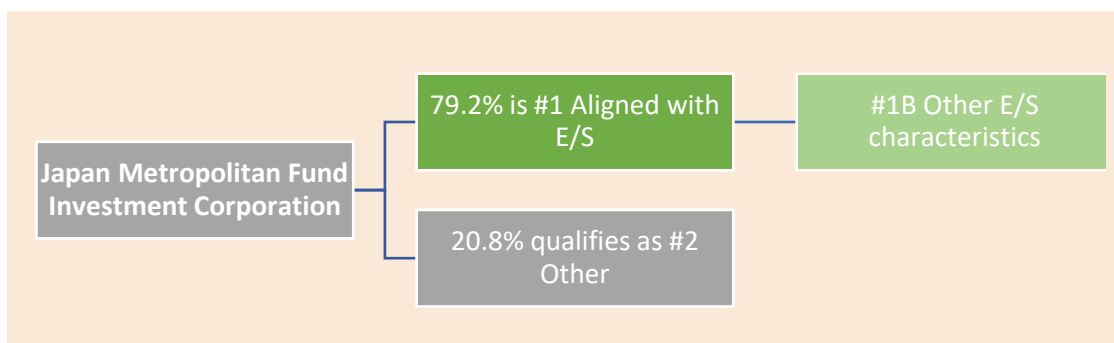


**What is the asset allocation planned for this financial product?**

JMF's asset allocation is mainly in real estate assets. JMF has the following indicators;

- Acquiring green building certifications
- GHG emissions (absolute): 42% reduction by 2030 compared to 2020
- Renewable energy: 50% share of renewable energy by 2030

The above indicators are considered to determine whether investments are aligned with E/S characteristics. An asset is considered to be consistent with E/S characteristics when it meets one of the above three criteria.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.  
 The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

As of February 29, 2024, 79.2% of the properties in the portfolio met one of the above criteria and were deemed aligned with E/S characteristics, and 20.8% were not aligned with E/S characteristics based on gross floor area.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

JMF uses derivatives for hedging market risks (mainly interest rate swaps) purposes only. Therefore, this is not relevant to achieving ESG characteristics.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?***

Yes:

In fossil gas

In nuclear energy

No

JMF does not invest in real estate assets involved in fossil gas and/or nuclear energy-related activities.

- ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.





### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Investments included under “#2 Other” indicate properties without green building certifications, which was 20.8% as of February 29, 2024 based gross floor area. Even if certification is not obtained, JMF will continue to implement operations for properties that meet environmental and social characteristics.



### **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No specific index has been designated as reference benchmark to determine whether JMF is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

JMF does not designate a reference benchmark.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

JMF does not designate a reference benchmark.

- ***How does the designated index differ from a relevant broad market index?***

JMF does not designate a reference benchmark.

- ***Where can the methodology used for the calculation of the designated index be found?***

JMF does not designate a reference benchmark.



### **Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

Our overarching sustainability strategy can be found here:

Strategy: <https://kjrm-sustainability.disclosure.site/en/themes/94/>

JMF: [https://jmf-reit\\_sustainability.disclosure.site/en/](https://jmf-reit_sustainability.disclosure.site/en/)

### **Note Regarding the EU Taxonomy Regulation**

As set out above, we promote certain environmental characteristics.

The asset manager is required, under Regulation (EU) 2020/852 (the “EU Taxonomy Regulation”), to disclose whether its assets are aligned with the environmental objectives formulated in the EU Taxonomy Regulation. The EU Taxonomy Regulation is complemented by technical standards and screening criteria. The technical screening criteria for the first two environmental objectives (climate change mitigation and climate change adaptation) were adopted in December 2021 and amended in June 2023. The amended criteria apply as of January 1, 2024. The technical screening criteria for the other four environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems) were adopted in June 2023. They apply as of January 1, 2024.

JMF invests in economic activities that are eligible under the EU Taxonomy Regulation in respect of climate change mitigation and/or climate change adaptation. This means that screening criteria for these investments have been or will be developed. The asset manager expressly states that in view of the fact that the regulations are still under development or have only recently been adopted and/or amended and the fact that, as a result thereof, data on alignment of JMF's investments with these environmental objectives and climate related goals in line with the EU Taxonomy Regulation are not sufficiently available, the asset manager is not currently in a position to disclose on an accurate and reliable basis to what extent JMF's investments technically qualify as Taxonomy-aligned or "environmentally sustainable" within the specific meaning of the EU Taxonomy Regulation. JMF's investments may have a positive contribution to these environmental objectives and may therefore eventually be considered Taxonomy-aligned, but at this stage, the asset manager is required to state that there is no minimum proportion of JMF's investments that qualify as such.

The asset manager further states that the "do no significant harm" principle applies only to those investments underlying the financial product that takes into account the EU criteria for environmentally sustainable economic activities. The investments underlying the other portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.