

July 26, 2023

To all concerned parties:

Investment Corporation

**Japan Metropolitan Fund Investment Corporation**

(Tokyo Stock Exchange Company Code: 8953)

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Asset Management Company

**KJR Management**

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**Notice Concerning Acquisition and Disposition of Trust Beneficiary Right in Real Estate in Japan**  
**(Acquisition: JMF-Residence Sakuranomiya, JMF-Residence Miyakojima, JMF-Residence Ebie,**  
**Disposition: Round1 Sannomiya Station)**

Japan Metropolitan Fund Investment Corporation (“JMF”) announces today that KJR Management, JMF’s asset manager (the “Asset Manager”), determined to acquire the trust beneficiary right in real estate in Japan and to dispose of the trust beneficiary right in real estate in Japan (hereinafter the property acquisition is referred to as the “Acquisition,” the property disposition is referred to as the “Disposition,” and the Acquisition and the Disposition are collectively referred to as the “Replacement”) as outlined below.

1. Overview of the Replacement

1) Overview of the Acquisition

Property name <sup>(Note 1)</sup>	JMF-Residence Sakuranomiya	JMF-Residence Miyakojima	JMF-Residence Ebie
Location	Nakanochō, Miyakojima-ku, Osaka-shi, Osaka	Miyakojimahondori, Miyakojima-ku, Osaka-shi, Osaka	Ebie Fukushima-ku, Osaka-shi, Osaka
Asset class	Residence		
Type of asset	Trust beneficiary right in real estate <sup>(Note 2)</sup>		
Acquisition price (Planned)	2,050 million yen	1,470 million yen	1,860 million yen
	Total 5,380 million yen		
Appraisal value <sup>(Note 3)</sup>	2,270 million yen	1,620 million yen	2,050 million yen
	Total 5,940 million yen		
Contract completion date	July 26, 2023		
Acquisition date (Scheduled) <sup>(Note 4)</sup>	April 30, 2024		April 30, 2025
Seller <sup>(Note 5)</sup>	Not disclosed		
Broker	None		
Acquisition funds	Cash on hand, Debt (Planned)		

(Note 1) Property name is JMF’s management name.

(Note 2) Agreement has been reached with the seller that the JMF-Residence Sakuranomiya, the JMF-Residence Miyakojima and the JMF-Residence Ebie will be established trusts with the properties as trust assets by the time of the acquisition and JMF will acquire the trust beneficiary rights of the trusts.

(Note 3) Since the building is currently under construction, an appraisal agency conducted an “uncompleted building appraisal”, which was enacted on November 1, 2014, in accordance with the real property appraisal standards (revised on May 1, 2014) specified by the Ministry of Land, Infrastructure, Transport and Tourism, and the appraisal amount indicated in the appraisal report is the appraisal value (this applies hereinafter).

(Note 4) The properties have not yet been completed and JMF will acquire after construction is completed. The acquisition date is subject to change depending on the progress of the construction.

(Note 5) Not disclosed as the seller has not agreed to the disclosure. There are no capital, personal or business relationships to note between JMF/the Asset Manager and the seller.

## 2) Overview of the Disposition

Property name	Round1 Sannomiya Station
Location	1-17, Onoe-dori 6-chome, Chuo-ku, Kobe-shi, Hyogo
Asset class	Retail
Disposition price (Planned)	3,800 million yen
Book value <sup>(Note 1)</sup>	3,158 million yen
Gains on disposition <sup>(Note 2)</sup>	Approx. 600 million yen
Contract completion date	July 26, 2023
Disposition date (Scheduled)	February 29, 2024
Purchaser <sup>(Note 3)</sup>	Not disclosed
Broker	None

(Note 1) Book value is the actual figures as of the end of February 2023 (the end of the 42nd fiscal period).

(Note 2) Gains on disposition are reference figures as the difference calculated at this time by subtracting book value and disposition-related expenses from the scheduled disposition price, and may differ from the actual gains on disposition.

(Note 3) Not disclosed as the purchaser has not agreed to the disclosure. There are no capital, personal or business relationships to note between JMF/the Asset Manager and the purchaser. The Disposition is mutual sales in exchange for the three residential properties described in “1) Overview of the Acquisition”. It is agreed that in the event that the purchase and sale is not executed or is certain to be unable to be executed with respect to any of the assets to be acquired as of the scheduled acquisition date of the Acquisition, the seller and the purchaser will make every practicable and reasonable effort to acquire a comparable replacement property satisfactory to JMF within a reasonable period of time.

(Note 4) The purchaser has agreed to restore the multiple points identified in the engineering reports and other documents regarding each property at the responsibility of JMF.

## 2. Reason for the Replacement

### Highlights

- 1. Conducting asset replacement of retail property with residential properties with the aim of increasing NAV per unit and NOI yield after depreciation**
- 2. Disposed of retail property at a price 14% above the appraisal value, securing a profit on disposition of 600 million yen**
- 3. Acquired three newly-built residential properties through mutual sales transactions for a price 9% below the appraisal value at a NOI yield of more than 4%**

As there have been constant changes to the operating environment surrounding real estate, such as widespread e-commerce and remote working due to the rapid advancement in information technologies, and the trend of mixed-use by area and by property, JMF aims to optimize its portfolio in response to such changes. To this end, JMF will continue to secure stable earnings on a medium to long term basis and ensure steady growth of operating assets by promoting carefully-screened investment in retail facilities, office buildings, residences, hotels, and mixed-use properties used for a combination of those purposes, located mainly in urban areas.

Taking into consideration tenant substitutability and other future prospects, JMF disposed of the disposition property and has replaced it with three residential properties with stable profitability.

In the Disposition, a disposition price at a level approximately 14% above the appraisal value has been

achieved, which is expected to result in a gain of approximately 600 million yen in the 44th fiscal period ending February 2024. Meanwhile, in the Acquisition, a NOI yield of more than 4% has been secured, and the acquisition of the three newly-built residential properties for a price approximately 9% below the appraisal value was enabled through mutual sales transactions with the seller and purchaser.

As a result, NAV per unit and NOI yield after depreciation are expected to increase due to the replacement, and it is estimated that this will contribute to an increase in the level of dividend payments in the future. Also, although the acquisition environment conditions in the real estate trading market remain harsh, it is believed that the establishment of new relationships through this replacement will lead to more acquisition opportunities in the future.

JMF will allocate the funds obtained from the Disposition to fund the Acquisition. Also, proceeds of the Disposition of approximately 600 million yen are expected to accrue in the 44th fiscal period ending February 2024, which JMF will allocate to dividend payments to ensure and boost the level of dividend payments.

Please also refer to “Supplemental Material Concerning Today’s Press Release and Effect to EPU due to Latest Operating Topics” as of today.

### 3. Property Summary

For acquisition of the properties, JMF came to the decision based on evaluation of the following.

[JMF-Residence Sakuranomiya]

#### Location

- The Property is conveniently located within an approximately three-minute walk from Sakuranomiya Station on the JR Osaka Loop Line. From there it is a two-minute ride to Kyobashi Station and a four-minute ride to Osaka Station, so the Property provides good access to major business and commercial areas in Osaka City.
- The area surrounding the Property has convenient facilities such as supermarkets, clinics, drugstores and coin laundromats. It provides a pleasant living environment, being located opposite Kema Sakuranomiya Park and with Miyakojima Chuo Park nearby.

#### Building Spec

- A new 11-story apartment building with 119 units in total scheduled to be completed in August 2023. The unit layouts, which are all 1K of approximately 20 m<sup>2</sup>, meet the demands of singles. The units on the west side face Kema Sakuranomiya Park across the street, providing excellent light, ventilation and views.
- In addition to the full range of facilities in the rooms such as a TV monitor intercom, bathroom drying function, motion sensors, etc., the Property allows pets and has a pet foot-washing area on the first floor of the common area, giving it a competitive edge.

#### Potential

- As the number of households in Miyakojima-ku, where the Property is located, has increased by 1.3% year-on-year as of December 2022, stable residential demand is expected for the Property.

Source: City of Osaka “Estimated Population”

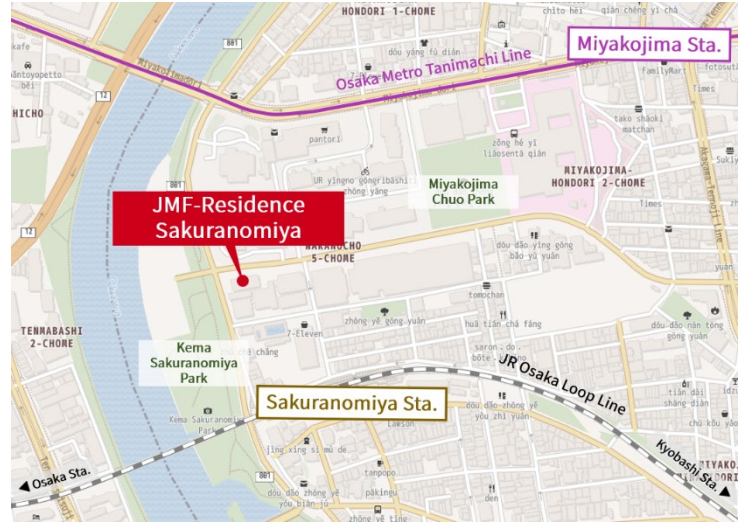
■ Perspective Drawing / Property Location Map



\* The property is under construction and may differ from when completed.

Wide-area Map

\*For enlarged map, please refer to QR code.



<https://goo.gl/maps/uEivMkzx3wZqg3oC8>

# Japan Metropolitan Fund Investment Corporation

Property name	JMF-Residence Sakuranomiya		
Location	1-1, Nakanocho 5-chome, Miyakojima-ku, Osaka-shi, Osaka		
Type of asset	Trust beneficiary right in real estate		
Trustee	Sumitomo Mitsui Trust Bank, Limited		
Trust period	April 30, 2024 –April 30, 2044 (Scheduled)		
Land			
Land area	1,273.51 m <sup>2</sup>	Zoning	Quasi-industrial zone
FAR / building-to-land ratio	200% / 60%	Type of possession	Ownership
Building			
Structure / stories	11 stories above ground, RC-structure (Planned)		
Total floor area	3,318.63 m <sup>2</sup> (Planned)	Type	Residence (Planned)
Completion date	August 2023 (Scheduled)	Type of possession	Ownership
Design	Ikuhara architecture office		
Construction	Okumura Engineering Corporation		
Constructional Inspector	Nihon Kakunin Architectures Inspection Center Co.,Ltd		
PML	—		
Acquisition price	2,050 million yen		
Appraisal value	2,270 million yen (as of July 1, 2023)		
Appraiser	Japan Real Estate Institute		
Tenant summary			
Number of tenants	—		
Annual rent	—		
Tenant leasehold / security deposit	—		
Total leased area	—	Occupancy rate (based on leased area)	—
Total leasable area	2,451.22 m <sup>2</sup> (Planned)		
Collateral conditions	None		
Special notes	None		

- Figures of less than one million yen are rounded down, and percentages are rounded to the nearest second decimal place.
- For the property, a pass-through master lease agreement is scheduled to concluded.
- “Location” represents the address of the property or the registered address of the building.
- “Land area” is based on descriptions in registry books.
- “Structure / stories”, “Total floor area” and “Type” are based on confirmed certificate notations.
- “Zoning” represents the classification of land by its use, stipulated in Section 1-1, Article 8 of the City Planning Act.
- With regard to “PML”, since the construction is not yet completed, JMF plans to obtain an analysis report for earthquake risks by the time of acquisition.
- With regard to “Appraisal value”, JMF plans to obtain an appraisal value by the time of acquisition.
- “Number of tenants”, “Annual rent”, “Tenant leasehold / security deposit”, “Total leased area” and “Occupancy rate (based on leased area)” have been left blank (indicated with a dash), as the asset to be acquired is currently under construction.
- “Total leasable area” is based on design documents, etc.

[JMF-Residence Miyakojima]

Location

- The Property is conveniently located within an approximately six-minute walk along Miyakojima-dori to Miyakojima Station on the Osaka Metro Tanimachi Line, which provides good access to major business and commercial areas in Osaka City such as Shin-Osaka Station, Umeda Station and Shinsaibashi Station.
- Miyakojima Station is surrounded by convenient facilities such as supermarkets, convenience stores, restaurants, retail stores, and providers of services.

Building Spec

- A new 12-story apartment building with 75 units in total is scheduled to be completed in January 2024. The unit layouts are 1K and 1DK, and the 1DK type, which is in short supply in the surrounding area, has a highly-competitive floor layout including a kitchen with a serving counter and a dining room and kitchen side by side with the living room.
- In addition, the rooms are equipped with a TV monitor intercom, bathroom drying function, motion sensors, etc. to a high standard that meets rental demand.

Potential

- As the number of households in Miyakojima-ku, where the Property is located, has increased by 1.3% year-on-year as of December 2022, stable residential demand is expected for the Property.

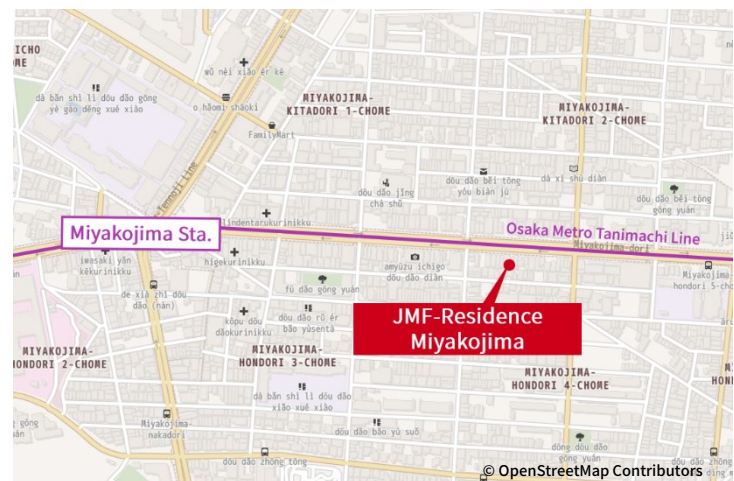
Source: City of Osaka “Estimated Population”

■ Perspective Drawing / Property Location Map



Wide-area Map

\*For enlarged map, please refer to QR code.



\* The property is under construction and may differ from when completed.



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# Japan Metropolitan Fund Investment Corporation

Property name	JMF-Residence Miyakojima			
Location	240-2, Miyakojimahondori 4-chome, Miyakojima-ku, Osaka-shi, Osaka			
Type of asset	Trust beneficiary right in real estate			
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust period	April 30, 2024 –April 30, 2044 (Scheduled)			
Land				
	Land area	463.69 m <sup>2</sup>	Zoning	Commercial district
	FAR / building-to-land ratio	400% / 80%	Type of possession	Ownership
Building				
	Structure / stories	12 stories above ground, RC-structure (Planned)		
	Total floor area	2,190.61 m <sup>2</sup> (Planned)	Type	Residence (Planned)
	Completion date	January 2024 (Scheduled)	Type of possession	Ownership
	Design	Seila Architecture Office Co Ltd		
	Construction	Okumura Engineering Corporation		
	Constructional Inspector	General Building Research Corporation of Japan		
	PML	—		
Acquisition price	1,470 million yen			
Appraisal value	1,620 million yen (as of July 1, 2023)			
Appraiser	Japan Real Estate Institute			
Tenant summary				
	Number of tenants	—		
	Annual rent	—		
	Tenant leasehold / security deposit	—		
	Total leased area	—	Occupancy rate (based on leased area)	—
	Total leasable area	1,782.09 m <sup>2</sup> (Planned)		
Collateral conditions	None			
Special notes	None			

- Figures of less than one million yen are rounded down, and percentages are rounded to the nearest second decimal place.
- For the property, a pass-through master lease agreement is scheduled to concluded.
- “Location” represents the address of the property or the registered address of the building.
- “Land area” is based on descriptions in registry books.
- “Structure / stories”, “Total floor area” and “Type” are based on confirmed certificate notations.
- “Zoning” represents the classification of land by its use, stipulated in Section 1-1, Article 8 of the City Planning Act.
- With regard to “PML”, since the construction is not yet completed, JMF plans to obtain an analysis report for earthquake risks by the time of acquisition.
- With regard to “Appraisal value”, JMF plans to obtain an appraisal value by the time of acquisition.
- “Number of tenants”, “Annual rent”, “Tenant leasehold / security deposit”, “Total leased area” and “Occupancy rate (based on leased area)” have been left blank (indicated with a dash), as the asset to be acquired is currently under construction.
- “Total leasable area” is based on design documents, etc.

[JMF-Residence Ebie]

Location

- The Property is within an approximately two-minute walk from Ebie Station on the JR Tozai Line, approximately four-minute walk from Noda-Hanshin Station on the Osaka Metro Sennichimae Line, and approximately six-minute walk from Noda Station on the Hanshin Main Line, enabling access to three stations on three lines. The nearest station has direct lines to the southern and northern major business and commercial areas of Osaka City (an approximately four-minute ride to Osaka Umeda Station, approximately nine-minute ride to Namba Station, and approximately eleven-minute ride to Kyobashi Station), making the Property highly convenient for transport.
- The area surrounding the Property has convenient facilities such as large shopping malls and an electronics retail store. In addition, the area where the three stations of the three lines is located is a thriving area with a high concentration of financial institutions, restaurants, drugstores, convenience stores, etc.

Building Spec

- The Property is a new 15-story apartment building with 98 units in total scheduled to be completed in September 2024. The unit layouts are 1K and 1LDK, and the 1LDK type, which is in short supply in the surrounding area, has a highly competitive floor layout including a kitchen with a serving counter and a dining room and kitchen side by side with the living room.
- In addition, the Property has inner hallways offering excellent security, allows pets, and has a pet foot-washing area on the first floor of the common area, giving it a competitive edge.

Potential

- As the population and number of households in Fukushima-ku, where the Property is located, have increased by 0.9% and 1.9% year-on-year, respectively, as of December 2022, stable residential demand is expected for the Property.

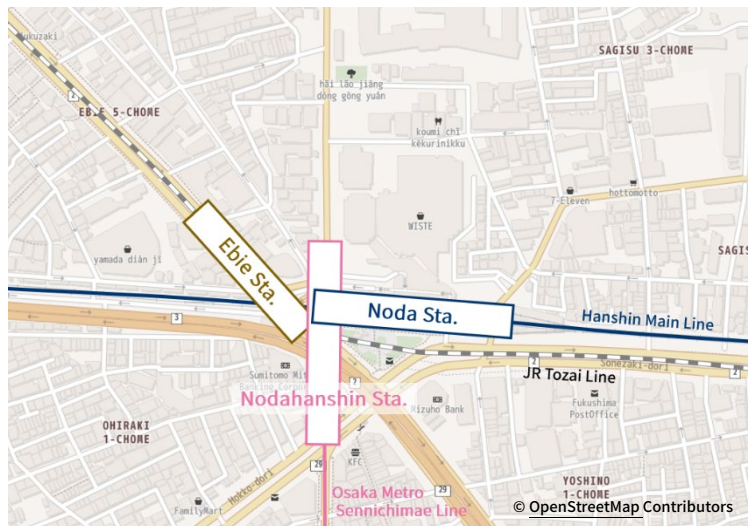
Source: City of Osaka “Estimated Population”

■ Perspective Drawing / Property Location Map

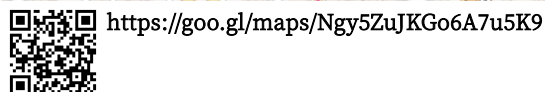


Wide-area Map

\*For enlarged map, please refer to QR code.



\* The property is under construction and may differ from when completed.





# Japan Metropolitan Fund Investment Corporation

Property name	JMF-Residence Ebie		
Location	5-7, Ebie 5-chome, Fukushima-ku, Osaka-shi, Osaka		
Type of asset	Trust beneficiary right in real estate		
Trustee	Sumitomo Mitsui Trust Bank, Limited		
Trust period	April 30, 2025 –April 30, 2045 (Scheduled)		
Land			
Land area	417.36 m <sup>2</sup>	Zoning	Commercial district
FAR / building-to-land ratio	600%・400%/80%	Type of possession	Ownership
Building			
Structure / stories	15 stories above ground, RC-structure (Planned)		
Total floor area	3,062.64 m <sup>2</sup> (Planned)	Type	Residence (Planned)
Completion date	September 2024 (Scheduled)	Type of possession	Ownership
Design	T.G.T.Co.,Ltd.KAI Architects,office		
Construction	NUKIYAMA-KENSETSU Co.,Ltd.		
Constructional Inspector	The Osaka Building Disaster Prevention Center		
PML	—		
Acquisition price	1,860 million yen		
Appraisal value	2,050 million yen (as of July 1, 2023)		
Appraiser	Japan Real Estate Institute		
Tenant summary			
Number of tenants	—		
Annual rent	—		
Tenant leasehold / security deposit	—		
Total leased area	—	Occupancy rate (based on leased area)	—
Total leasable area	2,215.64 m <sup>2</sup> (Planned)		
Collateral conditions	None		
Special notes	None		

- Figures of less than one million yen are rounded down, and percentages are rounded to the nearest second decimal place.
- For the property, a pass-through master lease agreement is scheduled to concluded.
- “Location” represents the address of the property or the registered address of the building.
- “Land area” is based on descriptions in registry books.
- “Structure / stories”, “Total floor area” and “Type” are based on confirmed certificate notations.
- “Zoning” represents the classification of land by its use, stipulated in Section 1-1, Article 8 of the City Planning Act.
- With regard to “PML”, since the construction is not yet completed, JMF plans to obtain an analysis report for earthquake risks by the time of acquisition.
- With regard to “Appraisal value”, JMF plans to obtain an appraisal value by the time of acquisition.
- “Number of tenants”, “Annual rent”, “Tenant leasehold / security deposit”, “Total leased area” and “Occupancy rate (based on leased area)” have been left blank (indicated with a dash), as the asset to be acquired is currently under construction.
- “Total leasable area” is based on design documents, etc.

4. Property Summary (Disposition)

A summary of the Property to be disposed of is set out in Part 1, Fund Information, Item 1. Status of the Fund, 5 Status of investment management, (2) Investment assets, of JMF's securities report for the 42nd fiscal period submitted on May 30, 2023.

5. Overview of Seller and Purchaser

The seller and purchaser are the same domestic company, but we have not obtained the necessary permission from the seller and purchaser to disclose its name and other related information. There are no capital, personal or business relationships to note between JMF/the Asset Manager and the seller and purchaser. In addition, the seller and purchaser do not fall under the category of a related party of JMF/the Asset Manager.

6. Status of Owners, Etc. of the Property

The acquisition of the properties is not from any parties having a special interest in JMF or the Asset Manager.

7. Matters Concerning Forward Commitment

Under the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators", the acquisition of the properties is considered to be a "forward commitment, etc. <sup>(Note)</sup>" by an investment corporation. If JMF cannot meet its forward commitment, 20% of the expected purchase price shall be paid as a penalty for breach of contract.

As all the properties are currently under construction, JMF is exposed to construction completion risks, property transfer risks, and other risks until the building is completed. JMF plans to mitigate these construction completion and property transfer risks by setting the following main points as conditions to payment of the purchase price.

- Construction of the building in accordance with the design drawings specified in the purchase agreement, acquisition of certification of passed inspection, and acquisition of all permits and approvals required by laws and regulations; and
- Confirmation of compliance by the building with the Architectural Standards Act and other construction-related laws and regulations and verification of the absence of any problems upon the conclusion of the designated due diligence.

(Note) Forward commitment, etc. is defined as "a postdated sales and purchase agreement which provides for the delivery and settlement to take place one month or more from the effective date of the agreement or any other related agreements."

8. Means of Payment

Full payment at the time of transfer

9. The Replacement schedule

1) The Acquisition schedule

Property name	JMF-Residence Sakuranomiya	JMF-Residence Miyakojima	JMF-Residence Ebie
Decision-making date	July 26, 2023		
Contract completion date	July 26, 2023		
Payment date	April 30, 2024 (Scheduled)		April 30, 2025 (Scheduled)
Property transfer date	April 30, 2024 (Scheduled)		April 30, 2025 (Scheduled)

2) The Disposition schedule

Decision-making date	July 26, 2023
Contract completion date	
Payment date	February 29, 2024
Property transfer date	(Scheduled)

10. Future Outlook

There is no impact of the Replacement on the fiscal period ending August 2023 (43rd fiscal period: March 1, 2023 to August 31, 2023). In addition, the Disposition is expected to result in gain of approximately 600 million yen in the February 2024 fiscal period (44th fiscal period: September 1, 2023 to February 29, 2024), but the impact is minor, therefore we will not revise the forecast.

11. Appraisal Report Summary

1) Assets to be acquired

Property name	JMF-Residence Sakuranomiya
Appraiser	Japan Real Estate Institute
Appraisal value	2,270 million yen
Appraisal date	July 1, 2023

Item	Value	Notes
Indicated value by income approach	2,270 million yen	
DC method	2,290 million yen	
Operating income	106 million yen	
Effective gross income	111 million yen	
Losses from vacancy, etc.	4 million yen	
Operational cost	20 million yen	
Maintenance and management fee	2 million yen	Assessed based on similar properties, taking into consideration the unique characteristics of the target property
Utility cost	1 million yen	Assessed based on similar properties, taking into consideration the unique characteristics of the target property
Repair expenses	1 million yen	Assessed based on ER, similar properties and other factors Including restoring cost in the residences
Property manager fee	2 million yen	Assessed based on similar properties, taking into consideration the unique characteristics of the target property
Leasing cost	3 million yen	Assessed based on similar properties and other factors
Property tax	8 million yen	Assessed based on amounts for tax and public date
Insurance premium	0 million yen	Assessed based on similar properties and other factors
Other expenses	0 million yen	Internet usage fees and town association fees, etc. are appropriated
Net operating income	86 million yen	
Operating profit on lump-sum payments	0 million yen	
Capital expenditure	1 million yen	
Net cash flow	84 million yen	
Capitalization rate	3.7 %	
DCF method	2,250 million yen	
Discount rate	3.5 %	
Terminal capitalization rate	3.8 %	
Indicated value by cost approach	2,350 million yen	
Land ratio	63.3 %	
Building ratio	36.7 %	

Other matters of consideration	N/A
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The building is under construction and is scheduled to be completed in August 2023, and accordingly, an appraisal agency conducted an “uncompleted building appraisal”, which was enacted on November 1, 2014, in accordance with the real property appraisal standards (revised on May 1, 2014) specified by the Ministry of Land, Infrastructure, Transport and Tourism, and the appraisal amount indicated in the appraisal report is the appraisal value.

## Japan Metropolitan Fund Investment Corporation

Property name	JMF-Residence Miyakojima
Appraiser	Japan Real Estate Institute
Appraisal value	1,620 million yen
Appraisal date	July 1, 2023

Item	Value	Notes
Indicated value by income approach	1,620 million yen	
DC method	1,640 million yen	
Operating income	76 million yen	
Effective gross income	79 million yen	
Losses from vacancy, etc.	3 million yen	
Operational cost	14 million yen	
Maintenance and management fee	2 million yen	Assessed based on similar properties, taking into consideration the unique characteristics of the target property
Utility cost	0 million yen	Assessed based on similar properties, taking into consideration the unique characteristics of the target property
Repair expenses	1 million yen	Assessed based on ER, similar properties and other factors including restoring cost in the residences
Property manager fee	1 million yen	Assessed based on similar properties, taking into consideration the unique characteristics of the target property
Leasing cost	2 million yen	Assessed based on similar properties and other factors
Property tax	5 million yen	Assessed based on amounts for tax and public date
Insurance premium	0 million yen	Assessed based on similar properties and other factors
Other expenses	0 million yen	Internet usage fees and town association fees, etc. are appropriated
Net operating income	61 million yen	
Operating profit on lump-sum payments	0 million yen	
Capital expenditure	1 million yen	
Net cash flow	60 million yen	
Capitalization rate	3.7 %	
DCF method	1,600 million yen	
Discount rate	3.5 %	
Terminal capitalization rate	3.8 %	
Indicated value by cost approach	1,670 million yen	
Land ratio	65.2 %	
Building ratio	34.8 %	

Other matters of consideration	N/A
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The building is under construction and is scheduled to be completed in January 2024, and accordingly, an appraisal agency conducted an “uncompleted building appraisal”, which was enacted on November 1, 2014, in accordance with the real property appraisal standards (revised on May 1, 2014) specified by the Ministry of Land, Infrastructure, Transport and Tourism, and the appraisal amount indicated in the appraisal report is the appraisal value.

# Japan Metropolitan Fund Investment Corporation

Property name	JMF-Residence Ebie
Appraiser	Japan Real Estate Institute
Appraisal value	2,050 million yen
Appraisal date	July 1, 2023

Item	Value	Notes
Indicated value by income approach	2,050 million yen	
DC method	2,070 million yen	
Operating income	94 million yen	
Effective gross income	98 million yen	
Losses from vacancy, etc.	4 million yen	
Operational cost	18 million yen	
Maintenance and management fee	2 million yen	Assessed based on similar properties, taking into consideration the unique characteristics of the target property
Utility cost	0 million yen	Assessed based on similar properties, taking into consideration the unique characteristics of the target property
Repair expenses	1 million yen	Assessed based on ER, similar properties and other factors including restoring cost in the residences
Property manager fee	1 million yen	Assessed based on similar properties, taking into consideration the unique characteristics of the target property
Leasing cost	2 million yen	Assessed based on similar properties and other factors
Property tax	8 million yen	Assessed based on amounts for tax and public date
Insurance premium	0 million yen	Assessed based on similar properties and other factors
Other expenses	0 million yen	Internet usage fees are appropriated
Net operating income	75 million yen	
Operating profit on lump-sum payments	0 million yen	
Capital expenditure	1 million yen	
Net cash flow	74 million yen	
Capitalization rate	3.6 %	
DCF method	2,030 million yen	
Discount rate	3.4 %	
Terminal capitalization rate	3.7 %	
Indicated value by cost approach	2,200 million yen	
Land ratio	63.8 %	
Building ratio	36.2 %	

Other matters of consideration	N/A
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The building is under construction and is scheduled to be completed in September 2024, and accordingly, an appraisal agency conducted an "uncompleted building appraisal", which was enacted on November 1, 2014, in accordance with the real property appraisal standards (revised on May 1, 2014) specified by the Ministry of Land, Infrastructure, Transport and Tourism, and the appraisal amount indicated in the appraisal report is the appraisal value.

2) Assets to be disposed of

Property name	Round1 Sannomiya Station
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Appraisal value	3,330 million yen
Appraisal date	February 28, 2023

Item	Value	Notes
Indicated value by income approach	3,330 million yen	
DC method	3,400 million yen	
Operating income	Not disclosed	As the disclosure of this item may negatively affect JMF's competitiveness and business to the detriment of its unitholders, we have decided not to disclose this information here.
Effective gross income	Not disclosed	
Losses from vacancy, etc.	Not disclosed	
Operational cost	Not disclosed	
Maintenance and management fee	0 yen	
Utility cost	0 yen	
Repair expenses	0 million yen	
Property manager fee	Not disclosed	As the disclosure of this item may negatively affect JMF's competitiveness and business to the detriment of its unitholders, we have decided not to disclose this information here, and have included it under "Other expenses" instead.
Leasing cost	0 million yen	
Property tax	22 million yen	
Insurance premium	Not disclosed	As the disclosure of this item may negatively affect JMF's competitiveness and business to the detriment of its unitholders, we have decided not to disclose this information here, and have included it under "Other expenses" instead.
Other expenses	1 million yen	
Net operating income	130 million yen	
Operating profit on lump-sum payments	0 million yen	
Capital expenditure	1 million yen	
Net cash flow	129 million yen	
Capitalization rate	3.8 %	
DCF method	3,300 million yen	
Discount rate	3.8 %	
Terminal capitalization rate	4.0 %	
Indicated value by cost approach	3,950 million yen	
Land ratio	92.3 %	
Building ratio	7.7 %	

Other matters of consideration	N/A
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[Reference]

The forecast of the operating results for August 2023 fiscal period (Announced on April 19, 2023), and the results for February 2023 fiscal period

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (yen) (excluding distributions in excess of profit)	Distributions in excess of profit per unit (yen)
August 2023 fiscal period (The forecast)	41,353	17,536	15,516	15,515	2,250	0
February 2023 fiscal period (The results)	41,332	17,887	15,965	15,964	2,313	0

[Reference]

Prospective Income and Expenditures for the Property

Property name	JMF-Residence Sakuranomiya	JMF-Residence Miyakojima	JMF-Residence Ebie	Total / Average
NOI (Net Operating Income)	86 million yen	61 million yen	75 million yen	Total 223 million yen
NOI yield	4.2 %	4.2 %	4.1 %	Average 4.2 %
Depreciation	21 million yen	14 million yen	18 million yen	Total 54 million yen
NOI yield after depreciation	3.2 %	3.2 %	3.1 %	Average 3.1 %

- NOI refers to NOI used in the Direct Capitalization Method on the appraisal report.
- NOI yield is calculated by dividing NOI by the acquisition price and rounded to the nearest second decimal place.
- Depreciation is a rough estimate at present.
- NOI yield after depreciation is calculated by dividing NOI after deducting depreciation by the acquisition price and rounded to the nearest second decimal place.