

Investment Corporation

Japan Metropolitan Fund Investment Corporation
(Tokyo Stock Exchange Company Code: 8953)
Representative: Masahiko Nishida, Executive Director
URL: <https://www.jmf-reit.com/english/>

Asset Management Company

KJR Management
Representative: Naoki Suzuki, President & CEO
Inquiries: Keita Araki, Executive Officer &
Head of Metropolitan Division
TEL: +81-3-5293-7081

Supplemental Material Concerning Today's Press Release and Effect to EPU due to Latest Operating Topics

July 26, 2023

Notice Concerning Acquisition and Disposition of Trust Beneficiary Right in Real Estate in Japan
(Acquisition: JMF-Residence 3 properties, Disposition: Round1 Sannomiya Station)

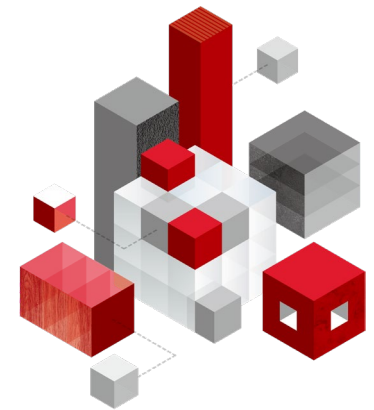
July 26, 2023

Japan Metropolitan Fund Investment Corporation

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

Security code **8953**

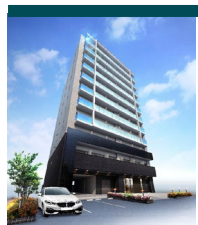
Supplementary Explanation Concerning Today's Press Release



Asset replacement effects for increasing unitholder value

1. Acquired properties through reciprocal transactions at a price below the appraisal value, securing a yield of more than 4% and increasing NOI after depreciation.
2. Disposed of property at a price above the appraisal value, obtaining gain on disposition.
3. Increasing NAV per unit due to the asset replacement.

Acquisition



JMF-Residence
Sakuranomiya (A)



JMF-Residence
Miyakojima (B)



JMF-Residence
Ebie (C)



Disposition



Round1
Sannomiya Station

Asset class / Location	Residence/Osaka-shi, Osaka
Acquisition・Disposition date (Scheduled)	A,B: Apr. 2024, C: Apr. 2025
Acquisition・Disposition price (Scheduled)	5.3 bn yen
Appraisal value	5.9 bn yen
Unrealized gains *	+ 0.5 bn yen
Estimated gain on sales	—
NOI (after depreciation)	223 (169) mn yen
NOI yield (after depreciation)	4.2% (3.1%)

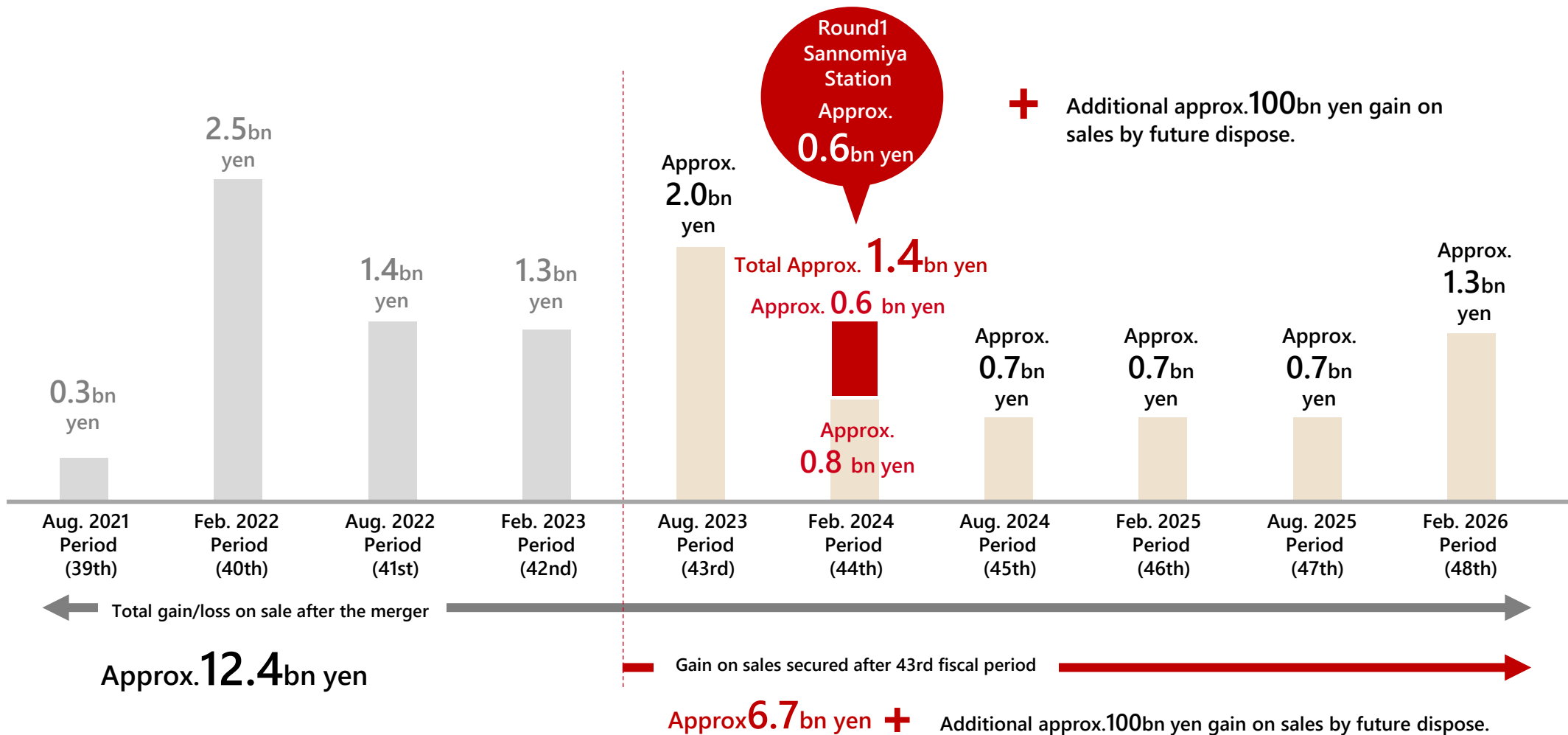
Asset class / Location	Urban retail/Kobe-shi, Hyogo
Acquisition・Disposition date (Scheduled)	Feb. 2024
Acquisition・Disposition price (Scheduled)	3.8 bn yen
Appraisal value	3.3 bn yen
Unrealized gains *	+ 0.1 bn yen
Estimated gain on sales	0.6 bn yen
NOI (after depreciation)	131 (117) mn yen
NOI yield (after depreciation)	4.1% (3.7%)

	Effects
NOI yield of acquired properties	3 newly-built residential properties 4.2% Acquired properties at a price 9% below the appraisal value
Increasing NOI after depreciation	+ Approx. 51 mn yen / year
Obtained gain on disposition	+ Approx. 0.6 bn yen
Increasing NAV per unit	Increase NAV by 55 yen by the replacement

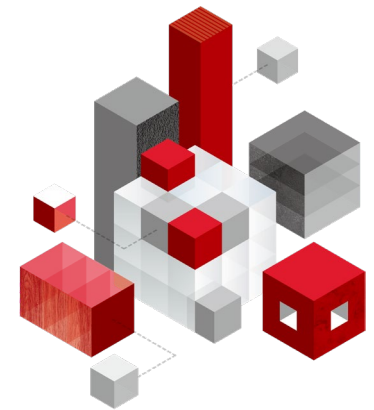
* Appraisal value – Acquisition price or Latest book value

Obtained additional gains on disposal due to the asset replacement.

- Obtained additional gains on disposal due to the asset replacement, securing a total gain on disposal of approximately 1.4 billion yen in the fiscal period ending February 2024.









Effect to EPU due to Latest Operating Topics



Latest operating topics

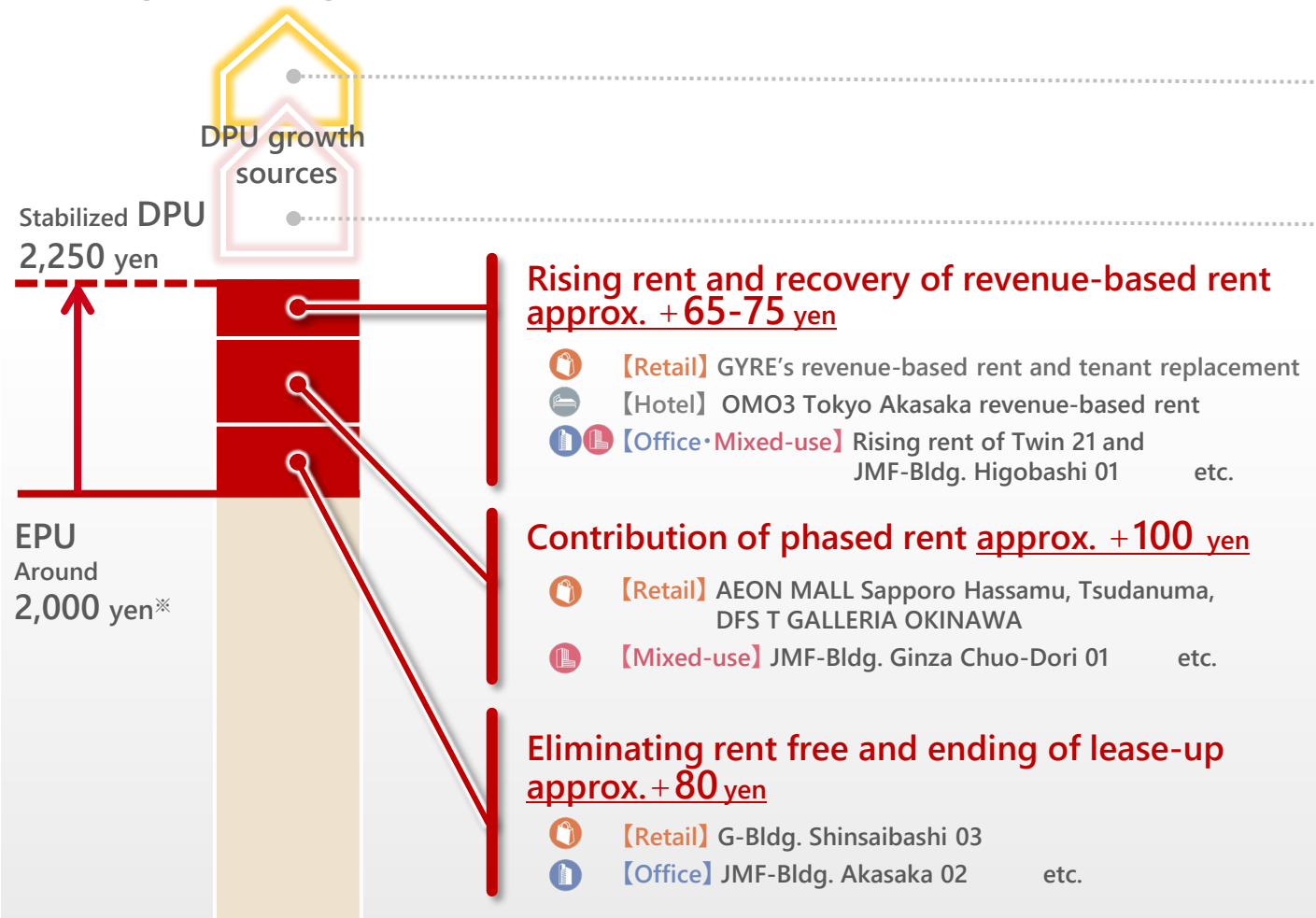
Revenue, which temporarily slowed down due to the COVID-19 pandemic, etc., is improving gradually.

 【Retail】	G-Bldg. Shinsaibashi 03	A long-term contract with a new tenant (whole A Bldg.) to be concluded soon.
 【Retail】	GYRE	Revenue-based rent exceeded forecast due to favorable sales.
 【Retail】	Sales trends	Sales of our 11 major retail properties continue to increase by nearly 10% compared to the last year.
 【Office】	JMF-Bldg. Akasaka 02	The property, which was acquired on the premise of vacancy (4 floors), is operating at an occupancy rate of 100%.
 【Mixed-use】	Twin 21	OBP Panasonic Tower : Already signed a contract for approx. 3,000 tsubo and received an application for approx. 2,800 tsubo for the leasing space (approx. 6,000 tsubo) where tenants are scheduled to leave at the end of March 2024.
 【Hotel】	OMO3 Tokyo Akasaka	Occupancy rates and ADR remain favorable, and GOP-linked revenue-based rent is expected to greatly exceed forecast.
【Other】	Cost reduction	Utility expenses improved greatly compared to forecast due to decline in fuel adjustment costs.

Due to favorable operating situation, EPU to reach 2,250. DPU is on an upward trend

EPU to reach 2,250 yen based only on determined factors.

~ DPU growth image ~



Recovery of EPU to 2,250 yen enables gradual return of part of the gains secured on disposal to unitholders.

Approx. 970 yen per unit (approx. 6.7 bn yen)
+ expected additional gain on disposal of assets of approx. 100 billion yen.

Along with the recovery of EPU to 2,250 yen, additional positive factors including lease-up of vacant spaces, rising revenue-based rent, and cost reduction will contribute to DPU.

- Rising fixed rent
- Rising retail revenue-based rents
- Contribution of asset replacement to revenue
- Increase due to rent revisions
- Cost reduction including utility expenses and depreciation expenses etc.

* Before deduction of goodwill amortization, excluding gains on disposal

Japan Metropolitan Fund Investment Corporation

Disclaimer

- This material may contain information such as data on future performance, plans, management targets, and strategies. Such descriptions with regard to the future are based on current hypotheses and assumptions about future events and trends in the business environment, but these hypotheses and assumptions are not necessarily correct. As such, actual results may vary significantly due to various factors.
- This material is prepared based on Japanese accounting principles unless otherwise noted.
- This material is to be used for analyzing the financial results of JMF, and is not prepared for the purpose of soliciting the acquisition of JMF's investment securities or the signing of financial instruments contracts. When investing, we ask investors to invest on their own responsibility and their own judgment.
- JMF is a publicly-offered real estate investment corporation (J-REIT) investing in real estate and related assets the prices of which may fluctuate. Unitholders of the Investment Corporation may suffer loss when unit prices decline in the market or an amount of distributions declines, according to economic and interest rate circumstances, a balance of supply and demand for units, real estate market environment, fluctuations of prices of, and rent revenues from real estate properties under management, disasters, aggravation of financial status of JMF and other reasons. For details, please see "Investment Risk" in the Securities Registration Statement (offering circular) and the Securities Report of JMF.

Asset Management Company: KJR Management

(Financial Instruments Dealer Director of Kanto Financial Bureau (Financial Instruments Dealer) Number 403, Member of The Investment Trusts Association, Japan, Member of the Japan Investment Advisers Association, Member of the Type II Financial Instruments Firms Association)