

February 7, 2024

To all concerned parties:

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

Notice Concerning Acquisition of Trust Beneficiary Right in Real Estate in Japan

(JMF-Residence Setagaya Mishuku, JMF-Residence Shin-itabashi,

JMF-Residence Kuramae 2-chome, JMF-Residence Kuramae Torigoe)

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 (hereinafter the trust beneficiary rights in real estate in Japan are individually referred to as the “Property”, and collectively referred to as the “Properties”) as outlined below.

1. Overview of Acquisition

Property name	JMF-Residence Setagaya Mishuku ^(Note 1)	JMF-Residence Shin-itabashi ^(Note 2)	JMF-Residence Kuramae 2-chome ^(Note 3)	JMF-Residence Kuramae Torigoe ^(Note 4)
Location	Mishuku, Setagaya-ku, Tokyo	Itabashi, Itabashi-ku, Tokyo	Kuramae, Taito-ku, Tokyo	Torigoe, Taito-ku, Tokyo
Asset class	Residence			
Type of asset	Trust beneficiary right in real estate ^(Note 5)			
Acquisition price (Planned)	3,050 million yen	1,420 million yen	3,070 million yen	1,960 million yen
	Total 9,500 million yen			
Appraisal value	3,410 million yen	1,600 million yen	3,380 million yen ^(Note 6)	2,220 million yen ^(Note 6)
	Total 10,610 million yen			
Contract completion date	February 9, 2024 (Scheduled)			
Acquisition date (Scheduled)	March 1, 2024		April 1, 2024 ^(Note 7)	
Seller	Cosmos Initia Co., Ltd.			
Broker	None			
Acquisition funds	Cash on hand, Debt (Planned)			

(Note 1) Property name is JMF’s management name. The facility is currently referred to as “Cross Residence Mishuku”, but the facility name will be changed to “JMF-Residence Setagaya Mishuku” after the acquisition.

(Note 2) Property name is JMF’s management name. The facility is currently referred to as “COSMOS GRACIA Itabashi”, but the facility name will be changed to “JMF-Residence Shin-itabashi” after the acquisition.

(Note 3) Property name is JMF’s management name. The facility is to be referred to as “COSMOS GRACIA Kuramae Terrace”, but the facility name will be changed to “JMF-Residence Kuramae 2-chome” after the acquisition.

(Note 4) Property name is JMF’s management name. The facility is to be referred to as “COSMOS GRACIA Kuramae”, but the facility name will be changed to “JMF-Residence Kuramae Torigoe” after the acquisition.

(Note 5) Agreement has been reached with the seller that the JMF-Residence Shin-itabashi, the JMF-Residence Kuramae 2-chome and the JMF-Residence Kuramae Torigoe 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 6) Since the JMF-Residence Kuramae 2-chome is currently under construction and the JMF-Residence Kuramae Torigoe was under construction at the time of acquisition of the appraisal, 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.
- (Note 7) The JMF-Residence Kuramae 2-chome has 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.

2. Reason for Acquisition

Highlights

JMF has made steady progress in its asset replacement strategy with the acquisition of four prime rental residential properties (total value of 9.5 billion yen) that are located in the 23 wards of Tokyo and offer excellent transportation and living convenience, including three newly built properties.

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.

The four residential properties that JMF decided to acquire are all located in the 23 wards of Tokyo and are prime rental residential properties in areas with excellent transportation and living convenience. JMF considers the acquisition of these residential properties to contribute to the progress of asset replacement and improvement of the quality of its portfolio.

3. Property Summary

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

[JMF-Residence Setagaya Mishuku]

Location

- The Property has access to two stations on two railway lines: an approximately 14-minute walk from Ikejiri-ohashi Station on the Tokyu Den-en-toshi Line and from Ikenoue Station on the Keio Inokashira Line. The Property provides excellent transportation convenience from Ikejiri-ohashi Station: access to Shibuya Station (the terminal station) is only one station away, or about three minutes, and there is also direct access to Otemachi Station and its surrounding business area.
- The Property is within walking distance of supermarkets and convenience stores, and within cycling distance to Sangenjaya Station, where there is a high concentration of commercial facilities, making it a very convenient place to live. The area is located in the center of Tokyo, but is also within reach of a natural environment with several greenways leading the neighborhood to the national highway. There are also several school campuses within a 1-km radius, providing a good educational environment. In these respects, the area has a brand strength that is favored by families with young children.

Building Spec

- The Property is a rental apartment building (total of 79 units) with one basement level and four stories above ground. The exterior of the building is well-designed and completed in tiles, and its interior corridors are finished to high-grade specifications. These features differentiate the Property from surrounding apartment buildings.
- There is a wide range of floor plans to accommodate a wide range of consumers, from singles to DINKs and families. The most common floor plan is 1R (high 20 m² – high 30 m² range), but there are also 1K (high 25 m² range), 1LDK (high 30 m² – low 50 m² range) and maisonettes (low 50 m² – 80 m² range) on offer.
- Common areas were renovated in February 2023. The entrance was also renovated. Currently, the exterior walls are undergoing renovation.

Potential

- Housing demand in Setagaya-ku, where the Property is located, is expected to be solid. The population and number of households here are trending slightly upward, and in 2045, the population is expected to be 0.1% higher than in 2020.

Source: *Regional Population Projections for Japan: 2015-2045 (2018)*,
National Institute of Population and Social Security Research

■ Property Location Map (Wide-area Map) *For enlarged map, please refer to QR code.



<https://maps.app.goo.gl/1C7ZC52Peq4NCpi79>

Japan Metropolitan Fund Investment Corporation

Property name	JMF-Residence Setagaya Mishuku		
Location	11-17, Mishuku 2-chome, Setagaya-ku, Tokyo		
Type of asset	Trust beneficiary right in real estate		
Trustee	Mizuho Trust & Banking Co., Ltd.		
Trust period	March 1, 2024 – March 31, 2044 (Scheduled)		
Land			
Land area	1,677.56 m ² (Note)	Zoning	Category 1 medium-to-high-rise exclusive residential districts
FAR / building-to-land ratio	200% / 60%	Type of possession	Ownership
Building			
Structure / stories	4 stories above ground and 1 basement floor, RC-structure with flat roof, 1 story above ground, RC-structure with flat roof		
Total floor area	3,239.37 m ²	Type	Residence, Garbage
Completion date	June 6, 2007	Type of possession	Ownership
Design	Kankyokenchiku		
Construction	TOKAIKOGYO CO., LTD.		
Constructional Inspector	The Housing Loan Progress Association		
PML	6.8% (Based on the earthquake risk assessment (details) report prepared by Engineering and Risk Services Corporation and OYO RMS Corporation)		
Acquisition price	3,050 million yen		
Appraisal value	3,410 million yen (as of January 1, 2024)		
Appraiser	JLL Morii Valuation & Advisory K.K.		
Tenant summary (as of December 31, 2023)			
Number of tenants	75		
Annual rent	125 million yen		
Tenant leasehold / security deposit	12 million yen		
Total leased area	2,450.12 m ²	Occupancy rate (based on leased area)	92.1%
Total leasable area	2,660.21 m ²		
Collateral conditions	None		
Special notes	<ul style="list-style-type: none"> This land is within a well-known buried cultural property site under the Act on the Protection of Cultural Properties. For that reason, any engineering work on the land requires at least 60 days' notice prior to the start of such work. Although a boundary confirmation document has not been executed for a part of this land, the seller has agreed to execute the boundary confirmation document at the responsibility and expense of the seller. 		

(Note) Including an area (approximately 150m²) regarded as private road, etc.

- 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 be concluded.
- “Location” represents the address of the Property or the registered address of the building.
- “Land area” and “Total floor area” are based on descriptions in registry books.
- “Zoning” represents the classification of land by its use, stipulated in Section 1-1, Article 8 of the City Planning Act.
- “Number of tenants” represents the total number of lease contracts (including the lease agreements, etc. concluded between the master lease company and end tenants; the same applies hereinafter) as of the above. The number of tenants listed is the total number of tenants in the retail zone and the end-tenants in the residential zone.
- “Annual rent” is calculated by taking the total amount of monthly rents and common area fees indicated in the lease agreements and other documents in effect as of the above for a property to be acquired and multiplying this amount by 12, rounded down to the nearest million yen. Amounts expressly stated in lease agreements as rents for warehouses and land (flat parking lots) are excluded.
- “Tenant leasehold / security deposit”, “Total leased area”, “Total leasable area” and “Occupancy rate (based on leased area)” represent the total sums and areas in the lease contracts, etc. as of the above.

[JMF-Residence Shin-itabashi]

Location

- The Property has access to three stations on three railway lines: an approximately three-minute walk from Shin-itabashi Station on the Toei Mita Line, an approximately eight-minute walk from Itabashi Station on the JR Saikyo Line, and an approximately nine-minute walk from Shimo-itabashi Station on the Tobu Tojo Line. The nearest station provides easy access to central Tokyo and excellent transportation convenience.
- The Property is located adjacent to the Kaga area—a popular, quiet residential area—and is within walking distance to a sports center, large hospital, and large park. A promenade has also been developed along the Shakujii River, providing a good natural environment. In addition, the area surrounding the Property also has several supermarkets, convenience stores and medical clinics, making a convenient living environment.

Building Spec

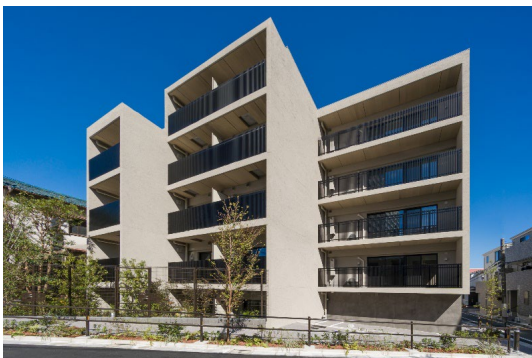
- The Property is a new five-story apartment building (total of 35 units) that was recently completed in October 2023. Its exterior conveys a sense of luxury with gray and beige tones.
- There is a wide range of floor plans to accommodate a wide range of consumers, from singles to DINKs and families. Floor plans range from 1DK (high 20 m² range) and 1LDK (low 30 m² range) to 2LDK (high 40 m² – 65 m² range), and some apartments feature a kitchen with a serving counter and a study.

Potential

- Housing demand in Itabashi-ku, where the Property is located, is expected to be solid. The population is projected to grow until 2040, and in 2045, the population is expected to be 4.8% higher than in 2020.

Source: *Regional Population Projections for Japan: 2015-2045 (2018)*,
National Institute of Population and Social Security Research

■ Property Photo / Property Location Map



Wide-area Map

*For enlarged map, please refer to QR code.



<https://maps.app.goo.gl/RtuM4WGMNq9KDVd49>

Japan Metropolitan Fund Investment Corporation

Property name	JMF-Residence Shin-itabashi		
Location	26-13, Itabashi 4-chome, Itabashi-ku, Tokyo		
Type of asset	Trust beneficiary right in real estate		
Trustee	Sumitomo Mitsui Trust Bank, Limited		
Trust period	March 1, 2024 – March 31, 2044 (Scheduled)		
Land			
Land area	672.18 m ² ^(Note)	Zoning	Category 1 medium-to-high-rise exclusive residential districts · Category 1 residential districts
FAR / building-to-land ratio	300% / 60%	Type of possession	Ownership (Share) ^(Note)
Building			
Structure / stories	5 story above ground, RC-structure with flat roof		
Total floor area	1,537.95 m ²	Type	Residence
Completion date	October 3, 2023	Type of possession	Ownership
Design	ATELIER FIVE CO.,LTD.		
Construction	OHKI CORPORATION		
Constructional Inspector	HOUSEPLUS ARCHITECTURAL INSPECTION, inc.		
PML	2.7% (Based on the earthquake risk assessment (details) report prepared by Engineering and Risk Services Corporation and OYO RMS Corporation)		
Acquisition price	1,420 million yen		
Appraisal value	1,600 million yen (as of January 1, 2024)		
Appraiser	JLL Morii Valuation & Advisory K.K.		
Tenant summary (as of December 31, 2023)			
Number of tenants	20		
Annual rent	37 million yen		
Tenant leasehold / security deposit	2 million yen		
Total leased area	747.63 m ²	Occupancy rate (based on leased area)	57.3%
Total leasable area	1,305.01 m ²		
Collateral conditions	None		
Special notes	<ul style="list-style-type: none"> Although boundary confirmation has not been completed for a part of this land, the seller has agreed to execute the boundary confirmation document at the responsibility and expense of the seller. 		

(Note) A part of this land (14.03m²) is co-owned, and the co-ownership interest held by the trustee is 50%. The said land falls under the portion deemed as a private road, etc. The land area shows the figure for the entire land.

- 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” and “Total floor area” are based on descriptions in registry books.
- “Zoning” represents the classification of land by its use, stipulated in Section 1-1, Article 8 of the City Planning Act.
- “Number of tenants” represents the total number of lease contracts (including the lease agreements, etc. concluded between the master lease company and end tenants; the same applies hereinafter) as of the above. The number of tenants listed is the total number of tenants in the retail zone and the end-tenants in the residential zone.
- “Annual rent” is calculated by taking the total amount of monthly rents and common area fees indicated in the lease agreements and other documents in effect as of the above for a property to be acquired and multiplying this amount by 12, rounded down to the nearest million yen. Amounts expressly stated in lease agreements as rents for warehouses and land (flat parking lots) are excluded.
- “Tenant leasehold / security deposit”, “Total leased area”, “Total leasable area” and “Occupancy rate (based on leased area)” represent the total sums and areas in the lease contracts, etc. as of the above.

[JMF-Residence Kuramae 2-chome]

Location

- The Property is located about a three-minute walk from the Kuramae Stations on the Toei Asakusa and Toei Oedo Lines. The nearest stations provide easy access to major stations and business areas in Tokyo and excellent transportation convenience.
- The area surrounding the Property has small supermarkets, drugstores, convenience stores and medical clinics, making a convenient living environment. To the southeast of the Property runs the Sumida River, and alongside the river is the Sumida River Terrace (a riverside promenade), providing a good living environment where urban functions exist alongside nature.

Building Spec

- The Property is a new 13-story apartment building (total of 60 units) to be completed in February 2024. The Property has a luxurious exterior and interior corridors. Some apartments face Sumida River, offering excellent lighting, ventilation and views, and making it a rare find in this location.
- There is a wide range of floor plans to accommodate a wide range of consumers, from singles to DINKs and families. Floor plans range from 1DK (25 m² range) and 2DK (high 30 m² range) to 1LDK (low 40 m² range) and 2LDK (low 40 m² – low 50 m² range), and some apartments feature a kitchen with a serving counter.

Potential

- Housing demand in Taito-ku, where the Property is located, is expected to be solid. While the national population continues to decline, in 2045, the population in Taito-ku is expected to be 11.3% higher than in 2020.

Source: *Regional Population Projections for Japan: 2015-2045 (2018)*,
National Institute of Population and Social Security Research

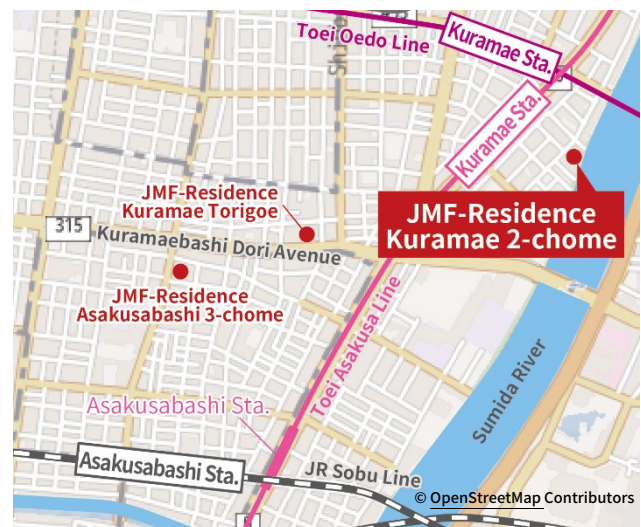
■ Perspective Drawing / Property Location Map



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

Wide-area Map

*For enlarged map, please refer to QR code.



<https://maps.app.goo.gl/5e1uR6y6LGnjp7xm8>

Japan Metropolitan Fund Investment Corporation

Property name	JMF-Residence Kuramae 2-chome			
Location	10-8, Kuramae 2-chome, Taito-ku, Tokyo			
Type of asset	Trust beneficiary right in real estate			
Trustee	Sumitomo Mitsui Trust Bank, Limited			
Trust period	April 1, 2024 – April 30, 2044 (Scheduled)			
Land				
	Land area	448.44 m ²	Zoning	Commercial district
	FAR / building-to-land ratio	500% / 80%	Type of possession	Ownership
Building				
	Structure / stories	13 stories above ground, RC-structure (Planned)		
	Total floor area	2,678.29 m ² (Planned)	Type	Residence (Planned)
	Completion date	February 2024(Scheduled)	Type of possession	Ownership
	Design	CITY DESIGN Co. Ltd		
	Construction	KIUCHI construction Co.,Ltd.		
	Constructional Inspector	URABAN HOUSING EVALUATION CENTER		
	PML	-		
Acquisition price	3,070 million yen			
Appraisal value	3,380 million yen (as of January 1, 2024)			
Appraiser	JLL Morii Valuation & Advisory K.K.			
Tenant summary				
	Number of tenants	-		
	Annual rent	-		
	Tenant leasehold / security deposit	-		
	Total leased area	-	Occupancy rate (based on leased area)	-
	Total leasable area	2,161.83 m ² (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 be 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 Kuramae Torigoe]

Location

- The Property has excellent access to central Tokyo as it provides access to two Toei Subway lines and JR lines: it is an approximately four-minute walk from Kuramae Station on the Toei Asakusa Line, an approximately seven-minute walk from Asakusabashi Station on the Toei Asakusa Line, an approximately nine-minute walk from Kuramae Station on the Toei Oedo Line and an approximately 10-minute walk from Asakusabashi Station on the JR Sobu Line.
- Located on Kuramaebashi Dori Avenue, the Property is close to small supermarkets, drugstores and convenience stores, making a convenient living environment. Also close by is the Sumida River Terrace (a riverside promenade), providing a good living environment where urban functions exist alongside nature.

Building Spec

- The Property is a new 13-story apartment building (total of 45 units) that was recently completed in January 2024. All 45 units have openings to the south, providing excellent lighting and ventilation, as well as a sense of openness from the views.
- There is a wide range of floor plans to accommodate a wide range of consumers, from singles to DINKs and families. Floor plans range from 1R and 1DK (25 m² range) to 2LDK (high 40 m² – 55 m² range). In addition, apartments are equipped with such facilities as a TV monitor intercom and a bathroom drying function.

Potential

- Housing demand in Taito-ku, where the Property is located, is expected to be solid. While the national population continues to decline, in 2045, the population in Taito-ku is expected to be 11.3% higher than in 2020.

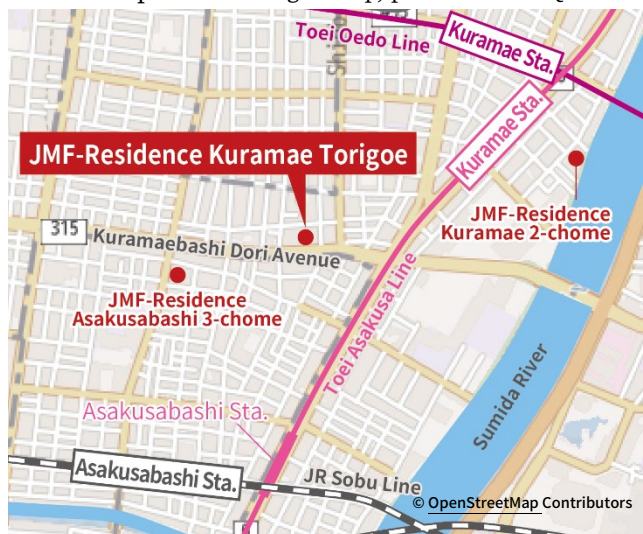
Source: *Regional Population Projections for Japan: 2015-2045 (2018)*,
National Institute of Population and Social Security Research

■ Perspective Drawing / Property Location Map



* The above is a perspective drawing and may differ from when completed.

Wide-area Map *For enlarged map, please refer to QR code.



<https://maps.app.goo.gl/MySmnvrhuctVe5me6>

Japan Metropolitan Fund Investment Corporation

Property name	JMF-Residence Kuramae Torigoe		
Location	2-2, Torigoe 2-chome, Taito-ku, Tokyo		
Type of asset	Trust beneficiary right in real estate		
Trustee	Sumitomo Mitsui Trust Bank, Limited		
Trust period	April 1, 2024 – April 30, 2044 (Scheduled)		
Land			
Land area	262.28 m ²	Zoning	Commercial district
FAR / building-to-land ratio	600% / 80%	Type of possession	Ownership
Building			
Structure / stories	13 stories above ground, RC-structure		
Total floor area	1,864.48 m ²	Type	Residence
Completion date	January 2024	Type of possession	Ownership
Design	g-mute planning co. Ltd.		
Construction	SHINSAMPEI CONSTRUCTION CO.,LTD.		
Constructional Inspector	The Housing Loan Progress Association		
PML	—		
Acquisition price	1,960 million yen		
Appraisal value	2,220 million yen (as of January 1, 2024)		
Appraiser	JLL Morii Valuation & Advisory K.K.		
Tenant summary			
Number of tenants	—		
Annual rent	—		
Tenant leasehold / security deposit	—		
Total leased area	—	Occupancy rate (based on leased area)	—
Total leasable area	1,503.78 m ² (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 be 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 certificate of final inspections.
- “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 Property was just completed in January 2024, 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 was just completed in January 2024.
- “Total leasable area” is based on design documents, etc.

4. Overview of Seller

Name	Cosmos Initia Co., Ltd.
Location	34-6, Shiba 5-chome, Minato-ku, Tokyo
Name and job title of the representative	Yoshiyuki Takagi, Chairman Ryotaro Takachi, President
Business	Real estate sales, Real estate rental, Real estate brokerage
Capital	5,000 million yen (as of March 31, 2023)
Date established	June 20, 1969
Net assets	38,156 million yen (as of March 31, 2023)
Total assets	145,925 million yen (as of March 31, 2023)
Major shareholder (shareholding ratio)	Daiwa House Industry Co., Ltd. (63.2%) (as of March 31, 2023)
Relationship with JMF / the Asset Manager	
Capital relationship Personal relationship Trade relationship	There is no capital, personal or transactional ties to be stated between the seller and JMF or the Asset Manager. There is no capital, personal or transactional ties to be specified between the related parties/related companies of JMF or the Asset Manager and the related parties/related companies of the seller.
Related parties	Any of the seller or the related parties/related companies of the seller do not fall under the related party of JMF or the Asset Manager.

5. Status of Owners, Etc. of the Properties

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

6. Matters Concerning Forward Commitment

With regard to the assets to be acquired in April 2024, under the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators”, the acquisition of the Properties is considered to be a “forward commitment, etc. ^(Note)” 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 the JMF-Residence Kuramae 2-chome is 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.”

7. Means of Payment

Full payment at the time of transfer

8. Acquisition Schedule

Property name	JMF-Residence Setagaya Mishuku	JMF-Residence Shin-itabashi	JMF-Residence Kuramae 2-chome	JMF-Residence Kuramae Torigoe
Decision-making date	February 7, 2024			
Contract completion date	February 9, 2024 (Scheduled)			
Payment date	March 1, 2024 (Scheduled)		April 1, 2024 (Scheduled)	
Property transfer date				

9. Future Outlook

There is no impact of the acquisition of the Properties on the fiscal period ending February 2024 fiscal period (44th fiscal period: September 1, 2023 to February 29, 2024), and the impact on August 2024 fiscal period (45th fiscal period: March 1, 2024 to August 31, 2024) is minor, therefore we will not revise the forecast.

10. Appraisal Report Summary

Property name	JMF-Residence Setagaya Mishuku
Appraiser	JLL Morii Valuation & Advisory K.K.
Appraisal value	3,410 million yen
Appraisal date	January 1, 2024

Item	Value	Notes
Indicated value by income approach	3,410 million yen	
DC method	3,470 million yen	
Operating income	140 million yen	
Effective gross income	145 million yen	
Losses from vacancy, etc.	5 million yen	
Operational cost	26 million yen	
Maintenance and management fee	3 million yen	Assessed based on estimated amount and similar properties, taking into consideration the unique characteristics of the target property
Utility cost	1 million yen	Assessed based on actual performance values
Repair expenses	4 million yen	Assessed based on the engineering report dated January 2024 by JMF. Including restoring cost in the residences
Property manager fee	2 million yen	Assessed based on prearranged contract and similar properties, taking into consideration the unique characteristics of the target property
Leasing cost	5 million yen	Assessed based on similar properties and other factors
Property tax	6 million yen	Assessed based on amounts for tax and public date
Insurance premium	0 million yen	Assessed based on similar properties and other factors, taking into consideration estimated amount
Other expenses	1 million yen	Assessed based on actual performance values
Net operating income	113 million yen	
Operating profit on lump-sum payments	0 million yen	
Capital expenditure	6 million yen	
Net cash flow	107 million yen	
Capitalization rate	3.1 %	
DCF method	3,350 million yen	
Discount rate	2.9 %	
Terminal capitalization rate	3.2 %	
Indicated value by cost approach	2,550 million yen	
Land ratio	91.0 %	
Building ratio	9.0 %	

Other matters of consideration	N/A
--------------------------------	-----

Japan Metropolitan Fund
Investment Corporation

Property name	JMF-Residence Shin-itabashi
Appraiser	JLL Morii Valuation & Advisory K.K.
Appraisal value	1,600 million yen
Appraisal date	January 1, 2024

Item	Value	Notes
Indicated value by income approach	1,600 million yen	
DC method	1,630 million yen	
Operating income	67 million yen	
Effective gross income	69 million yen	
Losses from vacancy, etc.	2 million yen	
Operational cost	12 million yen	
Maintenance and management fee	2 million yen	Assessed based on estimated amount and similar properties, taking into consideration the unique characteristics of the target property
Utility cost	0 million yen	Assessed based on similar properties
Repair expenses	1 million yen	Assessed based on the engineering report dated January 2024 by JMF. Including restoring cost in the residences
Property manager fee	1 million yen	Assessed based on prearranged contract and 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	4 million yen	Assessed based on amounts for tax and public data with reference to similar properties
Insurance premium	0 million yen	Assessed based on similar properties and other factors, taking into consideration estimated amount
Other expenses	0 million yen	Internet usage fees, etc. are appropriated
Net operating income	54 million yen	
Operating profit on lump-sum payments	0 million yen	
Capital expenditure	0 million yen	
Net cash flow	53 million yen	
Capitalization rate	3.3 %	
DCF method	1,570 million yen	
Discount rate	3.1 %	
Terminal capitalization rate	3.4 %	
Indicated value by cost approach	1,630 million yen	
Land ratio	69.0 %	
Building ratio	31.0 %	

Other matters of consideration	N/A
--------------------------------	-----

Japan Metropolitan Fund
Investment Corporation

Property name	JMF-Residence Kuramae 2-chome
Appraiser	JLL Morii Valuation & Advisory K.K.
Appraisal value	3,380 million yen
Appraisal date	January 1, 2024

Item	Value	Notes
Indicated value by income approach	3,380 million yen	
DC method	3,460 million yen	
Operating income	130 million yen	
Effective gross income	136 million yen	
Losses from vacancy, etc.	5 million yen	
Operational cost	22 million yen	
Maintenance and management fee	4 million yen	Assessed based on estimated amount and similar properties, taking into consideration the unique characteristics of the target property
Utility cost	0 million yen	Assessed based on similar properties
Repair expenses	1 million yen	Assessed based on similar properties and other factors Including restoring cost in the residences
Property manager fee	2 million yen	Assessed based on prearranged contract and similar properties, taking into consideration the unique characteristics of the target property
Leasing cost	4 million yen	Assessed based on similar properties and other factors
Property tax	6 million yen	Assessed based on amounts for tax and public data with reference to similar properties
Insurance premium	0 million yen	Assessed based on similar properties and other factors, taking into consideration estimated amount
Other expenses	0 million yen	Internet usage fees, etc. are appropriated
Net operating income	108 million yen	
Operating profit on lump-sum payments	0 million yen	
Capital expenditure	1 million yen	
Net cash flow	107 million yen	
Capitalization rate	3.1 %	
DCF method	3,300 million yen	
Discount rate	2.9 %	
Terminal capitalization rate	3.2 %	
Indicated value by cost approach	3,240 million yen	
Land ratio	73.0 %	
Building ratio	27.0 %	

Other matters of consideration	N/A
--------------------------------	-----

The building is under construction and is scheduled to be completed in February 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 Kuramae Torigoe
Appraiser	JLL Morii Valuation & Advisory K.K.
Appraisal value	2,220 million yen
Appraisal date	January 1, 2024

Item	Value	Notes
Indicated value by income approach	2,220 million yen	
DC method	2,260 million yen	
Operating income	86 million yen	
Effective gross income	90 million yen	
Losses from vacancy, etc.	3 million yen	
Operational cost	15 million yen	
Maintenance and management fee	3 million yen	Assessed based on estimated amount and similar properties, taking into consideration the unique characteristics of the target property
Utility cost	0 million yen	Assessed based on similar properties
Repair expenses	1 million yen	Assessed based on similar properties and other factors. Including restoring cost in the residences
Property manager fee	1 million yen	Assessed based on prearranged contract and 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	4 million yen	Assessed based on amounts for tax and public data with reference to similar properties
Insurance premium	0 million yen	Assessed based on similar properties and other factors, taking into consideration estimated amount
Other expenses	0 million yen	Internet usage fees, etc. are appropriated
Net operating income	71 million yen	
Operating profit on lump-sum payments	0 million yen	
Capital expenditure	1 million yen	
Net cash flow	70 million yen	
Capitalization rate	3.1 %	
DCF method	2,170 million yen	
Discount rate	2.9 %	
Terminal capitalization rate	3.2 %	
Indicated value by cost approach	2,220 million yen	
Land ratio	73.0 %	
Building ratio	27.0 %	

Other matters of consideration	N/A
--------------------------------	-----

The building was just 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.

[Reference]

The forecast of the operating results for February 2024 fiscal period (Announced on October 19, 2023), and the results for August 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)
February 2024 fiscal period (The forecast)	40,787	17,759	15,736	15,735	2,270	0
August 2023 fiscal period (The results)	41,405	18,054	16,052	16,051	2,261	0

[Reference]

Prospective Income and Expenditures for the Properties

Property name	JMF-Residence Setagaya Mishuku	JMF-Residence Shin-itabashi	JMF-Residence Kuramae 2- chome	JMF-Residence Kuramae Torigoe	Total / Average
NOI (Net Operating Income)	113 million yen	54 million yen	108 million yen	71 million yen	Total 348 million yen
NOI yield	3.7 %	3.8 %	3.5 %	3.6 %	Average 3.7 %
Depreciation	6 million yen	12 million yen	25 million yen	15 million yen	Total 60 million yen
NOI yield after depreciation	3.5 %	2.9 %	2.7 %	2.8 %	Average 3.0 %

- 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.