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

September 4, 2024

"Notice Concerning Disposition and Acquisition of Trust Beneficiary Right in Real Estate in Japan (Disposition: Ito-Yokado Tsunashima, Acquisition: CROSS MUKOGAOKA)"

"Notice Concerning Revised Forecasts for Operating Results and Distributions (Upward Revision) for the February 2025 (46th) Fiscal Period"

September 4, 2024

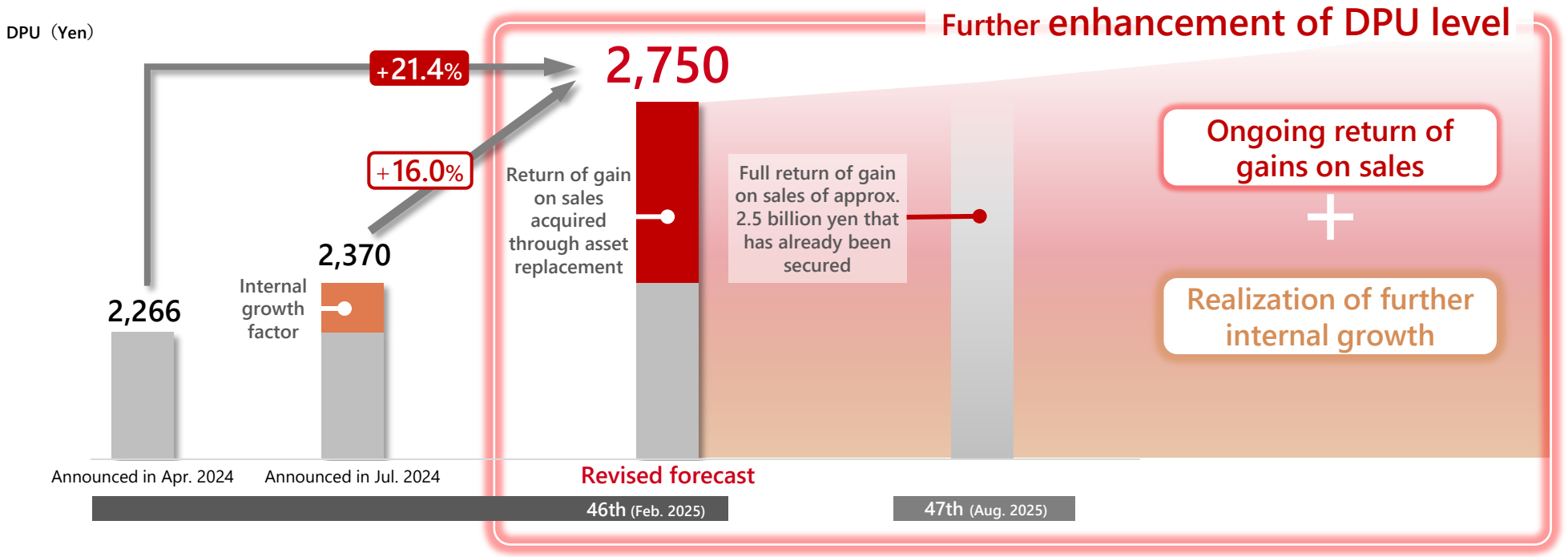
Japan Metropolitan Fund Investment Corporation

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

Security code 8953

Summary of Asset Replacement and Revised Forecasts for Operating Results and Distributions

1. Due to return of gain on sales acquired through this asset replacement, DPU for the 46th fiscal period will increase by **16.0%**. Compared to the forecast announced in April, it will increase by **21.4%**.
2. Through division of disposition of the property involved in this asset replacement into two fiscal periods and a disposition that has already been announced, also secured a gain on sales of approximately **2.5** billion yen for the 47th fiscal period and plan to **fully return the gain**
3. Continue to aim for further **enhancement of DPU level** going forward through ongoing acquisition and return of gains on sales and increase in earnings through internal growth
4. Kept capital cost in mind in this asset replacement, succeeding in enhancing **total returns** (Enhancing DPU + Enhancing NAV)



JMF Strategy for Higher Unitholder Value

Boost total returns through ongoing return of gains on sales and realization of further internal growth

Realize high total returns

Enhancing DPU + Enhancing NAV

Acquisition and return of gains on sales through ongoing asset replacement

POINT Fully return gains on sales in principle, through asset replacement

POINT Continue asset replacement as a strategy to acquire gains on sales

>> Total gain on sales of approx. 8.0 billion yen acquired in and after the 45th fiscal period (Approx. 1,150 yen per unit)

For details, see page 4

Increase in earnings through internal growth

POINT Continue to realize internal growth using diverse asset classes

>> Increase in NOI of more than 500 million yen per year is also expected in and after the 47th fiscal period

For details, see page 5 and 6

Management that keeps capital cost in mind

POINT Enhance DPU and NAV by acquiring property that exceeds the implied cap rate and has unrealized profit

POINT Consider repurchase of own investment units as a method of using proceeds from disposition

>>Already conducted repurchase of own investment units three times, worth a total of approx. 13 billion yen, in the past

Enhancement of Total Returns through Asset Replacement

Gain on sales acquired through the Disposition will be fully returned over two fiscal periods.
Proceeds from the disposition will be used for acquisition of a property with an unrealized profit of approx. 30%.

····▶ This asset replacement increases NAV per unit by 87 yen

Disposition property: **Ito-Yokado Tsunashima** ⇆ Acquisition property: **CROSS MUKOGAOKA**

Management that keeps capital cost in mind

- Selected asset disposition from among multiple scenarios upon departure of the tenant of the Disposition property
- Sell a 42-year-old property at a price 75% above the appraisal value

Acquisition and return of gains on sales through ongoing asset replacement

- Acquire a gain on sales of 4.56 billion yen (approx. 650 yen per unit), which will be fully returned over two fiscal periods



Location	Yokohama-shi, Kanagawa	Appraisal value	5.1billion yen
Asset class	Urban Retail	Unrealized profit*	＋0.7billion yen
Disposition date (Scheduled)	① Feb. 2025 ② Mar. 2025	Gains on disposition	4.56 billion yen (Contribute in 46th and 47th fiscal period)
Disposition price (Planned)	9.0 billion yen ① 5.4billion yen (60% co-ownership interest) ② 3.6billion yen (40% co-ownership interest)		

* Appraisal value－Book value at the end of Feb.2024/Planned acquisition price
** As of September 3, 2024

Management that keeps capital cost in mind

- Regarding the proceeds from the disposition, conducted a capital cost comparison, and decided to acquire a newly-built urban retail property that exceeds the implied cap rate (4.5%**) and has an unrealized profit of approx. 30%, rather than repurchase of own investment units

Increase in earnings through internal growth

- With a yield after depreciation of 4.4% (portfolio average 3.5%), NOI growth is expected in the future



Location	Kawasaki-shi, Kanagawa	Appraisal value	6.21 billion yen
Asset class	Urban Retail	Unrealized profit（ratio）*	＋1.4 billion yen (29.4%)
Acquisition date (Scheduled)	April 2025	NOI (after depreciation)	245 (210) million yen
Acquisition price (Planned)	4.8 billion yen	NOI yield (after depreciation)	5.1% (4.4%)

Return of Gains on Sales through Ongoing Asset Replacement

Enhancement of DPU by actively returning gains on sales

Previous sale targets Properties that have already become sale candidates as asset replacement

\+

NEW Properties for strategic asset replacement aimed at acquiring gains on sales

Properties from which large gains on sales can be generated through conversion into other use and cultivation of needs for business use	Properties that can be expected to contribute to enhancing NAV and DPU through asset replacement
e.g.) Ito-Yokado Tsunashima and other GMS near stations	e.g.) Round1 Sannomiya Station, etc.

Continue to **acquire/return gains on sales** going forward, thereby **using them for enhancing DPU**

<Gains on sales that have already been acquired>	Aug. 2024 45th	Feb. 2025 46th	Aug. 2025 47th	Feb. 2026 48th
[The Disposition] Ito-Yokado Tsunashima Approx. 4.56 billion yen		Approx. 2.71 bn yen	Approx. 1.85 bn yen	
AEON MALL Sapporo Naebo Approx. 3.47 bn yen	Approx. 0.68 bn yen	Approx. 0.69 bn yen	Approx. 0.71 bn yen	Approx. 1.37 bn yen
Total Approx. 8.04 bn yen	Approx. 0.68 bn yen	Approx. 3.41 bn yen	Approx. 2.57 bn yen	Approx. 1.37 bn yen
〈NEW〉				
AEON MALL Tsurumi Ryokuchi (remaining 75% interest) and other multiple properties under consideration				

Diverse asset classes with room for internal growth

Urban retail / Mixed-use / Office / Residence / Hotel / Suburban retail

Future Internal Growth Opportunity	Fiscal year 2025 (47th・48th)	Fiscal year 2026 (49th・50th)	Fiscal year 2027 (51st・52nd)	Fiscal year 2028 (53rd・54th)	Fiscal year 2029 (55th・56th)	Fiscal year 2030 (57th・58th)	Fiscal year 2031 (59th・60th)
Contract expiration of large tenants, etc.	Higashi-Totsuka Aurora City CUTE CUBE HARAJUKU AEON Naha SC Twin 21 JMF-Bldg. Shibuya 02 Izumisano Shofudai *	G-Bldg. Shinsaibashi 02 Urban Terrace Jingumae m-city Kashiwa G-Bldg. Shinsaibashi 04 JMF-Bldg. Umeda 01 JMF-Bldg. Shibuya 03	G-Bldg. Shinsaibashi 03(B) G-Bldg. Shinsaibashi 05 G-Bldg. Tenjin Nishi-dori 02 JMF-Bldg. Midosuji 01 JMF-Bldg. Shibuya 02 JMF-Bldg. Kitahama 01	G-Bldg. Shinsaibashi 03(A) G-Bldg. Omotesando 02 Life Taiheiji * Life Shimodera * JMF-Bldg. Yokohama Bashamichi 01 Ario Otori	G-Bldg. Akihabara 01 G-Bldg. Naha-shintoshin 01 JMF-Bldg. Tenjin Nishi-dori 01 Dormy Inn Hakata Gion	GYRE G-Bldg. Shinsaibashi 01 La Porte Aoyama JMF-Bldg. Jiyugaoka 01	Round1 Machida Round1 Stadium Itabashi Round1 Stadium Kawasaki Daishi Round1 Stadium Sennichimae *
Rent revision of long-term contracts	G-Bldg. Shinsaibashi 03(B) JMF-Bldg. Ginza Chuo-Dori 01 Dormy Inn Hakata Gion	G-Bldg. Shinsaibashi 03(A, B) DFS T GALLERIA OKINAWA JMF-Bldg. Ginza Chuo-Dori 01 MrMax Nagasaki	G-Bldg. Shinsaibashi 03(B) Ito-Yokado Yabashira m-city Toyonaka	JMF-Bldg. Shibuya 01 Dormy Inn Hakata Gion	JMF-Bldg. Hiroo 01	m-city Toyonaka	DFS T GALLERIA OKINAWA
SC/Mall-type renewal, Re-tenanting plan	mozo wonder city Machinoma Omori	Abiko Shopping Plaza	MARINE & WALK YOKOHAMA	mozo wonder city KAMISHIN PLAZA	KAWASAKI Le FRONT	KAMISHIN PLAZA	mozo wonder city
Rent revision of residence properties	Average remaining term of lease is **1.1** years and **ample opportunities for rent increase** at contract expiration and tenant replacement						

* Land with leasehold interest

Note : Based on leases as of the end of June 2024. Future plan is not currently fixed and may vary in the future.

Internal growth measures, including a large-scale renewal, materialized at several properties that will contribute to the full year from 47th (Aug. 2025) period and beyond

➡ Expect DPU level to improve in the 47th period and beyond by further adding to earnings through the materialization of measures, etc.

Large-scale renewal — mozo wonder city

Details of Renewal at the Property

- ✓ Invite sports brands, amusement-type tenants or similar to take up large blocks, and improve signage for each floor, to increase the ability to attract customers and higher MD certification
- ✓ Review and newly establish play spaces for increased satisfaction of families and other customers.



ROI (Note 1)	NOI Increase (Note 2)
43.4%	+92mn yen

(Note 1) Calculated by dividing the amount of NOI increased by the effect of the Property renewal by the CapEx investment associated with the renewal (approx. 200 million yen).

(Note 2) Difference in annual NOI between the stable earnings period after completion of the Property renewal (from late 2026) and the status quo scenario.

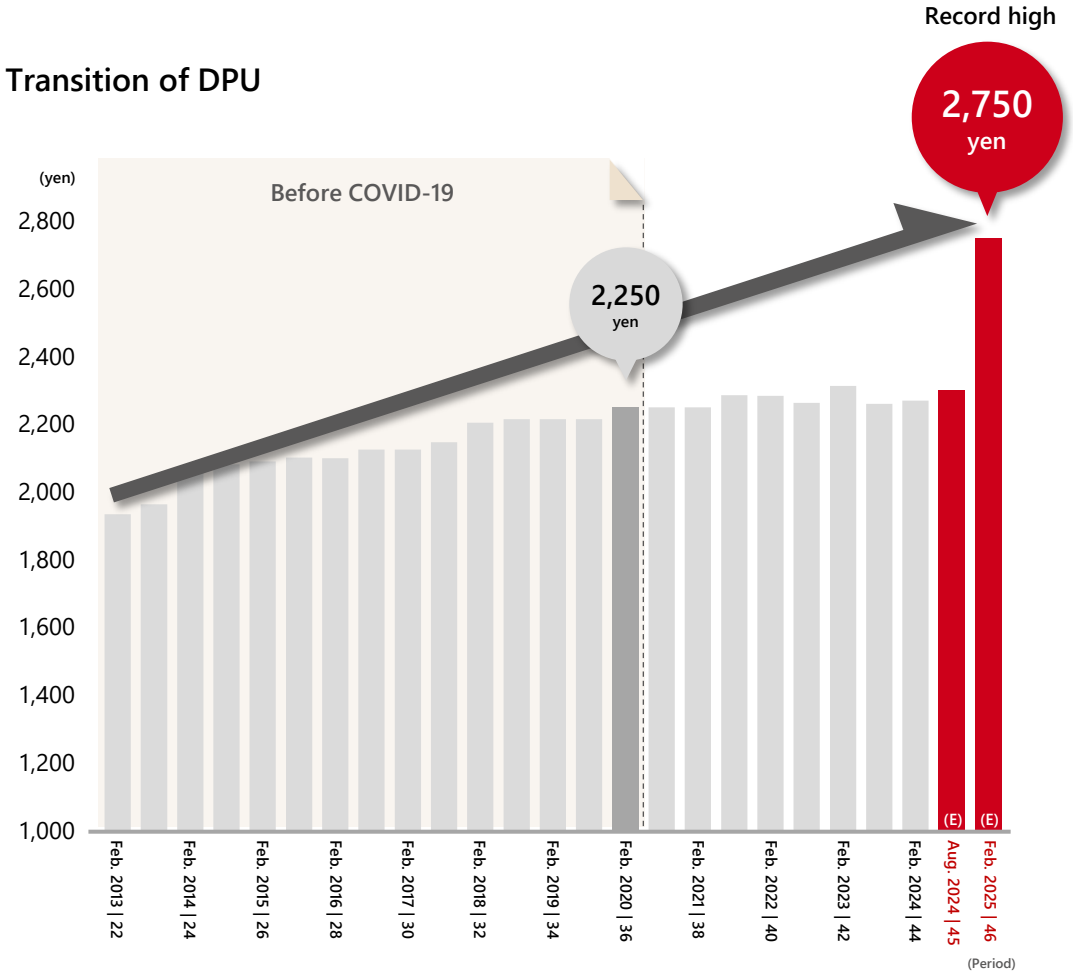
Internal growth measures contributing to full year from 47th (Aug. 2025) and beyond

	Increase in annual NOI
mozo wonder city *Assumed NOI increase of approx. 110mn yen per period in the stable earnings period after completion of the renewal, compared to the 46th period when downtime associated with the renewal is expected.	+92 mn yen
JMF-Bldg. Kawasaki 01	+112 mn yen
JMF-Bldg. Ginza Chuo-Dori 01	+93 mn yen
KAWASAKI Le FRONT	+73 mn yen
G-Bldg. Shinsaibashi 03 (B)	+50 mn yen
Kyoto Family	+37 mn yen
Abiko Shopping Plaza	+34 mn yen
JMF-Bldg. Shibuya 02	+28 mn yen
* For further details of Internal Growth Measures, please refer to "Notice Concerning Progress of Internal Growth Measures (Property Renewal, Etc.)" dated August 19, 2024.	Total +521 mn yen
NEW **Nisshin Private Residential Reit, Inc.** Increase in dividend income on the back of the strong rental residential property market	+20 mn yen
* Added after "Notice Concerning Progress of Internal Growth Measures (Property Renewal, Etc.)" dated Aug. 19, 2024	Total +541 mn yen

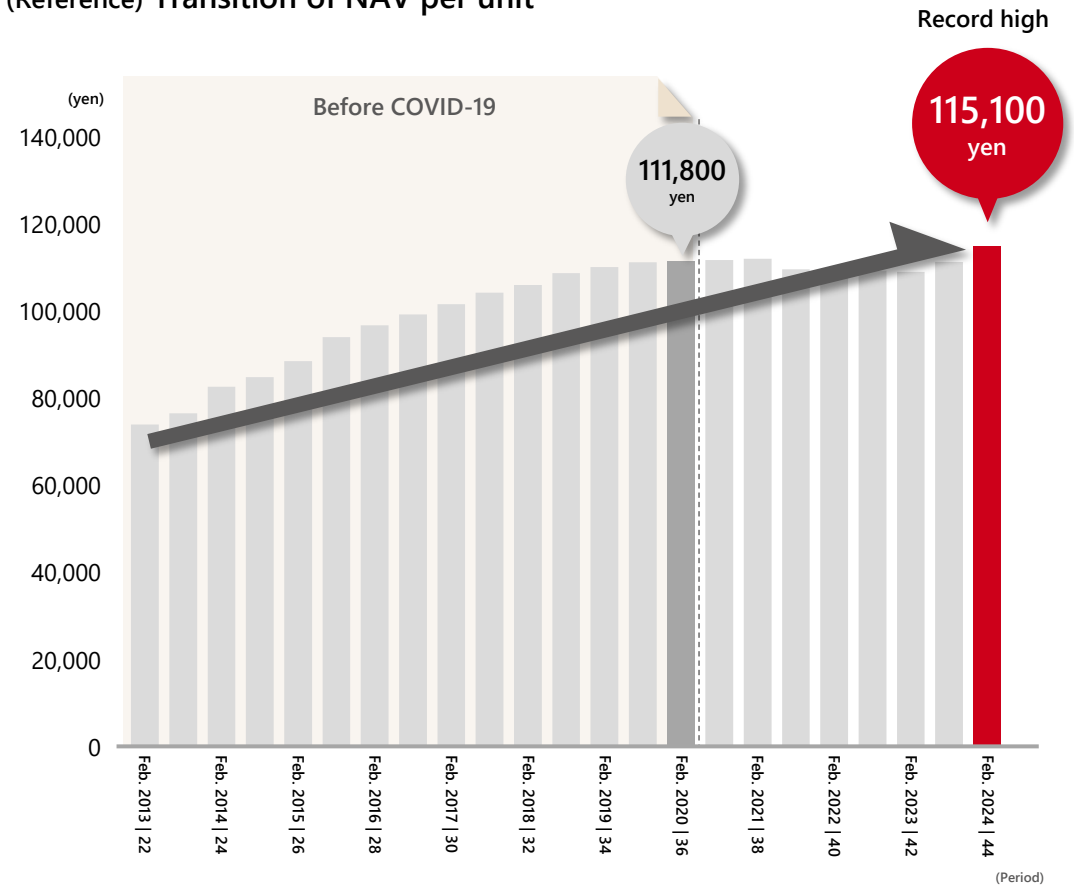
(Reference) DPU Impact +approx. 78 yen

Both DPU and NAV per unit, already above the pre-COVID levels, will reach a record-high and total returns will improve

Transition of DPU



(Reference) Transition of NAV per unit



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)