

June 24, 2026

To all concerned parties:

Investment Corporation

Japan Metropolitan Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 8953)

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Notice Concerning Acquisition of Real Estate in Japan 【Value-Add Investment】

Japan Metropolitan Fund Investment Corporation (“JMF”) announces that KJR Management, JMF’s asset manager (the “Asset Manager”), determined today to acquire real estate in Japan (the “Property”) as outlined below.

Highlights

- **Value-add investment with an assumed IRR of approximately 11% aimed at creating future gain on sale.**
- **Pursuing capital returns through profit maximization by repositioning a residential property (Private Lodging × Retail) in collaboration with a comprehensive lodging tech company and introducing revenue-based rent.**

1. Overview of the Anticipated Acquisition

Property name	Apartment Hotel 11 Shinsaibashi Amemura 2
Location	18-13, Nishi-Shinsaibashi 2-chome, Chuo-ku, Osaka-shi, Osaka
Asset class	Residence
Type of asset	Real Estate
Acquisition price (Anticipated)	2,400 million yen
Appraisal value	2,750 million yen
Contract completion date	June 24, 2026
Acquisition date (Scheduled)	June 29, 2026
Seller	Not disclosed ^(Note 1)
Broker	Applicable
Acquisition funds	Debt (Planned)

(Note1) Not disclosed as the seller has not agreed to the disclosure. The seller does not constitute related party of either JMF or the Asset Manager.

Assumed IRR

Approx. **11%**
(Investment period 3 years)

Assumed
gain on sale

Approx. **500** mn yen

NOI yield

5.1%

(Note2) The assumed IRR and assumed gain on sale are calculated based on cash flow during the assumed investment period and assumed disposition price as of the date of this document, and do not guarantee or suggest actual investment results. NOI yield is calculated by dividing the NOI based on the direct capitalization method in the appraisal report by the anticipated acquisition price, rounded to the one decimal place. The same applies hereinafter.

2. Reason for the Acquisition

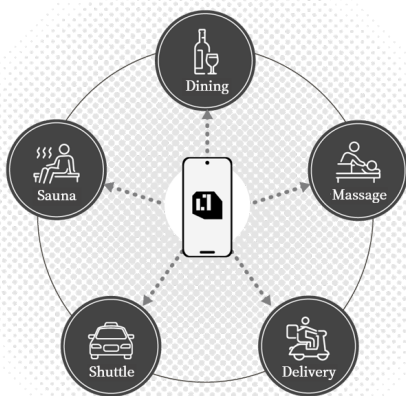
To date, JMF has promoted a growth strategy centered on “internal growth” through the improvement of the earning power of existing properties and “return of gain on sale” through the sale of properties. On the other hand, the environment surrounding the real estate market has changed significantly against the backdrop of rising interest rates, and JMF recognizes that J-REITs are now required to create further growth opportunities through the enhancement of asset value in addition to securing stable earnings. Under these circumstances, JMF has decided to implement value-add investment in private lodging facility with the intention of continuously acquiring capital returns through future sales, in addition to the return of gain on sale through the sale of existing properties that it has promoted to date.

The key points of this matter are the following four items.

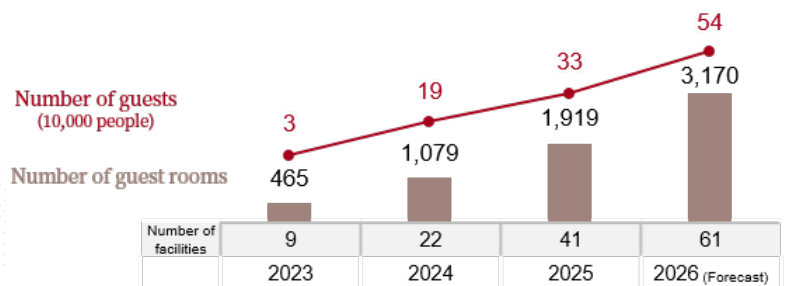
01 Repositioning of a residential property into a mixed-use property (private lodging × retail) in collaboration with “HIWIN,” a comprehensive lodging tech company

- Regarding the Property that was used as rental housing, JMF selected a private lodging operator and acquired it as a private lodging facility. Furthermore, by changing the first-floor section, which was previously a parking lot, to retail use, it will be operated as a complex asset consisting of private lodging and retail (1st floor: retail (1 unit), 2nd–10th floors: residence (private lodging) (58 units)).
- The operator of the private lodging section is HIWIN (hereinafter “HIWIN”), which has a track record of operating approximately 60 private lodging properties (including those planned) mainly in the Osaka area. The Property began operations in April of this year as part of the proprietary “Apartment Hotel 11” series.
- As a comprehensive lodging tech company, the operator is expanding revenue opportunities through collaboration with group services such as app-based ride-hailing services and restaurant businesses, while also improving operational efficiency through measures like self-service check-in and AI-based cleaning matching.

<Overview of services provided by HIWIN>



<HIWIN's operational track record>



<Exterior photos>



<Interior photos>



Hotel-quality interior specifications and FFE (furniture, fixtures, and equipment). It features specifications and grades similar to apartment hotels, capable of accommodating stays ranging from short-term to medium-to-long-term.

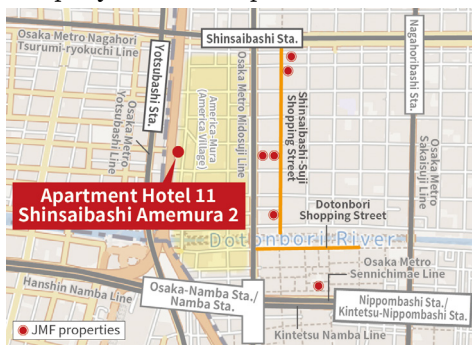


Compactly equipped with necessary functions for stays

02 Location characteristics capturing inbound demand and expectations for growth in demand for visits to Osaka

- The Property is located a 6-minute walk from Shinsaibashi Station on the Osaka Metro Midosuji Line and Nagahori Tsurumi-ryokuchi Line, and a 4-minute walk from Yotsubashi Station on the Osaka Metro Yotsubashi Line. It offers walking access to Osaka's representative commercial and tourism hubs, and is located in an area with robust inbound accommodation demand.
- The number of foreign visitors to Osaka (estimated) from January to April 2026 shows an increase in visitors from other countries, primarily in Asia, despite a decrease in visitors from China. Although the number of international visitors to Osaka may decline in the short term, we anticipate an expansion in demand for visits to Osaka in the medium-to-long term, supported by the scheduled opening of the Osaka IR (Integrated Resort) in 2030.
- The guest rooms at the Property have been approved as Special Zone Private Lodging (Foreign Residence Facility Management Business in National Strategic Special Zones) in Osaka City. Special Zone Private Lodging allows for year-round operation without the restriction on operating days (the 180-day rule). With the termination of new applications for such Special Zone Private Lodging, the scarcity of existing facilities is highly likely to increase relatively in the future.
- By leveraging the characteristics of Private Lodging, which easily accommodate long-term foreign travelers as well as groups and families, we expect to capture accommodation demand different from that of hotels.

<Property Location Map>

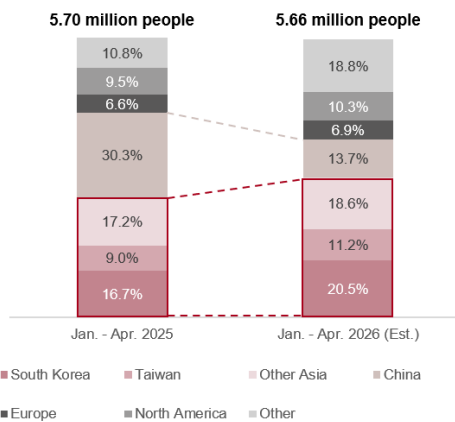


*For enlarged map, please refer to QR code.



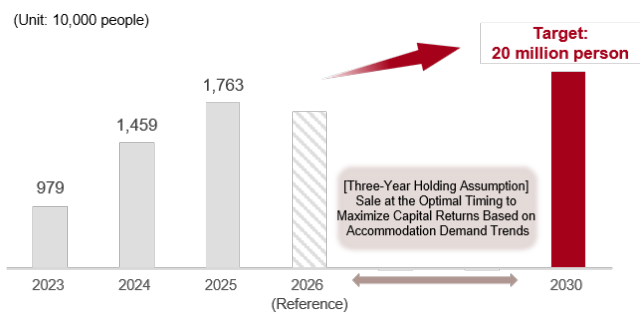
<https://maps.app.goo.gl/o3xDiiNSatZYt5HR9>

■ Comparison of Estimated Foreign Visitors to Osaka from January to April



Source: Calculated (estimated) by the Osaka Convention & Tourism Bureau based on the Japan National Tourism Organization (hereinafter referred to as "JNTO") "Statistics on Foreign Visitors to Japan" and the prefecture-level visit rates from the Japan Tourism Agency's "Inbound Consumption Trend Survey" (formerly the "Consumption Trend Survey for Foreigners Visiting Japan").

■ Trend in Foreign Visitor Arrivals to Osaka



Source: Prepared by the Asset Manager based on the following materials.

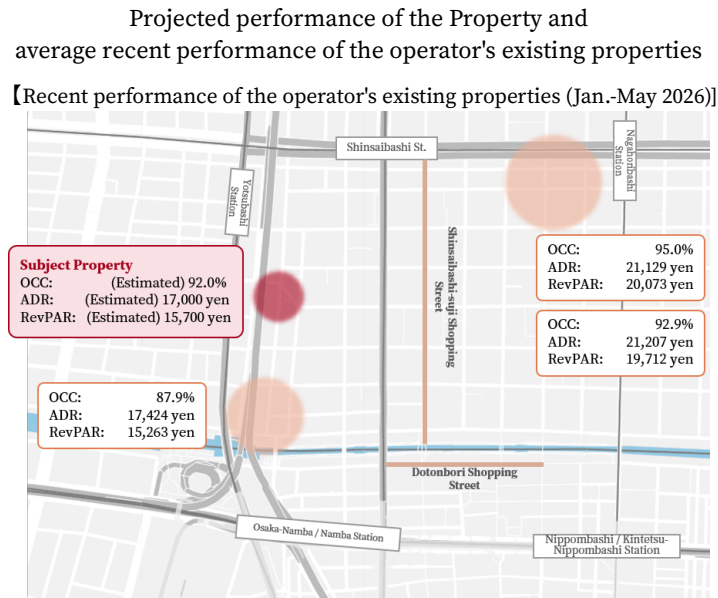
2023-2025: Estimated by the Osaka Convention & Tourism Bureau based on JNTO's "Statistics on Foreign Visitors to Japan" and prefecture-level visit rates from the Japan Tourism Agency's "Inbound Consumption Trend Survey" (formerly the "Consumption Trend Survey for Foreign Visitors to Japan").

2026: Annualized by the Asset Manager for reference purposes based on the estimated figures for January to April 2026 calculated by the Osaka Convention & Tourism Bureau using JNTO's "Statistics on Foreign Visitors to Japan" and prefecture-level visit rates from the Japan Tourism Agency's "Inbound Consumption Trend Survey" (formerly the "Consumption Trend Survey for Foreign Visitors to Japan").

2030: Target figure published in the Osaka Convention & Tourism Bureau's "Toward Osaka as an International Tourism and Cultural City," dated January 31, 2025.

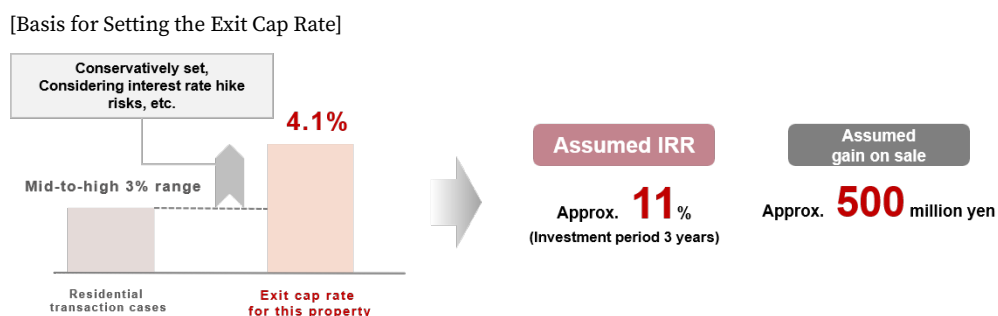
03 Solid Business Plan Based on Operating Performance of Existing Properties and Expectations for Revenue Upside

- The latest operating performance (January–May 2026) of HIWIN's existing properties in the same area shows high occupancy rates (OCC) of 87–95%, with ADR ranging from 17,400 yen to 21,200 yen. The assumed ADR and assumed RevPAR for the Property were formulated as a solid business plan, taking into account the performance of existing properties. Expectations for revenue growth are also supported by the future expansion of demand for visits to Osaka and accommodation demand.
- Regarding the lease agreement for the private lodging units, a revenue-linked rent in addition to a fixed rent has been introduced, with revenue-linked rent expected to account for approximately 35% of the total rent. A structure has been established that allows JMF to also enjoy the revenue upside associated with the increase in accommodation demand and the improvement in operating performance.



04 Aiming for an IRR of approximately 11% or more and a gain on sale of approximately 500 million yen or more through future disposition.

- The exit cap rate was set conservatively, taking into account interest rate hike risks and other factors, while also referring to sales examples of private lodging properties in addition to rental housing in the surrounding area.
- Assuming an exit cap rate of 4.1%, an IRR of approximately 11% and a gain on sale of approximately 500 million yen are expected. Given the potential for increased sales due to the future expansion of lodging demand and surrounding transaction examples, there is room for further improvement in IRR and the acquisition of gains on sale.



Japan Metropolitan Fund Investment Corporation

Property name		Apartment Hotel 11 Shinsaibashi Amemura 2
Location		18-13, Nishi-Shinsaibashi 2-chome, Chuo-ku, Osaka-shi, Osaka
Type of asset		Real Estate
Trustee		-
Trust period		-
Land	Land area	380.85 m ²
	Zoning	Commercial districts
	Type of possession	Ownership
	FAR/building-to-land ratio	500%/80%
Building	Total floor area	1,904.91 m ²
	Structure / stories	RC-structure with flat roof, 10 stories
	Type	Apartment/Parking ^(Note 1)
	Completion date	March 10, 2014
	Type of possession	Ownership
	Architect	EASTERN Design Office
	Contractor	Matsumotogumi
	Constructional Inspector	JAPAN ERI CO.,LTD.
PML	9.2% (Based on the earthquake risk assessment (details) report prepared by Engineering and Risk Services Corporation)	
Acquisition price (Planned)		2,400 million yen
Appraisal value		2,750 million yen (Appraisal date: June 1, 2026)
Appraiser		CBRE K.K.
Collateral conditions		None
Tenant Overview	Number of tenant(s)	1 (As of June 29, 2026)
	Major Tenant	Shinsaibashi Hospitality Management ^(Note 2)
	Annual rent	Not disclosed (fixed rent + revenue-linked rent) ^(Note 3) [Fixed rent] Not disclosed [Revenue based rent] Calculated by multiplying Accommodation Revenue by a specified percentage rate
	Tenant leasehold / security deposit	None
	Total leased area	1,646.18 m ²
	Total leasable area	1,718.68 m ²
	Occupancy rate (based on leased area)	95.8%
	Special notes	Although several items have been identified in the building condition survey report and other related documents, corrective measures are scheduled to be implemented without delay.

(Note 1) Based on the description in the registry as of today, it is scheduled to be changed to "Inn/Retail" after the acquisition date of the Property.

(Note 2) The lessee of the private lodging section of the Property is Shinsaibashi Hospitality Management, but HIWIN, which has subleased from the company, plans to operate the private lodging section of the Property as the operator of the private lodging.

(Note 3) Not disclosed as JMF has not obtained consent from the tenant with respect to disclosure.

- Figures of less than one million yen are rounded down, and percentages are rounded to the nearest second decimal place.
- "Location" represents the address of the Property or the registered address of the building.
- "Land area", "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 tenant(s)" 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.
- "Annual rent" is calculated by multiplying the total of monthly rent and monthly common area charges indicated in the lease agreements, etc. for the assets to be acquired that are effective as of the above date by 12, and rounding down to the nearest million yen. Amounts clearly specified in the lease agreements as rent for parking lots, bicycle parking, etc., are not included.
- "Tenant leasehold / security deposit," "Total leased area," "Total leasable area," and "Occupancy rate (based on leased area)" are the totals of the figures based on lease agreements, etc. that are effective as of the above date.

3. Profile of the seller

The seller is a domestic business company, but the profile of the seller is not disclosed as the seller's consent for the disclosure of its name, etc., has not been obtained. There are no capital, personnel, or business relationships to be noted between JMF or the Asset Manager and the company, and the company does not fall under the category of a related party of JMF or the Asset Manager.

4. Status of the seller, etc.

This transaction does not constitute a transaction with a party having a special interest in JMF or the Asset Manager.

5. Means of Payment

Full payment at the time of transfer

6. The Acquisition schedule

Decision-making date	June 24, 2026
Contract completion date	
Payment date	June 29, 2026 (Scheduled)
Property delivery date	

7. Future Outlook

The impact of this matter on JMF's operating results for the August 2026 fiscal period (49th fiscal period: from March 1, 2026 to August 31, 2026) and the February 2027 fiscal period (50th fiscal period: from September 1, 2026 to February 28, 2027) is minimal, and there are no changes to the forecasts of operating results.

8. Appraisal Report Summary

Property name	Apartment Hotel 11 Shinsaibashi Amemura 2
Appraiser	CBRE K.K.
Appraisal value	2,750 million yen
Appraisal date	June 1, 2026

Item	Value	Notes
Indicated value by income approach	2,750 million yen	
DC method	2,900 million yen	
Operating income	134 million yen	
Effective gross income	134 million yen	Rental income
Losses from vacancy, etc.	0 million yen	
Operational cost	13 million yen	
Maintenance and management fee	1 million yen	Assessed based on provided materials, etc.
Utility cost	1 million yen	Assessed with reference to similar cases
Repair expenses	1 million yen	Assessed with reference to the engineering report (ER) dated June 2026 acquired by JMF
Property manager fee	0 million yen	Assessed based on provided materials, etc.
Leasing cost	0 million yen	Assessed based on the standard replacement cycle of tenants
Property tax	7 million yen	Assessed by taking into account property tax materials, etc.
Insurance premium	0 million yen	Assessed with reference to similar cases
Other expenses	1 million yen	Assessed by considering future cost fluctuations, etc.
Net operating income	121 million yen	
Operating profit on lump-sum payments	0 million yen	
Capital expenditure	2 million yen	Assessed with reference to ER
Net cash flow	118 million yen	
Capitalization rate	4.1%	
DCF method	2,750 million yen	
Discount rate	3.9%	
Terminal capitalization rate	4.3%	
Indicated value by cost approach	1,440 million yen	
Land ratio	71.9%	
Building ratio	28.1%	

Other matters of consideration by the appraiser	N/A
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