

September 28, 2021

To all concerned parties:

Investment Corporation

Japan Metropolitan Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 8953)

Representative: Shuichi Namba, Executive Director

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

Asset Management Company

Mitsubishi Corp.-UBS Realty Inc.

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Notice Concerning Determination of Acquisition of assets
(Investment Limited Partnership Interests)

Japan Metropolitan Fund Investment Corporation (“JMF”) announced today that Mitsubishi Corp. – UBS Realty Inc., JMF’s asset manager (the “Asset Manager”), decided on the acquisition (the “Acquisition”) of an equity interest in DREAM Mezzanine Debt Separate3 Investment Limited Partnership (the “LPS”) through investment (the “Investment”) in the LPS as outlined below. The LPS was established by Diamond Realty Management Inc. (“DREAM”) for the purpose of investing in mezzanine loan obligations (the “Mezzanine Loan Obligations”) backed by a trust beneficiary right in a residential property located in Tokyo as an entrusted property.

1. Overview of Investment

1)	Property type	Investment Limited Partnership Interests ^(Note 1)
2)	Vehicle Name	DREAM Mezzanine Debt Separate3 Investment Limited Partnership
3)	Assets to be invested	Mezzanine loan obligations backed by a trust beneficiary right in a residential property located in Tokyo as an entrusted property ^(Note 2)
4)	Investment amount for the LPS by JMF (Investment total amount by limited partners)	780 million yen (1,580 million yen)
5)	LTV (Loan to value) for underlying property	74.4% ^(Note 3)
6)	Interest rate on loan on mezzanine loan obligations	Base interest rate ^(Note 4) + 3.0%
7)	Scheduled investment period	6 years ^(Note 5)
8)	Investment contract date	September 28, 2021
9)	Scheduled Investment date	September 29, 2021
10)	Scheduled dividend date	The last day of every January and July / Twice a year (The first dividend is the last day of January 2022)
11)	Source of funds for acquisition of interests	Cash on hand (Scheduled)

(Note 1) “Investment Limited Partnership Interest” refers to an equity interest in an investment limited partnership as stipulated in Article 2, Paragraph 2 of the Act on Investment Limited Partnership Agreements. Following the Investment, JMF will become a limited partner of the LPS.

- (Note 2) The details of the underlying property are not disclosed as consent has not been obtained from DREAM which is a general partner for the LPS.
- (Note 3) The calculation was made based on the appraisal value of the underlying property described in the real estate appraisal of the underlying property (appraisal date: August 31, 2021)
- (Note 4) The base interest rate will be the 3-month Japanese yen TIBOR.
- (Note 5) Repayment before the due date is permitted for the Mezzanine Loan Obligations at the borrower's discretion. If the Mezzanine Loan Obligations are repaid before the due date in consideration of the conditions of the real estate market and the financing environment, the LPS may be dissolved before the expiration of the investment period, and the Investment may be reimbursed prior to the expiration of the investment period.

2. Reason for Investment

JMF places the highest priority on the policy of maximizing unitholder profits. As a measure to diversify investment means in the future, JMF has considered investing in mezzanine loan obligations (which mainly refer to monetary claims, such as loan claims, against special purpose companies, etc. aimed at investing in real estate and other properties (including but not limited to special purpose companies as stipulated in the Act on the Securitization of Assets) and other corporations, etc. (including claims on corporate bonds issued by these corporations, etc.) and which are subordinate to senior loan debt in terms of the order of repayment and possess the same economic characteristics as relevant monetary claims) and securities and other assets backed by mezzanine loan obligations ("Mezzanine Loan Obligations, etc."). Under the ideas described below, JMF has recently decided to invest in the LPS, leveraging its relations with the Mitsubishi Corporation Group (which refers to Mitsubishi Corporation and its Group companies; the same applies hereinafter) and Sumitomo Mitsui Trust Bank, Limited ("SMTB"), which is a main lender for JMF.

DREAM, a Mitsubishi Corporation Group company, has a substantial track record in investing in, establishing, and managing mezzanine funds as a private real estate fund management firm. JMF believes that the joint investment by SMTB and JMF in a limited partnership established by DREAM will contribute to diversifying JMF's current and future investment means.

I. Diversification of Investment Means

- Realize JMF's first-ever investment in Mezzanine Loan Obligations, etc. through collaboration with DREAM, which is one of Japan's largest mezzanine fund players, as part of JMF's efforts to diversify its investment means in view of current and future years

II. Effective Use of Cash on Hand

- Use own funds (cash and deposits) effectively by investing in mezzanine loan obligations

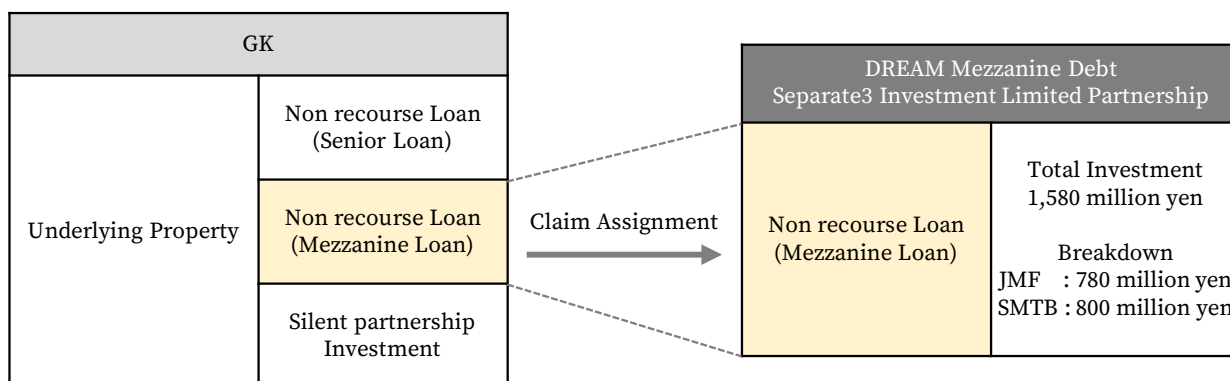
III. Mezzanine Loan Obligations Based on Prime Underlying Property

- The underlying property for the Investment is a residential property located in Tokyo. The Investment was decided after analyzing the location, competitiveness, business continuity, etc. of the underlying property and determining comprehensively that it was a prime property meeting JMF's investment criteria.

The Investment will be made in Mezzanine Loan Obligations, etc. through a limited partnership scheme. It will be carried out using JMF's own funds, and JMF believes that it will contribute to maximizing unitholder profits through diversification of investment means at present and in the future.

In investing in Mezzanine Loan Obligations, etc., JMF will ensure that real estate, etc. that effectively serves as security or underlying assets meets JMF's investment criteria (location, asset type, price, etc.), and will further limit its investment targets to obligations backed by prime assets selected from those meeting such criteria. JMF will also ensure that the balance of the investment in Mezzanine Loan Obligations, etc. remains equal to or less than 3% of its total assets in principle.

< Overview of the structure >



3. Overview of Investee

Investee name	DREAM Mezzanine Debt Separate3 Investment Limited Partnership
Location	9-15, Yotsuya 2-chome, Shinjuku-ku, Tokyo C/O TOKYO UNITED GROUP
Name and job title of the representative	General partner Diamond Realty Management Inc. Ryuta Takeuchi, President and CEO
Business	I. Acquisition and possession of beneficiary rights in trusts that have a business operator as the counterparty II. Acquisition and possession of monetary claims against business operators, as well as acquisition and possession of monetary claims owned by business operators III. Management of business surplus funds by means of the methods described below to achieve the objectives of the main contract (i) Deposits with banks and other financial institutions or postal savings IV. Any other businesses auxiliary and/or related to the businesses described above
Date established	August 27, 2021
Relationship with JMF / the Asset Manager	
Capital relationship	DREAM is wholly owned by Mitsubishi Corporation, which is the parent company of the Asset Manager (with a 51% interest), and executes business as a general partner for the LPS.
Personal relationship	Two part-time directors of the Asset Manager concurrently serve as part-time directors of DREAM which executes business as a general partner for the LPS.
Trade relationship	There is no transactional ties to be stated between the LPS and JMF or the Asset Manager.
Related parties	The LPS falls under the category of the related parties of the Asset Management in the context of its rules and regulations on business transactions with related parties.

4. Means of Payment

Full payment at the time of the scheduled investment date

5. Investment Schedule

Decision-making Date of the Investment	September 28, 2021
Partnership Agreement signing date	September 28, 2021
Payment Date	September 29, 2021 (Scheduled)

6. Future Outlook

There is no impact of the Acquisition on financial results for the August 2021 fiscal period (the 39th fiscal period, from March 1, 2021 to August 31, 2021) and the impact for the February 2022 fiscal period (the 40th fiscal period, from September 1, 2021 to February 28, 2022) is minor, but the forecasts for operating results is currently under scrutiny. So it will be announced in the financial report scheduled for release on October 15, 2021.