

November 30, 2021

Investment Corporation

**Japan Metropolitan Fund Investment Corporation**

(Tokyo Stock Exchange Company Code: 8953)

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Asset Management Company

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## Supplemental Material on a Series of Press Releases

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November 30, 2021

- Notice Concerning Acquisition and Disposition of Trust Beneficiary Right in Real Estate in Japan (Acquisition of JMF-Bldg. Akasaka 02 and Disposition of 3 properties)
- Notice Concerning Debt Financing (New Debt Financing)
- Notice Concerning Disposition of Trust Beneficiary Right in Real Estate in Japan (G-Bldg. Minami Aoyama 01)

**1**

**Continued acquisition of excellent properties matching the asset replacement strategy**

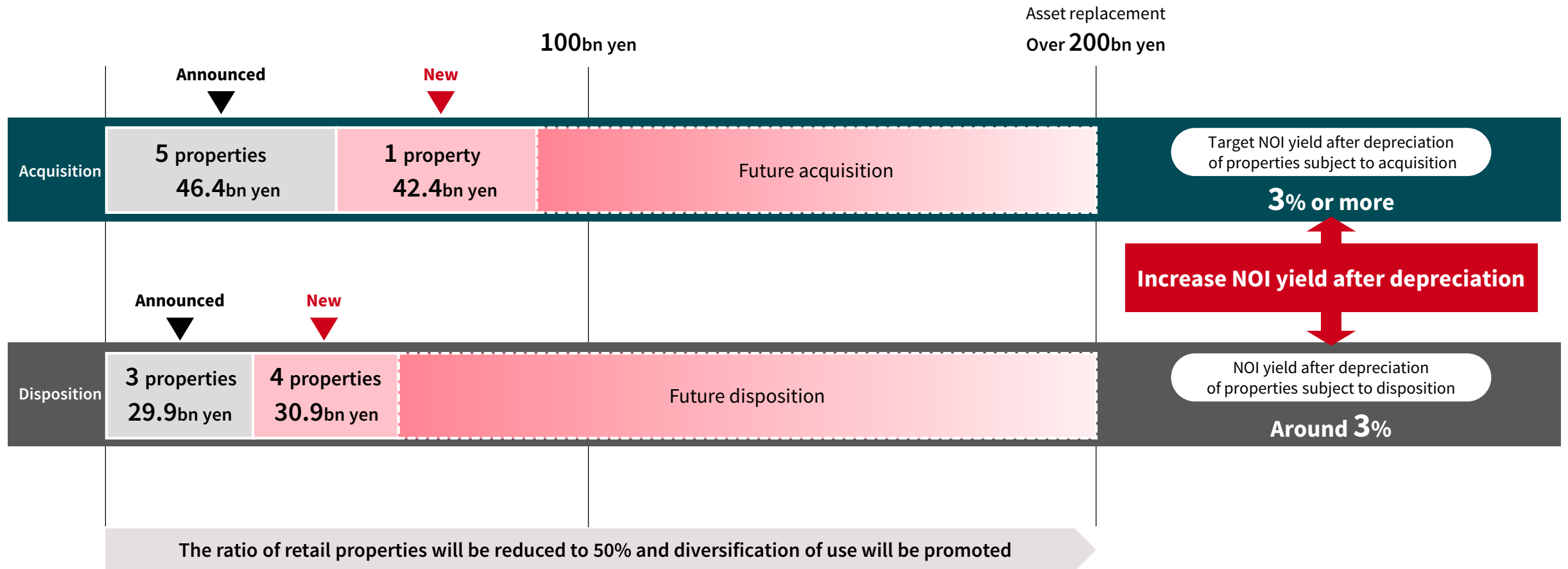
**2**

**Secured gains on sale over three fiscal terms from the disposition of properties**

**3**

**A portion of the gains on sale to be allocated to the reversal of reserves to maintain the reserve balance**

# Diversify and enhance the quality of the portfolio while seeking to increase NOI after depreciation when the asset replacement strategy is completed



# In an environment of increasingly intense competition for acquisition of properties, excellent properties with yields that match the target asset replacement yield acquired

## New Acquisitions



Property Name	JMF-Bldg. Ichigaya 01	G-Bldg. Shinsaibashi 05	JMF-Bldg. Hiroo 01	JMF-Residence Gakugeidaigaku	JMF-Bldg. Funabashi 01	JMF-Bldg. Akasaka 02
Type of Use	Mixed-use	Urban retail	Mixed-use	Residence	Mixed-use	Office
Location	Chiyoda-ku, Tokyo	Osaka-shi, Osaka	Minato-ku, Tokyo	Setagaya-ku, Tokyo	Funabashi-shi, Chiba	Minato-ku, Tokyo
Acquisition price (Scheduled)	20,935mn yen	9,000mn yen	10,000mn yen	1,505mn yen	5,000mn yen	42,428mn yen
Appraisal Value <sup>1</sup>	22,100mn yen	13,200mn yen	10,200mn yen	1,650mn yen	5,420mn yen	44,200mn yen
NOI Yield (after depreciation) <sup>1</sup>	3.6% (3.3%)	4.9% (4.9%)	3.2% (2.8%)	3.7% (3.1%)	4.3% (3.6%)	2.9% (2.6%)

No. of Properties  
**6 properties**

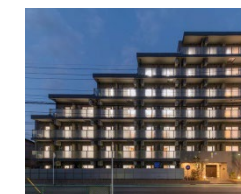
Total Acquisition Price  
**88.8bn yen**

Total Appraisal Value  
**96.7bn yen**

Avg. NOI Yield  
**3.4%**

Avg. NOI Yield after depreciation  
**3.1%**

## Investment in Private REITs



Asset Name	Investment units of Nisshin Private Residential Reit, Inc.
Type of Use	Residence
Investment Corporation Format	Unlisted open-ended investment corporation
Acquisition price	1,889mn yen
Distribution yield <sup>2</sup>	4.3%

- Gain high-profit residential exposure through private REIT investment
- Pipeline acquisitions from the private REIT sponsor are under discussion

**In addition to the above, preferential negotiating rights have been obtained for multiple assets with NOI yields after depreciation of 4% or higher**

1. Figures stated in the press releases at the time of decision to acquire each property are indicated.

2. Total amount of distributions are dividends per investment unit from Nisshin Private Residential Reit for the fiscal year ended June 30, 2021 multiplied by the total number of investment units. Distribution yield is calculated by twice the total amount of distributions divided by the acquisition price, rounded to the first decimal place.

## Seven retail properties were sold for more than the appraisal value and gains on sale of approximately 6 billion yen were secured

Property Name	AEON Takatsuki	AEON MALL Yamato <sup>4</sup>	Ito-Yokado Yotsukaido	G-Bldg. Minami Aoyama 01	G-Bldg. Ginza 01	G-Bldg. Shinjuku 01	Summit Store Nakano Minamidai
Type of Use	Suburban retail	Suburban retail	Suburban retail	Urban retail	Urban retail	Urban retail	Urban retail
Location	Takatsuki-shi, Osaka	Yamato-shi, Kanagawa	Yotsukaido-shi, Chiba	Minato-ku, Tokyo	Chuo-ku, Tokyo	Shinjuku-ku, Tokyo	Nakano-ku, Tokyo
Disposition price (Scheduled)	10,954mn yen	8,600mn yen	10,350mn yen	10,110mn yen	20,820mn yen		
Appraisal Value <sup>1</sup>	10,900mn yen	8,550mn yen	9,990mn yen	9,440mn yen	20,640mn yen		
					9,000mn yen	7,810mn yen	3,830mn yen
Book Value <sup>2</sup>	9,715mn yen	7,400mn yen	12,080mn yen	10,000mn yen	15,022mn yen		
					5,530mn yen	6,490mn yen	3,001mn yen
Estimated Gain or loss on sale <sup>3</sup>	990mn yen	1,116mn yen	-1,767mn yen	38mn yen	5,574mn yen		
Disposition date (scheduled)	March 10, 2021	March 30, 2021	August 12, 2021	December 1, 2021	Co-ownership interest share 30% : December 1, 2021 30% : March 1, 2022 40% : September 1, 2022	December 1, 2021	March 1, 2022

No. of Properties
<b>7 properties</b>

Total Disposition Price (Scheduled)
<b>60.8bn yen</b>

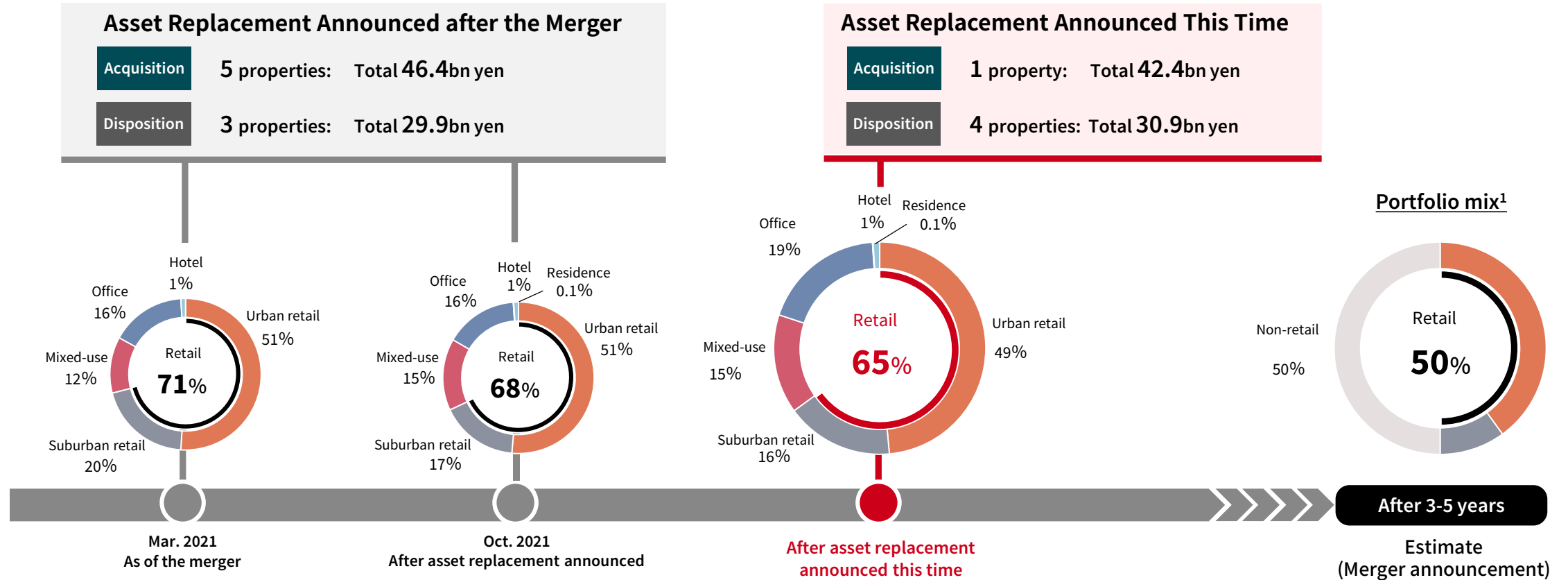
Total Appraisal Value
<b>59.5bn yen</b>

Total Book Value
<b>54.2bn yen</b>

Total Estimated Gain on Sales
<b>5.9bn yen</b>

1. Figures stated in the press releases at the time of decision to dispose each property are indicated.
2. The book value is indicated for properties where disposition has been completed, and for other properties, the expected values as of December 1, 2021 are indicated.
3. Values are the disposition price minus the total of the book value and the cost of sale.
4. JMF sold 50% of the quasi co-ownership interest in AEON MALL Yamato on December 21, 2020, and the information on this page refers to the sale of the remaining 50% quasi co-ownership interest.

# Asset replacement is proceeding at a faster pace than originally anticipated and diversification of the portfolio is progressing steadily



In the nine months since the merger, approximately half of the acquisitions for the asset replacement target of more than 200 billion yen have been completed

1. Based on acquisition price

# A portion of the gains on sale will be allocated to the reversal of reserves to maintain the reserve balance

Reserve Balance (announced on Oct. 2021)

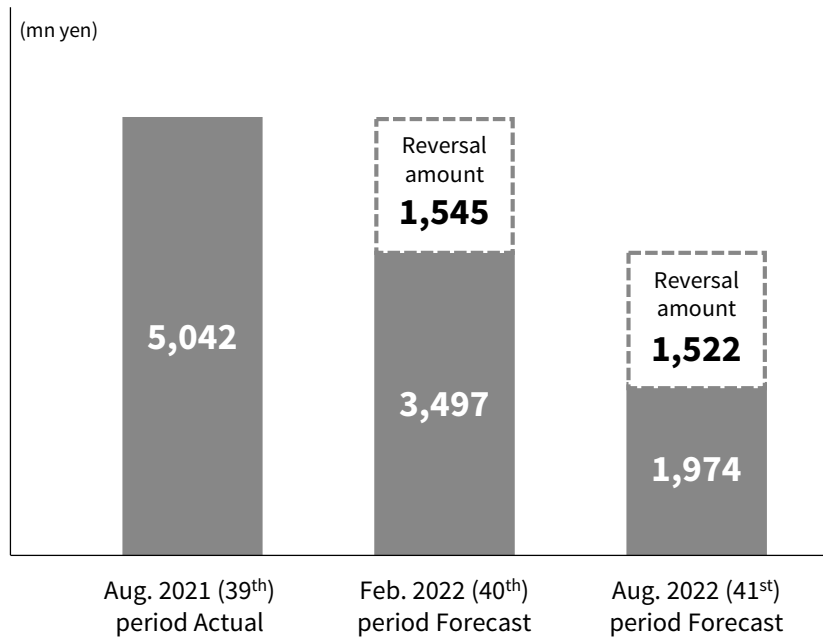
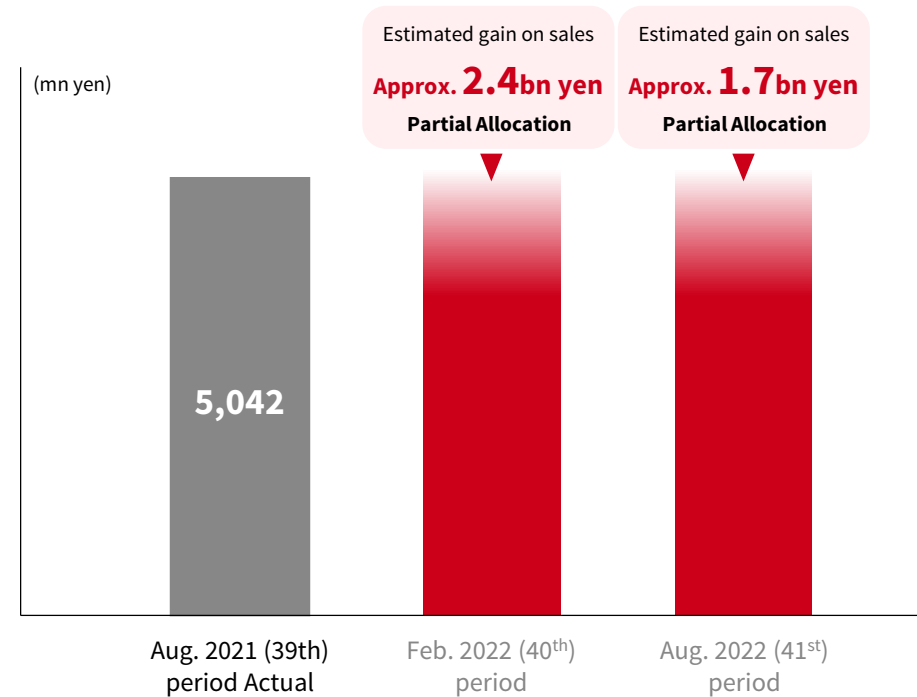


Image of Reserve Balance (after asset replacement this time)



- By maintaining the reserve balance, **the stability of distribution levels will be continued**
- In addition, a portion of the gains on sale will be **used for future asset replacement**
- The corresponding gains on sale will be **reported in the 42<sup>nd</sup> Period (period ending February 28, 2023)**

Think bold today for a brighter tomorrow.



# 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 relates to the press releases dated November 30, 2021, 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 : Mitsubishi Corp.- UBS Realty Inc.**

(Financial Instruments Dealer Director of Kanto Financial Bureau (Financial Instruments Dealer) Number 403, Member of The Investment Trusts Association, Japan)