

April 20, 2022

To all concerned parties:

Investment Corporation
Japan Metropolitan Fund Investment Corporation
 (Tokyo Stock Exchange Company Code: 8953)
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Notice Concerning Disposition of Trust Beneficiary Right in Real Estate in Japan
(G-Bldg. Jingumae 02)

Japan Metropolitan Fund Investment Corporation (“JMF”) announced today that Mitsubishi Corp. – UBS Realty Inc., JMF’s asset manager (the “Asset Manager”), determined to dispose of the trust beneficiary right in real estate in Japan (the “Property”) as outlined below.

1. Overview of Disposition

Property name	G-Bldg. Jingumae 02
Location	9-9, Jingumae 4-chome, Shibuya-ku, Tokyo
Asset class	Retail
Disposition price (Scheduled) (A)	1,850 million yen
Book value ^(Note 1) (B)	2,255 million yen
Difference between disposition price and book value (A-B)	-405 million yen
Purchaser	Not disclosed ^(Note 2)
Completion date of contract	April 21, 2022 (scheduled)
Disposition date	April 21, 2022 (scheduled)

(Note 1) Book value refers to the estimated figures as of the month of disposition.

(Note 2) Not disclosed as the purchaser has not agreed to the disclosure.

2. Reason for Disposition

Highlights

- 1. As part of JMF's growth strategy, steady execution of JMF's asset replacement strategy for optimizing the use composition of its portfolio**
- 2. Disposition at a price higher than the appraisal value and elimination of future risks as an individual property**

In JMF's asset replacement strategy, suburban retail properties and urban retail properties with low profitability are within the scope of disposition. As a result of comprehensively taking into account the anticipated intensification of the competitive environment in the neighborhood and future profitability of this disposition, JMF determined that a disposition of the Property at a level of approximately 8% above the appraisal value (1,720 million yen) in the current environment, while it is located on a back street of the Omote-sando area, would minimize loss on the disposition and strengthen the profitability of the portfolio.

JMF will allocate the cash from the disposition mainly to acquire properties in JMF's asset replacement strategy and repay borrowings. In addition, for the loss arising from the disposition of the Property, JMF plans to appropriate portions of the capital gains obtained through completion of the disposition of properties which have already been disposed of in the current fiscal year.

3. Property Summary

A summary of the Property to be disposed of is set out in Part 1, Fund Information, Item 1. Status of the Fund, 5 Status of investment management, (2) Investment assets, of JMF's securities report for the 39th fiscal period submitted on November 25, 2021.

4. Overview of Purchaser

The purchaser is a domestic company, but we have not obtained the necessary permission from the purchaser to disclose its name and other related information.

There are no capital, personal or business relationships to note between JMF/the Asset Manager and the purchaser. In addition, the purchaser does not fall under the category of a related party of JMF/the Asset Manager.

5. Means of Payment

Full payment at the time of transfer

6. Disposition Schedule

Decision-making date	April 20, 2022
Disposition contract signing date	April 21, 2022 (Scheduled)
Payment date	April 21, 2022 (Scheduled)
Property transfer date	April 21, 2022 (Scheduled)

7. Future Outlook

Disposition of the Property is expected to result in loss of approximately 423 million yen. However, there will be no change to forecast of operation as this has been factored into assumptions for operating results for the August 2022 fiscal period (from March 1, 2022 to August 31, 2022) and the February 2023 fiscal period (from September 1, 2022 to February 28, 2023) announced on April 18, 2022 in the “Japan Metropolitan Fund Investment Corporation Summary of Financial Results for the Six Months Ended February 28, 2022.”

8. Appraisal Report Summary

Property name	G-Bldg. Jingumae 02
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Appraisal value	1,720 million yen
Appraisal date	February 28, 2022

Item	Value	Notes
Indicated value by income approach	1,720 million yen	
DC method	1,750 million yen	
Operating income	64 million yen	
Effective gross income	66 million yen	
Losses from vacancy, etc.	2 million yen	
Operational cost	9 million yen	
Maintenance and management fee	1 million yen	
Utility cost	2 million yen	
Repair expenses	0 million yen	
Property manager fee	Not disclosed	As the disclosure of this item may negatively affect JMF's competitiveness and business to the detriment of its unitholders, the Asset Manager has decided not to disclose this information here, and have included it under "Other expenses" instead.
Leasing cost	0 million yen	
Property tax	4 million yen	
Insurance premium	Not disclosed	As the disclosure of this item may negatively affect JMF's competitiveness and business to the detriment of its unitholders, the Asset Manager has decided not to disclose this information here, and have included it under "Other expenses" instead.
Other expenses	0 million yen	
Net operating income	55 million yen	
Operating profit on lump-sum payments	0 million yen	
Capital expenditure	1 million yen	
Net cash flow	54 million yen	
Capitalization rate	3.1 %	
DCF method	1,710 million yen	
Discount rate	2.8 % (1st year) 2.9 % (2nd years) 3.0 % (3rd to 4th years) 3.1 % (From 5th years)	
Terminal capitalization rate	3.2 %	
Indicated value by cost approach	2,330 million yen	
Land ratio	93.5 %	
Building ratio	6.5 %	

Other matters of consideration	N/A
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