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MC-UBS GROUP

Japan Metropolitan Fund Investment Corporation

March 9, 2021

To all concerned parties:

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Notice Concerning Disposition of Trust Beneficiary Right in AEON Takatsuki

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 AEON Takatsuki (the "Property") as outlined below.

1. Overview of Disposition

1)	Property name	AEON Takatsuki
2)	Type of asset	Trust beneficiary right in real estate
3)	Disposition price	10,954 million yen
4)	Book value (Note 1)	9,715 million yen
5)	Difference between disposition price and book value (Note 1)	1,239 million yen
6)	Purchaser	Not disclosed (Note 2)
7)	Completion date of contract	March 9, 2021
8)	Disposition date	March 10, 2021 (scheduled)

(Note 1) Book value refers to the estimated figures as of the disposition date.
(Note 2) Not disclosed as the purchaser has not agreed to the disclosure.

2. Reason for Disposition

Highlights

1. **As port of JMF's growth strategy, steady execution of JMF's asset replacement strategy for urbanizing and optimizing the use composition of its portfolio**
2. **Capital gains generated by disposition at a price higher than both the book and appraisal values**

In JMF's asset replacement strategy, suburban retail property, to be inferior in a location and profitability, is within the scope of disposition. As the result of comprehensive examination into the property, JMF determined the disposition.

JMF anticipate the gains, approximately 1 billion yen, from the disposition. JMF will reserve it to stabilize the dividends in the future while allocating the cash from the disposition mainly to acquire properties in JMF's asset replacement strategy.

3. Property Summary

Property name		AEON Takatsuki			
Type of asset		Trust beneficiary right in real estate			
Trust beneficiary		Mitsubishi UFJ Trust and Banking Corporation			
Trust period		March 31, 2030			
Type		Department stores・Parking			
Location (address)		47-2, Haginosho 3-chome, Takatsuki-shi, Osaka			
Land	Land area	43,280.82 ㎡			
	Type of possession	Ownership	Zoning	Commercial district	
Building	Structure / stories	4 stories above ground, SRC-structure building with flat roof and galvanized steel sheet roof 5 stories above ground, steel construction with flat roof			
	Total floor area	59,506.89 ㎡			
	Type of possession	Ownership	Completion date	March 15, 1994 March 3, 1997	
Appraisal value		10,900 million yen (as of August 31,2020)			
Appraiser		CBRE K.K.			
Tenant Summary (as of end of January 2021)	Number of tenants (main tenants)	1 (AEON)			
	Annual rent	797 million yen			
	Tenant leasehold / security deposit	1,232 million yen			
	Total leased area	77,267.23 ㎡			
	Total leasable area	77,267.23 ㎡			
	Occupancy rate (based on leased area)	End of August 2018	End of February 2019	End of August 2019	End of February 2020	End of August 2020
		100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Collateral conditions		A revolving mortgage is assigned to the land and building of the Property in order to secure the obligation to refund the tenant leasehold and security deposit to AEON Retail Co., Ltd.				
Special notes		We have agreed with the purchaser of the Property under the sales agreement on the assignment of the Property that repair of parking tower: iron part painting, south slope and falling prevention fence, will be executed at JMF's expense by the end of March.				

・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 each property or the registered address of the building.
・"Land area" and "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.
・"Annual rent", "Tenant leasehold / security deposit", "Total leased area" and "Total leasable area" represent the total sums and areas in the lease contracts, etc. as of today.

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. Matters Concerning Forward Commitment

Not fall under the category

6. Means of Payment

Full payment at the time of transfer

7. Disposition Schedule

Decision-making date	March 9, 2021
Disposition contract signing date	March 9, 2021
Payment date	March 10, 2021 (Scheduled)
Property transfer date	March 10, 2021 (Scheduled)

8. Future Outlook

There will be no particular impact on our revenue forecast for the February 2021 fiscal period (from September 1, 2020 to February 28, 2021). Furthermore, there is no immediate impact on our operating results for the August 2021 fiscal period (from March 1, 2021 to August 31, 2021), we will not revise the forecast.

9. Appraisal Report Summary

Property name	AEON Takatsuki
Appraiser	CBRE K.K.
Appraisal value	10,900 million yen
Appraisal date	August 31, 2020

Item	Value	Notes
Indicated value by income approach	10,900 million yen	
DC method	10,900 million yen	
Operating income	798 million yen	
Effective gross income	798 million yen	
Losses from vacancy, etc.	0 yen	
Operational cost	119 million yen	
Maintenance and management fee	0 yen	
Utility cost	0 yen	
Repair expenses	0 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 yen	
Property tax	99 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	18 million yen	
Net operating income	678 million yen	
Operating profit on lump-sum payments	12 million yen	
Capital expenditure	27 million yen	
Net cash flow	663 million yen	
Capitalization rate	6.1 %	
DCF method	10,900 million yen	
Discount rate	6.0 %	
Terminal capitalization rate	6.3 %	
Indicated value by cost approach	7,910 million yen	
Land ratio	77.2 %	
Building ratio	22.8 %	

Other matters of consideration	So that the Property is categorized into the mall, the appraisal value is determined mainly as the point of the indicated value by income approach, which reflects the economic value well, and for reference the indicated value by cost approach.

This English language release is for informational purposes only, and the Japanese language release should be referred to as the original.