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MC-UBS GROUP

Japan Metropolitan Fund Investment Corporation

July 2, 2021

To all concerned parties:

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Notice Concerning Disposition of Trust Beneficiary Right in Ito-Yokado Yotsukaido

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 Ito-Yokado Yotsukaido (the "Property") as outlined below.

1. Overview of Disposition

1)	Property name	Ito-Yokado Yotsukaido
2)	Type of asset	Trust beneficiary right in real estate
3)	Disposition price	10,350 million yen
4)	Book value (Note 1)	12,080 million yen
5)	Difference between disposition price and book value (Note 1)	-1,730 million yen
6)	Purchaser	Not disclosed (Note 2)
7)	Completion date of contract	July 2, 2021
8)	Disposition date	August 12, 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. **Elimination of future risks as an individual property**

In JMF's asset replacement strategy, suburban retail property with inferior location and profitability is within the scope of disposition. As a result of comprehensively taking into account the possibility of future downside risks in the Property amid an anticipated intensification of the neighborhood competition environment, JMF determined the disposition.

JMF will allocate the cash from the disposition mainly to acquire properties in JMF's asset replacement strategy. In addition, for the loss arising from the disposition the Property, JMF plants to appropriate portions of the capital gains obtained through completion of the disposition of the two properties (AEON MALL Yamato, AEON Takatsuki), which were disposed in March 2021 for the August 2021 fiscal period.

3. Property Summary

Property name		Ito-Yokado Yotsukaido		
Type of asset		Trust beneficiary right in real estate		
Trust beneficiary		Sumitomo Mitsui Trust Bank, Limited		
Trust period		August 31, 2027		
Type		Department stores・Parking・Bank		
Location (address)		5, Chuo, Yotsukaido-shi, Chiba		
Land	Land area	33,839.43 ㎡		
	Type of possession	Ownership	Zoning	Commercial district
Building	Structure / stories	2 stories above ground and 1 basement floor, S-structure with flat roof Extended building：3 stories above ground, S-structure with flat roof		
	Total floor area	55,977.58 ㎡		
	Type of possession	Ownership	Completion date	January 14, 2005 July 12, 2016
Appraisal value		9,990 million yen (as of February 28,2021)		
Appraiser		CBRE K.K.		
Tenant Summary (as of end of February 2021)	Number of tenants (main tenants)	2 (Ito-Yokado)		
	Annual rent	597 million yen		
	Tenant leasehold / security deposit	451 million yen		
	Total leased area	59,762.30 ㎡		
	Total leasable area	59,762.30 ㎡		
	Occupancy rate (based on leased area)	End of February 2019	End of August 2019	End of February 2020	End of August 2020	End of February 2021
		100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Collateral conditions		A mortgage is assigned to the land and the building in order to secure the obligation to refund the tenant leasehold and security deposit to Ito-Yokado Co., Ltd.		
Special notes		We have agreed with the purchaser of the Property under the sales agreement on the assignment of the Property that JMF is responsible for repairing and having the tenant of the Property repair some of the matters pointed out about the Property under the Building Standards Law.		

・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

A sales agreement on the assignment of the Property falls under the investment corporation's "Forward Commitment, etc." (Note) described in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. defined by the Financial Services Agency. In case of any serious breach by JMF or the assignee of the sales contract on the assignment of the Property, if the breaching party does not fulfil his duties or correct the breach within the period of time specified by the other party for fulfilling the duty or correcting the breach, the other party shall be authorized to cancel all or part of the sales contract and demand the breaching party to pay a penalty corresponding to a 10% of the sales price.

(Note) Forward commitment is defined as "a postdated sales and purchase agreement which provides for the delivery and settlement to take place one month or more from the effective date of the agreement or any other related agreements."

6. Means of Payment

Full payment at the time of transfer

7. Disposition Schedule

Decision-making date	July 2, 2021
Disposition contract signing date	July 2, 2021
Payment date	August 12, 2021 (Scheduled)
Property transfer date	August 12, 2021 (Scheduled)

8. Future Outlook

There will be minor impact on our revenue forecast for the August 2021 fiscal period (from March 1, 2021 to August 31, 2021) and the February 2022 fiscal period (from September 1, 2021 to February 28, 2022), therefor we will not revise the forecast.

9. Appraisal Report Summary

Property name	Ito-Yokado Yotsukaido
Appraiser	CBRE K.K.
Appraisal value	9,990 million yen
Appraisal date	February 28, 2021

Item	Value	Notes
Indicated value by income approach	9,990 million yen	
DC method	10,000 million yen	
Operating income	597 million yen	
Effective gross income	597 million yen	
Losses from vacancy, etc.	0 yen	
Operational cost	61 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	59 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 yen	
Net operating income	535 million yen	
Operating profit on lump-sum payments	4 million yen	
Capital expenditure	30 million yen	
Net cash flow	509 million yen	
Capitalization rate	5.1 %	
DCF method	9,990 million yen	
Discount rate	4.9 %	
Terminal capitalization rate	5.1 %	
Indicated value by cost approach	9,700 million yen	
Land ratio	78.6 %	
Building ratio	21.4 %	

Other matters of consideration	N/A