Japan Metropolitan Fund Investment Corporation

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To all concerned parties:

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Notice Concerning Disposition of Trust Beneficiary Right in Real Estate in Japan (JMF-Bldg. Akasaka 01)

Japan Metropolitan Fund Investment Corporation ("JMF") announces today that KJR Management, 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	JMF-Bldg. Akasaka 01
Location	11-28, Akasaka 1-chome, Minato-ku, Tokyo
Asset class	Office
Disposition price (Planned)	7,700 million yen
Appraisal value	4,520 million yen
Book value (Note 1)	4,515 million yen
Gains on disposition (Note 2)	Approx. 3.1 billion yen
Broker	None
Purchaser	Nippon Steel Kowa Real Estate Co., Ltd.
Completion date of contract	August 27, 2025
Disposition date (Scheduled)	October 31, 2025

(Note 1) The book value is the actual value as of the end of February 2025 (46th fiscal period).
(Note 2) Gains on disposition are reference figures as the difference calculated at this time by subtracting book value (the estimated figures as of the month of disposition) and disposition-related expenses from the planned disposition price, and may differ from the actual gains on disposition.

2. Reason for Disposition

Highlights

- **Disposed of property at approximately 1.7 times its appraisal value**
- **Entire gain on sale of approximately 3.1 billion yen to be returned to unit holders, with continuous returns of at least 300 yen per unit until the August 2028 fiscal period**
- **Proceeds from sale to be used for replacement with assets with profitability and growth potential**

JMF aims to enhance total returns (DPU and NAV) and expand the growth cycle using "internal growth" and "return of gains on sales" as drivers.

The Property's NOI yield and NOI yield after depreciation are both below the portfolio average, and its unrealized gains are only approximately 4 million yen. Furthermore, as the Property is over 40 years old and does not offer a significant advantage in building specifications compared with surrounding properties, substantial rent increases are unlikely in the future. Accordingly, JMF decided on this initiative after determining that the best way to improve total returns is to: dispose of the Property at a price substantially above both the appraisal value and book value, and return the significant gain on sale to investors in full; and use the proceeds from sale for replacement with assets with profitability above the implied cap rate and future growth potential. The NOI yield on sale of the Property is 1.9%.

The disposition of the Property is expected to generate a gain on sale of approximately 3.1 billion yen. However, since gains on sales from the disposition of other previously announced properties are expected to sufficiently cover distributions through the February 2027 (50th) fiscal period, the gain on sale from disposition of the Property will be kept as internal reserves and subsequently distributed in full in the August 2027 (51st) fiscal period, the February 2028 (52nd) fiscal period and the August 2028 (53rd) fiscal period. As a result, JMF will be able to return its target gain on sales per unit of at least 300 yen for the next six fiscal periods.

In addition, the proceeds from sale, excluding the gain on sale, are planned to be allocated toward the repayment of borrowings related to the acquisition of the properties announced in today's "Notice Concerning Acquisition and Leasing of Real Estate in Japan and Trust Beneficiary Right in Real Estate in Japan". The funds will be used for asset replacement.

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 46th fiscal period submitted on May 29, 2025.

4. Overview of Purchaser

Name	Nippon Steel Kowa Real Estate Co., Ltd.
Location	8-1, Akasaka 1-chome, Minato-ku, Tokyo
Name and job title of the representative	Masahiro Miwa, President and Chief Executive Officer
Business	・ Development, lease, and management of office buildings ・ Development, sale, and management of condominiums and single family homes ・ Development, lease, and management of logistics and commercial facilities and others ・ Rental and management of luxury residences targeting foreign expatriates ・ Sale, brokerage, appraisal, and consulting services of real estate ・ Planning of, and investment in, securitization of real estate
Capital	19.8 billion yen (as of March 31, 2025)
Date established	March 24, 1997
Net assets	306.9 billion yen (as of March 31, 2025)
Total assets	1,280.6 billion yen (as of March 31, 2025)
Major shareholder (shareholding ratio)	Nippon Steel Corporation (45.0%) (as of March 31, 2025)
Relationship with JMF / the Asset Manager	
Capital relationship Personal relationship Trade relationship	There is no capital, personal or transactional ties to be stated between the purchaser and JMF or the Asset Manager. There is no capital, personal or transactional ties to be specified between the related parties/related companies of JMF or the Asset Manager and the related parties/related companies of the purchaser.
Related parties	Any of the purchaser or the related parties/related companies of the purchaser do not fall under the related party of JMF or the Asset Manager.

5. Means of Payment

Full payment at the time of transfer

6. Disposition Schedule

Decision-making date	August 27, 2025
Disposition contract signing date	
Payment date (Scheduled)	October 31, 2025
Property transfer date (Scheduled)	

7. Future Outlook

As a result of this disposition, JMF expects to record gains on sale of approximately 3.1 billion yen in the February 2026 (48th) fiscal period, but the full amount of the gains will be internally reserved in this fiscal period, and these reserves are scheduled to be withdrawn in the August 2027 (51th) fiscal period, the February 2028 (52nd) fiscal period and the August 2028 (53rd) fiscal period.

This disposition is scheduled for the February 2026 (48th) fiscal period, and therefore will have no direct impact on the fiscal period ending the August 2025 (47th) fiscal period. Forecast of operating results for the fiscal year ending February 2026 (48th) fiscal period considering the impact of the disposition of the Property, please refer to the news release titled as “Notice Concerning Revised Forecasts for Operating Results and Distributions (Upward Revision) for the August 2025 (47th) Fiscal Period and the February 2026 (48th) Fiscal Period” dated today.

8. Appraisal Report Summary

Property name	JMF-Bldg. Akasaka 01
Appraiser	Japan Real Estate Institute
Appraisal value	4,520 million yen
Appraisal date	July 18, 2025

Item	Value	Notes
Indicated value by income approach	4,520 million yen	
DC method	4,580 million yen	
Operating income	208 million yen	
Effective gross income	218 million yen	
Losses from vacancy, etc.	9 million yen	
Operational cost	64 million yen	
Maintenance and management fee	11 million yen	
Utility cost	16 million yen	
Repair expenses	3 million yen	
Property manager fee	2 million yen	
Leasing cost	2 million yen	
Property tax	28 million yen	
Insurance premium	0 million yen	
Other expenses	0 million yen	
Net operating income	143 million yen	
Operating profit on lump-sum payments	1 million yen	
Capital expenditure	7 million yen	
Net cash flow	137 million yen	
Capitalization rate	3.0 %	
DCF method	4,460 million yen	
Discount rate	2.8 %	
Terminal capitalization rate	3.1 %	
Indicated value by cost approach	4,890 million yen	
Land ratio	96.8 %	
Building ratio	3.2 %	

Other matters of consideration	N/A

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