

April 16, 2021

To all concerned parties:

Investment Corporation

Japan Metropolitan Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 8953)

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**Notice Concerning Determination of Operating Results for the Fiscal Period Ended
February 28, 2021 (Final Fiscal Period) and Payment upon the Merger,
of MCUBS MidCity Investment Corporation**

Japan Metropolitan Fund Investment Corporation (“JMF”) announced today the determination of the financial results for the fiscal period ended February 28, 2021 (final fiscal period) of MCUBS MidCity Investment Corporation (“MMI”), which merged with JMF effective on March 1, 2021 (the “Merger”), and payment upon the merger as follows.

1. Operating results and merger consideration in the form of Payment upon the Merger for the final fiscal period (fiscal period ended February 28, 2021 (July 1, 2020 to February 28, 2021))

| | Operating Revenue | Operating income | Ordinary income | Net income | Net income per unit (Note 2) | Payment upon the merger per unit (Note 2) (Note 3) | Total of Payment upon the merger (Note 4) |
|--|---------------------------|--------------------------|--------------------------|--------------------------|------------------------------------|---|--|
| Fiscal period ended February 28, 2021 (eight months) (Note 1) | Millions of yen 12,311 | Millions of yen 5,438 | Millions of yen 4,486 | Millions of yen 4,435 | yen 2,486 | yen 3,046 | Millions of yen 5,434 |

(Note 1) The financial result for MMI is for the eight months period from July 1, 2020 to February 28, 2021.

(Note 2) Total number of outstanding units at the end of the fiscal period: 1,784,125 units

(Note 3) Instead of cash distribution for MMI’s final fiscal period, JMF will make a payment upon the merger to the unitholders listed or recorded on the final unitholders register of MMI as of the day immediately prior to the effective date of the Merger (February 28, 2021), in an amount equivalent to the payment upon the merger for the final fiscal period based on MMI’s distributable profit (the payment on merger will be the amount of distributable profit of MMI as of the day immediately prior to the date of the merger (February 28, 2021) divided by the number of investment units issued and outstanding of MMI, as of the day immediately prior to the date of the merger (amounts less than one yen are rounded down)).

(Note 4) Total payment upon the merger for the fiscal period ended February 28, 2021 (5,434 million yen) includes reversal of reserve for reduction entry of property (998 million yen), and differs from the amount of Net income.

(Note 5) Amounts less than one unit have been rounded down.

2. Schedule date of payment upon the merger

May 24, 2021

< Exhibit >

Reference Material “Reference information of the grounds of MMI’s Payment upon the Merger”

Exhibit

Reference information of the grounds of MMI's Payment upon the Merger

(1) BALANCE SHEETS

| | As of | |
|--|----------------------|----------------|
| | February 28, 2021 | |
| | (in millions of yen) | |
| ASSETS | | |
| Current assets: | | |
| Cash and bank deposits..... | ¥ | 11,955 |
| Cash and bank deposits in trust..... | | 4,501 |
| Rental receivables..... | | 256 |
| Income taxes receivable..... | | — |
| Prepaid expenses | | 60 |
| Other..... | | 11 |
| Allowance for doubtful accounts..... | | (42) |
| Total current assets..... | | 16,743 |
| Noncurrent assets: | | |
| Property and equipment, at cost: | | |
| Buildings in trust | | 83,059 |
| Structures in trust..... | | 280 |
| Machinery and equipment in trust | | 4 |
| Tools, furniture and fixtures in trust..... | | 585 |
| Land in trust | | 219,361 |
| Construction in progress in trust..... | | 2 |
| Total property and equipment..... | | 303,293 |
| Less: Accumulated depreciation | | 23,764 |
| Total net property and equipment..... | | 279,529 |
| Intangible assets: | | |
| Software | | 0 |
| Other..... | | 0 |
| Total intangible assets..... | | 1 |
| Investments and other assets: | | |
| Investment securities | | 5,085 |
| Lease and guarantee deposits..... | | 10 |
| Long-term prepaid expenses..... | | 718 |
| Total investments and other assets..... | | 5,813 |
| Total noncurrent assets..... | | 285,344 |
| Deferred charges: | | |
| Investment corporation bonds issuance costs..... | | 38 |
| Investment unit issuance costs..... | | 32 |
| Total deferred charges..... | | 71 |
| TOTAL ASSETS..... | ¥ | 302,160 |

| | As of | |
|--|----------------------|----------------|
| | February 28, 2021 | |
| | (in millions of yen) | |
| LIABILITIES | | |
| Current liabilities: | | |
| Operating accounts payable | ¥ | 604 |
| Current portion of investment corporation bonds – unsecured | | 1,500 |
| Current portion of long-term loans payable | | 18,250 |
| Accounts payable | | 1,916 |
| Accrued expenses | | 79 |
| Distribution payable | | 8 |
| Income taxes payable | | 11 |
| Consumption taxes payable | | 33 |
| Advances received | | 1,249 |
| Other | | 1,066 |
| Total current liabilities | | 24,721 |
| Noncurrent liabilities: | | |
| Investment corporation bonds – unsecured | | 6,500 |
| Long-term loans payable | | 100,725 |
| Tenant leasehold and security deposits | | 13,237 |
| Total noncurrent liabilities | | 120,462 |
| TOTAL LIABILITIES | | 145,183 |
| NET ASSETS | | |
| Unitholders' equity: | | |
| Unitholders' capital, 10,000,000 units authorized; 1,784,125 units as of June 30, 2020 and February 28, 2021 issued and outstanding... | | 151,540 |
| Surplus: | | |
| Voluntary reserve | | |
| Reserve for reduction entry of property | | 998 |
| Total voluntary reserve | | 998 |
| Retained earnings | | 4,436 |
| Total surplus | | 5,435 |
| Total unitholders' equity | | 156,976 |
| TOTAL NET ASSETS | | 156,976 |
| TOTAL LIABILITIES AND NET ASSETS | ¥ | 302,160 |

(2) STATEMENTS OF INCOME AND RETAINED EARNINGS

| | For the fiscal periods ended | |
|---|------------------------------|---------------|
| | February 28, 2021 | |
| | (eight months) | |
| | (in millions of yen) | |
| Operating revenues | | |
| Rent revenues—real estate..... | ¥ | 11,356 |
| Other rental business revenues..... | | 765 |
| Dividends income..... | | 189 |
| Total operating revenues..... | | 12,311 |
| Operating expenses | | |
| Expenses related to rental business..... | | 5,595 |
| Asset management fees..... | | 1,032 |
| Asset custody fees | | 8 |
| Administrative service fees..... | | 57 |
| Directors' compensations..... | | 16 |
| Provision of allowance for doubtful accounts..... | | 42 |
| Other..... | | 119 |
| Total operating expenses..... | | 6,872 |
| Operating income | | 5,438 |
| Non-operating income | | |
| Interest income | | 0 |
| Reversal of distribution payable | | 1 |
| Interest on refund..... | | 0 |
| Total non-operating income..... | | 1 |
| Non-operating expenses | | |
| Interest expenses..... | | 560 |
| Interest expenses on investment corporation bonds | | 29 |
| Borrowing related expenses..... | | 172 |
| Amortization of investment corporation bonds issuance costs | | 7 |
| Amortization of investment unit issuance costs | | 24 |
| Merger expenses | | 159 |
| Other..... | | 0 |
| Total non-operating expenses..... | | 954 |
| Ordinary income..... | | 4,486 |
| Extraordinary gain | | |
| Subsidy income | | — |
| Total extraordinary gain | | — |
| Extraordinary loss | | |
| Reduction entry for property | | — |
| Total extraordinary loss | | — |
| Income before income taxes | | 4,486 |
| Income taxes: | | |
| Current..... | | 50 |
| Deferred..... | | — |
| Total income taxes | | 50 |
| Net income..... | | 4,435 |
| Retained earnings brought forward..... | | 1 |
| Unappropriated retained earnings | ¥ | 4,436 |

(3) STATEMENTS OF CHANGES IN NET ASSETS

| | Unitholders' equity | | | | | | |
|---------------------------------------|----------------------|---|-------------------------|---|---------------|---------------------------|------------------|
| | Surplus | | | | | | |
| | | Voluntary reserve | | | | | |
| | Unitholders' capital | Reserve for reduction entry of property | Total voluntary reserve | Retained earnings (in millions of yen) | Total surplus | Total unitholders' equity | Total net assets |
| Balance as of June 30, 2020 | ¥ 151,540 | ¥ 998 | ¥ 998 | ¥ 3,657 | ¥ 4,655 | ¥ 156,196 | ¥ 156,196 |
| Changes during the period | | | | | | | |
| Dividends from surplus | — | — | — | (3,655) | (3,655) | (3,655) | (3,655) |
| Net income | — | — | — | 4,435 | 4,435 | 4,435 | 4,435 |
| Total changes during the period | — | — | — | 779 | 779 | 779 | 779 |
| Balance as of February 28, 2021 | ¥ 151,540 | ¥ 998 | ¥ 998 | ¥ 4,436 | ¥ 5,435 | ¥ 156,976 | ¥ 156,976 |

(4) Statements of cash distributions

(Yen)

| | For the eight months ended |
|---|----------------------------|
| | February 28, 2021 |
| Unappropriated retained earnings | 4,436,930,289 |
| Reversal of voluntary reserve | |
| Reversal of reserve for reduction entry of property | 998,617,125 |
| Cash distribution declared | 5,434,444,750 |
| (Cash distribution declared per unit) | (3,046) |
| Retained earnings carried forward | 1,102,664 |

Note :

In accordance with the distribution policy in Article 34, Paragraph 1, Item 2 of the Investment Corporation's articles of incorporation which stipulates making distributions in excess of 90% of distributable profit as defined in Article 67-15 of the Special Taxation Measures Act of Japan and Article 39-32-3 of the Ordinance for Enforcement of the Special Taxation Measures Act for the fiscal period, the Investment Corporation declared a total of ¥5,434,444,750 for merger considerations which consists of all of unappropriated retained earnings at the end of the eight months ended February 28, 2021 and reversal of reserve for reduction entry of property of ¥998,617,125 calculated based on Article 65-7 of the Special Taxation Measures Act of Japan.

(Note 1) The cash distribution is read as the payment upon the merger.

(Note 2) The "Investment Corporation" is MCUBS MidCity Investment Corporation.