

January 5, 2022

To all concerned parties:

Investment Corporation

Japan Metropolitan Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 8953)

Representative: Masahiko Nishida, Executive Director

URL: <https://www.jmf-reit.com/english/>

Asset Management Company

Mitsubishi Corp.-UBS Realty Inc.

Representative: Katsuji Okamoto, President & CEO

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Notice Concerning Additional Acquisition of assets
(investment units of domestic real estate investment corporation)

Japan Metropolitan Fund Investment Corporation (“JMF”) announced today that Mitsubishi Corp. – UBS Realty Inc., JMF’s asset manager (the “Asset Manager”), determined additional acquisition of investment units of Nisshin Private Residential Reit, Inc. (the “Acquisition”) as outlined below.

1. Overview of acquired assets

(1)	Acquired assets	Investment units (the “Investment Units”) of Nisshin Private Residential Reit, Inc. (“NSPR”)
(2)	Underlying properties of the acquired assets	28 properties including Kawasaki Sakuramoto WEST, and N-stage Matsudo (the “Properties”) ^(Note 1)
(3)	Number of investment units to be acquired ^(Note 2)	Acquisition (i) : 690 units Acquisition (ii) : 750 units Total : 1,440 units (7.9% of NSPR’s total issued and to be issued Investment Units)
(4)	Acquisition price (Scheduled)	1,679 million yen (based on the net asset value ^(Note 3) as of June 30, 2021)
(5)	Scheduled Investment Units contract date	January 7, 2022
(6)	Scheduled Investment Units acquisition date	Acquisition (i) : January 13, 2022 Acquisition (ii) : January 12, 2022
(7)	Seller	Mizuho Securities Co., Ltd.
(8)	Source of funds for acquisition of Investment Units	Cash on hand

(Note 1) NSPR plans to acquire four additional properties, including N-Stage Akabaneshimo, (total acquisition price (scheduled) of 4,434 million yen) (referred to below as the “NSPR assets scheduled to be acquired”) with the net proceeds relating to issuance of new investment units (JMF acquires “Acquisition (i)” of the total).

(Note 2) JMF has pledged to NISSHIN GROUP HOLDINGS Company, Limited, which is the main sponsor of NSPR, that it will comply with the Unitholders Agreement (the “Agreement”), which provides that the Investment Units shall not be assigned unless

certain conditions are satisfied including that the assignee is a qualified institutional investor and that NSPR will not be in breach of conduit requirements as a result of assignment. The Agreement provides that in the case where JMF seeks to assign the Investment Units, JMF must provide notification of the assignment of Investment Units at least 15 days prior to the desired assignment date.

(Note 3) The net asset value is the price per investment unit calculated on the basis of the appraised value.

2. Reason for Acquisition

As announced in “2. Reason for Acquisition” in the release titled “Notice Concerning Acquisition of assets (investment units of domestic real estate investment corporation)” dated April 28, 2021, JMF reached agreement on good-faith discussion for the ongoing acquisition of investment units of a private residential REIT, NSPR. In addition, JMF plans to support NSPR’s growth and expand and enhance the high-quality, high-profitability residential portion of its portfolio through the acquisition of the investment units.

NSPR decided to issue 1,880 new investment units (the “Capital Increase”) for the acquisition of four new properties (total acquisition price 4,434 million yen) on January 5, 2022, and it is planned that JMF will acquire 690 units of the new investment units (Acquisition (i)).

In addition to the above, JMF will also purchase from Seller 750 additional units that Seller acquired from existing unitholders (Acquisition (ii)).

The total acquisition price (planned) to be paid by JMF will be 3,569 million yen, and after these acquisitions are carried out, the proportion of NSPR investment units held by JMF will be 17.1%.

The asset scale of NSPR will be approximately 20% larger after the Capital Increase since JMF started acquiring investment units in NSPR, and JMF believes that leads to greater stability of dividends from NSPR, thereby contributing to the enhancement of JMF’s unitholder value.

3. Overview of NSPR

① Overview

(1)	Investment Corporation name	Nisshin Private Residential Reit, Inc.
(2)	Location	8-1, Shinjuku 5-chome, Shinjuku-ku, Tokyo
(3)	Name and job title of the representative	Shigeaki Shigemasa, Executive Officer
(4)	Investment corporation format	Unlisted open-ended investment corporation
(5)	Total capital	15,031 million yen (as of June 30, 2021)
(6)	Date established	December 22, 2017
(7)	Net assets	15,392 million yen (as of June 30, 2021)
(8)	Total assets	30,159 million yen (as of June 30, 2021)
(9)	Major shareholder (shareholding ratio)	Not disclosed as the Investment Corporation has not agreed to the disclosure. ^(Note)
(10)	Relationship with JMF / the Asset Manager	
	Capital relationship Personal relationship Trade relationship	JMF holds 10.3% of the Investment Units issued by NSPR. Other than the above, there are no capital, personal or business relationships to note between JMF/the Asset Manager and NSPR.
	Related parties	NSPR is not a related party of JMF or the Asset Manager.

(Note) However, according to NSPR, NSPR is not a family-owned company of which more than 50% of the total number of issued investment units or voting rights are held by a single unitholder and its special related parties (as defined in Article 4 of the Order for Enforcement of the Corporation Tax Act).

② Overview of NSPR's Investment Policy, Financial Data, Etc.

Investment policy	NSPR seeks to maximize unitholder value by achieving steady growth of assets under management and stable income over the medium to long term.
Investment targets	Residential property (including company housing and student dorms) (investment ratio: 100%)
Portfolio development policy	<ul style="list-style-type: none"> ■ Investment target regions <ul style="list-style-type: none"> - Tokyo metropolitan region (Tokyo, Kanagawa, Saitama, and Chiba): At least 80% - Regional cities (cities outside the Tokyo metropolitan region with populations of at least 300,000 or within commuting range (within a radius of about 20 km)): No more than 20% ■ Sponsor-developed new properties (properties that are no more than three years old at the time of acquisition by NSPR): At least 50%
LTV (as of June 30, 2021)	47.4%
Distributions (June 2021 fiscal period)	24,132 yen (per unit)
Fiscal period	The end of June and December
The Date to start operating	March 23, 2018

③ Overview of NSPR's Portfolio (As of July 1, 2021)

The number of properties	28 properties
The amount of Acquisition price	30,538 million yen
The amount of appraisal value ^(Note 1)	32,858 million yen
Appraisal NOI yield ^(Note 2)	5.2%
Ratio in Tokyo metropolitan region	100%
Total leasable area	53,836.10 m ²
Average occupancy rate ^(Note 3)	98.3%
Average age ^(Note 4) (Based on acquisition price)	7.4 years
Total number of leasable units	2,074 units

(Note 1) The total appraisal value as of June 30, 2021 with respect to properties owned as of June 30, 2021 and as of April 30, 2021 with respect to properties acquired in or after July 2021.

(Note 2) The value equal to the total amount of NOI based on the direct capitalization method in appraisal reports divided by the total acquisition price.

(Note 3) The value equal to the area actually leased of all properties divided by the leasable area of all properties as of July 31, 2021.

(Note 4) The value based on the completion date recorded in the registry books of main properties.

Investment Area Composition (Based on acquisition price)

Tokyo (23 wards) 16.4%	Other Tokyo 21.2%	Kanagawa 24.1%	Chiba 21.5%	Saitama 16.8%
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Age Composition (Based on acquisition price)

~ 3 years 22.1%	3 years ~ 10 years 54.0%	10 years ~ 20 years 15.6%	20 years ~ 8.3%
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Tenant Composition (Based on leased space)

Residence (Individual) 39.5%	Residence (Corporate) 57.8%	Stores 2.7%
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④ Details of NSPR's Main Asset Portfolio (As of July 1, 2021)

Property name	Location	Total leasable area ^(Note)
N-stage Tamagakuseikaikan	4-216-4, Aza-Higashinakano, Hachioji-shi, Tokyo	1,965.13 m ²
N-stage Nishikawaguchi	3-29-15, Namiki, Kawaguchi-shi, Saitama	2,946.40 m ²
N-stage Akihabara	3-34-3, Kanda-Sakumacho, Chiyoda-ku, Tokyo	1,477.06 m ²
N-stage Nishifunabashi II	2-417, Katsusikacho, Funabashi-shi, Chiba	1,986.46 m ²
N-stage Kameido	6-27-2, Kameido, Koto-ku, Tokyo	2,006.77 m ²
N-stage Dokkyodaigakumae	2-9-25, Sakaecho, Soka-shi, Saitama	3,029.72 m ²
N-stage Kumegawa	2-6-6, Sakaecho, Higashimurayama-shi, Tokyo	2,283.84 m ²
N-stage Matsudo	914-1, Hinokuchi, Matsudo-shi, Chiba	2,802.78 m ²
N-stage Yamato II	3-4-10, Yamatohigashi, Yamato-shi, Kanagawa	2,073.60 m ²
MIRADA RIDGE	2-7-17, Haramachida, Machida-shi, Tokyo	2,245.44 m ²
Kawasaki Sakuramoto WEST	1-2-12, Sakuramoto, Kawasaki-ku, Kawasaki-shi, Kanagawa	3,913.60 m ²

17 other properties (all Residential property)

(Note) "Total leasable area" means the total leasable area of properties that are trust real estate; the leasable area based on the lease agreement or building plans and the like rounded down to the first digit after the decimal is indicated.

⑤ Overview of NISSHIN FUDOSAN Investment Advisors, Inc.

(1) Trade name	NISSHIN FUDOSAN Investment Advisors, Inc.
(2) Location	8-1, Shinjuku 5-chome, Shinjuku-ku, Tokyo
(3) Date established	October 1, 2013
(4) Name and job title of the representative	Shigeaki Shigemasa, Representative Director
(5) Major shareholder (shareholding ratio)	NISSHIN GROUP HOLDINGS Company, Limited (73%) Atrium Co., Ltd. (13%) J.S.B.Co., Ltd. (9%) AMBITION DX HOLDINGS Co., Ltd. (5%)
(6) Capital	150 million yen
(7) Employee	18 (As of June 30, 2021)

(8) Permits and approvals, etc.	Financial instruments business operator registration (Kanto Finance Bureau Commissioner (financial instruments) No. 2830) (investment management business, investment advisory and agency business) Housing lots and buildings dealer license (Governor of Tokyo (2) No. 96164) Discretionary real estate transaction license (Minister of Land, Infrastructure Transport and Tourism License No. 112)
(9) Memberships	Japan Investment Advisers Association The Investment Trusts Association

4. Overview of Business Partners

(1) Name	Mizuho Securities Co., Ltd.
(2) Location	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo
(3) Name and job title of the representative	President & CEO Yoshiro Hamamoto
(4) Business	Financial Instruments Business
(5) Capital	125,167 million yen (As of March 31, 2021)
(6) Date established	July 16, 1917
(7) Net assets	963,058 million yen (As of March 31, 2021)
(8) Total assets	12,648,003 million yen (As of March 31, 2021)
(9) Major shareholder (shareholding ratio)	Mizuho Financial Group, Inc. (95.80%) The Norinchukin Bank (4.20%)
(10) Relationship with JMF / the Asset Manager	
Capital relationship Personal relationship Trade relationship	There are no capital, personal or business relationships to note between JMF/the Asset Manager and this business partner.
Related parties	This business partner is not a related party of JMF or the Asset Manager.

5. Status of Property Acquirer, etc.

The Acquisition is not an acquisition from a special related party of JMF or the Asset Manager.

6. Matters Concerning Forward Commitment

None

7. Means of Payment

All of the acquisition funds relating to the Acquisition will be JMF's own funds. The planned settlement method is a lump-sum payment on the scheduled payment date.

8. Acquisition Schedule

	Acquisition (i)	Acquisition (ii)
Contract Date	January 7, 2022	January 7, 2022
Scheduled Payment Date	January 12, 2022	January 12, 2022
Scheduled Acquisition Date	January 13, 2022	January 12, 2022

9. Future Outlook

The impact of the Acquisition on financial results for the February 2022 fiscal period (the 40th fiscal period, from September 1, 2021 to February 28, 2022) and the August 2022 fiscal period (the 41th fiscal period, from March 1, 2022 to August 31, 2022) will be minor and there are no revisions of forecasts of results.

[Reference]

Prospective Income and Expenditures for the total number of investment units scheduled to be held after the Acquisition

Prospective Income and Expenditures	
Distributions per unit	24,132 yen
Total number of investment units to be held (scheduled)	3,120 unit
Total acquisition price (scheduled)	3,569 million yen
Total distribution amount	Approximately 75 million yen

- The amount of the distribution per unit is the actual amount for NSPR's 7th fiscal period (the fiscal period ended June 30, 2021).
- The total distribution amount is the amount calculated by multiplying the per unit distribution amount by the total number of units to be acquired, and the actual disbursement may differ.

[Photos of some NSPR Assets and NSPR assets scheduled to be acquired]



N-stage Akabaneshimo



N-stage Hiratsuka



N-stage Akihabara



Kawasaki Sakuramoto WEST

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