

December 23, 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

KJR Management

Representative: Naoki Suzuki,
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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 KJR Management, JMF’s asset manager (the “Asset Manager”), determined additional acquisition (the “Acquisition”) of investment units of Nisshin Private Residential Reit, Inc. (assets related real estate) 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	33 properties including N-stage Akabaneshimo, and Kawasaki Sakuramoto WEST ^(Note 1)
(3)	Number of investment units to be acquired	1,200 units ^(Note 2)
(4)	Acquisition price (Scheduled)	1,441 million yen (based on the net asset value ^(Note 3) as of June 30, 2022)
(5)	Scheduled Investment Units contract date	December 23, 2022
(6)	Scheduled Investment Units acquisition date	January 5, 2023
(7)	Seller	Mizuho Securities Co., Ltd.
(8)	Source of funds for acquisition of Investment Units	Cash on hand

(Note 1) NSPR plans to acquire two additional properties, including N-stage Tsukimino, (total acquisition price (scheduled) of 2,273 million yen) (referred to below as the “NSPR assets scheduled to be acquired”) with the net proceeds relating to issuance of new investment units.

(Note 2) 6.2% of NSPR’s total issued and to be issued investment units (19,460 units)

(Note 3) The net asset value is the price per investment unit calculated on the basis of the appraised value (1,201,221 yen).

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, in order to expand and enhance the high-quality, high-profitability residential portion of its portfolio through the acquisition of the investment units, JMF reached agreement on good-faith discussion for supporting the growth of a private residential REIT, NSPR, through the ongoing acquisition of investment units.

NSPR decided to issue 1,200 new investment units (the “Capital Increase”) for the acquisition of two new properties (total acquisition price (scheduled) of 2,273 million yen) on December 20, 2022, and it is planned that JMF will acquire the new investment units.

The total acquisition price (scheduled) to be paid by JMF will be 5,010 million yen, and after the Acquisition is carried out, the proportion of NSPR investment units held by JMF will be 22.2%.

The asset scale of NSPR will be approximately 30% 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.

① Overview of NSPR

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	Takeshi Hioki, Executive Officer
(4)	Investment corporation format	Unlisted open-ended investment corporation
(5)	Total capital	18,682 million yen (as of June 30, 2022)
(6)	Date established	December 22, 2017
(7)	Total assets	37,265 million yen (as of June 30, 2022)
(8)	Liabilities	18,137 million yen (as of June 30, 2022)
(9)	Net assets	19,127 million yen (Net assets per unit 1,047,507 yen) (as of June 30, 2022)
(10)	Net income	445 million yen (Net income per unit 24,418 yen) (as of June 30, 2022)
(11)	Major shareholder (shareholding ratio)	Not disclosed as the Investment Corporation has not agreed to the disclosure. ^(Note)
(12)	Relationship with JMF / the Asset Manager	
	Capital relationship Personal relationship Trade relationship	JMF holds 17.1% 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, 2022)	47.1%
Ratio of net assets to total assets (as of June 30, 2022)	51.3%
Distributions (June 2022 fiscal period)	24,418 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 June 30, 2022)

The number of properties	33 properties
The amount of acquisition price	35,672 million yen
The amount of appraisal value ^(Note 1)	38,402 million yen
Appraisal NOI yield ^(Note 2)	5.2%
Ratio in Tokyo metropolitan region	100%
Total leasable area	63,689.58 m ²
Average occupancy rate ^(Note 3)	98.3%
Average age ^(Note 4) (Based on acquisition price)	8.0 years
Total number of leasable units	2,349 units

(Note1) The amount of appraisal value is the total appraisal value as of June 30, 2022. JLL Morii Valuation & Advisory K.K., Japan Real Estate Institute, Tanizawa Sogo Appraisal Co., Ltd., and Japan Valuers Co., Ltd. are employed as the appraisal organizations.

(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 June 30, 2022.

(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) 22.4%	Other Tokyo 18.1%	Kanagawa 25.5%	Chiba 18.4%	Saitama 15.6%
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Age Composition (Based on acquisition price)

~ 3 years 13.8%	3 years ~ 10 years 62.7%	10 years ~ 20 years 16.4%	20years~ 7.1%
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Tenant Composition (Based on leased space)

Residence (Corporate) 52.5%	Residence (Individual) 45.1%	Store 2.4%
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④ Details of NSPR's Main Asset Portfolio (As of June 30, 2022)

Name of real estate, etc.	Location	Total leasable area (m ²) (Note 1)	NOI yield (Note 2)
N-stage Gyotoku	2-12-1, Gyotokuekimae, Ichikawa-shi, Chiba	1,567.59	5.3%
N-stage Minamihatogaya	5-34-19, Minamihatogaya, Kawaguchi-shi, Saitama	1,896.45	5.2%
N-stage Sagamino	6-24-13, Higashikashiwayaya, Ebina-shi, Kanagawa	2,354.18	5.2%
N-stage Ryogoku	4-4-10, Ryogoku, Sumida-ku, Tokyo	1,069.92	4.5%
N-stage Motosumiyoshi	4-16-5, Kiduki, Nakahara-ku, Kawasaki-shi, Kanagawa	1,120.60	5.7%
N-stage Shimousanakayama	4-6-12, Motonakayama, Funabashi-shi, Chiba	1,768.51	4.8%
N-stage Tamagakuseikaikan	4-216-4, Aza-Higashinakano, Hachioji-shi, Tokyo	1,965.13	5.5%
N-stage Nishikawaguchi	3-29-15, Namiki, Kawaguchi-shi, Saitama	2,946.40	5.2%
N-stage Motoyawata	2-7-15, Yawata, Ichikawa-shi, Chiba	1,220.57	4.9%
N-stage Akihabara	3-34-3, Kanda-Sakumacho, Chiyoda-ku, Tokyo	1,477.06	4.3%
N-stage Nishifunabashi II	2-417, Katsusikacho, Funabashi-shi, Chiba	1,986.46	4.7%
N-stage Musashiurawa	3-7-5, Shirahata, Minami-ku, Saitama-shi, Saitama	1,454.25	5.0%
N-stage Kameido	6-27-2, Kameido, Koto-ku, Tokyo	2,006.77	5.0%
N-stage Dokkyodaigakumae	2-9-25, Sakaecho, Soka-shi, Saitama	3,029.72	6.4%
N-stage Hachiojiotsuka gakuseikaikan	497-1, Otsuka, Hachioji-shi, Tokyo	1,634.74	4.9%
N-stage Kumegawa	2-6-6, Sakaecho, Higashimurayama-shi, Tokyo	2,283.84	5.1%
N-stage Chofu kokuryo	7-5-1, Kokuryo, Chofu-shi, Tokyo	1,422.50	5.2%
N-stage Hachioji II	1-3, Yorozucho, Hachioji-shi, Tokyo	1,449.56	5.5%
N-stage Matsudo	914-1, Hinokuchi, Matsudo-shi, Chiba	2,802.78	5.3%
N-stage Yamato II	3-4-10, Yamatohigashi, Yamato-shi, Kanagawa	2,073.60	5.5%
N-stage Akabaneshimo	5-20-14, Shimo, Kita-ku, Tokyo	4,590.94	4.7%
N-stage Hiratsuka	19-2, Akashicho, Hiratsuka-shi, Kanagawa	1,266.95	5.3%

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N-stage Sokashinden	4-4-8, Asahicho, Soka-shi, Saitama	839.71	5.6%
MIRADA RIDGE	2-7-17, Haramachida, Machida-shi, Tokyo	2,245.44	4.9%
NEW CITY APARTMENTS Higashi Oi	1-21-5, Higashioi, Shinagawa-ku, Tokyo	832.20	4.6%
Kawasaki Sakuramoto WEST	1-2-12, Sakuramoto, Kawasaki-ku, Kawasaki-shi, Kanagawa	3,913.60	6.8%
CREST COURT ODAI RESIDENCE	5-8-22, Nishioku, Arakawa-ku, Tokyo	1,032.11	5.1%
L'axe Musashinakahara	4-17-12, Shimokodanaka, Nakahara-ku, Kawasaki-shi, Kanagawa	1,564.60	5.2%
Chibasoga Court	2-3-5, Minamicho, Chuo-ku, Chiba-shi, Chiba	2,931.14	6.1%
Urbanhills Ooka	1-1-25, Ooka, Minami-ku, Yokohama-shi, Kanagawa	1,945.08	5.3%
Ainesuto 23	4-5-9, Nakataminami, Izumi-ku, Yokohama-shi, Kanagawa	1,841.22	5.3%
Casa Luce	1-9-4, Hamacho, Kawasaki-ku, Kawasaki-shi, Kanagawa	901.46	5.5%
Eclair Fujisawazengyo	5-1-5, Zengyo, Fujisawa-shi, Kanagawa	2,254.50	5.0%
Total		63,689.58	—

(Note 1) “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.

(Note 2) “NOI yield” is calculated by dividing NOI used in the Direct Capitalization Method on the appraisal report as of the end of June 2022 by the acquisition price.

⑤ Details of NSPR’s assets scheduled to be acquired by the Capital Increase (January 6, 2023 (scheduled))

Name of real estate, etc.	Location	Total leasable area (m ²) (Note 1)	NOI yield (Note 2)
N-stage Tsukimino	629-4, Shimotsuruma, Yamato-shi, Kanagawa	2,402.00	4.8%
Eshure II Yokohama	1-12-3 Sueyoshicho, Naka-ku, Yokohama-shi, Kanagawa	1,237.50	4.1%
Total		3,639.50	—

(Note 1) “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.

(Note 2) “NOI yield” is calculated by dividing NOI used in the Direct Capitalization Method on the appraisal report as of the end of October 2022 by the acquisition price.

⑥ 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	Takeshi Hioki, 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	16 (As of June 30, 2022)

(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
(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 company.
	Related parties	This company is not a related party of JMF or the Asset Manager.

3. 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, 2022)
(6)	Date established	July 16, 1917
(7)	Net assets	608,695 million yen (As of March 31, 2022)
(8)	Total assets	18,781,187 million yen (As of March 31, 2022)
(9)	Major shareholder (shareholding ratio)	Mizuho Financial Group, Inc. (94.66%) The Norinchukin Bank (5.34%)
(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.

4. Status of Property Acquirer, etc.

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

5. Matters Concerning Forward Commitment

None

6. 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.

7. Acquisition Schedule

Contract Date	December 23, 2022
Scheduled Payment Date	January 4, 2023
Scheduled Acquisition Date	January 5, 2023

8. Future Outlook

The impact of the Acquisition on financial results for the February 2023 fiscal period (the 42nd fiscal period, from September 1, 2022 to February 28, 2023) and the August 2023 fiscal period (the 43rd fiscal period, from March 1, 2023 to August 31, 2023) will be minor and there are no revisions of forecasts of results.

[Reference]

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

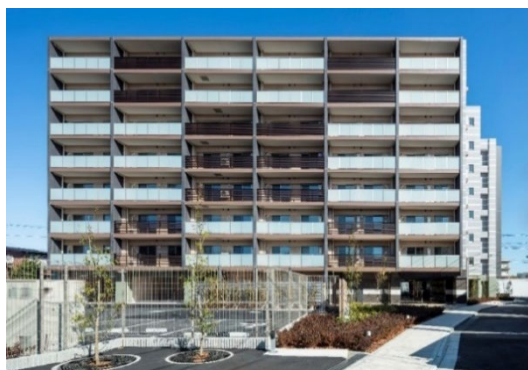
Prospective Income and Expenditures	
Distributions per unit	24,418 yen
Total number of investment units to be held (scheduled)	4,320 unit
Total acquisition price (scheduled)	5,010 million yen
Total distribution amount	Approximately 105 million yen

- The amount of the distribution per unit is the actual amount for NSPR's 9th fiscal period (the fiscal period ended June 30, 2022).
- 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.

2. Matters Concerning Assignment, etc. of the Investment Units

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 the Investment Units to NISSHIN GROUP HOLDINGS Company, Limited at least 15 days prior to the desired assignment date. As such procedures require a certain amount of time, it may be difficult to sell the Investment Units at a desired time.

3. Photos of some NSPR assets and NSPR assets scheduled to be acquired



N-stage Akabaneshimo



N-stage Tsukimino



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.