

June 27, 2023

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

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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 Hoosiers Private REIT Investment Corporation (assets related real estate) as outlined below.

1. Overview of acquired assets

(1)	Acquired assets	Investment units (the “Investment Units”) of Hoosiers Private REIT Investment Corporation (“HPR”)
(2)	Underlying properties of the acquired assets	8 properties including DUO FLATS Akasaka, DUO FLATS Shibakoen, and Ioru Heiwadori ^(Note 1)
(3)	Number of investment units to be acquired	950 units ^(Note 2)
(4)	Acquisition price (Scheduled)	1,004 million yen (based on the net asset value ^(Note 3) as of December 31, 2022)
(5)	Scheduled Investment Units contract date	June 27, 2023
(6)	Scheduled Investment Units acquisition date	July 3, 2023
(7)	Seller	SMBC Nikko Securities Inc.
(8)	Source of funds for acquisition of Investment Units	Cash on hand

(Note 1) HPR plans to acquire two additional properties, including DUO FLATS Sakae, (total acquisition price (scheduled) of 2,440 million yen) (referred to below as the “HPR assets scheduled to be acquired”) with the net proceeds relating to issuance of new investment units.

(Note 2) 16.2% of HPR’s total issued and to be issued investment units (5,850 units)

(Note 3) The net asset value is the price per investment unit calculated on the basis of the appraised value (1,057,180 yen).

(Note 4) After the Acquisition, the ratio of real estate, etc. to the total assets of JMF will be maintained at 70% or more.

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 March 18, 2022, in order to acquire the high-profitability residential portion of its portfolio through the acquisition of the investment units and strengthen external growth potential through collaboration with Hoosiers Group, JMF reached agreement on good-faith discussion for supporting the growth of a private residential REIT, HPR, through the ongoing acquisition of investment units.

HPR decided to issue 1,350 new investment units (the “Capital Increase”) for the acquisition of two new properties (total acquisition price (scheduled) of 2,440 million yen) on June 27, 2023, and it is planned that JMF will acquire the new investment units.

The total acquisition price (scheduled) to be paid by JMF will be 2,104 million yen, and after the Acquisition is carried out, the proportion of HPR investment units held by JMF will be 35.0%.

The asset scale of HPR will be approximately 30% larger after the Capital Increase since JMF started acquiring investment units in HPR, and JMF believes that leads to greater stability of dividends from HPR, thereby contributing to the enhancement of JMF’s unitholder value.

3. Overview of HPR

① Overview

(1)	Investment Corporation name	Hoosiers Private REIT Investment Corporation
(2)	Location	3-16, Nihombashimuromachi 4-chome, Chuo-ku, Tokyo
(3)	Name and job title of the representative	Haruyasu Ito, Executive Officer
(4)	Investment corporation format	Unlisted open-ended investment corporation
(5)	Total capital	4,417 million yen (as of December 31, 2022)
(6)	Date established	February 10, 2022
(7)	Total assets	8,550 million yen (as of December 31, 2022)
(8)	Liabilities	3,961 million yen (as of December 31, 2022)
(9)	Net assets	4,589 million yen (Net assets per unit 1,019,807 yen) (as of December 31, 2022)
(10)	Net income	171 million yen (Net income per unit 38,085 yen) (as of December 31, 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 24.4% of the Investment Units issued by HPR. Other than the above, there are no capital, personal or business relationships to note between JMF/the Asset Manager and HPR.
	Related parties	HPR is not a related party of JMF or the Asset Manager.

(Note) However, according to HPR, HPR 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 HPR's Investment Policy, Financial Data, Etc.

Investment policy	HPR seeks to maximize unitholder value by achieving steady growth of assets under management and stable income over the medium to long term.
Investment targets	Residence / investment ratio: At least 80% (rental condominiums for single and small households, serviced apartments, company housing, etc.) Healthcare facilities / investment ratio: No more than 20% (private nursing homes, serviced housing for the elderly) and others (clinic malls/medical buildings, health promotion facilities, community contribution facilities)
Portfolio development policy	<p>■ Investment ratio by area</p> <ul style="list-style-type: none"> - The three major metropolitan areas (Tokyo metropolitan areas, Kinki areas, Chukyo areas) and core metropolitan areas (ordinance-designated cities other than the 3 major metropolitan areas, prefectural capitals, and regional core cities with a population of 0.2 million or more): At least 80% - Other (excluding the 3 major metropolitan areas and the core metropolitan areas): No more than 20%
LTV (as of December 31, 2022)	43.0%
Ratio of net assets to total assets (as of December 31, 2022)	53.7%
Distributions (December 2022 fiscal period)	38,085 yen (per unit)
Fiscal period	The end of June and December
The Date to start operating	March 25, 2022

③ Overview of HPR's Portfolio (As of December 31, 2022)

The number of properties	6 properties
The amount of acquisition price	7,521 million yen
The amount of appraisal value ^(Note 1)	8,109 million yen
Appraisal NOI yield ^(Note 2)	5.5%
Investment area	Three major metropolitan areas: 75.4% Core metropolitan areas: 24.6%
Total leasable area	20,901.80 m ²
Average occupancy rate ^(Note 3)	99.6%

(Note1) The amount of appraisal value is the total appraisal value as of December 31, 2022. Tanizawa Sogo Appraisal Co., Ltd., Japan Valuers Co., Ltd. and DAIWA REAL ESTATE APPRAISAL 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 December 31, 2022.

④ Details of HPR's Main Asset Portfolio (As of December 31, 2022)

Name of real estate, etc.	Asset class	Location	Leasable area ^(Note 1)	Yield ^(Note 2)
DUO FLATS Akasaka	Residence	7-7, Akasaka 6-chome, Minato-ku, Tokyo	2,002.07 m ²	4.5%
DUO FLATS Shibakoen	Residence	2-14, Shiba 3-chome, Minato-ku, Tokyo	1,006.43 m ²	3.9%
U-LIFE Maison Minaminokaze	Healthcare	53-1, Nishinoho aonohigashi, Kitanaogoya-shi, Aichi	5,171.16 m ²	5.7%
Ioru Heiwadori	Healthcare	2-3, Heiwadori 1-chome minami, Shiroishi-ku, Sapporo-shi, Hokkaido	4,402.55 m ²	6.2%
Alicecort building	Urban retail	33-15, Matsugaoka 1-chome, Nakano-ku, Tokyo	3,465.21 m ²	5.9%
Miyanomori Sports Club	Urban retail	1-1, Kita3joNishi 27-chome, Chuo-ku, Sapporo-shi, Hokkaido	4,854.38 m ²	7.3%

(Note 1) "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) "Yield" is calculated by dividing NOI used in the Direct Capitalization Method on the appraisal report as of the end of December 2022 by the acquisition price.

⑤ Details of HPR's assets scheduled to be acquired by the Capital Increase (July 4, 2023 (scheduled))

Name of real estate, etc.	Asset class	Location	Leasable area ^(Note 1)	Yield ^(Note 2)
DUO FLATS Sakae	Residence	25-32, sakae 5-chome, Naka-ku, Nagoya-shi, Aichi	2,254.52 m ²	4.1%
Mstage Fujigaoka	Residence	Akegaoka 48, Meito-ku, Aichi	1,513.12 m ²	4.9%

(Note 1) "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) "Yield" is calculated by dividing NOI used in the Direct Capitalization Method on the appraisal report as of June 1, 2023 by the acquisition price.

⑥ Overview of Hoosiers REIT Advisors Co., Ltd.

(1)	Trade name	Hoosiers REIT Advisors Co., Ltd.
(2)	Location	3-16, Nihombashimuromachi 4-chome, Chuo-ku, Tokyo
(3)	Date established	August 13, 2019
(4)	Name and job title of the representative	Haruyasu Ito, Representative Director
(5)	Major shareholder (shareholding ratio)	Hoosiers HD (100%)
(6)	Capital	100 million yen
(7)	Employee	6 (as of March 1, 2023)
(8)	Permits and approvals, etc.	Financial instruments business operator registration (Kanto Finance Bureau Commissioner (financial instruments) No. 3309) (Investment Management Business) Housing lots and buildings dealer license (Governor of Tokyo (1) No. 103955) Discretionary real estate transaction license (Minister of Land, Infrastructure Transport and Tourism License No. 141)
(9)	Memberships	The Investment Trusts Association The Association for Real Estate Securitization
(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.

4. Overview of Business Partners

(1)	Name	SMBC Nikko Securities Inc.
(2)	Location	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
(3)	Name and job title of the representative	President & CEO Yuichiro Kondo
(4)	Business	Financial Instruments Business
(5)	Capital	10,000 million yen (As of March 31, 2023)
(6)	Date established	June 15, 2009
(7)	Net assets	916,588 million yen (Consolidated basis) (As of March 31, 2023)
(8)	Total assets	15,141,406 million yen (Consolidated basis) (As of March 31, 2023)
(9)	Major shareholder (shareholding ratio)	Sumitomo Mitsui Financial Group (100%)
(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

Contract Date	June 27, 2023
Scheduled Payment Date	June 30, 2023
Scheduled Acquisition Date	July 3, 2023

9. Future Outlook

The impact of the Acquisition on financial results for the August 2023 fiscal period (the 43rd fiscal period, from March 1, 2023 to August 31, 2023) and the February 2024 fiscal period (the 44th fiscal period, from September 1, 2023 to February 29, 2024) 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	23,515 yen
Total number of investment units to be held (scheduled)	2,050 unit
Total acquisition price (scheduled)	2,104 million yen
Total distribution amount	Approximately 48 million yen

- The amount of the distribution per unit is the expected amount for HPR's 3rd fiscal period (the fiscal period ended December 31, 2023).
- 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.

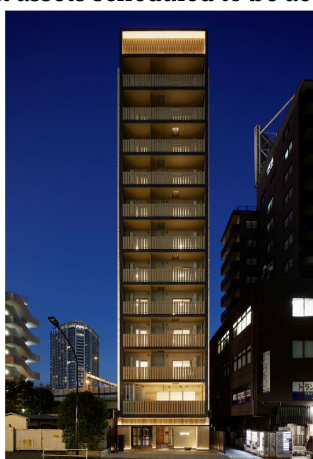
2. Matters Concerning Assignment, etc. of the Investment Units

JMF has pledged to Hoosiers REIT Advisors Co., Ltd., which is HPR's asset manager, that when effecting the Acquisition, 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 HPR 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 to Hoosiers REIT Advisors Co., Ltd. at least 15 business 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 HPR assets and HPR assets scheduled to be acquired



DUO FLATS Akasaka



DUO FLATS Shibakoen



DUO FLATS Sakae



Ioru Heiwadori

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