Japan Metropolitan Fund Investment Corporation

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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,
President & Representative Director
Inquiries: Keita Araki, Executive Officer &
Head of Metropolitan Business Division
TEL: +81-3-5293-7081

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)	Number of investment units to be acquired	980 units (Note 1)
(3)	Acquisition price (Scheduled)	1,186 million yen (Note 2)
(4)	Scheduled Investment Units contract date	January 8, 2025
(5)	Scheduled Investment Units acquisition date (Note 3)	January 10, 2025
(6)	Seller	Mizuho Securities Co., Ltd. (the "Seller")
(7)	Source of funds for acquisition of Investment Units	Cash on hand

(Note 1) 4.6% of NSPR's total issued investment units (21,200 units)
(Note 2) Based on the amount (1,210,978 yen per unit) obtained by deducting the forecasted distribution for the fiscal year ending December 2024 (27,780 yen per unit) from the base value (investment unit price of 1,238,758 yen, calculated based on the appraisal value) as of the end of June 2024.
(Note 3) The date indicates the value date.
(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 April 28, 2021, in order to expand and enhance the high-quality, and 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.

Based on ongoing discussions with NSPR, JMF plans to acquire additional 980 units by purchasing, at a discount from the base value, the investment units that the Seller will acquire from existing unitholders, the total acquisition price (scheduled) to be paid by JMF will be 7,460 million yen, and after the Acquisition is carried out, the proportion of NSPR investment units held by JMF will be 29.9%.

The asset scale of NSPR has expanded by approximately 45%, and the dividend yield has improved by approximately 16% since JMF started acquiring investment units of NSPR, and JMF believes that this acquisition will contribute to the enhancement of JMF's unitholder value, because the stability and growth of the dividends to be acquired by JMF will also raise in line with the sustainable growth of NSPR in the future.

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	22,169 million yen (as of June 30, 2024)
(6)	Date established	December 22, 2017
(7)	Total assets	44,386 million yen (as of June 30, 2024)
(8)	Liabilities	21,004 million yen (as of June 30, 2024)
(9)	Net assets	23,382 million yen (Net assets per unit 1,102,948 yen) (as of June 30, 2024)
(10)	Net income	620 million yen (Net income per unit 29,393 yen) (as of June 30, 2024)
(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 25.2% 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	■ Investment target regions - Tokyo metropolitan region (Tokyo, Kanagawa, Saitama, and Chiba): At least 80% - Regional cities (cities with populations of at least 300,000 or cities with a population of at least 200,000 where the sponsor of the asset management company has business operations, etc.) : 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, 2024)	45.7%
Ratio of net assets to total assets (as of June 30, 2024)	52.7%
Distributions (June 2024 fiscal period)	29,272 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, 2024)

The number of properties	40 properties
The amount of acquisition price	41,965 million yen
The amount of appraisal value (Note 1)	45,729 million yen
Appraisal NOI yield (Note 2)	5.1%
Ratio in Tokyo metropolitan region	100%
Total leasable area	72,348.30 ㎡
Average occupancy rate (Note 3)	98.3%
Average age (Note 4) (Based on acquisition price)	9.3 years
Total number of leasable units	2,654 units

(Note 1) The amount of appraisal value is the total appraisal value as of June 30, 2024. JLL Morii Valuation & Advisory K.K., Japan Real Estate Institute 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, 2024.
(Note 4) The value based on the completion date recorded in the registry books of main properties.

Investment Area Composition (Based on acquisition price)



Age Composition (Based on acquisition price)



Tenant Composition (Based on leased space)



④ Details of NSPR's Main Asset Portfolio（As of June 30, 2024）

Name of real estate, etc. (Note 1)	Location	Total leasable area (㎡) (Note 2)	NOI yield (Note 3)
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	5.3%
N-stage Sagamino	6-24-11, Higashikashiwagaya, Ebina-shi, Kanagawa	2,354.17	5.2%
N-stage Ryogoku	4-4-1, Ryogoku, Sumida-ku, Tokyo	1,069.92	4.4%
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	5.0%
N-stage Tamagakuseikaikan	4-216-4, Aza-Higashinakano, Hachioji-shi, Tokyo	1,965.13	5.4%
N-stage Nishikawaguchi	3-29-15, Namiki, Kawaguchi-shi, Saitama	2,946.40	5.3%
N-stage Motoyawata	2-7-15, Yawata, Ichikawa-shi, Chiba	1,220.57	5.0%
N-stage Akihabara	3-34-3, Kanda-Sakumacho, Chiyoda-ku, Tokyo	1,477.06	4.2%
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	4.9%
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, Kokuryocho, Chofu-shi, Tokyo	1,422.50	5.3%
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	5.2%
N-stage Yamato II	3-4-10, Yamatohigashi, Yamato-shi, Kanagawa	2,073.60	5.4%
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%

N-stage Hiratsuka Ⅱ	18-2, Akashicho, Hiratsuka-shi, Kanagawa	1,454.31	4.7%
N-stage Sokashinden	4-4-8, Asahicho, Soka-shi, Saitama	839.71	5.6%
N-stage Tsukimino	629-4, Shimotsuruma, Yamato-shi, Kanagawa	2,402.00	4.9%
N-flats Machida	2-7-17, Haramachida, Machida-shi, Tokyo	2,245.44	4.9%
N-flats HigashiOi	1-21-5, Higashioi, Shinagawa-ku, Tokyo	832.20	4.6%
N-flats Kawasaki Sakuramoto	1-2-12, Sakuramoto, Kawasaki-ku, Kawasaki-shi, Kanagawa	3,913.60	6.7%
N-flats Odai	5-8-22, Nishioku, Arakawa-ku, Tokyo	1,032.11	5.1%
N-flats Musashinakahara	4-17-12, Shimokodanaka, Nakahara-ku, Kawasaki-shi, Kanagawa	1,564.60	4.8%
N-flats Chiba Soga	2-3-5, Minamicho, Chuo-ku, Chiba-shi, Chiba	2,931.14	6.2%
N-flats Yokohama Ooka	1-1-25, Ooka, Minami-ku, Yokohama-shi, Kanagawa	1,952.41	5.0%
N-flats Yokohama Nakata	4-5-9, Nakataminami, Izumi-ku, Yokohama-shi, Kanagawa	1,841.22	5.4%
N-flats Kawasaki Hamacho	1-9-4, Hamacho, Kawasaki-ku, Kawasaki-shi, Kanagawa	901.46	5.7%
N-flats Fujisawa zengyo	5-1-5, Zengyo, Fujisawa-shi, Kanagawa	2,254.50	4.6%
N-flats Yokohama Kannai	1-12-3 Sueyoshicho, Naka-ku, Yokohama-shi, Kanagawa	1,237.50	4.1%
N-flats Yokohama tanmachi	2-15-14 Matsumotocho, Kanagawa-ku, Yokohama-shi, Kanagawa	425.86	4.1%
N-flats Aoto	4-21-24, Aoto, Katsushika-ku, Tokyo	1,167.17	4.3%
N-flats Omorisanno	1-25-12, Sanno, Ota-ku, Tokyo	1,014.14	3.8%
N-flats Nakaitabashi	20-4, Futabacho, Itabashi-ku, Tokyo	950.42	3.8%
Total		72,348.30	—

(Note 1) The name of the real estate, etc. will be “N-stage+●” for NSPR's sponsor-developed properties and “N-flats+●” for third-party developed properties.

(Note 2) “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 3) “NOI yield” is calculated by dividing NOI used in the Direct Capitalization Method on the appraisal report as of the end of June 2024 by the acquisition price.

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	Takeshi Hioki, Representative Director
(5)	Major shareholder (shareholding ratio)	NISSHIN GROUP HOLDINGS Company, Limited (73%) Nisshinkanzai (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, 2024)
(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 (3) 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 Seller

(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, 2024)
(6)	Date established	July 16, 1917
(7)	Net assets	909,858 million yen (As of March 31, 2024)
(8)	Total assets	23,105,316 million yen (As of March 31, 2024)
(9)	Major shareholder (shareholding ratio)	Mizuho Financial Group, Inc. (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 seller.
	Related parties	This seller 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

Scheduled Contract Date	January 8, 2025
Scheduled Payment Date	January 10, 2025
Scheduled Acquisition Date	January 10, 2025

8. Future Outlook

The impact of the Acquisition on financial results for the February 2025 fiscal period (the 46th fiscal period, from September 1, 2024 to February 28, 2025) and the August 2025 fiscal period (the 47th fiscal period, from March 1, 2025 to August 31, 2025) 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

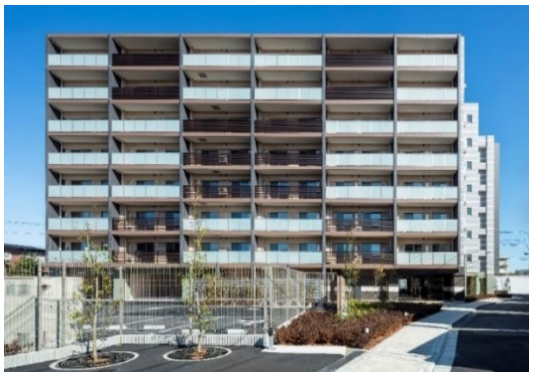
Prospective Income and Expenditures	
Distributions per unit	29,272 yen
Total number of investment units to be held (scheduled)	6,330 unit
Total acquisition price (scheduled)	7,460 million yen
Total distribution amount	Approximately 185 million yen

・The amount of the distribution per unit is the actual amount for NSPR's 13th fiscal period (the fiscal period ended June 30, 2024).
・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


N-stage Akabaneshimo


N-stage Tsukimino


N-stage Akihabara


N-flats Kawasaki Sakuramoto

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