



NEWS RELEASE

May 29, 2026

Rating and Investment Information, Inc. (R&I) has announced the following:

Mitsui Fudosan Accommodations Fund Inc. (Sec. Code: 3226)

[Affirmed]

Issuer Rating: AA-, Stable

Bond Rating: AA-

RATIONALE:

Mitsui Fudosan Accommodations Fund Inc. (MAF) is a real estate investment trust (REIT) that went public in 2006. MAF invests primarily in rental apartments located in Tokyo 23 wards. The sponsor is Mitsui Fudosan Co., Ltd.

While 88.9% of the rental apartments owned by MAF are located in Tokyo 23 wards, over 70% are the properties developed by the Mitsui Fudosan Group, such as the "Park Axis" series, as of February 2026. The portfolio is highly diversified, with the asset size reaching approximately 350 billion yen in value and approximately 13,000 units under management. In the most recent moves of strategic asset replacement, MAF transferred three old properties and acquired five comparatively new properties located mainly in Tokyo 23 wards.

During the fiscal period ended February 2026, the average month-end occupancy rate remained high at 97.6%. The average of rent change rate at tenant turnover was positive, hitting an all-time high of 15.6%. The average of rent change rate at contract renewal was also positive 1.9% and will likely increase further through expansion of negotiations toward rent increase. During the most recent two fiscal periods, the average rent per tsubo increased at an annual rate of over 3% and the increasing trend of rents will likely remain in place for some time to come against the backdrop of the tight supply-demand balance in central Tokyo and the wage hikes of young-generation workers among other factors.

MAF has been working on the value-enhancement initiatives associated with the private areas of "Okawabata Apartment Communities" which is the largest property of MAF, realizing considerable rent increases for applicable units. As for the other remaining properties, which are increasingly comprised of properties built more than 15 years ago, MAF plans to maintain or improve their competitiveness by carrying out large-scale renovation projects in an appropriate manner. On the front of ESG (Environmental, Social, and Governance), MAF has been pushing ahead with measures including the introduction of LED lightings and the acquisition of green building certifications.

As of February 2026, the LTV ratio was 51.3%, while the ratio on an appraisal-value basis was 32.4%. The LTV ratio on an appraisal-value basis is considerably low reflecting large unrealized gains. MAF has met its funding needs stably depending mainly on long-term fixed-rate loans disbursed by major domestic financial institutions, and the average remaining term of long-term debts is long at 4.0 years with staggered due dates. The sponsor's strong creditworthiness has given MAF an advantage over other J-REITs in terms of funding cost. R&I believes that MAF will be able to mostly absorb the impact of rising financial costs driven by the hikes of base interest rates with higher rent revenues.

The Rating Outlook is Stable. MAF has built up a quality portfolio by investing intensively in the sponsor's properties located in Tokyo 23 wards. The occupancy rate remains high and the average rent per tsubo is rising at an accelerating pace. The financing base is solid, with the low level of leverage on an appraisal-value basis backed by large unrealized gains.

R&I RATINGS:

ISSUER: Mitsui Fudosan Accommodations Fund Inc.

[Affirmed]

	Rating	Rating Outlook
Issuer Rating	AA-	Stable

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	Issue Amount	Issue Date	Maturity Date	Rating
Unsec. Str. Bonds No.4 (Green Bonds)	JPY 2,000 mn	Jul 16, 2020	Jul 16, 2030	AA-
Unsec. Str. Bonds No.5 (Green Bonds)	JPY 1,000 mn	Sep 30, 2021	Sep 28, 2029	AA-
Unsec. Str. Bonds No.6	JPY 2,000 mn	Sep 30, 2021	Sep 30, 2031	AA-
Unsec. Str. Bonds No.7	JPY 1,000 mn	Sep 30, 2021	Sep 30, 2036	AA-

Primary rating methodologies applied:
Rating Methodology for REITs [Jul 1, 2025]

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