

December 10, 2025

To All Concerned Parties

Issuer of Real Estate Investment Trust Securities:
Mitsui Fudosan Accommodations Fund Inc.
Toru Inoue , Executive Director
(TSE Code: 3226)
Investment Trust Management Company:
Mitsui Fudosan Accommodations Fund
Management Co., Ltd.
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Notification Concerning Acquisition and Sale of Domestic Real Estate Properties
(Acquisition: Park Cube Kinshicho and another Property,
Sale: Park Axis Takamiya Higashi)

This is a notification that Mitsui Fudosan Accommodations Fund Management Co., Ltd., an investment trust management company, which has been commissioned by Mitsui Fudosan Accommodations Fund Inc. ("MAF") to manage its assets, decided on the acquisitions and sale (the "Acquisitions" and "Sale," respectively; collectively, the "Transaction") of real estate properties in Japan as shown below.

1. Reason for Transaction

Based on the provisions for investments and policies on asset management provided in the Articles of Incorporation, the decision to acquire and sell the following properties was made to ensure the steady growth of assets under management, and for the further enhancement of the investment portfolio.

The transfer price of the Sale is expected to exceed the book value, thereby realizing unrealized gains. All or part of the capital gains arising from the Sale will be retained internally as a reserve fund.

2. Overview of Transaction

(1) Overview of the Acquisitions

(Unit: Thousands of yen)

| | Name of property to be acquired (Note 1) | Type of property to be acquired (Note 2) | Planned acquisition price (Note 3) | Appraised value (Note 4) |
|------------|---|--|--|-----------------------------|
| Property 1 | Park Cube Kinshicho | Real estate | 1,313,000 | 1,350,000 |
| Property 2 | Park Cube Ueno Sakuragi | Real estate | 1,301,000 | 1,480,000 |
| Total | | | 2,614,000 | 2,830,000 |

| | |
|---|---|
| (a) Date of conclusion of sale contract | December 10, 2025 |
| (b) Planned date of handover | December 18, 2025 (Note 5) |
| (c) Seller | Not disclosed (Note 6) |
| (d) Acquisition fund | Borrowings and own funds |
| (e) Method of payment | Lump-sum settlement at the time of handover |

(2) Overview of the Sale

(Unit: Thousands of yen)

| | Name of property to be sold | Type of property to be sold (Note 2) | Planned sale price (Note 3) | Book Value (Note 7) | Differences between sale price and book value | Appraised value (Note 4) |
|------------|-----------------------------|--------------------------------------|-----------------------------|---------------------|---|--------------------------|
| Property 3 | Park Axis Takamiya Higashi | Real estate | 790,000 | 355,631 | 434,368 | 790,000 |

| | |
|---|---|
| (a) Date of conclusion of sale contract | December 10, 2025 |
| (b) Planned date of handover | February 20, 2026 (Note 5) |
| (c) Buyer | Not disclosed (Note 6) |
| (d) Settlement | Lump sum settlement at the time of handover |
| (e) Use of proceeds | Future acquisitions of properties, repayment of borrowings, payment for repairs and maintenance, working funds. |

*The following are common notes in (1) and (2).

(Note 1) Current name of the properties Property 1 "Parkside Kinshicho Residence" and Property 2 "Roygent Ueno Sakuragi". MAF plans to rename the properties as stated above without delay after acquiring them.

(Note 2) As to the properties to be acquired, MAF plans to terminate the trusts on the same date after acquiring the trust beneficiary interests of which trust properties are the properties to be acquired. As to the property to be sold, MAF plans to first entrust such properties to the trustee on the same date and then transfer the trust beneficiary interest, the trust property of which will consist of the property to be sold.

(Note 3) "Planned acquisition price" and "Planned sale price" denote the trading value (exclusive of miscellaneous expenses for acquisitions, fixed property taxes, urban planning taxes, consumption taxes, and local consumption taxes) specified in the contract for the Trust Beneficial Interest Purchase and Sale Agreements for the properties to be acquired and to be sold.

(Note 4) "Appraised value" of Property1 and 2 are based on the amount mentioned in the real estate appraisal reports (date of value appraisal: November 1, 2025) prepared by Tanizawa Sogo Appraisal Co., Ltd. Institute for the properties to be acquired. Also "Appraised value" of Property3 is based on the amount mentioned in the real estate appraisal report (date of value appraisal: August 31, 2025) prepared by Daiwa Real Estate Appraisal Co., Ltd. Institute for the property to be sold.

(Note 5) The planned date of handover may be changed to a date separately agreed upon by the seller and the buyer in accordance with the Trust Beneficial Interest Purchase and Sale Agreements.

(Note 6) Not disclosed as consent from the seller and the buyer have not been obtained.

(Note 7) The "Book Value" denotes the price of the property to be sold as of August 31, 2025.

(Note 8) In the Trust Beneficial Interest Purchase and Sale Agreements for each properties to be acquired, Property 1 and Property2 are treated as an indivisible, integrated transaction. Furthermore, the buyer's obligation to pay the planned acquisition price for the properties to be acquired is subject to the condition that, between the date of execution of this Agreements and the date of handover of the acquisitions, no event occurs or becomes known that materially adversely affects the sellers' financial condition, the economic situation, the financial markets, or the rental housing market, or that materially adversely affects the value of the properties or the beneficial interest, regardless of the cause.

(Note 9) Under the Trust Beneficial Interest Purchase and Sale Agreement for the property to be sold, The sellers' obligation to transfer the trust beneficiary interests of the property to be sold is subject to the precedent that the acquisitions of both Property 1 and Property 2 have been completed. (except in cases where the sale of Property 1 and the sale of Property 2 become voidable due to reasons attributable to the sellers). In addition, the buyer's obligation to pay the planned sale price for the property to be sold is subject to the following conditions: the buyer has secured the necessary funds for payment of the planned sale price on terms satisfactory to the buyer, and, from the date of execution of this agreement until the date of the sale, there shall be no occurrence or discovery of any event, regardless of cause, that materially deteriorates the Sellers' financial condition, causes a sudden change in economic conditions, financial markets, or the rental housing market, or materially adversely affects the value of the property or the beneficial interest. .

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3. Description of the properties to be acquired and property to be sold

(1) Outline of the properties to be acquired

(a) Property 1 : Park Cube Kinshicho

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|----------------------------------|--|---|
| Name of property to be acquired | | Park Cube Kinshicho |
| Type of property to be acquired | | Real estate |
| Appraisal company | | Tanizawa Sogo Appraisal Co., Ltd. |
| Appraised value | | ¥1,350,000 thousand |
| Date of value appraisal | | December 1, 2025 |
| Location | Residence indication | 14-10, Ishihara 4-chome, Sumida-ku, Tokyo |
| Land | Building-to-land ratio (Note 1) | 80%・60% |
| | Floor-area ratio (Note 1) | 500%・300% |
| | Zoning | Commercial Zone ・ Quasi-Industrial Zone |
| | Site area (Note 2) | 313.32 m ² |
| | Ownership form | Proprietorship |
| Building | Completion date (Note 3) | January 10, 2020 |
| | Structure / number of stories (Note 4) | Flat-roofed reinforced concrete structure / 7 stories |
| | Uses (Note 4) | Apartment building |
| | Gross floor area (Note 4) | 1,266.26 m ² |
| | Ownership form | Proprietorship |
| | Rentable units | 30 |
| | Rentable area | 1,036.79 m ² |
| Existence of security interests | | None |
| Special affairs (Note 5) | | None |
| Special features of the property | | <p>The property is a 11-minute walk from Kinshicho Station on the JR Sōbu Line and it takes about 8 minutes from Kinshicho Station to Tokyo Station by train. The area around Kinshicho station is equipped with a large number of convenient living facilities and its advantages in terms of living environment are well recognized.</p> <p>The property is expected to be in demand from singles and DINKS households.</p> |

| | | |
|-----------------------------|----------------------------|-------------------------|
| Details of leasing (Note 6) | Total number of tenants | 1 |
| | Rentable units | 30 |
| | Rented units | 29 |
| | Rentable area | 1,036.79 m ² |
| | Rented area | 986.13 m ² |
| | Occupancy rate | 95.1% |
| | Deposit / Security deposit | ¥1,114 thousand |
| | Monthly rental revenue | ¥4,402 thousand |

| | | |
|---|---|--------------------------------------|
| Investigations into the state of building | Consigned investigating company | DAIWA REAL ESTATE APPRAISAL CO.,LTD. |
| | Investigation report date | November 28, 2025 |
| | Urgent repair cost | — |
| | Short-term repair cost | — |
| | Repair and renewal costs expected to be necessary within 12 years | ¥28,300 thousand |
| | Replacement value | ¥396,600 thousand |
| Earthquake risk diagnosis (Note 7) | Consigned investigating company | Tokio Marine dR Co., Ltd. |
| | Investigation report date | November 28, 2025 |
| | PML value | 10.7% |

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(b) Property 2 : Park Cube Ueno Sakuragi

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|----------------------------------|---------------------------------|--|
| Name of property to be acquired | | Park Cube Ueno Sakuragi |
| Type of property to be acquired | | Real estate |
| Appraisal company | | Tanizawa Sogo Appraisal Co., Ltd. |
| Appraised value | | ¥1,480,000 thousand |
| Date of value appraisal | | November 1, 2025 |
| Location | Residence indication | 15-5, Uenosakuragi 1-chome, Taito-ku, Tokyo |
| Land | Building-to-land ratio (Note 1) | 80%・60% |
| | Floor-area ratio (Note 1) | 400%・300% |
| | Zoning | Neighborhood commercial Zone Type 1 medium-to-high-rise exclusive residential Zone |
| | Site area (Note 2) | 381.39 m ² |
| | Ownership form | Proprietorship |
| Building | Completion date (Note 3) | July 15, 2021 |
| | Structure / number of stories | Flat-roofed reinforced concrete structure / 8 stories |
| | Uses (Note 4) | Apartment building |
| | Gross floor area (Note 4) | 1,315.15 m ² |
| | Ownership form | Proprietorship |
| | Rentable units | 29 |
| | Rentable area | 1,097.93 m ² |
| Existence of security interests | | None |
| Special affairs (Note 5) | | Part of the land is located within the city planning road (Tokyo Metropolitan City Planning Road, Major Arterial Road, Loop Route No. 3 – Planning Decision: March 26, 1946). There is a possibility the building will become a non-conforming building due to the expropriation of land if the project is determined in the future. |
| Special features of the property | | <p>The property is a 4-minute walk from Uguisudani Station on the JR Yamanote Line and Keihin-Tohoku Line. It takes about 10 minutes from Uguisudani Station to Tokyo Station by train.</p> <p>The neighborhood surrounding this property offers excellent convenience for daily living. It is a residential area with a pleasant living environment, significantly different in atmosphere from the commercial and hotel district around Uguisudani Station.</p> <p>This property is expected to have enduring demand targeting a wide range of households, from singles to DINKS and families.</p> |

| | | |
|--------------------------------|----------------------------|-----------------------|
| Details of leasing (Note 6) | Total number of tenants | 1 |
| | Rentable units | 29 |
| | Rented units | 26 |
| | Rentable area | 1,097.93 m |
| | Rented area | 948.32 m ² |
| | Occupancy rate | 86.4% |
| | Deposit / Security deposit | ¥2,482 thousand |
| | Monthly rental revenue | ¥3,928 thousand |

| | | |
|---|---|--------------------------------------|
| Investigations into the state of building | Consigned investigating company | DAIWA REAL ESTATE APPRAISAL CO.,LTD. |
| | Investigation report date | December 1, 2025 |
| | Urgent repair cost | — |
| | Short-term repair cost | — |
| | Repair and renewal costs expected to be necessary within 12 years | ¥30,578 thousand |
| | Replacement value | ¥409,900 thousand |
| Earthquake risk diagnosis (Note 7) | Consigned investigating company | Tokio Marine dR Co., Ltd. |
| | Investigation report date | November 28, 2025 |
| | PML value | 8.9% |

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(2) Outline of the property to be sold

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|-----------------------------|--|--|
| Name of property to be sold | | Park Axis Takamiya Higashi |
| Type of property to be sold | | Real estate |
| Appraisal company | | DAIWA REAL ESTATE APPRAISAL CO.,LTD. |
| Appraised value | | ¥790,000 thousand |
| Date of value appraisal | | August 31, 2025 |
| Location | Residence indication | 18-23,Shimizu 1-chome, Minami-ku, Fukuoka-shi, Fukuoka |
| Land | Building-to-land ratio (Note 1) | 60% |
| | Floor-area ratio (Note 1) | 200% |
| | Zoning | Category II Residential Zone |
| | Site area (Note 3) | 1,185.40 m ² |
| | Ownership form | Proprietorship |
| Building | Completion date (Note 3) | March 3, 2009 |
| | Structure / number of stories (Note 4) | Flat-roofed reinforced concrete structure / 7 stories |
| | Uses (Note 4) | Apartment building |
| | Gross floor area (Note 4) | 2,648.96 m ² |
| | Ownership form | Proprietorship |
| | Rentable units | 70 |
| | Rentable area | 2,289.21 m ² |

*The following are common notes in (1) and (2).

(Note 1) "Building-to-land ratio" is the ratio of the building's construction area to the site area as stipulated in Article 53 of the Building Standards Act, and the figure stipulated by city planning in accordance with zoning, etc. is indicated. "Floor-area ratio" is the ratio of the building's gross floor area to the site area as stipulated in Article 52 of the Building Standards Act, and the figure stipulated by city planning in accordance with zoning, etc. is indicated.

(Note 2) "Site area" denotes the land area included in the register.

(Note 3) "Completion date" of the building denotes the date included in the register.

(Note 4) "Structure / number of stories," "uses," and "gross floor area" are based on the description in the register.

(Note 5) "Special affairs" include issues considered to be important by MAF as of today, with consideration of influence on the rights, uses, and appraisal values as well as profits of the property acquired.

(Note 6) Explanation on "details of leasing".

(i) "Total number of tenants" is denoted as 1 if there is a master lease agreement (a bulk lease agreement) concluded with a master lease company. With regards to the property to be acquired, a master lease agreement is concluded with Mitsui Fudosan Residential Lease Co., Ltd. as the master lease company. The "total number of tenants" above is therefore the number of tenants after such a master lease agreement is concluded.

(ii) "Rentable units" denotes the number of units that can be rented within the property to be acquired.

(iii) "Rented units," "rented area" and "deposit / security deposit" denote figures as of October 31, 2025, based on the report received from the sellers.

(iv) "Rentable area" denotes the total area of the building that can be rented within the property to be acquired.

(v) "Occupancy rate" denotes the ratio of the "rented area" against the "rentable area" and the figures are rounded to one decimal place.

(vi) "Monthly rental revenue" is the monthly rents (including common service fees and excluding usage fees of attached facilities such as parking lot and trunk room) indicated in the lease agreements concluded with end tenants as of October 31, 2025. Figures less than ¥1 thousand are rounded down and consumption tax is excluded from the figure.

(Note 7) The report on earthquake risk diagnosis only states the views of the consigned investigating company and does not provide any guarantee for its contents. PML (Probable Maximum Loss) value represents the rate of probable maximum loss to be caused by earthquakes. In this case, it means the extent of damage to be caused by one of the biggest earthquakes anticipated to happen within the expected duration of service (the biggest earthquake which happens once every 475 years = 10% chances of a big earthquake happening once every 50 years) represented by the rate (%) of the estimated cost of restoration from the damage to the replacement cost.

4. Effect on MAF's financial position in the event of inability to execute forward commitments, etc.

The property to be sold is applicable to forward commitments (Note) by investment corporations as provided for in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. defined by the Financial Services Agency.

"Under the Trust Beneficial Interest Purchase and Sale Agreement for the property to be sold (the "Purchase and Sale Agreement"), if either the sellers or the buyer materially breaches any provision and fails to remedy the breach, the other party may terminate the agreement and claim liquidated damages equal to 15% of the planned sale price." As the sellers, MAF considers that there is no risk of financing issues in connection with the performance of this Purchase and Sale Agreement. Accordingly, the likelihood that MAF will incur a penalty and that such penalty would have a direct and material adverse effect on its financial condition or distributions is deemed to be low.

Note: Refers to the postdated sales contract under which payment and delivery shall be made at least one month after the conclusion of the contract, or any other contract similar thereto.

5. Outline of seller and buyer

(1) Outline of sellers

The sellers of the properties to be acquired are both limited liability companies, but information is not disclosed since the sellers' consent has not been obtained. In addition, there is no noteworthy capital, personal, or business relationship between the sellers and MAF and the investment trust management company, parties related to them, and affiliated companies. Also, the sellers, parties related to it, and its affiliates do not fall under the category of related parties of MAF or the investment trust management company.

(2) Outline of buyer

The buyer of the property to be sold is a domestic corporation different from the acquisition companies, but information is not disclosed since the buyer's consent has not been obtained. In addition, there is no noteworthy capital, personal, or business relationship between the buyer and MAF and the investment trust management company, parties related to them, and affiliated companies. Also, the buyer, parties related to it, and its affiliates do not fall under the category of related parties of MAF or the investment trust management company.

6. Situation of the sellers

This transaction does not constitute a related-party transaction or any similar transaction involving MAF or the investment trust management company, therefore, such information has been omitted.

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7. Outline of brokerage

(1) Outline of brokerage of Property 1.2.3

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|---|---|
| Name | CBRE K.K. |
| Address | 2-1-1 Marunouchi, Chiyoda-ku, Tokyo |
| Representative | Representative Director, President & COO Takashi Tsuji |
| Main business | Providing comprehensive commercial real estate services to domestic and international clients |
| Capital | ¥771 million |
| Date of establishment | February 21, 1970 |
| Relationship with MAF and investment trust management company | In the period ending August 31, 2025 (39th Period: March 1, 2025, to August 31, 2025), MAF has acquired one property through the intermediary brokerage. In addition, there are no noteworthy capital, personal, or business relationships between the broker and MAF and the investment trust management company, parties related to them, and affiliated companies. Also, the broker does not fall under the category of related parties of MAF or the investment trust management company. |

(2) Amount of brokerage fees

The information is not disclosed because the broker's consent was not obtained.

8. Transactions with related parties and the like

Mitsui Fudosan Residential Lease Co., Ltd., which will be the master lease company and property management company for the properties to be acquired, corresponds to related parties and the like (see Note). Therefore, the master lease contract and property management contract have been carried out through deliberation and approval by the compliance committee and deliberation and decision by the investment committee of the investment trust management company, in accordance with MAF's self-established rules on asset management relevant to transactions with related parties and the like.

(Note) "Related parties and the like" means related parties and the like of the investment trust management company which has concluded an asset management contract with MAF, as determined in Article 123 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations.

9. Earthquake resistance matters

The properties to be acquired have received a structural calculation conformity judgment pursuant to the Building Standards Act as revised by Act No. 92 of 2006.

10. Outlook for management after Transaction

MAF plans to retain internally all or part of the capital gains arising from this Sale through deferred tax accounting by utilizing the "Special Taxation Measure for the Replacement of Business Assets Related to Long-Term Held Land."

The outlook for the period ending February 28, 2026 (40th Period: September 1, 2025, to February 28, 2026), taking into account the impact of this transaction, is as described in the "Notification Concerning Revision to Financial Results Forecast for the Period Ending February 28, 2026 (40th Period)" announced as of today. In addition, the impact of the transaction on the financial results of the period ending August 31, 2026 (41st Period: March 1, 2026, to August 31, 2026) will be minor, and there will be no change to financial result forecast for the period ending August 31, 2026.

11. Summary of appraisal report

(1) Summary of appraisal reports of properties to be acquired

(a) Property 1 : Park Cube Kinshicho

| | |
|-------------------------|-----------------------------------|
| Appraised value | ¥1,350,000 thousand |
| Appraisal company | Tanizawa Sogo Appraisal Co., Ltd. |
| Date of value appraisal | November 1, 2025 |

(Unit: Thousands of yen)

| Item | Details | Summary, etc. |
|--|-----------|---|
| Value of earnings | 1,350,000 | Calculated by verifying with the value of earnings found by the direct capitalization method while using the value of earnings found by the discounted cash flow method as standard |
| Value calculated by the direct capitalization method [(4)÷(5)] | 1,420,000 | |
| (1) Operating revenues [(a)–(b)] | 68,335 | |
| (a) Potential gross revenue | 70,409 | Appraised income that can be obtained on a regular basis (assuming full occupancy). |
| (b) Vacancy loss, etc. | 2,074 | Appraised the decrease based on the forecast of vacancies and replacement periods. |
| (2) Operating expenses [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)] | 15,604 | |
| (c) Maintenance expenses | 3,722 | |
| (d) Utilities expenses | 567 | |
| (e) Repair expenses | 1,436 | Appraised based on engineering report and similar cases. |
| (f) Property management fees | 1,956 | |
| (g) Tenant soliciting fees, etc. | 3,341 | |
| (h) Taxes and public dues | 2,940 | Assessment based on FY2025 tax data. |
| (i) Property insurance fees | 136 | Appraised using estimate of property insurance fees, etc. |
| (j) Other expenses | 1,503 | Assessment based on actual income and expenditure results and comparable revenue cases. |
| (3) Net operating income [(1)–(2)] | 52,730 | |
| (k) Earnings from temporary deposits | 50 | Appraised assuming an investment yield of 1.0%. |
| (l) Capital expenditures | 1,800 | Appraised based on engineering report and similar cases. |
| (4) Net income [(3)+(k)–(l)] | 50,981 | |
| (5) Cap rate | 3.6% | Appraised based on a consideration of fluctuation forecast of future net income after comparing with market-derived cap rate in similar areas, etc |
| Value calculated by discounted cash flow method | 1,320,000 | |
| Discount rate | 3.7% | Appraised by setting a base yield of rental apartments with a build-up method, etc. based on financial products' yields; and considering individual risks of the subject real estate with the base yield. |
| Terminal cap rate | 3.8% | Appraised based on the cap rate, reflecting future uncertainties. |
| Cost method value | 1,170,000 | |
| Land ratio | 71.2% | |
| Building ratio | 28.8% | |

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|---|---|
| Other items considered by the appraisal company in making the appraisal | — |
|---|---|

(b) Property 2 : Park Cube Ueno Sakuragi

| | |
|-------------------------|-----------------------------------|
| Appraised value | ¥1,480,000 thousand |
| Appraisal company | Tanizawa Sogo Appraisal Co., Ltd. |
| Date of value appraisal | November 1, 2025 |

(Unit: Thousands of yen)

| Item | Details | Summary, etc. |
|--|-----------|---|
| Value of earnings | 1,480,000 | Calculated by verifying with the value of earnings found by the direct capitalization method while using the value of earnings found by the discounted cash flow method as standard |
| Value calculated by the direct capitalization method [(4)÷(5)] | 1,560,000 | |
| (1) Operating revenues [(a)–(b)] | 65,190 | |
| (a) Potential gross revenue | 67,573 | Appraised income that can be obtained on a regular basis (assuming full occupancy). |
| (b) Vacancy loss, etc. | 2,382 | Appraised the decrease based on the forecast of vacancies and replacement periods. |
| (2) Operating expenses [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)] | 13,371 | |
| (c) Maintenance expenses | 2,569 | |
| (d) Utilities expenses | 500 | |
| (e) Repair expenses | 1,484 | Appraised based on engineering report and similar cases. |
| (f) Property management fees | 1,864 | |
| (g) Tenant soliciting fees, etc. | 3,206 | |
| (h) Taxes and public dues | 3,279 | Assessment based on FY2025 tax data. |
| (i) Property insurance fees | 140 | Appraised using estimate of property insurance fees, etc. |
| (j) Other expenses | 325 | Assessment based on actual income and expenditure results and comparable revenue cases. |
| (3) Net operating income [(1)–(2)] | 51,819 | |
| (k) Earnings from temporary deposits | 48 | Appraised assuming an investment yield of 1.0%. |
| (l) Capital expenditures | 1,845 | Appraised based on engineering report and similar cases. |
| (4) Net income [(3)+(k)–(l)] | 50,022 | |
| (5) Cap rate | 3.2% | Appraised based on a consideration of fluctuation forecast of future net income after comparing with market-derived cap rate in similar areas, etc |
| Value calculated by discounted cash flow method | 1,450,000 | |
| Discount rate | 3.3% | Appraised by setting a base yield of rental apartments with a build-up method, etc. based on financial products' yields; and considering individual risks of the subject real estate with the base yield. |
| Terminal cap rate | 3.4% | Appraised based on the cap rate, reflecting future uncertainties. |
| Cost method value | 1,510,000 | |
| Land ratio | 74.6% | |
| Building ratio | 25.4% | |

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|---|---|
| Other items considered by the appraisal company in making the appraisal | — |
|---|---|

(2) Summary of appraisal report of property to be sold

Property 3 : Park Axis Takamiya Higashi

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|-------------------------|--------------------------------------|
| Appraised value | ¥790,000 thousand |
| Appraisal company | DAIWA REAL ESTATE APPRAISAL CO.,LTD. |
| Date of value appraisal | August 31, 2021 |

(Unit: Thousands of yen)

| Item | Details | Summary, etc. |
|--|---------|---|
| Value of earnings | 790,000 | Appraised by judging the value of earnings found by the discounted cash flow method in which the value is derived by specifying future net income fluctuations to be more convincing and also verifying with the value of earnings found by the direct capitalization method. |
| Value calculated by the direct capitalization method [(4)÷(5)] | 800,000 | |
| (1) Operating revenues [(a)–(b)] | 57,950 | |
| (a) Potential gross revenue | 61,695 | Appraised after taking into account medium- to long-term competitiveness based on levels of new rent at similar real estate and trends of such. |
| (b) Vacancy loss, etc. | 3,744 | Appraised by considering competitiveness of the subject real estate, etc. based on actual vacancy rates and standard vacancies of similar real estate. |
| (2) Operating expenses [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)] | 20,783 | |
| (c) Maintenance expenses | 2,800 | Posted based on the contract amounts. |
| (d) Utilities expenses | 1,246 | Posted based on the actual amounts of past fiscal years. |
| (e) Repair expenses | 5,696 | Posted assuming the average annual repair expenses stated in the engineering report to be appropriate. Appraised and posted maintenance expenses for rental rooms arising upon move-outs of lessees by considering the turnover rate, etc. after making reference to the actual amounts of past fiscal years and the levels at similar real estate. |
| (f) Property management fees | 1,959 | Appraised based on making reference to levels at similar real estate. |
| (g) Tenant soliciting fees, etc. | 1,985 | Appraised based on levels at similar real estate. |
| (h) Taxes and public dues | 5,312 | Posted by appraising based on actual amounts after considering burden levels, land price trends and adjustments for age. |
| (i) Property insurance fees | 276 | Posted based on the estimated amount. |
| (j) Other expenses | 1,505 | Appraised and posted other one-off management expenses, miscellaneous expenses, etc. by making reference to the actual amounts of past fiscal years. |
| (3) Net operating income [(1)–(2)] | 37,167 | |
| (k) Earnings from temporary deposits | 41 | Posted the amount obtained when the expected amount of deposits received, etc. is multiplied by the investment yield appraised by comprehensively taking into account the viewpoints of both management aspects and procurement aspects. |
| (l) Capital expenditures | 3,630 | Posted by making reference to the renewal cost in the engineering report and levels of renewal cost at similar real estate. |
| (4) Net income [(3)+(k)–(l)] | 33,579 | |

| Item | | Details (Note) | Summary, etc. |
|---|---|----------------|--|
| | (5) Cap rate | 4.2% | Appraised by taking the cap rate for similar uses located in the area with the lowest risk as a standard and adding/subtracting the spread attributable to the subject real estate's various conditions, level of current rent against market rent and other conditions, and by making reference to the cap rate for the same supply-demand area, etc. |
| | Value calculated by discounted cash flow method | 786,000 | |
| | Discount rate | 4.0% | Appraised by making reference to interviews with investors, etc., after using a combination of the method of deriving by comparison with similar real estate transactions and the method of deriving by factoring the individual characteristics of the real estate into the yield of financial assets. |
| | Terminal cap rate | 4.4% | Appraised after comprehensively taking into account future trends of investment yield, risk of the subject real estate as an investment target, general projection of future economic growth rates, real estate price trends, etc., making reference to the market-derived cap rate of similar transactions. |
| Cost method value | | 1,090,000 | |
| | Land ratio | 47.3% | |
| | Building ratio | 52.7% | |
| Other items considered by the appraisal company in making the appraisal | | — | |

MAF's website: <https://www.naf-r.jp/english/>

Please note that this English translation of the Japanese original document is provided solely for information purposes. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

< Attached Documents >

1. Portfolio list after the Transaction of properties to be acquired is completed (on a planned acquisition price basis)
2. Photos and maps of the properties to be acquired

< Attached Document 1 >

Portfolio list after the Transaction of properties to be acquired is completed (on a planned acquisition price basis)

| | |
|---|------------------|
| Total (Planned) Acquisition Price | ¥349,695 million |
| Number of Investment Properties | 141 properties |
| Total Rentable Units (including retail units) | 13,702 units |

Proportion of Investment by Asset

| | (Planned) Acquisition Price (Note 1) | Portfolio Share (Note 2) |
|------------------------|---|-----------------------------|
| Rental Apartments | ¥326,986 million | 93.5% |
| Hospitality Facilities | ¥22,709 million | 6.5% |
| Grand Total | ¥349,695 million | 100.0% |

Proportion of "Rental Apartments" by Area

| | (Planned) Acquisition Price (Note 1) | Portfolio Share (Note 3) |
|------------------------------|---|-----------------------------|
| Tokyo 23 Wards | ¥290,610 million | 88.9% |
| Greater Tokyo (Note 4) | ¥14,426 million | 4.4% |
| Other Major Cities (Note 5) | ¥21,950 million | 6.7% |
| Total of "Rental Apartments" | ¥326,986 million | 100.0% |

(Note 1) "(Planned) Acquisition Price" does not include anticipated acquisition expenses, fixed property taxes, urban planning taxes, consumption taxes or local consumption taxes.

(Note 2) The figure indicates the percentage of asset category to the total (planned) acquisition price.

(Note 3) The figure indicates the percentage of Rental Apartments by area to the total (planned) acquisition price.

(Note 4) "Greater Tokyo" indicates Tokyo metropolis (excluding Tokyo 23 wards), and the 3 prefectures of Kanagawa, Saitama and Chiba.

(Note 5) "Other major cities" indicates major cities across Japan and their surrounding areas, excluding the Tokyo area.

(Note 6) Proportion of all properties by area (including Hospitality Facilities)

Tokyo 23 wards 84.8%

Other area 15.2%

(Note 7) Please refer to MAF's website for the latest portfolio list:

<https://www.naf-r.jp/english/portfolio/6-2.html>

< Attached Document 2 >

Photos and maps of the properties to be acquired

1. Park Cube Kinshicho



2. Park Cube Ueno Sakuragi

