

March 20, 2019

To All Concerned Parties

Issuer of Real Estate Investment Trust Securities  
4-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-0027  
Nippon Accommodations Fund Inc.  
Executive Director Takashi Ikeda  
(Code Number 3226)

Investment Trust Management Company  
Mitsui Fudosan Accommodations Fund Management Co., Ltd.  
President and CEO Tateyuki Ikura  
Contact CFO and Director Tetsuji Kawakami  
(TEL. 03-3246-3677)

**Notification Concerning Acquisition of Domestic Real Estate Properties**  
**(Park Axis Ikegami and another property)**

This is a notification that Mitsui Fudosan Accommodations Fund Management Co., Ltd., an investment trust management company, which has been commissioned by Nippon Accommodations Fund Inc. (“NAF”) to manage its assets, decided on the acquisition of real estate properties in Japan as shown below.

1. Reason for acquisition

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

2. Overview of acquisition

	Name of property to be acquired	Type of property to be acquired	Planned acquisition price (Note 1) (thousand yen)	Appraised Value (Note 2) (thousand yen)
Property 1	Park Axis Ikegami	Real estate	1,260,000	1,300,000
Property 2 (Note 3)	① Park Axis Oshiage Terrace (45% of co-ownership)	Real estate	1,174,500	2,750,000
	② Park Axis Oshiage Terrace (55% of co-ownership)	Real estate	1,435,500	
Total			3,870,000	4,050,000

(1) Date of conclusion of sale contract March 20, 2019

(2) Planned date of handover

Property 1	April 19, 2019
Property 2 ①	March 28, 2019 (Note 3)
Property 2 ②	April 19, 2019 (Note 3)

(3) Seller

Property 1	Mitsui Fudosan Residential Co., Ltd.
Property 2 ①	Marubeni Corporation (Note 3)
Property 2 ②	Mitsui Fudosan Residential Co., Ltd. (Note 3)

(4) Acquisition funds Borrowings and own funds

(5) Method of payment Full payment at the time of delivery

(Note 1) "Planned acquisition price" denotes the trading value (exclusive of miscellaneous expenses for acquisition, fixed property taxes, urban planning taxes, consumption taxes, and local consumption taxes) specified in the real estate sale contract for the properties to be acquired.

(Note 2) "Appraised value" is based on the amount mentioned in the real estate appraisal reports (date of value appraisal on January 31, 2019) prepared by Japan Real Estate Institute for Property 1 and by JLL Morii Valuation & Advisory K.K. for Property 2.

(Note 3) Property 2 ① and Property 2 ② are co-ownership interests in the same real estate property and NAF is scheduled to hold 100% co-ownership by acquiring 45% co-ownership (Property 2 ①) from Marubeni Corporation on March 28, 2019 and 55% co-ownership (Property 2 ②) from Mitsui Fudosan Residential Co., Ltd. on April 19, 2019. Property 2 ① and Property 2 ② are hereinafter collectively referred to as Property 2.

3. Description of the properties to be acquired

(1) Outline of the properties to be acquired

(i) Property 1: Park Axis Ikegami

Name of property to be acquired		Park Axis Ikegami
Type of property to be acquired		Real estate
Appraisal company		Japan Real Estate Institute
Appraised value (Note 1)		¥1,300,000 thousand
Date of value appraisal (Note 1)		January 31, 2019
Location	Residence indication	17-8, Ikegami 7-chome, Ota-ku, Tokyo
Land	Building-to-land ratio (Note 2)	60%
	Floor-area ratio (Note 2)	200%
	Zoning	Category 1 medium to high-rise exclusive residential district
	Site area (Note 3)	773.96 m <sup>2</sup>
	Ownership form	Proprietorship
Building	Completion date (Note 4)	March 6, 2015
	Structure / Number of stories (Note 5)	Flat-roofed reinforced concrete structure / 5 stories
	Uses (Note 5)	Apartment building, storage, parking, parking lot for bicycles, garbage depot
	Gross floor area (Note 5)	1,795.14 m <sup>2</sup>
	Ownership form	Proprietorship
	Rentable units	45
	Rentable area	1,391.34 m <sup>2</sup>
Existence of security interests		None
Special affairs (Note 6)		None
Special features of the property		<p>The property is a rental apartment for singles and small households and is approximately a 7-minute walk from Ikegami Station on the Tokyu Ikegami Line.</p> <p>There are various facilities offering convenience in daily life such as shopping centers and hospitals around the station and the property is recognized to be superior in terms of living environment as it is located in a quiet residential area with well-organized blocks.</p>

Details of tenants (Note 7)	Total number of tenants	1
	Rentable units	45
	Rented units	43
	Rentable area	1,391.34 m <sup>2</sup>
	Rented area	1,325.80 m <sup>2</sup>
	Occupancy rate	95.3%
	Deposit / Security deposit	¥10,481 thousand
	Monthly rental revenue	¥5,502 thousand

(ii) Property 2: Park Axis Oshiage Terrace

Name of property to be acquired		Park Axis Oshiage Terrace
Type of property to be acquired		Real estate
Appraisal company		JLL Morii Valuation & Advisory K.K.
Appraised value (Note 1)		¥2,750,000 thousand
Date of value appraisal (Note 1)		January 31, 2019
Location	Residence indication	39-12 Mukoujima 3-chome, Sumida-ku, Tokyo
Land	Building-to-land ratio (Note 2)	80% / 80%
	Floor-area ratio (Note 2)	400% / 300%
	Zoning	Commercial district, neighborhood commercial district
	Site area (Note 3)	663.93 m <sup>2</sup>
	Ownership form	Proprietorship
Building	Completion date (Note 4)	December 27, 2016
	Structure / Number of stories (Note 5)	Flat-roofed reinforced concrete structure / 9 stories
	Uses (Note 5)	Apartment building, parking, parking lot for bicycles
	Gross floor area (Note 5)	3,382.83 m <sup>2</sup>
	Ownership form	Proprietorship
	Rentable units	80
	Rentable area	2,498.08 m <sup>2</sup>
Existence of security interests		None
Special affairs (Note 6)		<p>Part of the land (approx. 68 m<sup>2</sup>) is located within the city planning road (Road No. 13 Branch Line 1, planned width 20 meters). The project has not been determined and details such as the implementation period of the project and expropriation area have yet to be decided, but 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.</p> <p>Soil with levels of lead and fluorine exceeding the standard has been confirmed at part of the land, but no underground water is used for the property. It has also been confirmed that soil in excess of the standard value and included within the range of soil transformation in the construction work of the building has been removed through excavation and removal, and that soil outside the range has been replaced with clean soil after excavation and removal of surface soil (GL - 50~60 cm). Therefore, it is estimated that measures have been taken corresponding to the control of exposure and blocking of exposure routes including the restriction of ingestion of underground water contaminated due to soil contamination and opportunities for people to come in contact with contaminated soil, and it has been reported by third-party institutions that there is minimal risk of any impact on health in the current status of use. Moreover, a notification concerning measures to prevent the spread of the contamination was sent to the Environmental Preservation Division of Sumida Ward Office based on the "Ordinance on Environmental Preservation to Secure the Health and Safety of Citizens of the Tokyo Metropolitan Area" and has been accepted.</p>

Special features of the property	The property is approximately a 5-minute walk to Oshiage Station on the Toei Asakusa Subway Line and Tokyo Metro Hanzomon Line and approximately a 7-minute walk to Tokyo Skytree Station on the Tobu Isezaki Line, offering access to multiple stations and train lines. It also offers excellent living convenience as it is approximately a 7-minute walk to Skytree Town, a large commercial facility. Rental demand from business people and DINKS households that place importance on locational conditions can be expected.
----------------------------------	--

Details of tenants (Note 7)	Total number of tenants	1
	Rentable units	80
	Rented units	77
	Rentable area	2,498.08 m <sup>2</sup>
	Rented area	2,403.90 m <sup>2</sup>
	Occupancy rate	96.2%
	Deposit / Security deposit	¥18,050 thousand
	Monthly rental revenue	¥10,601 thousand

(Note 1) "Appraised value" and "Date of value appraisal" are based on the real estate appraisal report prepared by Japan Real Estate Institute for Property 1 and by JLL Morii Valuation & Advisory K.K. for Property 2.

(Note 2) "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 3) "Site area" denotes the land area included in the register.

(Note 4) "Completion date" of the building denotes the date included in the register.

(Note 5) "Structure / Number of stories," "uses," and "gross floor area" are based on the description in the register.

(Note 6) "Special affairs" include issues considered to be important by NAF as of today, with consideration of influence on the rights, uses, and appraisal values as well as profits of the property to be acquired.

(Note 7) Explanation on "details of tenants"

- (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 scheduled to be 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 January 31, 2019 based on the material received from the seller.
- (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 total monthly rent indicated in the lease agreement concluded between the master lease company and end tenant as of January 31, 2019 (including common service fees and excluding usage fees of attached facilities such as parking lot and trunk room). Amounts are rounded down to the nearest thousand yen and do not include consumption tax.

(2) Outline of investigations into the state of the building, etc.

Name of property to be acquired		Property 1	Property 2
		Park Axis Ikegami	Park Axis Oshiage Terrace
Investigations into the state of building	Consigned investigating company	SOMPO Risk Management Inc.	
	Investigation report date	February 13, 2019	February 22, 2019
	Urgent repair cost	—	—
	Short-term repair cost	—	—
	Repair and renewal costs expected to be necessary within 12 years	¥24,050 thousand	¥32,360 thousand

	Replacement value	¥437,000 thousand	¥835,000 thousand
Earthquake risk diagnosis	Consigned investigating company	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Investigation report date	February 13, 2019	February 20, 2019
	PML value (Note)	6.7%	6.6%

(Note) 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% chance 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.

#### Profile of third-party investigative body

Name	SOMPO Risk Management Inc.
Address	24-1, Nishishinjuku 1-chome, Shinjuku-ku, Tokyo
Representative	Yasushi Fuse, President and Chief Executive Officer
Description of principal operations	Study, research, assessment, provision of information, consulting, etc. on security, disaster prevention, environment conservation, etc.
Capital	¥30 million
Relationship with NAF or the investment trust management company	None

Name	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Address	5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo
Representative	Taizo Shimakura, President and Chief Executive Officer
Description of principal operations	Research, study, provision of information, assessment, consulting, holding of seminars, publishing, provision of training, etc. on security, disaster prevention, sanitation, environment, product safety and information management, etc.
Capital	¥100 million
Relationship with NAF or the investment trust management company	None

#### 4. Outline of seller

##### Seller of Property 1 and Property 2 ②

Name	Mitsui Fudosan Residential Co., Ltd.	
Address	17-1, Ginza 6-chome, Chuo-ku, Tokyo	
Representative	Kiyotaka Fujibayashi, President and CEO	
Description of principal operations	Housing sales and leasing operations, consignment sales operations (sales of other companies' properties), and new operations (resort residence operations, overseas operations. etc.)	
Capital	¥40,000 million	
Date of establishment	December 26, 2005	
Net Assets	Not disclosed	
Total Assets	Not disclosed	
Major stockholders and shareholding ratio (As of March 31, 2018)	Stockholder name	Shareholding ratio
	Mitsui Fudosan Co., Ltd.	100.0%
Relationship with NAF or the investment trust management company		
Capital relationships	The seller holds 3.21% of total NAF investment units issued as of February 28, 2019. Also, the seller is a subsidiary of Mitsui Fudosan Co., Ltd., which is the parent company of the investment trust management company.	
Personal relationships	There are no personal relationships to report between NAF or the investment trust management company and the seller. Moreover, there are no personal relationships to report between the related parties or associated companies of NAF or the investment trust management company, and the related parties or associated companies of the seller.	
Business relationships	There are no business relationships to report between NAF or the investment trust management company and the seller. Moreover, there are no business relationships to report between the related parties or associated companies of NAF or the investment trust management company, and the related parties or associated companies of the seller.	
Applicability to related parties	The seller does not fall under the category of related parties of NAF. Also, the seller is a subsidiary of Mitsui Fudosan Co., Ltd., which is the parent company of the investment trust management company.	

##### Seller of Property 2 ①

Name	Marubeni Corporation	
Address	7-1 Nihonbashi 2-chome, Chuo-ku, Tokyo	
Representative	Fumiya Kokubu, President and CEO	
Description of principal operations	Export, import and sales of domestic and foreign goods, etc.	
Capital (As of March 31, 2018)	¥262,686 million	
Date of establishment	December 1, 1949	
Net Assets (As of March 31, 2018)	¥622,300 million	
Total Assets (As of March 31, 2018)	¥3,663,569 million	
Major stockholders and shareholding ratio (As of March 31, 2018)	Stockholder name	Shareholding ratio
	The Master Trust Bank of Japan, Ltd. (Trust Account)	5.11%
	Japan Trustee Services Bank, Ltd. (Trust Account)	4.40%
	Meiji Yasuda Life Insurance Company (standing proxy, asset management service trust bank)	2.41%
Relationship with NAF or the investment trust management company	There are no capital, personal, or business relationships to report between NAF or the investment trust management company, or any related parties or associated companies of NAF or the investment trust management company, and the seller. Moreover, the seller and any related parties or associated companies of the seller do not fall under the category of related parties of NAF or the investment trust management company.	

5. Situation of the acquirer of the property

Acquisition of Property 1 and Property 2 ②

Property 1 : Park Axis Ikegami  Property 2 ② : Park Axis Oshiage Terrace (55% of co-ownership)	Situation of the property	Former owner	Owner before the
	Company name, person's name	Mitsui Fudosan Residential Co., Ltd. (Note)	None
	Relationship with a special related party	Wholly-owned subsidiary of Mitsui Fudosan Co., Ltd., which is the parent company of the investment trust management company	—
	Acquisition history, reason, etc.	Property developed by Mitsui Fudosan Co., Ltd. (Note)	—
	Acquisition price (including other costs)	—	—
	Acquisition time	—	—

(Note) The rights and obligations of the residential leasing business of Mitsui Fudosan Co., Ltd. were transferred to Mitsui Fudosan Residential Co., Ltd. by way of a company split on October 1, 2015.

The acquisition of Property 2 ① is not acquisition from a party classified as having a relationship of special interest with NAF or the investment trust management company, therefore the situation of the acquirer is not stated.

6. Outline of brokerage

Not applicable.

7. Transactions with related parties and the like

Since Mitsui Fudosan Residential Co., Ltd., the seller of Property 1 and Property 2 ②, corresponds to related parties and the like (see Note), the conclusion of a real estate sales contract has 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 NAF's self-established rules on asset management relevant to 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 Property 1 and Property 2, corresponds to related parties and the like (see Note). Therefore, the master lease contract and property management contract will be 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 NAF'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 an investment trust management company which has concluded an asset management contract with NAF, as determined in the Order for Enforcement of the Act on Investment Trust and Investment Corporation, Article 123.

The acquisition of Property 2 ① is not from a special related party of NAF or the Investment Trust Management Company.



8. Earthquake resistance matters

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

In addition, NAF always entrusts earthquake risk diagnosis to the third party investigating company to review drawings using structural design drawings, structural calculation sheets, etc., as well as on-site inspection and the like during the course of due diligence upon acquisition of properties, besides building certification investigations performed by an inspection and certification agency.

9. Outlook for management after acquisition of the property

The outlook for NAF's financial results for the period ending August 31, 2019 (27th Period: March 1, 2019 to August 31, 2019) will be disclosed when financial results for the period ended February 28, 2019 are announced (the announcement is scheduled for April 17, 2019) with due consideration of the status of operations of the overall portfolio.

## 10. Summary of appraisal report

Property 1: Park Axis Ikegami

Appraised value	¥1,300,000 thousand
Appraisal company	Japan Real Estate Institute
Date of value appraisal	January 31, 2019

(Unit: Thousands of yen)

Item	Details	Summary, etc.
Value of earnings	1,300,000	Calculated the value of earnings using the income approach by making correlation to the value of earnings found by the direct capitalization method and the value of earnings found by the discounted cash flow method.
Value calculated by the direct capitalization method [(4)÷(5)]	1,320,000	
(1) Operating revenues [(a)-(b)]	70,179	
(a) Potential gross revenue	71,841	Appraised the level of stable rents etc. which can be received over the medium to long term and posted unit rental revenue and common area fee based on it.
(b) Vacancy loss, etc.	1,662	Posted vacancy loss, etc. after appraising the level of medium- to long-term stable occupancy rate based on past occupancy status and future trend.
(2) Operating expenses [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	13,483	
(c) Maintenance expenses	3,352	Posted by considering individual characteristics reference actual records of the past fiscal years and level of similar real estate.
(d) Utilities expenses	600	
(e) Repair expenses	1,106	Posted the cost of restoration to original condition based on the level of cost of restoration to original condition which is usually incurred due to tenant replacement and posted repair expenses by considering actual records of past fiscal years.
(f) Property management fees	2,060	Posted by considering such factors as the fee rate of similar real estate and individual characteristics of the subject real estate, referencing such factors as the fee rate based on contract terms and conditions.
(g) Tenant soliciting fees, etc.	2,468	Posted by considering such factors as the rental conditions, actual records of past fiscal years, annual average tenant turnover rate, occupancy rate, etc. of similar real estate.
(h) Taxes and public dues	3,733	Posted the amount of tax by taking into account materials related to taxes and public dues.
(i) Property insurance fees	94	Posted by considering such factors as the insurance fees based on insurance contract.
(j) Other expenses	70	Posted neighborhood association fees.
(3) Net operating income [(1)-(2)]	56,696	
(k) Earnings from temporary deposits	109	Appraised the investment yield at 1.0% by taking into account the interest rate level, etc. from the viewpoints of both management and procurement.
(l) Capital expenditures	1,403	Appraised by taking into account such factors as the level of capital expenditure and building age of similar real estate and annual average repair and renewal costs in the engineering report.
(4) Net income [(3)+(k)-(l)]	55,402	
(5) Cap rate	4.2%	Appraised based on a consideration of such factors as future uncertainties and the market-derived cap rate related to similar real estate, taking the respective area's standard cap rate and adding/subtracting the spread attributable to locational conditions, etc.
Value calculated by discounted cash flow method	1,280,000	
Discount rate	4.0%	Appraised based on comprehensive consideration of such factors as individual characteristics, referencing the investment yield of similar real estate.

	Terminal cap rate	4.4%	Appraised based on comprehensive consideration of future trends of investment yield, etc., referencing capitalization rates of similar transactions.
Cost method value		1,270,000	
	Land ratio	72.8%	
	Building ratio	27.2%	
Other items considered by the appraisal company in making the appraisal			—

## Property 2: Park Axis Oshiage Terrace

Appraised value	¥2,750,000 thousand
Appraisal company	JLL Morii Valuation & Advisory K.K.
Date of value appraisal	January 31, 2019

(Unit: Thousands of yen)

Item	Details	Summary, etc.
Value of earnings	2,750,000	Calculated making correlation to the value of earnings found by the direct capitalization method and the value of earnings found by the discounted cash flow method.
Value calculated by the direct capitalization method [(4)÷(5)]	2,800,000	
(1) Operating revenues [(a)-(b)]	135,145	
(a) Potential gross revenue	142,608	Appraised medium- to long-term stable rental income, etc. based on current condition, etc.
(b) Vacancy loss, etc.	7,463	Appraised based on standard vacancy rates giving consideration to individual characteristics of the subject real estate.
(2) Operating expenses [(c)+(d)+(e)+(f)+(g)+(h)+(i)+(j)]	24,080	
(c) Maintenance expenses	4,421	Appraised based on actual records making reference to levels at similar real estate.
(d) Utilities expenses	1,178	
(e) Repair expenses	1,909	The cost of restoration to original condition is appraised giving consideration to actual records and the evacuation rate, making reference to levels at similar real estate. Repair expenses are posted as 30% of a standardized amount assuming the estimate in the engineering report to be appropriate.
(f) Property management fees	3,899	Adopted by assuming the content of the contract scheduled to be concluded appropriate making reference to the levels at similar real estate.
(g) Tenant soliciting fees, etc.	6,523	Appraised taking into account local practice and the evacuation rate of the subject real estate.
(h) Taxes and public dues	5,765	Appraised by considering actual amounts and referencing the fluctuation rate and annual depreciation, etc.
(i) Property insurance fees	203	The amount is posted assuming the estimate to be appropriate.
(j) Other expenses	182	Neighborhood association fees
(3) Net operating income [(1)-(2)]	111,065	
(k) Earnings from temporary deposits	147	Appraised by multiplying the amount obtained by subtracting the amount equivalent to security deposits of vacancies from the amount of security deposits, etc. at full occupancy, by yield of 1.0%.
(l) Capital expenditures	1,888	Posted 70% of a standardized amount assuming the estimate in the engineering report to be appropriate.
(4) Net income [(3)+(k)-(l)]	109,324	
(5) Cap rate	3.9%	Appraised by considering the income and capital fluctuation risk in addition to the discount rate.
Value calculated by discounted cash flow method	2,690,000	
Discount rate	3.7%	Appraised comprehensively taking into account overall transaction market trends after considering risk factors of location and individual characteristics of the subject real estate as well as standard cap rate.
Terminal cap rate	4.1%	Appraised by considering uncertainty of fluctuation projections for future net income, future deterioration of the building, and risk of sale, in addition to capitalization rate.
Cost method value	1,440,000	
Land ratio	44.7%	
Building ratio	55.3%	

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

< Attached Document >

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

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

< Attached Document 1 >

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

Total Planned Acquisition Price	¥312,092 million
Number of Investment Properties	127 properties
Total Rentable Units (including retail units)	12,481 units

Proportion of Investment by Asset

	Planned Acquisition Price (Note 1)	Portfolio Share (Note 2)
Rental Apartments	¥296,203 million	94.9%
Hospitality Facilities	¥15,889 million	5.1%
Grand Total	¥312,092 million	100.0%

Proportion of "Rental Apartments" by Area

	Planned Acquisition Price (Note 1)	Portfolio Share (Note 3)
Tokyo 23 Wards	¥258,953 million	87.4%
Greater Tokyo (Note 4)	¥12,326 million	4.2%
Other Major Cities (Note 5)	¥24,924 million	8.4%
Total of "Rental Apartments"	¥296,203 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.

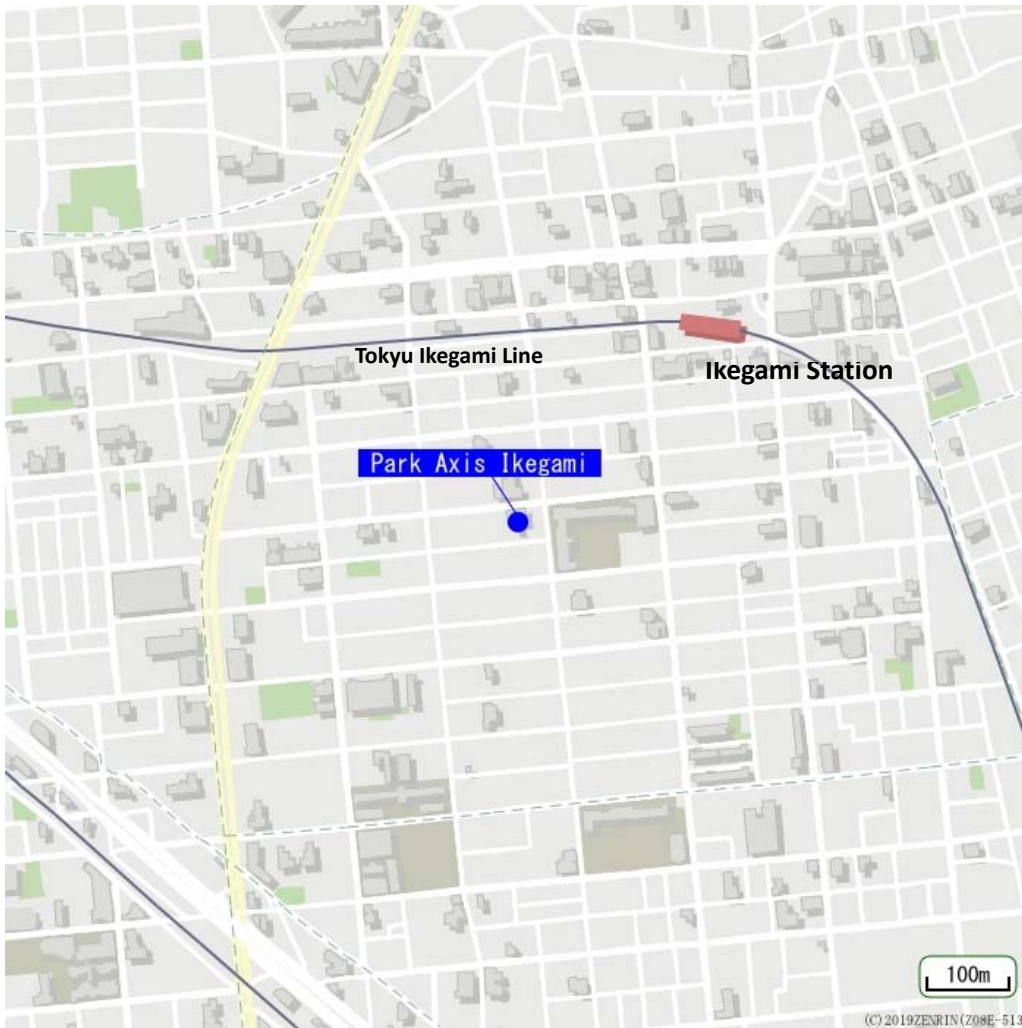
(Note 6) Please refer to NAF's website for the latest portfolio list:

<https://www.naf-r.jp/portfolio/5-1.html>

< Attached Document 2 >

Photos of the properties to be acquired and map of the area

Property 1: Park Axis Ikegami



Property 2: Park Axis Oshiage Terrace

