

April 12, 2012

To All Concerned Parties

Issuer of Real Estate Investment Trust Securities  
1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo 103-0022  
Nippon Accommodations Fund Inc.  
Executive Director Yuji Yokoyama  
(Code number 3226)

Investment Trust Management Company  
Mitsui Fudosan Accommodations Fund Management Co., Ltd.  
President and CEO Kosei Murakami  
Contact CFO and Director Satoshi Nohara  
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### Notification Concerning Sale of Domestic Real Estate Trust Beneficiary Interest

This is a notification that Nippon Accommodations Fund Inc. ("NAF") decided on the sale of a real estate trust beneficiary interest in Japan as shown below.

#### 1. Reason for Sale

NAF has decided the sale of the property after comprehensively considering the area strategy of the portfolio and trends in the real estate market, etc.

Regarding the capital gains resulting from the sale of the property, it is planned to be internally reserved as a reserve through reduction entry utilizing the "Special Provisions for Taxation in the Event of Advance Acquisition of Land, etc. in 2009 and 2010."

#### 2. Overview of Sale

(1) Name of property to be sold	Park Cube Keio Hachioji
(2) Type of property to be sold	Trust beneficiary interest
(3) Sale price (Note 1)	¥1,020,000 thousand
(4) Book value	¥944,735 thousand (as of August 31, 2011)
(5) Difference between sale price and book value	¥75,265 thousand
(6) Appraised value (Note 2)	¥1,010,000 thousand
(7) Date of conclusion of sales contract	April 6, 2012
(8) Planned date of handover	April 25, 2012
(9) Buyer	Not disclosed (Note 3)
(10) Settlement	Lump sum settlement at time of handover

(Note 1) "Sales price" denotes the trading value (exclusive of miscellaneous expenses, fixed property taxes, urban planning taxes, consumption taxes, and local consumption taxes) specified in the trust beneficiary interest sales contract for the property to be sold.

(Note 2) "Appraised value" is based on the amount mentioned in the real estate appraisal report (price as of August 31, 2011) which Morii Appraisal & Investment Consulting, Inc., prepared for the property to be sold.

(Note 3) Not disclosed per buyer's instructions

### 3. Outline of Property to be Sold

Name of property to be sold		Park Cube Keio Hachioji
Type of property to be sold		Trust beneficiary interest
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust period		From April 21, 2005 to September 30, 2015
Appraisal company		Morii Appraisal & Investment Consulting Inc.
Appraised value (Note 1)		¥1,010,000 thousand
Date of value appraisal (Note 1)		August 31, 2011
Location	Residence indication	25-3 Myojin-cho 1-chome, Hachioji-shi, Tokyo
Land	Building-to-land ratio	60% / 80%
	Floor-area ratio	200% / 300% / 600%
	Zoning	Neighborhood commercial zone, Commercial zone, Light-industrial zone
	Site area (Note 2)	578.87 m <sup>2</sup>
	Ownership form	Proprietorship
Building	Completion date (Note 3)	January 31, 2005
	Structure / number of stories (Note 4)	Flat-roofed reinforced concrete structure / 14 stories
	Uses (Note 4)	Apartment building
	Gross floor area (Note 4)	3,128.97 m <sup>2</sup>
	Ownership form	Proprietorship
	Rentable units	52
	Rentable area	2,814.32 m <sup>2</sup>

Details of tenants (Note 5)	Total number of tenants	1
	Total rental revenues	¥6,687 thousand
	Rentable units	52
	Rented units	52
	Rentable area	2,814.32 m <sup>2</sup>
	Rented area	2,814.32 m <sup>2</sup>
	Occupancy rate	100.0%
	Deposit	¥13,874 thousand

(Note 1) "Appraised value" and "Date of value appraisal" are based on the amount mentioned in the real estate appraisal report which Morii Appraisal & Investment Consulting Inc. prepared for the property to be sold.

(Note 2) "Site area" of the "Land" item denotes the land area as entered in the register.

(Note 3) "Completion date" of the "Building" item denotes the date as entered in the register.

(Note 4) "Structure / number of stories," "Uses," and "Gross floor area" are stated based on the entries in the register.

(Note 5) Description of the "Details of tenants" column:

- (i) "Total number of tenants" is denoted as 1 tenant because, as to the property to be sold, NAF has concluded a master lease contract (blanket lease contract) with Mitsui Fudosan Housing Lease Co., Ltd as the master lease company.
- (ii) "Total rental revenues" denotes the monthly rent under the lease contract (total of housing rent and common service fees, excluding parking fees) concluded as of March 31, 2012.
- (iii) "Rentable units" denotes the number of rentable units in the property to be sold.
- (iv) Figures for "Rented units" and "Rented area" and "Deposit" are based on information valid as of March 31, 2012.
- (v) "Rentable area" denotes the total rentable area of the building of the property to be sold.
- (vi) "Occupancy rate" is the ratio of "Rented area" to "Rentable area" and is rounded to one decimal place.

### 4. Outline of Buyer

Not disclosed per buyer's instructions, but the buyer is a domestic general business company.

The buyer does not fall under the category of related parties of NAF or the Investment Trust Management Company.

5. Outline of Brokerage

There was no brokerage for the transaction of the property.

6. Outlook for Management of the Properties after Sale

NAF will separately disclose the outlook for results of operations subsequent to sale of the property after it has considered the financial results of the other properties in the portfolio. NAF plans to make the disclosure when the financial results for the fiscal period ending in February 2012 are announced (scheduled for April 16, 2012).

- \* The Japanese original document was distributed to press clubs within the Tokyo Stock Exchange (Kabuto Club) and the Ministry of Land, Infrastructure, Transport, and Tourism and to the press club of the construction trade newspaper of the Ministry of Land, Infrastructure, Transport and Tourism.
- \* NAF website: <http://www.naf-r.jp/english/index.html>

Please note that this English language notice is a translation of the Japanese language notice dated April 6, 2012 and was prepared solely for the convenience of, and reference by, overseas investors. NAF makes no warranties as to its accuracy or completeness.

<Attached Document>

1. Portfolio list after the sale of the property is completed (on an acquisition price basis)

<Attached Document > Portfolio list after the sale of the property is completed (on an acquisition price basis)

1. Rental Apartments

	Name	Location	Acquisition price (millions of yen) (Note 1)	Portfolio Share (%) (Note 2)
	Okawabata Apartment Communities	Chuo-ku, Tokyo	29,696	12.8
	Park Axis Gakugei Daigaku	Setagaya-ku, Tokyo	1,760	0.8
	Park Axis Shibuya Jinnan	Shibuya-ku, Tokyo	3,230	1.4
	Park Axis Aoyama Kotto-dori	Minato-ku, Tokyo	1,730	0.7
	Park Axis Kagurazaka Stage	Shinjuku-ku, Tokyo	1,400	0.6
	Park Axis Shirokanedai	Minato-ku, Tokyo	5,140	2.2
	Park Axis Bunkyo Stage	Bunkyo-ku, Tokyo	4,440	1.9
	Park Axis Tsukishima	Chuo-ku, Tokyo	930	0.4
	Park Axis Otsuka	Toshima-ku, Tokyo	1,655	0.7
	Park Axis Minami Azabu	Minato-ku, Tokyo	3,939	1.7
	Park Axis Shibuya	Shibuya-ku, Tokyo	1,282	0.6
	Park Axis Nihonbashi Stage	Chuo-ku, Tokyo	7,557	3.3
	Park Axis Hamamatsucho	Minato-ku, Tokyo	2,025	0.9
	Park Axis Hongo No Mori	Bunkyo-ku, Tokyo	2,910	1.3
	Park Axis Tameike Sanno	Minato-ku, Tokyo	2,860	1.2
	Park Axis Roppongi Hinokicho Park	Minato-ku, Tokyo	2,170	0.9
	Park Axis Ochanomizu Stage	Bunkyo-ku, Tokyo	9,710	4.2
	Park Axis Okachimachi	Taito-ku, Tokyo	1,070	0.5
	Park Cube Hongo	Bunkyo-ku, Tokyo	1,760	0.8
	Park Cube Kanda	Chiyoda-ku, Tokyo	2,454	1.1
	Park Cube Ichigaya	Shinjuku-ku, Tokyo	1,949	0.8
	Park Cube Asakusa Tawaramachi	Taito-ku, Tokyo	2,508	1.1
	Park Cube Ueno	Taito-ku, Tokyo	2,233	1.0
	Park Cube Ikebukuro Kanamecho	Toshima-ku, Tokyo	1,608	0.7
	Park Axis Meguro Honcho	Meguro-ku, Tokyo	1,810	0.8
	Park Axis Shin Itabashi	Itabashi-ku, Tokyo	3,430	1.5
	Park Axis Akihabara	Chiyoda-ku, Tokyo	1,200	0.5
	Park Axis Toyochi	Koto-ku, Tokyo	3,950	1.7
	Park Axis Takinogawa	Kita-ku, Tokyo	1,820	0.8
	Park Axis Asakusabashi	Taito-ku, Tokyo	2,717	1.2
	Park Axis Nihonbashi Hamacho	Chuo-ku, Tokyo	5,540	2.4
	Park Cube Yoyogi Tomigaya	Shibuya-ku, Tokyo	1,975	0.9
	Park Axis Monzen Nakacho	Koto-ku, Tokyo	1,700	0.7
	Park Cube Itabashi Honcho	Itabashi-ku, Tokyo	4,170	1.8
	Park Cube Gakugei Daigaku	Meguro-ku, Tokyo	910	0.4
	Park Cube Oimachi	Shinagawa-ku, Tokyo	1,440	0.6
	Park Axis Nishigahara	Kita-ku, Tokyo	840	0.4
	Park Axis Kinshicho	Sumida-ku, Tokyo	1,448	0.6
	Park Axis Tatsumi Stage	Koto-ku, Tokyo	7,464	3.2
	Park Axis Kameido	Koto-ku, Tokyo	2,359	1.0
	Park Axis Honancho	Nakano-ku, Tokyo	745	0.3
	Park Axis Itabashi	Kita-ku, Tokyo	1,448	0.6

Park Axis Oshiage	Sumida-ku, Tokyo	1,193	0.5
Park Axis Takadanobaba	Toshima-ku, Tokyo	1,222	0.5
Park Axis Toyosu	Koto-ku, Tokyo	14,300	6.2
Park Axis Hatchobori	Chuo-ku, Tokyo	1,760	0.8
Park Axis Itabashi Honcho	Itabashi-ku, Tokyo	987	0.4
Park Axis Sumiyoshi	Sumida-ku, Tokyo	1,006	0.4
Park Cube Yotsuya Sanchome	Shinjuku-ku, Tokyo	2,749	1.2
Park Cube Hatchobori	Chuo-ku, Tokyo	4,200	1.8
Park Axis Kamata Ichibankan	Ota-ku, Tokyo	1,069	0.5
Park Axis Taito Negishi	Taito-ku, Tokyo	672	0.3
Park Axis Komagome	Toshima-ku, Tokyo	1,389	0.6
Park Axis Itabashi Honcho Nibankan	Itabashi-ku, Tokyo	1,859	0.8
Shibaura Island Air Tower	Minato-ku, Tokyo	7,905	3.4
Park Cube Higashi Shinagawa	Shinagawa-ku, Tokyo	6,060	2.6
Park Cube Sasazuka	Shibuya-ku, Tokyo	2,200	0.9
Park Axis HigashiJujo	Kita-ku, Tokyo	1,700	0.7
Tokyo 23 wards total		191,255	82.5
Park Cube Keio Hachioji II	Hachioji-shi, Tokyo	1,130	0.5
Park Axis Nishi Funabashi	Funabashi-shi, Chiba	1,020	0.4
Park Axis Yokohama Idogaya	Minami-ku, Yokohama-shi, Kanagawa	1,419	0.6
Park Axis Chiba Shinmachi	Chuo-ku, Chiba-shi, Chiba	1,679	0.7
Park Axis Chiba	Chuo-ku, Chiba-shi, Chiba	970	0.4
Park Cube Kita Matsudo	Matsudo-shi, Chiba	1,200	0.5
Park Cube Musashi Kosugi	Nakahara-ku, Kawasaki-shi, Kanagawa	2,250	1.0
Greater Tokyo Total (Note 3)		9,668	4.2
Park Axis Meieki Minami	Nakamura-ku, Nagoya-shi, Aichi	2,440	1.1
Park Axis Marunouchi	Naka-ku, Nagoya-shi, Aichi	1,920	0.8
Park Axis Ropponmatsu	Chuo-ku, Fukuoka-shi, Fukuoka	1,515	0.7
Park Axis Hakataeki Minami	Hakata-ku, Fukuoka-shi, Fukuoka	1,890	0.8
Park Axis Naka Gofukumachi	Hakata-ku, Fukuoka-shi, Fukuoka	742	0.3
Park Axis Shirakabe	Higashi-ku, Nagoya-shi, Aichi	1,547	0.7
Park Axis Sendai	Wakabayashi-ku, Sendai-shi, Miyagi	2,320	1.0
Park Axis Hakata Minoshima	Hakata-ku, Fukuoka-shi, Fukuoka	960	0.4
Park Axis Takamiya Higashi	Minami-ku, Fukuoka-shi, Fukuoka	605	0.3
Park Axis Sapporo Shokubutsuen Mae	Chuo-ku, Sapporo-shi, Hokkaido	1,650	0.7
Park Axis Shin Sapporo	Atsubetsu-ku, Sapporo-shi, Hokkaido	827	0.4
Park Axis Esaka Hiroshibacho	Suita-shi, Osaka	2,369	1.0
Park Axis Utsubo Koen	Nishi-ku, Osaka-shi, Osaka	2,399	1.0
Other Major Cities Total (Note 4)		21,184	9.1
Total		222,107	95.8

## 2. Other Accommodation Assets

	Name	Location	Acquisition price (millions of yen) (Note 1)	Portfolio Share (%) (Note 2)
	Dormy Ashiya	Ashiya-shi, Hyogo	928	0.4
	Kawaijuku Kyoto Gakushin Ryo	Nakagyo-ku, Kyoto-shi, Kyoto	991	0.4
	Sundai Horikawa Ryo	Kamigyo-ku, Kyoto-shi, Kyoto	916	0.4
	Dormitory Rakuoku	Kita-ku, Kyoto-shi, Kyoto	374	0.2
	Rikkyo University International Dormitory (RUID) Shiki	Shiki-shi, Saitama	1,478	0.6
	Dormy Naka Itabashi	Itabashi-ku, Tokyo	1,041	0.4
	Phirosophia Nishidai	Itabashi-ku, Tokyo	1,249	0.5
	Dormy Musashi Kosugi	Nakahara-ku, Kawasaki-shi, Kanagawa	1,152	0.5
	Artis Sendai Kakyoin	Aoba-ku, Sendai-shi, Miyagi	540	0.2
	Artis Sendai Kimachi-dori	Aoba-ku, Sendai-shi, Miyagi	1,160	0.5
	Total		9,829	4.2
Grand total			231,936	100.0

(Note 1) "Acquisition Price" refers to the sale price (exclusive of miscellaneous expenses for acquisition, fixed property tax, urban planning tax, consumption tax, and local consumption tax) of the property acquired. Amounts less than one million yen have been rounded off.

(Note 2) "Portfolio Share" means the percentage of the acquisition price of the respective property compared with the total amount, rounded to the nearest one decimal place.

(Note 3) "Greater Tokyo" refers to four prefectures, Tokyo (excluding Tokyo's 23 wards), Kanagawa, Saitama, and Chiba.

(Note 4) "Other Major Cities" refers to cities designated by regional government ordinance.