

November 7, 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
Contact CFO and Director
(TEL. 03-3246-3677)

Kosei Murakami
Satoshi Nohara

Notification Concerning Acquisition of Domestic Real Estate Trust Beneficiary Interest

This is a notification that Nippon Accommodations Fund Inc. ("NAF") decided on and completed the acquisition of real estate trust beneficiary interest 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 property was made to ensure the steady growth of the entire portfolio, and for the diversification and further enhancement of the investment portfolio in Tokyo's 23 wards.

2. Overview of Acquisition

(1) Name of property acquired (Note 1)	Park Cube Heiwadai
(2) Type of property acquired	Trust beneficiary interest
(3) Acquisition price (Note 2)	¥1,204,000 thousand
(4) Appraised value (Note 3)	¥1,220,000 thousand
(5) Date of conclusion of sales contract	October 29, 2012
(6) Date of handover	October 29, 2012
(7) Seller	GK Tokyo Gold
(8) Acquisition funds	Own funds
(9) Method of payment	Full payment at time of delivery

(Note 1) The current name of the property acquired is "Heiwadai Duplex R's." NAF plans to rename the property as stated above without delay after it has acquired the property.

(Note 2) "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 trust beneficiary interest sales contract for the property acquired.

(Note 3) "Appraised value" is based on the amount mentioned in the real estate appraisal report (date of value appraisal in August 31, 2012) which Daiwa Real Estate Appraisal Co., Ltd. prepared for the property acquired.

3. Description of Property Acquired

(1) Outline of the property acquired

Name of property acquired		Park Cube Heiwadai
Type of property acquired		Trust beneficiary interest
Trustee		Sumitomo Mitsui Trust Bank, Limited.
Trust period		From September 26, 2007 to October 31, 2022
Appraisal company		Daiwa Real Estate Appraisal Corporation
Appraised value (Note 1)		¥1,220,000 thousand
Date of value appraisal (Note 1)		August 31, 2012
Location	Residence indication	23-24, Heiwadai 3-chome, Nerima-ku, Tokyo
Land	Building-to-land ratio	60%
	Floor-area ratio	200%
	Zoning	Category 1 District Exclusively for Low Rise Residential Buildings
	Site area (Note 2)	1,550.39m ²
	Ownership form	Proprietorship
Building	Completion date (Note 3)	June 29, 2007
	Structure / number of stories (Note 4)	Flat-roofed reinforced concrete structure / 4 stories
	Uses (Note4)	Apartment building/ warehouse/ garbage depot
	Gross floor area (Note 4)	2,827.67m ²
	Ownership form	Proprietorship
	Rentable units	34
	Rentable area	2,656.00m ²
Existence of security interests		None
Special affairs (Note 5)		None
Special features of the property		<p>The property is approximately a nine-minute walk from Heiwadai Station with access to the two train lines of Tokyo Metro Yurakucho Line and Fukutoshin Line. It has very good access to major city centers, as it is an approximately 10-minute ride to Ikebukuro Station, approximately 25-minute ride to Shibuya Station and approximately 35-minute ride to Otemachi Station with a train line transfer.</p> <p>The property has good living convenience with convenience stores and medical institutions in the neighborhood, in addition to a supermarket in front of the nearest station.</p> <p>Demand is expected mainly from families who commute to central Tokyo.</p>

Details of tenants (Note 6)	Total number of tenants	1
	Rentable units	34
	Rented units	34
	Rentable area	2,656.00m ²
	Rented area	2,656.00m ²
	Occupancy rate	100.0%
	Deposit	¥16,569 thousand
	Total rental revenues	Please refer to <Attached Document 1> Summary of the appraisal report on the amount of the property acquired.

(Note 1) "Appraised value" and "Date of value appraisal" are based on the amount mentioned in the real estate appraisal report which Daiwa Real Estate Appraisal Corporation prepared for the property acquired.

(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) “Special affairs” denotes matters which NAF recognizes as important as of today, taking into consideration their effects on title-related matters, use, appraised value, profitability, etc. of the property acquired.

(Note 6) Description of the “Details of tenants” column:

- (i) “Total number of tenants” is denoted as “1” where a master lease contract (blanket lease contract) has been concluded with a master lease company. As to the property acquired, NAF has concluded a master lease contract with the master lease company, that is, Mitsui Fudosan Housing Lease Co., Ltd. The above “Total number of tenants” means the total number of tenants after conclusion of the said master lease contract.
- (ii) “Rentable units” denotes the number of rentable units in the property acquired.
- (iii) Figures for “Rented units,” “Rented area,” and “Deposit” are based on information provided by the seller, valid as of September 30, 2012.
- (iv) “Rentable area” denotes the total rentable area of the building of the property acquired.
- (v) “Occupancy rate” is the ratio of “Rented area” to “Rentable area” and is rounded to one decimal place.

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

Investigations into the state of building	Consigned investigating company	Sumitomo Mitsui Construction Co., Ltd.
	Investigation date	October 9, 2012
	Urgent repair cost	—
	Short-term repair cost	¥461 thousand
	Repair and renewal costs expected to be necessary within 12 years	¥39,477 thousand
	Replacement value	¥723,406 thousand
Earthquake risk diagnosis	PML value (Note)	6.5%

(Note) The PML value is based on a report on earthquake risk diagnosis made by Sumitomo Mitsui Construction Co., Ltd. However, 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) 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	Sumitomo Mitsui Construction Co., Ltd.
Address	1-6, Tsukuda 2-chome, Chuo-ku, Tokyo
Representative	Yoshiyuki Norihisa, President and Chief Executive Officer
Description of principal operations	Design and construction of civil engineering, building, prestressed concrete work and related operations, and others
Capital	¥12,003 million
Relationship with NAF and Investment Trust Management Company	None

4. Outline of Seller

Name	GK Tokyo Gold	
Address	c/o Tokyo Kyodo Accounting Office 1-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	
Outline of managing partner	Name	Mexico City Gold
	Address	c/o Tokyo Kyodo Accounting Office 1-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
	Representative	Operational executor: Masato Kaida

Description of principal operations	1. Acquisition, ownership, disposition, lease and management of real estate 2. Acquisition, ownership and disposition of trust beneficiary interest in real estate 3. All business incidental to the above
Date of establishment	July 6, 2012
Capital	¥1,300 thousand
Relationships between NAF or Investment Trust Management Company and the fund or the managing partner	
Relationship with NAF and Investment Trust Management Company	There are no direct or indirect investments in the seller either from NAF, the Investment Trust Management Company, nor any related parties or associated companies of NAF and the Investment Trust Management Company. Also, there are no capital, personal or business relationships to report between the seller's investors (including original investors) and NAF, the Investment Trust Management Company, and any related parties or associated companies of NAF and the Investment Trust Management Company.
Relationship between NAF or the Investment Management Company and the managing partner	There are no capital, personal or business relationships to report between the fund's managing partner and NAF nor the Investment Trust Management Company. Furthermore, there are no capital, personal or business relationships to report between any related parties or associated companies of the fund's managing partner and NAF, the Investment Trust Management Company, and any related parties or associated companies of NAF and the Investment Trust Management Company.

5. Transactions with Related Parties and the Like

The property acquired has not been acquired from a party classified as having a relationship of special interest with NAF or the Investment Trust Management Company. Since Mitsui Fudosan Housing Lease Co., Ltd., which became the master lease company and property management company of the acquired property as of today, falls under "Related parties and the like" (Note) according to NAF's self-established rules on asset management relevant to transactions with related parties and the like, the master lease contract and property management contract have been carried out through deliberation and approval by the compliance committee of the Investment Trust Management Company and the investment committee.

(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.

6. Situation of the Acquirer of the Property

Not applicable.

7. Earthquake Resistance Matters

NAF outsourced the inspection and verification of the details of earthquake-resistant structures including structural calculation sheets and, for the corresponding building, obtained confirmation that, no falsification is suspected in the structural calculation and structural drawings with respect to their structure, which ensures earthquake resistance as per the Building Standards Act.

In addition NAF always performs earthquake risk diagnosis based on drawing reviews using structural design drawings, structural calculation sheets, etc., as well as on on-site inspection and the like during the course of due diligence upon acquisition of properties, from perspectives that are different to building certification investigations performed by an inspection and certification agency.

8. Outline of Brokerage

(1) Outline of broker

Trade name	Nomura Real Estate Urban Net Co., Ltd.
Head office address	26-2, Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo
Representative	Nagoyoshi Kanehata, President
Description of principle operations	Housing transaction business, commercial real estate transaction business, newly built properties consignment sales business, condominium renovation business, insurance agency business and real estate information website operation business
Capital	¥1,000 million
Date of establishment	November 6, 2000
Relationship with NAF or Investment Trust Management Company	
Capital relationships	There are no capital relationships to report between NAF or the Investment Trust Management Company, and the broker. Also, there are no capital relationships to report between any related parties or associated companies of NAF or the Investment Trust Management Company, and any related parties or associated companies of the broker.
Personal relationships	There are no personal relationships to report between NAF or the Investment Trust Management Company, and the broker. Also, there are no personal relationships to report between any related parties or associated companies of NAF or the Investment Trust Management Company, and any related parties or associated companies of the broker.
Business relationships	There are no business relationships to report between NAF or the Investment Trust Management Company, and the broker. Also, there are no business relationships to report between any related parties or associated companies of NAF or the Investment Trust Management Company, and any related parties or associated companies of the broker.
Applicability to related parties	The broker does not fall under the category of related parties of NAF or the Investment Trust Management Company. Also, the related parties and associated companies of the broker do not fall under the category of related parties of NAF or the Investment Trust Management Company.

(2) Amount of brokerage fee

Not disclosed by request of the broker.

9. Outlook for Management of the Properties after Acquisition

The impact of the acquisition on NAF's results for the period ending February 2013 (September 1, 2012 to February 28, 2013) will be minor, and there will be no change to the financial results forecast of the period.

* 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 October 29, 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 Documents>

1. Summary of the appraisal report on the amount of the property acquired
2. Portfolio list after the acquisition of the property is completed (on an acquisition price basis)
3. Photos of exterior and entrance, and map of the property acquired

<Attached Document 1> Summary of the appraisal report on the amount of property acquired

(unit: Thousands of yen)

Appraised value (specified value)		1,220,000
Assessment item		Details
Operating revenues	(a) Unit rental revenues, including commons area fees	85,672
	(b) Utilities revenues	0
	(c) Parking lot revenues	3,492
	(d) Other revenues	3,213
	Revenues from key money, etc.	1,356
	Revenues from renewal fees	1,017
	Other revenues	840
	(1): (a)+(b)+(c)+(d)	92,378
	(e) Total loss from vacancies, etc.	4,802
	(f) Loss on bad debts	0
	(2) Operating revenues [(1)-(e)-(f)]	87,576
Operating expenses	(g) Maintenance expense	3,181
	(h) Utilities expense	1,349
	(i) Repair expense	2,606
	(j) Property management fees	2,982
	(k) Tenant soliciting fee, etc.	2,108
	(l) Taxes and public dues	5,366
	(m) Property insurance fee	298
	(n) Other expenses	1,253
	(3) Operating expenses [(g)+(h)+(i)+(j)+(k)+(l)+(m)+(n)]	19,146
	(4) Net operating income [(2)-(3)]	68,429
	(o) Earnings from temporary deposit	276
	(p) Capital expenditures	2,086
	(5) Net income [(4)+(o)-(p)]	66,619
	(6) Cap rate	5.4%
	Value of earnings calculated by the direct capitalization method [(5)+(6)]	1,230,000
	Value calculated by discounted cash flow method	1,220,000
	Discount rate	5.2%
	Terminal cap rate	5.6%
	Cost method value	1,240,000
	Total value of land and building	1,244,051
	Land value	616,918
	Building value	627,133
	Adjustment	0

NAF requested a real estate appraisal by Daiwa Real Estate Appraisal Co., Ltd., for the property acquired, based on the Act on Real Estate Appraisal (1963 Act No. 152, including later amendments) and real estate appraisal standards. The above figures are a summary of the prepared real estate appraisal report. The appraisal valuation is the judgment and opinion of the appraiser at a fixed point in time, with no guarantees as to the validity or accuracy of the report, nor the possibility of transactions at the appraised value.

Yen amounts are rounded down to the nearest thousand yen.

<Attached Document 2> Portfolio list after the acquisition 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	12.7
	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	Bukyo-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	3.2
	Park Axis Hamamatsucho	Minato-ku, Tokyo	2,025	0.9
	Park Axis Hongo No Mori	Bukyo-ku, Tokyo	2,910	1.2
	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	Bukyo-ku, Tokyo	9,710	4.2
	Park Axis Okachimachi	Taito-ku, Tokyo	1,070	0.5
	Park Cube Hongo	Bukyo-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	0.8
	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

	Name	Location	Acquisition price (millions of yen) (Note 1)	Portfolio Share (%) (Note 2)
	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	6.1
	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 Higashi Jujo	Kita-ku, Tokyo	1,700	0.7
	Park Cube Heiwadai	Nerima-ku, Tokyo	1,204	0.5
	Tokyo 23 wards total		192,459	82.6
	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	4.1
	Park Axis Meieki Minami	Nakamura-ku, Nagoya-shi, Aichi	2,440	1.0
	Park Axis Marunouchi	Naka-ku, Nagoya-shi, Aichi	1,920	0.8
	Park Axis Ropponmatsu	Chuo-ku, Fukuoka-shi, Fukuoka	1,515	0.6
	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		223,311	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 Rakuhoku	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			233,140	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 property acquired 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 as regional government ordinance.

<Attached Document 3> Photos of exterior and entrance, and map of the property acquired



