

October 6, 2008

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.
Representative Executive Director Nobuyuki Nakai
(Code Number 3226)
Investment Trust Management Company
Mitsui Fudosan Accommodations Fund Management Co., Ltd.
Representative President and CEO Nobuyuki Nakai
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Impact of the Decision by Replus Inc. to Commence Bankruptcy Proceedings

This is a notification concerning the announcement by Replus Inc. ("Replus"), made on September 24, 2008, pertaining to the decision by Replus to commence bankruptcy proceedings ("the Bankruptcy Proceedings").

1. Relationship with Nippon Accommodations Fund and Replus, etc.

Nippon Accommodations Fund ("NAF") and Replus have no direct contractual relationship.

However, one portion of the tenants, with whom lease contracts have been concluded with the master lease company Mitsui Fudosan Housing Lease Co., Ltd. ("MFHL") for dwelling units owned by NAF, utilize the rent arrears guarantee system furnished by Replus. The tenants using the aforementioned system have entered into contracts with MFHL and Replus under which Replus guarantees the rental fees and other obligations.

While under normal circumstances the tenants directly pay the rental fees and other charges to MFHL, in cases when tenants using the aforementioned system fall into arrears on their rent or other obligations, Replus acts in place of those tenants in making payment to MFHL of the rental fees and other obligations required to be paid by the said tenants. In cases when, as a result of the Bankruptcy Proceedings, payments are not made by Replus acting in place of the tenants, there is a possibility that NAF will be impacted.

2. Arrears Status of Tenants Using the Aforementioned System

1) Number of dwelling units: 33 units

2) Amount in arrears: Approx. 8,000,000 yen.

*For these arrears, hereafter, the plan is that they are to be collected through direct claims to the tenants by MFHL. The total amount of deposits pertaining to the target dwelling units is approximately 12,000,000 yen.

3. Impact on NAF Performance

The impact on the performance of NAF is negligible, with no changes projected in its management conditions.

* This English language notice is a translation of the Japanese language notice dated September 26, 2008 and was prepared solely for the convenience of, and reference by, overseas investors.

NAF makes no warranties as to its accuracy or completeness.