

April 6, 2010

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 Yuji Yokoyama  
(Code number 3226)

Investment Trust Management Company  
Mitsui Fudosan Accommodations Fund Management Co., Ltd.  
Representative President and CEO Kosei Murakami  
Contact CFO and Director Morio Shibata  
(TEL 03-3246-3677)

## 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 Article of Incorporation, the decision to acquire the following property was made to ensure the steady growth of the whole 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 Yotsuya Sanchome
(2) Type of property acquired	Trust beneficiary interest
(3) Acquisition price (Note 2)	¥2,749,000 thousand
(4) Date of conclusion of sales contract	March 30, 2010
(5) Date of handover	March 30, 2010
(6) Seller	Godo Kaisha TN Second
(7) Acquisition funds	Own funds or borrowings
(8) Method of payment	Full payment at the time of delivery

(Note 1) The current name of the property acquired is "City Village Yotsuya Sanchōme I." 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.

### 3. Description of the property acquired

#### (1) Outline of the property acquired

Name of property acquired	Park Cube Yotsuya Sanchome
Type of property acquired	Trust beneficiary interest
Trustee	The Sumitomo Trust and Banking Co., Ltd.
Trust period	From March 16, 2009 to March 18, 2019
Acquisition price (Note 1)	¥2,749,000 thousand
Appraisal company	Daiwa Real Estate Appraisal Corporation
Appraised value (Note 2)	¥2,970,000 thousand
Date of value appraisal (Note 2)	February 28, 2010

Location	Residence indication	22-2, Araki-cho, Shinjuku-ku, Tokyo and other (district where residence indication has not been implemented yet)
Land	Building-to-land ratio	80%, 60%
	Floor-area ratio	400%, 300%
	Zoning	Neighborhood commercial zone, Category 1 residential district
	Site area (Note 3)	1,010.96m <sup>2</sup>
	Ownership form	Trust beneficiary interest
Building	Completion date (Note 4)	February 26, 2009
	Structure / number of stories (Note 5)	Flat-roofed reinforced concrete structure / 10 stories above ground and 1 underground story
	Uses (Note 5)	Apartment building / parking lot / bicycle parking lot
	Gross floor area (Note 5)	5,035.21m <sup>2</sup>
	Ownership form	Trust beneficiary interest
	Rentable units	130
	Rentable area	3,599.82m <sup>2</sup>
Existence of security interests		None
Special affairs (Note 6)		None
Special features of the property		<p>The property is 6 minutes walk from Yotsuya-sanhome Station of the Tokyo Metro Marunouchi Line and 3 minutes walk from Akebonobashi Station of the Toei Shinjuku Line. These two lines provide excellent access to the central Tokyo business area as they directly connect to various stations including Tokyo and Shinjuku.</p> <p>While the area that this property is located in has a serene feel to it due to its many historical buildings, such as temples, it is a central urban area that offers superb daily life convenience with restaurant-filled shopping streets and main-road convenience stores located close by. Because it has both daily life and transport convenience, steady rental demand can be expected to center on DINKs and single people, who value such convenience.</p>

Details of tenants (Note 7)	Total number of tenants	1
	Rentable units	130
	Rented units	126
	Rentable area (m <sup>2</sup> )	3,599.82
	Rented area (m <sup>2</sup> )	3,490.27
	Occupancy rate (%)	97.0
	Deposit (thousand yen)	19,928
	Total rental revenues	Please refer to <Attached Document 1> Summary of the appraisal report on the amount of the property acquired.

(Note 1) "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 2) "Appraised value" and "Date of value appraisal" are stated based on the amount mentioned in the real estate appraisal report which Daiwa Real Estate Appraisal Corporation prepared for the property acquired.

(Note 3) "Site area" of the Land item denotes the land area as entered in the register.

(Note 4) "Completion date" of the Building item denotes the date as entered in the register.

(Note 5) "Structure / number of stories," "Uses," and "Gross floor area" are stated based on the entries in the register.

(Note 6) "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 7) 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 master lease company, that is, ITOCHU URBAN COMMUNITY LTD. The above "Total number of tenants" means the total number of tenants after conclusion of the said master lease contract. Also, NAF plans to change the property management company and master lease company to Mitsui Fudosan Housing Lease Co., Ltd. as of today.

(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 March 15, 2010.

(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 the building	Consigned investigating company	Sumitomo Mitsui Construction Co., Ltd.
	Urgent repair cost	—
	Short-term repair cost	¥100 thousand (Note 1)
	Repair and renewal costs expected to be necessary within 12 years	¥42,693 thousand
	Replacement value	¥1,202,557 thousand
	Report date of investigations into the state of the building	March 15, 2010
Earthquake risk diagnosis	PML value (Note 2)	8.7%

(Note 1) The short-term repairs have been carried out before NAF acquired the property.

(Note 2) 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.

Profiles of third party investigative body

Trade name	Sumitomo Mitsui Construction Co., Ltd.
Head office address	1-6, Tsukuda 2-chome, Chuo-ku, Tokyo
Representative	Hisaya Igarashi, President and Chief Executive Officer
Capital	¥12,003 million
Description of principal operations	Design and construction of civil engineering, building, prestressed concrete work and related operations, and others
Relationship with NAF or investment trust management company	None

4. Outline of seller

Trade name	Godo Kaisha TN Second	
Address	c/o Tokyo Kyodo Accounting Office 1-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo	
Purpose	1. Acquisition, ownership, disposition, lease and management of real estate 2. Acquisition, ownership and disposition of real estate trust beneficiary interests 3. Other businesses related to or peripheral to those listed in 1. and 2. above	
Date of establishment	August 6, 2007	
Capital	¥1,000	
Outline of managing partner	Trade name	IA Residential Holdings Ippan Shadan Hojin
	Address	2-3, Marunouchi 3-chome, Chiyoda-ku, Tokyo
	Representative	Shinji Arakawa, Representative Director
	Description of operations	1. Acquisition, ownership and disposition of real estate 2. Lease and management of real estate 3. Acquisition, ownership and disposition of real estate trust beneficiary interests 4. Acquisition, ownership and disposition of shares, investment interest, or special interest etc. of company conducting businesses listed in 1. – 3. above 5. Other businesses related to or peripheral to those listed in 1. – 4. above

Relationships between NAF or the investment trust management company, and the seller	
Relationships between NAF or the investment trust management company, and the seller	Neither NAF or the investment trust management company, nor any related parties or associated companies of NAF or the investment trust management company has direct or indirect investment in the seller. Also, there are no capital relationships, personal relationships or business relationships to report between the seller's investors (including original investors) and NAF, or the investment trust management company, or any related parties or associated companies of NAF or the investment trust management company.
Relationships between NAF or the investment trust management company, and the managing partner	There are no capital relationships, personal relationships or business relationships to report between NAF or the investment trust management company, and the seller's managing partner. Also, there are no capital relationships, personal relationships or 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 seller's 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. In addition, since Mitsui Fudosan Housing Lease Co., Ltd., which is to be the master lease company and property management company as of today, constitute related parties and the like (Note 1), in accordance with 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 decision by the compliance committee of the investment trust management company and the investment committee.

(Note 1) "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

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

In addition, NAF always examines earthquake risks 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. NAF makes a decision on acquisition after performing appropriate analysis of earthquake risks of the property to be acquired, independently considering the structural earthquake-resistance of the building to be acquired, based on drawing reviews using structure drawings, structural design outlines, etc.

## 8. Outline of brokerage

### (1) Outline of broker

Trade name	ITOCHU Corporation
Head office address	1-3, Kyutaromachi 4-chome, Chuo-ku, Osaka-shi, Osaka
Representative	Eizo Kobayashi, President and Chief Executive Officer
Description of operations	Trading operations, dealing operations, brokerage operations, agency operations, along with manufacturing operations and processing operations, and other
Capital	¥202,241 million
Date of establishment	December 1, 1949
Relationships between NAF or the investment trust management company, and the broker	
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.

### (2) Amount of brokerage fee

¥82,530 thousand (exclusive of consumption taxes and local consumption taxes)

## 9. Outlook for management of the properties after acquisition

NAF shall separately disclose the outlook for results of operations subsequent to acquisition of this property after it has considered the financial results of the other properties in the portfolio. NAF plans to make this disclosure when the financial results for the fiscal period from September 1, 2009 to February 28, 2010 is announced (scheduled for April 16, 2010).

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

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

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

(unit: Thousands of yen)

Appraised value (specified value)		2,970,000
Assessment item		Details
Operating revenues	(a) Unit rental revenues, including commons area fees	199,374
	(b) Utilities revenues	0
	(c) Parking lot revenues	8,400
	(d) Other revenues	8,098
	Revenues from key money, etc.	6,626
	Renewal fees	1,472
	Other revenues	0
	(1) (a) + (b) + (c) + (d)	215,872
	(e) Total loss from vacancies etc.	12,488
	(f) Loss on bad debts	0
(2) Operating revenues [(1) - (e) - (f)]		203,384
Operating expenses	(g) Maintenance expense	9,146
	(h) Utilities expense	2,351
	(i) Repair expense	2,947
	(j) Property management fees	6,834
	(k) Tenant soliciting fee, etc.	5,933
	(l) Taxes and public dues	13,285
	(m) Property insurance fee	391
	(n) Other expenses	547
	(3) Operating expenses	41,439
	[(g) + (h) + (i) + (j) + (k) + (l) + (m) + (n)]	
(4) Net operating income [(2) - (3)]		161,945
	(o) Earnings from temporary deposits	598
	(p) Capital expenditures	3,468
(5) Net income [(4) + (o) - (p)]		159,075
(6) Cap rate		5.3%
Value of earnings calculated by the direct capitalization method [(5) ÷ (6)]		3,000,000
Value calculated by discounted cash flow method		2,950,000
	Discount rate	5.1%
	Terminal cap rate	5.5%
Cost method value		2,730,000
	Total value of land and building	2,725,960
	Land value	1,526,550
	Building value	1,199,410
	Adjustment	0

NAF requested real estate appraisal by Daiwa Real Estate Appraisal Corporation for the property acquired, based on points to note when appraising real estate from the Act on Securities Investment Trust and Securities Investment Corporations, and based on the Act on Real Estate Appraisal (1963 Act No. 152, including later amendments) and on real estate appraisal standards. The above figures record a summary of the real estate appraisal report prepared. 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 purchase of the property acquired is completed (on an acquisition price basis)

	Name	Location	Acquisition price (millions of yen) (Note 1)	Portfolio share (%) (Note 2)
	Okawabata Apartment Communities	Chuo-ku, Tokyo	29,696	16.2
	Park Axis Gakugei Daigaku	Setagaya-ku, Tokyo	1,760	1.0
	Park Axis Shibuya Jinnan	Shibuya-ku, Tokyo	3,230	1.8
	Park Axis Aoyama Kotto-dori	Minato-ku, Tokyo	1,730	0.9
	Park Axis Kagurazaka Stage	Shinjuku-ku, Tokyo	1,400	0.8
	Park Axis Shirokanedai	Minato-ku, Tokyo	5,140	2.8
	Park Axis Bunkyo Stage	Bunkyo-ku, Tokyo	4,440	2.4
	Park Axis Tsukishima	Chuo-ku, Tokyo	930	0.5
	Park Axis Otsuka	Toshima-ku, Tokyo	1,655	0.9
	Park Axis Minami Azabu	Minato-ku, Tokyo	3,939	2.2
	Park Axis Shibuya	Shibuya-ku, Tokyo	1,282	0.7
	Park Axis Nihonbashi Stage	Chuo-ku, Tokyo	7,557	4.1
	Park Axis Hamamatsucho	Minato-ku, Tokyo	2,025	1.1
	Park Axis Hongo No Mori	Bunkyo-ku, Tokyo	2,910	1.6
	Park Axis Tameike Sanno	Minato-ku, Tokyo	2,860	1.6
	Park Axis Roppongi Hinokicho Park	Minato-ku, Tokyo	2,170	1.2
	Park Axis Ochanomizu Stage	Bunkyo-ku, Tokyo	9,710	5.3
	Park Axis Okachimachi	Taito-ku, Tokyo	1,070	0.6
	Park Cube Hongo	Bunkyo-ku, Tokyo	1,760	1.0
	Park Cube Kanda	Chiyoda-ku, Tokyo	2,454	1.3
	Park Cube Ichigaya	Shinjuku-ku, Tokyo	1,794	1.0
	Park Cube Asakusa Tawaramachi	Taito-ku, Tokyo	2,508	1.4
	Park Cube Ueno	Taito-ku, Tokyo	2,233	1.2
	Park Cube Ikebukuro Kanamecho	Toshima-ku, Tokyo	1,608	0.9
	Park Axis Meguro Honcho	Meguro-ku, Tokyo	1,810	1.0
	Park Axis Shin Itabashi	Itabashi-ku, Tokyo	3,430	1.9
	Park Axis Akihabara	Chiyoda-ku, Tokyo	1,200	0.7
	Park Axis Toyochō	Koto-ku, Tokyo	3,950	2.2
	Park Axis Takinogawa	Kita-ku, Tokyo	1,820	1.0
	Park Axis Asakusabashi	Taito-ku, Tokyo	2,717	1.5
	Park Axis Nihonbashihamacho	Chuo-ku, Tokyo	5,540	3.0
	Park Cube Yoyogi Tomigaya	Shibuya-ku, Tokyo	1,975	1.1
	Park Axis Monzen Nakacho	Koto-ku, Tokyo	1,700	0.9
	Park Cube Itabashi Honcho	Itabashi-ku, Tokyo	4,170	2.3
	Park Cube Gakugei Daigaku	Meguro-ku, Tokyo	910	0.5
	Park Cube Oimachi	Shinagawa-ku, Tokyo	1,440	0.8
	Park Axis Nishigahara	Kita-ku, Tokyo	840	0.5
	Park Axis Kinshicho	Sumida-ku, Tokyo	1,448	0.8
	Park Axis Tatsumi Stage	Koto-ku, Tokyo	7,464	4.1
	Park Axis Kameido	Koto-ku, Tokyo	2,359	1.3
	Park Axis Honancho	Nakano-ku, Tokyo	745	0.4
	Park Axis Itabashi	Kita-ku, Tokyo	1,448	0.8
	Park Axis Oshiage	Sumida-ku, Tokyo	1,193	0.7

	Name	Location	Acquisition price (millions of yen) (Note 1)	Portfolio share (%) (Note 2)
	Park Axis Takadanobaba	Toshima-ku, Tokyo	1,222	0.7
	Park Axis Toyosu	Koto-ku, Tokyo	14,300	7.8
	Park Axis Hatchobori	Chuo-ku, Tokyo	1,760	1.0
	Park Axis Itabashi Honcho	Itabashi-ku, Tokyo	987	0.5
	Park Axis Sumiyoshi	Sumida-ku, Tokyo	1,006	0.6
	Park Cube Yotsuya Sanchome	Shinjuku-ku, Tokyo	2,749	1.5
	Tokyo 23 wards total		164,045	89.8
	Park Cube Keio Hachioji	Hachioji-shi, Tokyo	991	0.5
	Park Cube Keio Hachioji II	Hachioji-shi, Tokyo	1,130	0.6
	Park Axis Nishifunabashi	Funabashi-shi, Chiba	1,020	0.6
	Greater Tokyo total (Note 3)		3,141	1.7
	Park Axis Meieki Minami	Nakamura-ku, Nagoya-shi, Aichi	2,440	1.3
	Park Axis Marunouchi	Naka-ku, Nagoya-shi, Aichi	1,920	1.1
	Park Axis Ropponmatsu	Chuo-ku, Fukuoka-shi, Fukuoka	1,515	0.8
	Park Axis Hakataeki Minami	Hakata-ku, Fukuoka-shi, Fukuoka	1,890	1.0
	Park Axis Naka Gofukumachi	Hakata-ku, Fukuoka-shi, Fukuoka	742	0.4
	Park Axis Shirakabe	Higashi-ku, Nagoya-shi, Aichi	1,547	0.8
	Park Axis Sendai	Wakabayashi-ku, Sendai-shi, Miyagi	2,320	1.3
	Park Axis Hakata Minoshima	Hakata-ku, Fukuoka-shi, Fukuoka	960	0.5
	Park Axis Takamiya Higashi	Minami-ku, Fukuoka-shi, Fukuoka	605	0.3
	Park Axis Sapporo Shokubutsuen Mae	Chuo-ku, Sapporo-shi, Hokkaido	1,650	0.9
	Other major cities total (Note 4)		15,589	8.5
	Total		182,775	100.0

(Note 1) "Acquisition price" is exclusive of miscellaneous expenses for acquisition, fixed property taxes, urban planning taxes, consumption taxes, and local consumption taxes.

(Note 2) "Portfolio share" means the share that each property's acquisition price represents of the total acquisition price, rounded to the nearest one decimal place.

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

(Note 4) "Other major cities" indicates the regional core cities designated by government ordinance.



<Attached Document 3> Photographs of exterior and entrance of the property acquired

