

February 10, 2011

To All Concerned Parties

Issuer of Real Estate Investment Trust Securities
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Nippon Accommodations Fund Inc.
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Investment Trust Management Company
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Notification Concerning Financial Results Forecast for the Periods Ending August 31, 2011 and February 29, 2012

Nippon Accommodations Fund Inc. ("NAF") provided notification of its results forecast for the period ending August 31, 2011 (11th Period: March 1, 2011 to August 31, 2011) and the period ending February 29, 2012 (12th Period: September 1, 2011 to February 29, 2012), as follows.

For the results forecast for the period ending February 28, 2011 (10th Period: September 1, 2010 to February 28, 2011), for which we provided notification on October 18, 2010, there is no change in the results forecast as of February 10, 2011.

	Total revenues	Operating income	Income before income taxes	Net income	Distribution per unit (Distribution in excess of earnings is not included)	Distribution in excess of earnings per unit
For the period ending August 31, 2011 (11th Period)	Million yen 7,461	Million yen 3,366	Million yen 2,551	Million yen 2,550	Yen 13,000	—
For the period ending February 29, 2012 (12th Period)	Million yen 7,456	Million yen 3,402	Million yen 2,649	Million yen 2,648	Yen 13,500	—

Period ending August 31, 2011:	Projected number of investment units issued as of the period-end	196,178 units
Period ending February 29, 2012:	Projected number of investment units issued as of the period-end	196,178 units

Notes

1. The above results forecast is represented by current figures calculated based on "Periods ending August 31, 2011 and February 29, 2012: Underlying assumptions of financial results forecast," and actual total revenues, operating income, income before income taxes, net income and distribution per unit may vary due to the acquisition or sale of properties, etc. in the future, fluctuations in the real estate market or other changes in the environment in which NAF operates. In addition, these forecasts do not guarantee the distribution amount.
 2. A forecast revision shall be performed if a large deviation from above forecast is expected.
 3. All amounts less than a single unit has been disregarded.
- 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 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.

<Caution> This document is a press release intended for general publication regarding financial results forecast for the periods ending August 31, 2011 and February 29, 2012 and is not for purposes of soliciting investment. When investing, we ask that investors exercise their own judgment taking full responsibility after having read carefully the new investment unit issuance and secondary offering prospectus, or any corrections thereof, prepared by NAF.

[Reference] Periods ending August 31, 2011 and February 29, 2012: Underlying assumptions of financial results forecast

Items	Underlying assumptions
Operating period:	<p>Period ending August 31, 2011 (184 days from March 1, 2011 to August 31, 2011)</p> <p>Period ending February 29, 2012 (182 days from September 1, 2011 to February 29, 2012)</p>
Investment assets and total revenues:	<ul style="list-style-type: none"> -The number of properties and real estate trust beneficiary interests held by NAF as of the date of this document is 63 (hereinafter, "properties acquired"). - NAF has concluded a sales contract (acquisition) whereby NAF shall acquire the following 19 properties and real estate trust beneficiary interest (hereinafter, "properties to be acquired") with condition precedent that NAF investment units will be issued, etc. The properties to be acquired and the date of handover are as follows. <p><March 1, 2011 handover (planned)></p> <p>"Rental Apartments"</p> <p>Park Axis Shin Sapporo, Park Axis Yokohama Idogaya, Park Axis Chiba Shinmachi, Park Axis Kamata Ichibankan, Park Axis Chiba, Park Axis Taito Negishi, Park Axis Esaka Hiroshibacho, Park Axis Komagome, Park Axis Utsubo Koen, Park Axis Itabashi Honcho Nibankan</p> <p>"Other Accommodation Assets" (Dormitories and Corporate Housing)</p> <p>Dormy Ashiya, Kawaijuku Kyoto Gakushin Ryo, Sundai Horikawa Ryo, Dormitory Rakuhoku, Rikkyo University International Dormitory (RUID) Shiki, Dormy Naka Itabashi, Philosophia Nishidai, Dormy Musashi Kosugi</p> <p><April 1, 2011 handover (planned)></p> <p>"Rental Apartments"</p> <p>Shibaura Island Air Tower</p> <ul style="list-style-type: none"> -It is assumed that no transfer of properties (acquisition of new properties, sale of properties acquired, etc.) shall occur by February 29, 2012 subsequent to the aforementioned purchase of the properties to be acquired. -Revenues from properties to be acquired shall be calculated taking into account information provided from sources such as previous owners, market trends, contracts with tenants, etc. -The occupancy rate at end of period for total properties is expected to be approx. 95% at August 31, 2011 and February 29, 2012, respectively. -Fluctuations due to the transfer of investment assets are possible.
Operating expenses:	<ul style="list-style-type: none"> -Fixed property taxes and urban planning taxes charged to income are expected to be ¥281 million for the period ending August 31, 2011 and ¥280 million for the period ending February 29, 2012. Although fixed property taxes and urban planning taxes relating to properties to be acquired are settled based on the number of days said properties are held between NAF and the previous owners, however, because the amount equivalent to the aforementioned taxes is included in the acquisition cost, it will not be expensed.

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Operating expenses:	<ul style="list-style-type: none"> -Repair expenses and property management fees are being charged to income in the amount expected as necessary during the operating period. Please note that the actual repair expenses and property management fees during the operating period may differ from projections due to the possibility of emergency repair expenses or property management fees incurred as a result of damage, etc. to buildings because of factors difficult to foresee, generally possible discrepancies in amounts depend on the accounting period and irregularity of repair expenses and property management fees. -Depreciation and amortization, calculated based on the straight-line method including incidental expenses at acquisition, is expected to be ¥1,583 million for the period ending August 31, 2011 and ¥1,602 million for the period ending February 29, 2012.
Interest-bearing debt and non-operating expenses:	<ul style="list-style-type: none"> -As of the date of this document, NAF's balance of interest-bearing debt is ¥105,000 million. The proceeds from the issuance of new units decided at the Board of Directors' meeting held on February 10, 2011 (hereinafter, "the issuance of new units"), newly procured borrowings and own funds shall be applied to the purchase of properties to be acquired. -When setting these projections, it is assumed that the balance of interest-bearing debt will be ¥113,000 million, and that no subsequent fluctuations shall occur until February 29, 2012, following the completion of the issuance of new units and purchase of properties to be acquired. It is also assumed that any loans whose repayment date falls during said periods shall be completely refinanced. -Interest expenses and interest expenses on investment corporation bonds is projected to be ¥749 million for the period ending August 31, 2011 and ¥752 million for the period ending February 29, 2012 (including all related expenses such as amortization of investment corporation bond issuance costs, etc.). -Temporary expenses for the period ending August 31, 2011 are expected to consist of ¥65 million in costs related to the issuance of new units.
Number of units issued:	<ul style="list-style-type: none"> -We assume a total of 40,000 new units through the issuance of new units, consisting of 37,500 units by public offering and 2,500 units by third party allocation to be completely issued in addition to the 156,178 units outstanding as of the date of this document. -It is assumed that, subsequent to the issuance of new units, there shall be no issuance of new units until February 29, 2012.
Distribution per unit:	<ul style="list-style-type: none"> -Distribution per unit for each operating period is calculated based on 196,178 units outstanding expected at end of period subsequent to the complete execution of the issuance of new units. -For the calculation of distributions (distributions per unit), the cash distributions policy provided in NAF Articles of Incorporation is assumed. -Distribution per unit may change due to fluctuations in rent income as a result of movements of tenants, etc., property transfers, fluctuations in interest rates, additional issuance of new units, among others.
Distribution in excess of earnings per unit:	<ul style="list-style-type: none"> -No distribution in excess of earnings is scheduled as of the date of this document.

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