

June 6, 2011

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 Morio Shibata  
(TEL. 03-3246-3677)

### Notification Concerning Acquisition of Domestic Real Estate Property (Additional acquisition)

This is a notification that Nippon Accommodations Fund Inc. ("NAF") decided on and completed the acquisition of real estate property in Japan as shown below.

#### 1. Reason for acquisition

Although NAF completed an acquisition of Real Estate Trust Beneficiary Interest ("property already acquired") for part of Park Cube Ichigaya (unit ownership interest: 92.96%) on August 7, 2006, our recent additional acquisition of domestic real estate (unit ownership interest: 7.04%) has resulted in our complete ownership of the building. NAF decided on the acquisition in the expectation that it will improve the value of the said property and increase efficiency in its management.

#### 2. Overview of acquisition

##### (1) Name of property acquired (Note 1)

Name of building Park Cube Ichigaya

Names of appropriated units 1501 and 1502

##### (2) Type of property acquired Real estate (Note 2)

(3) Acquisition price (Note 3) ¥155,430 thousand

(4) Appraised value (Note 4) ¥159,000 thousand (Date of value appraisal: April 1, 2011)

(5) Date of conclusion of sales contract June 1, 2011

(6) Date of handover June 1, 2011

(7) Seller Two individuals

(8) Acquisition funds Own funds

(9) Method of payment Full payment at the time of delivery

(Note 1): "Name of property acquired" is based on the entry in the register.

(Note 2): After the acquisition of the physical real estate of the acquired property, it was added on the same date to the existing Real Estate Trust Beneficiary Interest.

(Note 3): "Acquisition Price" denotes the trading value (exclusive of miscellaneous expenses for acquisition, fixed property tax, urban planning tax, consumption tax, and local consumption tax) specified in the real estate sales contract for the property acquired.

(Note 4): "Appraised value" is stated based on the amount mentioned in the real estate appraisal report which Morii Appraisal & Investment Consulting, inc. prepared for the property acquired.

### 3. Outline of the property acquired (Note 1)

Name of property acquired (Note 2)	Name of building	Park Cube Ichigaya
	Names of appropriated units	1501 and 1502
Type of property acquired		Real estate (Note 3)
Acquisition price (Note 4)		¥155,430 thousand
Appraisal company		Morii Appraisal & Investment Consulting, Inc.
Appraised value (Note 5)		¥159,000 thousand
Date of value appraisal (Note 5)		April 1, 2011
Location	Residence Indication	2-7, Ichigayahonmuracho, Shinjuku-ku, Tokyo
Land	Building-to-land ratio	80%
	Floor-area ratio	600%
	Zoning	Commercial zone
	Site area (Note 6)	386.94m <sup>2</sup>
	Ownership form	Proprietorship
Building	Completion date (Note 7)	October 11, 2005
	Structure / Number of stories (Note 8)	Flat-roofed reinforced concrete structure / 15 stories
	Uses (Note 8)	Apartment building, community life support facility
	Gross floor area (Note 8)	2,724.78m <sup>2</sup>
	Ownership form	Proprietorship
	Rentable units	53
	Rentable area	2,288.46m <sup>2</sup>
Existence of security interests		None
Special affairs (Note 9)		This property cannot be constructed with the same architectural design as the current building in the case of reconstruction on this site, due to the change in the urban planning height district (reinforcement of the absolute height limit) effective of March 31, 2006, which is after the completion of this building.
Special features of the property		This property is located a four-minute walk from Ichigaya Station on the Tokyo Metro Namboku Line, a six-minute walk from Ichigaya Station on the JR Sobu Line, the Tokyo Metro Yurakucho Line and the Toei Subway Shinjuku Line, and an eight minute walk from Yotsuya Station on the JR Chuo Line. The area is adjacent to Chiyoda-ku and has good access to the main business areas, such as Marunouchi and Otemachi. It is also conveniently situated being close to commercial facilities in the vicinity of Yotsuya. Facing Chiyoda-ku's leafy Sotobori Park, this property is highly convenient for everyday living due the concentration nearby of educational institutions and commercial facilities.

Details of tenants (Note 7)	Total number of tenants	1
	Rentable units	53
	Rented units	52
	Rentable area	2,288.46 m <sup>2</sup>
	Rented area	2,236.09 m <sup>2</sup>
	Occupancy rate	97.7%
	Deposit	¥19,199 thousand
	Total rental revenues	Refer to attached documents 1 “Summary of the appraisal report on the amount of property acquired”

(Note 1): “Name of property acquired”, “Type of property acquired”, “Acquisition price”, “Appraised value” and “Date of value appraisal” are referred to property acquired, and the other columns are referred to entire property composed of property acquired and property already acquired.

(Note 2): “Name of property acquired” is based on the description in the register.

(Note 3): After acquisition of property acquired, NAF entrusted it to the existing Real Estate Trust beneficiary of property already acquired.

(Note 4) “Acquisition price” denotes the trading value (exclusive of miscellaneous expenses for acquisition, fixed property tax, urban planning tax, consumption tax, and local consumption tax) specified in the real estate sales contract for the property acquired.

(Note 5) “Appraised value” and “Date of value appraisal” are stated based on the amount noted in the real estate appraisal reports which Morii Appraisal & Investment Consulting, inc. prepared for the property acquired.

(Note 6) “Site area” of the Land item denotes the land area as entered in the register.

(Note 7) “Completion date” of the Building item denotes the date as entered in the register.

(Note 8) “Structure / Number of stories”, “Uses,” and “Gross floor area” are stated based on the entries in the register.

(Note 9) “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 10) 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 to be acquired, NAF has concluded a master lease contract with Mitsui Fudosan Housing Lease Co., Ltd. as the master lease company. 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 property already acquired and property acquired.
- (iii) Figures for “Rented units” and “Rented area” are based on the condition as of May 22, 2011 considering the state of property acquired.
- (iv) “Rentable area” shows the total rentable area of the buildings of the property acquired.
- (v) “Occupancy rate” is the ratio of “Rented area” to “Rentable area” and is rounded to one decimal place, and property acquired.

#### 4. Outline of seller

The sellers of the property acquired are two individuals. Their identities are not disclosed in accordance with their requests. There are no capital, personal, business and other relationship to report between NAF or the investment trust management company, and the seller.

#### 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. Please note that, since Mitsui Fudosan Housing Lease Co., Ltd., which has become the master lease company and property management company for the property acquired as of today, constitute related parties and the like (Note), 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) "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. Outline of brokerage

### (1) Outline of broker

Trade name	Ulife corporation
Head office address	60-8, Nakano 5-chome , Nakano-ku, Tokyo
Representative	Kenji Kato, Representative Director
Description of principal operations	Sales, brokerage, lease, and management of real estate
Capital	¥9,000 thousand
Date of establishment	December 16, 2008
Relationships between NAF or the investment trust management company and the broker	
Capital relationship	There are no capital relationship 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 relationship	There are no personal relationship 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 relationship	There are no business relationship 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. 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

¥2,355 thousand (excluding consumption tax and local consumption tax.)

## 8. Outlook for management of property after acquisition

The acquisition has little impact on the operational status of NAF in the fiscal period ending August 2011.

- \* This English language notice is a translation of the Japanese language notice dated June 1, 2011 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)

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

(unit: Thousands of yen)

1. Value of property acquired (Note2)

Appraised value (specified value)	159,000
Price of property acquired (Fair market value)	158,000
Allocation of added value of property	667
Value indicated by the sales comparison approach	158,000
Cost method value	88,000
Value calculated indicated by the income approach	117,000
Value calculated by the direct capitalization method	119,000
Cap rate	5.4%
Value calculated by discounted cash flow method	115,000
Discount rate	5.1%
Terminal cap rate	5.7%

2. (References) Value of property already acquired (Note 3)

Price of property already acquired (Fair market value)	1,730,000
Cost method value	1,090,000
Value calculated indicated by the income approach	1,730,000
Value calculated by the direct capitalization method	1,760,000
Cap rate	5.2%
Value calculated by discounted cash flow method	1,690,000
Discount rate	4.9%
Terminal cap rate	5.5%

3. (References) Value of entire building and land of property acquired and property already acquired (Note 3)

Value of entire property	1,890,000
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Assessment item		Detail
Operating revenues	(a) Unit rental revenues, including commons area fees	120,446
	(b) Utilities revenues	0
	(c) Parking lot revenues	1,584
	(d) Other revenues	5,072
	Revenues from key money, etc.	1,874
	Renewal fees	2,774
	Other revenues	424
	(1): (a)+(b)+(c)+(d)	127,102
	(e) Total loss from vacancies etc.	6,450
	(f) Loss on bad debts	0
(2) Operating revenues [(1)-(e)-(f)]		120,652
Operating expenses	(g) Maintenance expense	5,363
	(h) Utilities expense	17
	(i) Repair expense	1,722
	(j) Property management fees	5,187
	(k) Tenant soliciting fee, etc.	3,786
	(l) Taxes and public dues	4,922
	(m) Property insurance fee	186
	(n) Other expenses	0
	(3) Operating expenses [(g)+(h)+(i)+(j)+(k)+(l)+(m)+(n)]	21,183

(4) Net operating income [(2) – (3)]		99,469
	(o) Earnings from temporary deposit	378
	(p) Capital expenditures	1,691
(5) Net income [(4)+(o)-(p)]		98,156
(6) Cap rate		5.1%
Value of earnings calculated by the direct capitalization method [(5)÷(6)]		1,920,000
Value calculated by discounted cash flow method		1,850,000
	Discount rate	4.8%
	Terminal cap rate	5.4%
Cost method value		1,180,000
Total value of land and building		1,184,000
	Land value	750,000
	Building value	434,000
Adjustment		0

(Note 1) NAF requested real estate appraisal by Morii Appraisal & Investment Consulting, Inc. 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.

(Note 2) Morii appraisal & Investment Consulting, Inc. expresses its opinion that Value calculated by comparative method is more persuasive value in its real estate appraisal report.

(Note 3) Morii appraisal & Investment Consulting, Inc. expresses its opinion that Value calculated by comparative method is more persuasive value in its real estate appraisal report.

<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	13.6
	Park Axis Gakugei Daigaku	Setagaya-ku, Tokyo	1,760	0.8
	Park Axis Shibuya Jinnan	Shibuya-ku, Tokyo	3,230	1.5
	Park Axis Aoyama Kotto-dori	Minato-ku, Tokyo	1,730	0.8
	Park Axis Kagurazaka Stage	Shinjuku-ku, Tokyo	1,400	0.6
	Park Axis Shiroganeda	Minato-ku, Tokyo	5,140	2.4
	Park Axis Bunkyo Stage	Bunkyo-ku, Tokyo	4,440	2.0
	Park Axis Tsukushima	Chuo-ku, Tokyo	930	0.4
	Park Axis Otsuka	Toshima-ku, Tokyo	1,655	0.8
	Park Axis Minami Azabu	Minato-ku, Tokyo	3,939	1.8
	Park Axis Shibuya	Shibuya-ku, Tokyo	1,282	0.6
	Park Axis Nihonbashi Stage	Chuo-ku, Tokyo	7,557	3.5
	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	1.3
	Park Axis Roppongi Hinokicho Park	Minato-ku, Tokyo	2,170	1.0
	Park Axis Ochanomizu Stage	Bunkyo-ku, Tokyo	9,710	4.5
	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 (Note 3)	Shinjuku-ku, Tokyo	1,949	0.9
	Park Cube Asakusa Tawaramachi	Taito-ku, Tokyo	2,508	1.2
	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	1.6
	Park Axis Akihabara	Chiyoda-ku, Tokyo	1,200	0.6
	Park Axis Toyochi	Koto-ku, Tokyo	3,950	1.8
	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	2.5
	Park Cube Yoyogi Tomigaya	Shibuya-ku, Tokyo	1,975	0.9
	Park Axis Monzennakacho	Koto-ku, Tokyo	1,700	0.8
	Park Cube Itabashi Honcho	Itabashi-ku, Tokyo	4,170	1.9
	Park Cube Gakugei daigaku	Meguro-ku, Tokyo	910	0.4
	Park Cube Oimachi	Shinagawa-ku, Tokyo	1,440	0.7
	Park Axis Nishigahara	Kita-ku, Tokyo	840	0.4
	Park Axis Kinshicho	Sumida-ku, Tokyo	1,448	0.7
	Park Axis Tatsumi Stage	Koto-ku, Tokyo	7,464	3.4
	Park Axis Kameido	Koto-ku, Tokyo	2,359	1.1
	Park Axis Honancho	Nakano-ku, Tokyo	745	0.3
	Park Axis Itabashi	Kita-ku, Tokyo	1,448	0.7
	Park Axis Oshiage	Sumida-ku, Tokyo	1,193	0.5
	Park Axis Takadanobaba	Toshima-ku, Tokyo	1,222	0.6
	Park Axis Toyosu	Koto-ku, Tokyo	14,300	6.6
	Park Axis Hatchobori	Chuo-ku, Tokyo	1,760	0.8
	Park Axis Itabashi Honcho	Itabashi-ku, Tokyo	987	0.5
	Park Axis Sumiyoshi	Sumida-ku, Tokyo	1,006	0.5



	Park Cube Yotsuya Sanchome	Shinjuku-ku, Tokyo	2,749	1.3
	Park Cube Hatchobori	Chuo-ku, Tokyo	4,200	1.9
	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	0.9
	Shibaura Island Air Tower	Minato-ku, Tokyo	7,905	3.6
	Tokyo 23 wards Total		181,295	83.2
	Park Cube Keio Hachioji	Hachioji-shi, Tokyo	991	0.5
	Park Cube Keio Hachioji 2	Hachioji-shi, Tokyo	1,130	0.5
	Park Axis Nishi Funabashi	Funabashi-shi, Chiba	1,020	0.5
	Park Axis Yokohama Idogaya	Minami-ku, Yokohama-shi, Kanagawa	1,419	0.7
	Park Axis Chiba Shinmachi	Chuo-ku, Chiba-shi, Chiba	1,679	0.8
	Park Axis Chiba	Chuo-ku, Chiba-shi, Chiba	970	0.4
	Greater Tokyo Total (Note 4)		7,209	3.3
	Park Axis Meieki Minami	Nakamura-ku, Nagoya-shi, Aichi	2,440	1.1
	Park Axis Marunouchi	Naka-ku, Nagoya-shi, Aichi	1,920	0.9
	Park Axis Ropponmatsu	Chuo-ku, Fukuoka-shi, Fukuoka	1,515	0.7
	Park Axis Hakataeki Minami	Hakata-ku, Fukuoka-shi, Fukuoka	1,890	0.9
	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	1.1
	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	0.8
	Park Axis Shin Sapporo	Atsubetsu-ku, Sapporo-shi, Hokkaido	827	0.4
	Park Axis Esaka Hiroshibacho	Suita-shi, Osaka	2,369	1.1
	Park Axis Utsubo Koen	Nishi-ku, Osaka-shi, Osaka	2,399	1.1
	Other Major Cities Total (Note 5)		21,184	9.7
	Total		209,688	96.3

## 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	0.5
	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	0.7
	Dormy Naka Itabashi	Itabashi-ku, Tokyo	1,041	0.5
	Phirosophia Nishidai	Itabashi-ku, Tokyo	1,249	0.6
	Dormy Musashi Kosugi	Nakahara-ku, Kawasaki-shi, Kanagawa	1,152	0.5
	Total		8,129	3.7
	Grand total		217,817	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) Figures for “Park Cube Ichigaya ” denotes the entire property composed of property acquired and property already acquired.

(Note 4) “Greater Tokyo ” refers to four prefectures, Tokyo (excluding Tokyo’s 23 wards), Kanagawa, Saitama, and Chiba.

(Note 5) “Other Major Cities” refers to cities designated as regional government ordinance.