

February 6, 2015

To All Concerned Parties

Issuer of Real Estate Investment Trust Securities  
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Nippon Accommodations Fund Inc.  
Executive Director

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### Notification Concerning Financial Results Forecast for the Periods Ending August 31, 2015 and February 29, 2016

Nippon Accommodations Fund Inc. ("NAF") provided notification of its results forecast for the period ending August 31, 2015 (19th Period: March 1, 2015 to August 31, 2015) and the period ending February 29, 2016 (20th Period: September 1, 2015 to February 29, 2016), as follows.

For the results forecast for the period ending February 28, 2015 (18th Period: September 1, 2014 to February 28, 2015), for which we provided notification on October 20, 2014, there is no change in the results forecast as of the date of this document.

	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, 2015 (19th Period)	Million yen 10,367	Million yen 4,316	Million yen 3,611	Million yen 3,610	Yen 7,450	—
For the period ending February 29, 2016 (20th Period)	Million yen 10,288	Million yen 4,363	Million yen 3,659	Million yen 3,658	Yen 7,550	—

Period ending August 31, 2015: Projected number of investment units issued as of the period-end 484,522 units  
Period ending February 29, 2016: Projected number of investment units issued as of the period-end 484,522 units

#### Notes

- The above results forecast is represented by figures as of the date of this document and calculated based on "Periods ending August 31, 2015 and February 29, 2016: 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 investment assets 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.
  - A forecast revision shall be performed if a large deviation from above forecast is expected.
  - 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, 2015 and February 29, 2016 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 (if made), prepared by NAF.

[Reference] Periods ending August 31, 2015 and February 29, 2016: Underlying assumptions of financial results forecast

Items	Underlying assumptions
Operating period:	<p>Period ending August 31, 2015 (184 days from March 1, 2015 to August 31, 2015)</p> <p>Period ending February 29, 2016 (182 days from September 1, 2015 to February 29, 2016)</p>
Investment assets and total revenues:	<ul style="list-style-type: none"> <li>- NAF holds 112 properties (hereinafter, "investment assets acquired") as of the date of this document.</li> <li>- NAF has concluded a real estate sales contract with condition precedent or a real estate sales contract for the following 4 properties (hereinafter, "properties to be acquired"). The names of the properties to be acquired and the planned date of handover are as follows. <ul style="list-style-type: none"> <li>&lt;March 31, 2015 handover (planned)&gt; Medical Home Granda Sangen Jaya (Land with leasehold interest)</li> <li>&lt;April 3, 2015 handover (planned)&gt; Park Axis Kamata Station Gate, Park Axis Kinshicho Residence, Park Axis Oshiage Sumida Koen</li> </ul> </li> <li>(Note) The properties with planned handovers of April 3, 2015 are with condition precedent that new NAF investment units are to be issued, etc. The planned handover date for these properties may be changed to a date separately agreed by the buyer and seller (a day up to April 3, 2015) in accordance with a real estate sales contract with condition precedent.</li> <li>- For the results forecast, it is assumed that no changes of investment assets (new acquisition, transfer of investment assets acquired, etc.) shall occur by February 29, 2016 subsequent to the aforementioned purchase of the properties to be acquired.</li> <li>- 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.</li> <li>- The average month-end occupancy rate during the period for total properties is expected to be 95.7% during the period ending August 31, 2015 and 96.0% during the period ending February 29, 2016.</li> <li>- The numbers may fluctuate due to changes of investment assets.</li> </ul>

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Items	Underlying assumptions
Operating expenses:	<ul style="list-style-type: none"> <li>- Fixed property taxes and urban planning taxes charged to expense are expected to be ¥580 million for the period ending August 31, 2015 and ¥580 million for the period ending February 29, 2016. Fixed property taxes and urban planning taxes relating to acquisitions of investment assets, which are settled based on the number of days said assets are held between NAF and the previous owners, are not expensed because the amount is included in the acquisition cost.</li> <li>- Repair expenses and property management fees are being charged to expense 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.</li> <li>- Depreciation and amortization, calculated based on the straight-line method including incidental expenses at acquisition, is expected to be ¥2,090 million for the period ending August 31, 2015 and ¥2,073 million for the period ending February 29, 2016.</li> </ul>
Interest-bearing debt and non-operating expenses:	<ul style="list-style-type: none"> <li>- The proceeds from the issuance of new units decided at the Board of Directors' meeting held on February 6, 2015 shall be applied to the purchase of properties to be acquired.</li> <li>- It is assumed that no fluctuations of the balance of interest-bearing debt, which amounts to ¥154,500 million as of the date of this document, shall occur until February 29, 2016. It is also assumed that any loans whose repayment date falls during said periods shall be completely refinanced.</li> <li>- Interest expenses and interest expenses on investment corporation bonds are projected to be ¥699 million for the period ending August 31, 2015 and ¥697 million for the period ending February 29, 2016 (including all related expenses such as amortization of investment corporation bond issuance costs, etc.).</li> <li>- Amortization of costs related to the issuance of new units, etc. is expected to be ¥6 million for the period ending August 31, 2015 and ¥6 million for the period ending February 29, 2016.</li> </ul>
Number of units issued:	<ul style="list-style-type: none"> <li>- It is assumed that a total of 23,100 new units through the issuance of new units by public offering (22,000 units) and third-party allocation (a maximum of 1,100 units) to be completely issued in addition to the 461,422 units outstanding as of the date of this document.</li> <li>- It is assumed that subsequent to the issuance of new units, there shall be no issuance of new units until February 29, 2016.</li> </ul>
Distribution per unit: (excess of earnings exclusive)	<ul style="list-style-type: none"> <li>- For the calculation of distributions (distribution per unit), the cash distributions policy provided in NAF Articles of Incorporation is assumed.</li> <li>- Distribution per unit may change due to fluctuations in rent income as a result of movements of tenants, etc., property changes, fluctuations in interest rates, additional issuance of new units, etc.</li> </ul>
Distribution in excess of earnings per unit:	<ul style="list-style-type: none"> <li>- No distribution in excess of earnings is scheduled as of the date of this document.</li> </ul>

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