
Notice Regarding Transfer of Assets to Nippon Accommodations Fund Inc.

- ◆ The Mitsui Fudosan Group hereby announces that it has concluded an agreement with Nippon Accommodations Fund Inc. related to the transfer of assets as described below.

Overview of assets to be transferred

- (1) Assets to be transferred: Total of 18 rental condominiums, including ParkAxis Toyosu
 - (2) Transfer price: ¥42,596 million (excluding consumption tax)
 - (3) Date of transfer agreement: October 16, 2009
 - (4) Handover dates (schedule):
 - November 5, 2009 : 13 properties
 - December 1, 2009 : 2 properties
 - January 8, 2010 : 3 properties
 - (5) Transferor: Mitsui Fudosan Co., Ltd. , Mitsui Fudosan Residential Co., Ltd.
 - (6) Transferee: Nippon Accommodations Fund Inc.
- ◆ To date, the Mitsui Fudosan Group helped create Nippon Building Fund Inc. (publicly listed in September, 2001) and Nippon Accommodations Fund Inc. (publicly listed in August, 2006). Also, Mitsui Fudosan Frontier REIT Management Inc., which is the asset management arm of Frontier Real Estate Investment Corporation, has operated under the Mitsui Fudosan Group umbrella since March, 2008. In these and other ways, the Group has served as a solutions partner in supporting the growth of such investment corporations through the provision of various services. The Group has also worked hard with J-REITs to build models based on growth and harmonious coexistence.
 - ◆ The real estate investment market, including J-REITs, has been affected by turmoil in the international financial and capital markets since 2008. The J-REIT market, in particular, has suffered from an ongoing period of falling investment unit prices and difficulty in procuring new funds. Since December 2008, however, financing measures for J-REITs have expanded, and investment corporation bonds have become eligible collateral. Various other measures have been taken, including establishment of a real estate market stabilization fund in September 2009. Accordingly, the Group believes it can now look forward to a more energized J-REIT market.

- ◆ Under these circumstances, the public offering of Nippon Accommodations Fund Inc. and the associated asset transfer will not only contribute to external growth for that investment corporation, but are also expected to help revitalize the entire real estate investment market, including J-REITs. The Mitsui Fudosan Group's also general considers that stimulation of the real estate investment market is important from the business strategy perspective and therefore decided to make the aforementioned asset transfer.

- ◆ The Group expected to incur a certain loss as a result of the asset transfer. Meanwhile, on October 29, 2009, the Group will announce its results for the first two quarters of the fiscal year ending March 31, 2010.

(Disclaimer)

The above press release was originally written in Japanese, with the English translation prepared independently by Mitsui Fudosan Co., Ltd. If questions arise regarding any of the details contained in the release, the Japanese-language original shall take precedence.