

September 20, 2007

To All Concerned Parties

Issuer of Real Estate Investment Trust Securities
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 Nippon Accommodations Fund Inc.
 Representative Executive Director Nobuyuki Nakai
 (Code number 3226)

Investment Trust Management Company
 Mitsui Fudosan Accommodations Fund Management Co., Ltd.
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Notification of Updated Probable Maximum Loss (PML) in Earthquake Risk Assessment

Nippon Accommodations Fund Inc. ("NAF"), requested Sumitomo Mitsui Construction Co., Ltd. to perform a survey of probable maximum loss (PML) for investment assets owned, through an earthquake risk assessment. Sumitomo Mitsui Construction Co., Ltd. has now changed its method of calculating earthquake risk. The report on updated probable maximum loss (PML) has been received, so it is shown below.

1. Results of updated Probable Maximum Loss (PML)

Property Name		PML (%)	
		Before Change	After Change
Okawabata Apartment Communities	River Point Tower	4.9%	4.5%
	Park Side Wings	9.9%	7.9%
	Pier West House	8.9%	7.0%
Park Axis Gakugei Daigaku		9.7%	7.6%
Park Axis Ichigaya		8.5%	7.3%
Park Axis Shibuya Jinnan		8.7%	6.8%
Park Axis Aoyama Kotto-dori		9.2%	7.0%
Park Axis Kagurazaka Stage		8.4%	7.5%
Park Axis Shiroganedai		12.0%	8.7%
Park Axis Bunkyo Stage		7.2%	6.5%
Park Axis Tsukishima		10.1%	6.8%
Park Axis Otsuka		7.4%	6.4%
Park Axis Minami Azabu		9.2%	7.4%
Park Axis Shibuya		10.7%	7.9%
Park Axis Nihonbashi Stage		11.3%	7.5%
Park Axis Hamamatsucho		9.4%	7.1%
Park Axis Hongo No Mori		11.2%	8.8%
Park Axis Tameike Sanno		9.8%	8.2%
Park Axis Roppongi Hinokicho Park		9.5%	9.2%
Park Axis Ochanomizu Stage		10.0%	7.2%
Park Axis Okachimachi		10.3%	6.8%
Park Cube Hongo		10.1%	8.2%
Park Cube Kanda		10.9%	8.9%

Park Cube Ichigaya		9.1%	6.8%
Park Cube Asakusa Tawaramachi		9.1%	8.8%
Park Cube Ueno		10.8%	7.5%
Park Cube Ikebukuro Kanamecho	(Note 2)	10.5%	8.1%
Park Axis Meguro Honcho	(Note 2)	9.6%	8.5%
Park Axis Shin Itabashi	(East)	(Note 2) 8.7%	7.3%
	(West)	(Note 2) 9.1%	7.5%
Park Cube Keio Hachioji		9.6%	7.1%
Park Cube Keio Hachioji 2		9.5%	7.6%
Park Axis Meieki Minami		5.8%	4.1%
Portfolio PML	(Note 3)	5.1%	(Note 4) 4.0%

(Note 1) PML(Probable Maximum Loss) represents the rate of expected 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 estimated cost of restoration from the damage as a percentage of the replacement cost.

(Note 2) Notes PML at time of acquisition for each property (Park Cube Ikebukuro Kanamecho, Park Axis Meguro Honcho, Park Axis Shin Itabashi East, Park Axis Shin Itabashi West)

(Note 3) "Portfolio PML" in the "Before Change" column is the PML for the entire portfolio of 27 properties (29 buildings) owned as of the end of February 2007, excluding Park Cube Ikebukuro Kanamecho, Park Axis Meguro Honcho, Park Axis Shin Itabashi East, and Park Axis Shin Itabashi West.

(Note 4) "Portfolio PML" in the "After Change" column is the PML for the entire portfolio of 30 properties (33 buildings).

2. About the change in the earthquake risk calculation method

Regarding the calculations of the earthquake risk assessment done by Sumitomo Mitsui Construction Co., Ltd., the calculation method was renewed by introducing new knowledge acquired, as described below.

(1) Amplification of earthquake tremors in the ground

In the previous method, the amplification rate (note 1) was evaluated by the average hardness of ground obtained from ground information of the sites, but in the new method, ground information of the sites was used to perform seismic response analysis (note 2), and these analysis results were used to evaluate the amplification rate.

(2) Earthquake vulnerability evaluation of buildings

Various vulnerability data were updated, based on earthquake damage surveys in recent years and statistical analysis of these surveys.

(Note 1) This is the percentage that earthquake tremors' (shaking) is amplified (increased) in the process of transmitting tremors from the foundation (note 3) to the ground surface.

(Note 2) A method which uses information such as actual earthquake wave shapes in performing simulation analysis of earthquakes in a computer, to calculate what kind of behavior would occur in the ground.

(Note 3) Hard ground such as bedrock, Ground where earthquake tremors are likely to be transmitted directly without much amplification.

(Regarding the vocabulary used in the explanatory text, please understand that we tried to use common expressions, resulting in expressions which are not scientifically optimal)

* This English language notice is a translation of the Japanese language notice dated September 7, 2007 and was prepared solely for the convenience of and reference by, overseas investors. NAF makes no warranties as to its accuracy or completeness.