

April 7, 2008

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.
Representative Executive Director Nobuyuki Nakai
(Code Number 3226)
Investment Trust Management Company
Mitsui Fudosan Accommodations Fund Management Co., Ltd.
Representative President and CEO Nobuyuki Nakai
Contact CFO and Director Morio Shibata
(TEL. 03-3246-3677)

Notification Concerning Acquisition of Assets

This is a notification that Nippon Accommodations Fund Inc. ("NAF") decided on the acquisition of an asset, and has completed the acquisition as shown below.

1. Overview of acquisition

(1) Park Axis Nihonbashi Hamacho

(a) Name of property	Park Axis Nihonbashi Hamacho
(b) Type of property	Real estate
(c) Acquisition price (Note 1)	¥5,540,000,000
(d) Date of conclusion of sales contract	March 11, 2008
(e) Date of handover	March 11, 2008
(f) Seller	Mitsui Fudosan Co., Ltd.
(g) Acquisition funds	Own funds or loans
(h) Method of payment	Full payment at the time of delivery

(2) Park Axis Nishi Funabashi

(a) Name of property	Park Axis Nishi Funabashi
(b) Type of property	Real estate
(c) Acquisition price (Note 1)	¥1,020,000,000
(d) Date of conclusion of sales contract	March 11, 2008
(e) Date of handover	March 11, 2008
(f) Seller	Mitsui Fudosan Co., Ltd.
(g) Acquisition funds	Own funds or loans
(h) Method of payment	Full payment at the time of delivery

Note 1: "Acquisition Price" denotes the sales price (exclusive of miscellaneous expenses for acquisition, fixed property taxes, urban planning taxes, consumption taxes, and local consumption taxes) specified in the real estate sales contract for the property acquired.

2. Reason for acquisition

Based on the provisions for investments and policies on asset management set forth in the by-laws, the decision to acquire this property was made to ensure the steady growth of the whole portfolio, and for the diversification and improvement of the investment portfolio in Tokyo's 23 wards.

3. Description of the properties acquired

(1) Outline of the properties acquired

(a) Property 1: Park Axis Nihonbashi Hamacho

Name of property		Park Axis Nihonbashi Hamacho
Type of property		Real estate
Acquisition price (Note 1)		¥5,540 million
Appraisal company		Morii Appraisal & Investment Consulting, Inc.
Appraised value (Note 2)		¥5,550 million
Date of value appraisal (Note 2)		January 31, 2008
Location	Residence Indication	9-4, Nihonbashi Hamacho 1-chome, Chuo-ku, Tokyo
Land	Building-to-land ratio	80%
	Floor-area ratio	500%
	Zoning	Commercial District
	Site area (Note 3)	1,241.55m ²
	Ownership form	Proprietorship

Buildings	Completion date (Note 4)	July 14, 2006
	Structure / Number of stories (Note 5)	Flat-roofed reinforced concrete structure / 12 stories
	Uses (Note 5)	Apartment building, parking lot, bicycle parking lot, garages, storage
	Gross floor area (Note 5)	9,235.80m ²
	Ownership form	Proprietorship
	Rentable units	118
	Rentable area	6,999.83m ²
Existence of security interests		None
Special affairs (Note 6)		None
Special features of the property		<p>This property is in a very good location in terms of accessibility to the nearest station and transportation convenience. It is 3 minutes walk from Hamacho Station (Toei Shinjuku Line), 5 minutes walk from Higashi Nihonbashi Station (Toei Asakusa Line), and 8 minutes from Ningyocho Station (Tokyo Metro Hibiya Line, and Toei Asakusa Line).</p> <p>The property is located in a central urban area, with good access to several major business districts and commercial areas, including Nihonbashi, Marunouchi, Otemachi, and Ginza. We expect rental demand to center on families and single renters who value transport convenience and lifestyle convenience.</p>

Details of tenants (Note 7)	Total number of tenants	1
	Rentable units	118
	Rented units	117
	Rentable area (m ²)	6,999.83
	Rented area (m ²)	6,949.76

(b) Property 2: Park Axis Nishi Funabashi

Name of property		Park Axis Nishi Funabashi
Type of property		Real estate
Acquisition price (Note 1)		¥1,020 million
Appraisal company		Daiwa Real Estate Appraisal Corporation
Appraised value (Note 2)		¥1,030 million
Date of value appraisal (Note 2)		January 31, 2008
Location	Residence Indication	4-6, Nishi Funabashi 3-chome, Funabashi-shi, Chiba-ken
Land	Building-to-land ratio	60%
	Floor-area ratio	200%
	Zoning	Category 1 District Exclusively for Medium and High-rise Residential Buildings, Category 1 Residential District
	Site area (Note 3)	1,224.95m ²
	Ownership form	Proprietorship
Buildings	Completion date (Note 4)	September 21, 2007
	Structure / Number of stories (Note 5)	Flat-roofed reinforced concrete structure / 5 stories
	Uses (Note 5)	Apartment building, garbage storage area
	Gross floor area (Note 5)	2,377.18m ²
	Ownership form	Proprietorship
	Rentable units	55
	Rentable area	2,074.35m ²
Existence of security interests		None
Special affairs (Note 6)		None
Special features of the property		<p>This property is in a good location in terms of accessibility to the nearest station and transportation convenience. It is 2 minutes walk from Keisei Nishifuna Station (Keisei Electric Railway Main Line), and 6 minutes walk from Nishi Funabashi Station (Tokyo Metro Tozai Line, JR Sobu Line, JR Musashino Line, and Toyo Rapid Railway).</p> <p>This area has good transportation convenience, with access to major business districts and commercial areas. It's surroundings are also very convenient, with many retail stores and restaurants are located around the station. Thus we expect rental demand from both single renters and families who value convenience.</p>

Details of tenants (Note 7)	Total number of tenants	1
	Rentable units	55
	Rented units	43

Rentable area (m ²)	2,074.35
Rented area (m ²)	1,719.10

- Note 1: "Acquisition price" denotes the sales price (exclusive of miscellaneous expenses for acquisition, fixed property taxes, urban planning taxes, consumption taxes, and local consumption taxes) specified in the real estate sales contract for the property acquired.
- Note 2: "Appraised value" and "Date of value appraisal" are stated based on the amount noted in the real estate appraisal reports on the acquired properties, which Morii Appraisal & Investment Consulting, Inc. prepared for Property 1, and Daiwa Real Estate Appraisal Corporation prepared for the Property 2.
- Note 3: "Site area" of the Land item denotes the land area as entered in the register.
- Note 4: "Completion date" of the Buildings item denotes the date as entered in the register.
- Note 5: "Structure / Number of stories", "Uses," and "Gross floor area" are stated based on information in the register.
- Note 6: "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 acquired properties.
- Note 7: 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 acquired properties, 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" denotes the total number of tenants after conclusion of the said master lease contract.
 - (ii) "Rentable units" denotes the number of rentable units in the acquired properties.
 - (iii) Figures for "Rented units" and "Rented area" are based on information provided by the seller, valid as of February 26, 2008.
 - (iv) "Rentable area" shows the total rentable area of the buildings of the acquired properties.

(2) Outline of investigations into the state of the building

(a) Property 1: Park Axis Nihonbashi Hamacho

Investigation into state of building	Investigating company	Sumitomo Mitsui Construction Co., Ltd.
	Urgent repair cost	—
	Short-term repair cost	—
	Estimated repair and renewal costs for the next 12 years	¥56,255,000
	Replacement value	¥1,836,665,000
	Date of report on Investigation of building conditions	December 28, 2006
Diagnosis of earthquake risks	PML (Note 2)	8.1%

(b) Property 2: Park Axis Nishi Funabashi

Investigation into state of building	Investigating company	Sumitomo Mitsui Construction Co., Ltd.
	Urgent repair cost	—
	Short-term repair cost	—
	Estimated repair and renewal costs for the next 12 years	¥16,381,000
	Replacement value	¥526,516,000
	Date of report on Investigation of building conditions	December 21, 2007
Diagnosis of earthquake risks	PML (Note 2)	7.9%

Note 2: The aforementioned PML value is based on a report on earthquake risk diagnosis made by Sumitomo Mitsui Construction Co., Ltd. However, the report on earthquake risk diagnosis only states the views of the commissioned investigation company and does not provide any guarantee for its contents. 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 ratio (%) of the estimated cost of restoration from the damage, relative to the replacement cost.

4. Outline of seller

Trade name	Mitsui Fudosan Co., Ltd.
Head Office address	1-1, Nihonbashi Muromachi 2-chome, Chuo-ku, Tokyo
Representative	Hiromichi Iwasa, President and Representative Director
Capital	¥174,296,119,000

Major Stockholders (as of September 30, 2007)	<p>The Master Trust Bank of Japan, Ltd. (trust account) Japan Trustee Services Bank, Ltd. (trust account) State Street Bank and Trust Company The Chuo Mitsui Trust and Banking Company, Ltd. Sumitomo Mitsui Banking Corporation Mitsui Life Insurance Company Limited State Street Bank and Trust Company 505103 Kajima Corporation The Bank of New York Treaty JASDEC Account Mitsui Sumitomo Insurance Company, Limited</p>
Description of Principal Operations	<p>1. Acquisition, ownership, disposition and lease of real estate. 2. Management and use of real estate. 3. Buying, selling, brokerage and appraisal of real estate. 4. Development, preparation and sales of sites for housing, industrial use, etc. 5. Construction and sale of housing. 6. Dredging and reclamation of harbors, rivers, etc. 7. Planning, execution, supervising and performing construction contracts; 8. Ownership, leasing and management of hotels, restaurants, leisure facilities, distribution centers, fee based nursing homes, etc. 9. Management of parking lots. 10. Management of overhead cableway operations. 11. Business based on the Real Estate Specified Joint Enterprise Law. 12. Operations concerning life insurance offering, and insurance agency operations based on the Act on Non-life Insurance and Automobile Liability Security. 13. Loans for real estate mortgages and other monetary loans. 14. Investment in specific purpose companies, special purpose companies (companies as provided for in the Regulation for Terminology, Forms and Preparation of Financial Statements) and real-estate investment trusts, and buying and selling, brokerage and management of interests in such investments. 15. Holding, buying and selling, brokerage and management of securities and credit. 16. Investment consulting work for real estate, securities and other financial assets. 17. Cultivation, buying and selling, storing and management of markets of flowers and ornamental plants, seeds and saplings, vegetables, fruit, etc. 18. Raising milk cows and other livestock, and processing, storing, buying and selling of their products. 19. Sales of clothing, miscellaneous daily goods, cigarettes, revenue stamps, postal stamps, food and drink. 20. Buying, selling, brokerage, import and export of civil engineering and building materials and products related to each of the above items. 21. Specified in-house nursing care support operations and the lending of welfare equipment in accordance with the Nursing Care Insurance Law. 22. Sales of welfare equipment for in-house nursing care. 23. Business incidental or relevant to each of the above items.</p>
Relationship with NAF or investment trust management company	<p>Holds 100% of the outstanding stock of Mitsui Fudosan Accommodations Fund Management Co., Ltd., an investment trust management company, (hereinafter referred to as the "Asset Management Company") and constitutes a related party (sponsoring party) as provided for in the Asset Management Company's internal rules.</p>

5. Transactions with related parties and the like

The properties were acquired from Mitsui Fudosan Co., Ltd. Mitsui Fudosan Housing Lease Co., Ltd. shall be the master lease company and property management company. Mitsui Fudosan Co., Ltd. and Mitsui Fudosan Housing Lease Co., Ltd. correspond to related parties and the like (Note 1). Thus in accordance with NAF's own rules for asset management concerning transactions with related parties and the like, the master lease and property management contracts passed through deliberation and approval by the Compliance Committee of the investment management company, and deliberation and resolution by the Investment Committee.

Note 1: "Related parties and the like" means related parties and the like of an investment trust management company who have concluded an asset management contract with NAF as provided for in the Investment Trust and Investment Corporation Act, Enforcement Order, Article 123.

6. Situation of the acquirer of the property

Property 1: Park Axis Nihonbashi Hamacho (9-4, Nihonbashi Hamacho 1-chome, Chuo-ku, Tokyo) Property 2: Park Axis Nishi Funabashi (4-6, Nishi Funabashi 3-chome, Funabashi-shi, Chiba-ken)	Situation of the property owner	Former owner	Owner before the former owner
	Company name, person's name	Mitsui Fudosan Co., Ltd.	None
	Relationship with a special related party	Parent company of investment trust management company	
	Acquisition history, reason, etc.	Development with goal of sale	
	Acquisition price (including other costs)	—	
	Acquisition time	—	

7. Earthquake resistance matters

NAF commissioned Mitsui Fudosan Co., Ltd., an expert on building structure calculations, to closely inspect and verify the details of earthquake-resistant structures, including structure calculation statements (specifically, to verify the structure calculations, load calculations, stress calculations, computation on framework members, and the second-order design, and then to validate the adequacy of the design). As a result, it has been confirmed by the above expert Mitsui Fudosan that there are no suspicions concerning the falsification of structure calculations and construction drawings by which aseismic capacity required in accordance with the Building Standards Act is ensured for the buildings of the acquired properties. Based on the said confirmation, the investment trust management company has judged that the aseismic capacity required by the Building Standard Law has been ensured, and thus plans to accept handover of the property.

Furthermore, NAF requested the third party investigative body described below (Sumitomo Mitsui Construction Co., Ltd.) to inspect and verify the buildings of the acquired properties. NAF thus confirmed that no illegal manipulation, such as intentional falsification, was found in the structure calculation statements, and that the structure calculations were appropriately carried out in compliance with the relevant laws.

As of January 1, 2008, the building owners, the main contractors, and the designers of the property to be acquired were as follows. None of these parties has been publicly named by the Ministry of Land, Infrastructure and Transport as a party who took part in any property structure calculation statement falsifications.

In addition, NAF always examines earthquake risks during the course of due diligence upon acquisition of properties, from perspectives that are different to building certification investigations performed by an inspection and certification agency. NAF makes a decision on acquisition after performing appropriate analysis of earthquake risks of the property to be acquired, independently considering the structural earthquake-resistance of the building to be acquired, based on drawing reviews using structure drawings, structural design outlines, etc.

Companies engaged in design of the properties acquired

Property number	Property name	Building owner	Contractor	Building design company	Structure design company	Building certifier
Property 1	Park Axis Nihonbashi Hamacho	Mitsui Fudosan Co., Ltd.	Maeda Corporation	Maeda Corporation	Go Structures Co., Ltd.	Chuo Ward ,Tokyo
Property 2	Park Axis Nishi Funabashi	Mitsui Fudosan Co., Ltd.	Shinnihon Corporation	Shinnihon Corporation	Espace Architect Office Co., Ltd.	Houseplus Corporation, Inc.

Profile of third party investigative body (investigations of the states of the buildings, reinvestigation of earthquake risk assessments and structure calculation statements)

Trade name	Sumitomo Mitsui Construction Co., Ltd.
Head office address	5-25, Nishi-Shinjuku 7-chome, Shinjuku-ku, Tokyo
Representative	Hisaya Igarashi, Representative Director and President
Capital	¥16,859,138,000

Description of principal operations	<p>(1) Contracting and design supervision for civil works, construction, prestressed concrete, electrical and piping work, and other construction</p> <p>(2) Design supervision for ocean development, regional development, urban development, resource development, and environmental improvement</p> <p>(3) For each of the above items, contracting to perform engineering and consulting work such as surveys, planning, and proposals</p> <p>(4) Real estate acquisition, management, use, disposal, and leasing</p> <p>(5) Real estate sales, brokerage, and appraisal</p> <p>(6) Manufacturing, supply, sales, and rental of civil works and construction materials, prestressed concrete products, seismic isolation equipment, seismic control equipment, machinery, equipment, etc.</p> <p>(7) Maintenance, repair, and security for civil works and buildings</p> <p>(8) Operations concerning landscaping and gardening</p> <p>(9) Development, acquisition, license, and sales of industrial property rights, copyrights, and computer software</p> <p>(10) Information processing services business and information provision business</p> <p>(11) Development, sales, leasing, and maintenance of electronic office equipment such as computers</p> <p>(12) General leasing business</p> <p>(13) Administration, management, operation, and leasing of elderly residential facilities, training, medical care, sports facilities, leisure facilities such as ski resorts and amusement parks, lodging facilities, and restaurants</p> <p>(14) Worker dispatch operations</p> <p>(15) Non-life insurance agency business</p> <p>(16) Money lending and other financial business</p> <p>(17) Operations concerning pollution prevention</p> <p>(18) Collection, transport, processing, and recycling of industrial waste</p> <p>(19) Surveys and evaluation of soil and groundwater pollution. Design, construction, and supervision for its rehabilitation and purification</p> <p>(20) Operations incidental or relevant to each of the above items</p>
Relationship with NAF or investment trust management company	None

8. Outline of brokerage

There was no brokerage for transactions concerning acquisition of these properties.

9. Outlook for management of the properties after acquisition

NAF plans to separately announce the results forecasts after acquisitions of the properties when it announces its results for the period ending February 2008 (planned in April 2008), also considering the operating situation of the entire portfolio.

* This English language notice is a translation of the Japanese language notice dated March 11, 2008 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. Summaries of the appraisal reports on the prices of the acquired properties
2. Portfolio list after acquisition of the properties (on a (planned) acquisition price basis)
3. Photographs of exteriors and entrances of the acquired properties
4. Maps to locate the acquired properties

Appraised value (specified value)		5,550,000	
Assessment item		Details	Basis for assessment
Operating revenues	(a) Unit rental revenues, including commons area fees	303,905	Assessed stable rents etc. which can be received over the mid and long term, based on the appraised real estate and on the standard levels of rents and commons area fees when assuming they are newly rented.
	(b) Utilities revenues	0	There are no utilities charges collected from renters.
	(c) Parking lot revenues	14,803	Assessed stable usage fees which can be received over the mid and long term, based on levels of usage fees etc. when assuming that they are newly rented.
	(d) Other revenues	17,857	Assessed based on mid and long term stable rent revenues which can be received from each tenant when new contracts are signed, and the estimated number of months of key money and average annual average tenant turnover ratio and vacancy rate.
	Revenues from key money, etc.	9,689	
	Renewal fees	7,209	
	Other revenues	959	
	(1): (a)+(b)+(c)+(d)	336,565	
	(e) Total loss from vacancies etc.	17,570	Assessed at mid and long term operating levels, considering characteristics of the appraised property and vacancies of comparable real estate nearby, etc.
	(f) Loss on bad debts	0	Not totaled, due to consideration of collateral such as security deposits.
(2) Operating revenues [(1)-(e)-(f)]		318,995	
Operating expenses	(g) Maintenance expense	10,054	Assessed by referring to the current contract price, and considering building management expenses of comparable rental apartments, characteristics of the real estate subject to evaluation, etc.
	(h) Utilities expense	2,921	Assessed by referring to current expenses, and considering utilities expenses of comparable rental apartments, characteristics of the real estate subject to evaluation, etc.
	(i) Repair expense	1,406	Assessed by considering expenses to restore units to their original condition accompanying tenant turnover, repair expenses in the engineering report, etc.
	(j) Property management fees	9,067	Assessed by considering property management fees of comparable buildings.
	(k) Tenant soliciting fee, etc.	13,123	Assessed at 2.0 months of the unit rental revenue as fees, considering annual average tenant turnover ratio, operating rate, current contract terms, lease terms of comparable real estate nearby, etc. The administrative costs for recruiting new tenants, and signing and renewal of contracts are also taken into account.
	(l) Taxes and public dues	13,125	Assessed based on the 2007 business year tax register. For the building, based on the same documents, the estimated tax amount 11 years after construction was adopted, for a medium and long term perspective considering adjustments for the passage of time, etc.
	(m) Property insurance fee	664	Recorded based on contract amount presented.
	(n) Other expenses	1,061	Recorded based on contract amount presented.
	(3) Operating expenses [(g)+(h)+(i)+(j)+(k)+(l)+(m)+(n)]	51,421	
(4) Net operating income [(2) - (3)]		267,574	
	(o) Earnings from temporary deposits	1,050	Assumed security deposits held multiplied by an assumed 2.0% investment yield. This yield is from a medium to long term perspective, based on data independently obtained by the real estate appraiser.
	(p) Capital expenditures	3,282	Assessed by considering the building age, annual average amount of renewal expenses in the engineering report, etc.
(5) Net income [(4)+(o)-(p)]		265,342	

(6) Cap rate	4.7%	Decided on a cap rate for apartment buildings located in the lowest risk districts, after comprehensively considering yields of transactions in comparable apartment buildings in the market, results of a real estate investor survey, etc. Then assessed a yield difference in comparison with districts which meet the above criteria, based on cap rates for the appraisal values of the assessed real estate and for comparable real estate, considering rental supply and demand trends and property sales trends in these districts, etc.
Value of earnings calculated by the direct capitalization method [(5)÷(6)]	5,650,000	
Value calculated by discounted cash flow method	5,450,000	
Discount rate	4.4%	Assessed by a method comparing with sample transactions in comparable real estate, together with a method which considers the specific characteristics of real estate to adjust yields of financial assets, and also considering interviews with investors, etc.
Terminal cap rate	5.0%	Adjusts the cap rate assessed above by comprehensively considering the characteristics of the net income adopted, future uncertainties, liquidity, market characteristics, etc.
Cost method value	3,480,000	
Total value of land and building	3,480,000	
Land value	1,710,000	
Building value	1,770,000	
Adjustment	0	The combined value of the land and building is judged to be unchanged.

(2) Park Axis Nishi Funabashi (unit: Thousands of yen)

Appraised value (specified value)	1,030,000	
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Assessment item		Details	Basis for assessment
Operating revenues	(a) Unit rental revenues, including commons area fees	70,085	Assessed stable rents etc. which can be received over the mid and long term, based on the appraised real estate and on levels of rents and commons area fees when assuming they are newly rented.
	(b) Utilities revenues	0	There are no utilities charges collected from renters.
	(c) Parking lot revenues	864	Assessed stable usage fees which can be received over the mid and long term, based on levels of usage fees etc. when assuming that they are newly rented.
	(d) Other revenues	3,312	Assessed based on mid and long term stable rent revenues which can be received from each tenant when new contracts are signed, and the estimated number of months of key money and average annual average tenant turnover ratio and vacancy rate.
	Revenues from key money, etc.	2,646	
	Renewal fees	666	
	Other revenues	0	
	(1): (a)+(b)+(c)+(d)	74,261	
	(e) Total loss from vacancies etc.	3,540	Assessed at mid and long term operating levels, considering characteristics of the appraised property and vacancies of comparable real estate nearby, etc.
	(f) Loss on bad debts	0	Not totaled, due to consideration of collateral such as security deposits.
(2) Operating revenues [(1)-(e)-(f)]		70,721	
Operating expenses	(g) Maintenance expense	3,683	Assessed by referring to current expenses, and considering building management expenses of comparable rental apartments, characteristics of the real estate subject to evaluation, etc.
	(h) Utilities expense	1,506	Assessed by referring to current expenses, and considering utilities expenses of comparable rental apartments, characteristics of the real estate subject to evaluation, etc.
	(i) Repair expense	1,083	Assessed considering expenses to return units to original condition accompanying tenant turnover, repair expenses in the engineering report, etc.
	(j) Property management fees	2,359	Assessed by considering property management fees of comparable buildings.

	(k) Tenant soliciting fee, etc.	1,742	Assessed at 1.3 months of the unit rental revenue as fees, considering annual average tenant turnover ratio, operating rate, current contract terms, lease terms of comparable real estate nearby, etc. The administrative costs for recruiting new tenants, and signing and renewal of contracts are also taken into account.
	(l) Taxes and public dues	4,346	For the land, these were assessed based on the 2007 business year tax register, considering special measures for small scale residential land. For the building, they were assessed based on rebuilding cost, considering adjustments for passage of time, etc.
	(m) Property insurance fee	234	Assessed by considering insurance rates of comparable buildings, etc.
	(n) Other expenses	132	Recorded based on contract amounts presented.
	(3) Operating expenses [(g)+(h)+(i)+(j)+(k)+(l)+(m)+(n)]	15,086	
	(4) Net operating income [(2) – (3)]	55,635	
	(o) Earnings from temporary deposits	212	Assumed security deposits held multiplied by an assumed 2.0% investment yield. This yield is from a medium to long term perspective, based on data independently obtained by the real estate appraiser.
	(p) Capital expenditures	1,518	Assessed by considering the building age, average annual average amount of renewal expenses in the engineering report, etc.
	(5) Net income [(4)+(o)-(p)]	54,329	
	(6) Cap rate	5.2%	Decided on a cap rate for apartment buildings located in the lowest risk districts, after comprehensively considering yields of transactions in comparable apartment buildings in the market, results of a real estate investor survey, etc. Then assessed a yield difference in comparison with districts which meet the above criteria, based on cap rates for the appraisal values of the assessed real estate and for comparable real estate, considering rental supply and demand trends and property sales trends in these districts, etc.
	Value of earnings calculated by the direct capitalization method [(5)÷(6)]	1,040,000	
	Value calculated by discounted cash flow method	1,020,000	
	Discount rate	5.0%	Assessed by a method comparing with sample transactions in comparable real estate, together with a method which considers the specific characteristics of real estate to adjust yields of financial assets, and also considering interviews with investors, etc.
	Terminal cap rate	5.4%	Adjusts the cap rate assessed above by comprehensively considering the characteristics of the net income adopted, future uncertainties, liquidity, market characteristics, etc.
	Cost method value	885,000	
	Total value of land and building	885,297	
	Land value	342,986	
	Building value	542,311	
	Adjustment	0	The combined value of the land and building is judged to be unchanged.

NAF requested real estate appraisals for the properties acquired, by Morii Appraisal & Investment Consulting, Inc., and Daiwa Real Estate Appraisal Corp., 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 Law No. 152, including later amendments) and on real estate appraisal standards. The above figures record a summary of the real estate appraisal reports prepared. Each corresponding 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 these reports, nor the possibility of transactions at the appraised values.

Yen amounts are rounded off to the nearest thousand yen.

< Attached document 2>

Portfolio list after acquisition of the properties (on a (planned) acquisition price basis)

No.	Name	Location	Price of (Planned) Acquisition (Note 1)	Portfolio Share (Note 2)
1	Ohkawabata River Point Tower Apartment Park Side Wings Communities Pier West House	Chuo-ku, Tokyo	29,696	21.5
2	Park Axis Gakugei Daigaku	Setagaya-ku, Tokyo	1,760	1.3
3	Park Axis Ichigaya	Shinjuku-ku, Tokyo	2,570	1.9
4	Park Axis Shibuya Jinnan	Shibuya-ku, Tokyo	3,230	2.3
5	Park Axis Aoyama Kotto-dori	Minato-ku, Tokyo	1,730	1.3
6	Park Axis Kagurazaka Stage	Shinjuku-ku, Tokyo	1,400	1.0
7	Park Axis Shiroganedai	Minato-ku, Tokyo	5,140	3.7
8	Park Axis Bunkyo Stage	Bunkyo-ku, Tokyo	4,440	3.2
9	Park Axis Tsukishima	Chuo-ku, Tokyo	930	0.7
10	Park Axis Ohtsuka	Toshima-ku, Tokyo	1,655	1.2
11	Park Axis Minami Azabu	Minato-ku, Tokyo	3,939	2.8
12	Park Axis Shibuya	Shibuya-ku, Tokyo	1,282	0.9
13	Park Axis Nihonbashi Stage	Chuo-ku, Tokyo	7,557	5.5
14	Park Axis Hamamatsucho	Minato-ku, Tokyo	2,025	1.5
15	Park Axis Hongo No Mori	Bunkyo-ku, Tokyo	2,910	2.1
16	Park Axis Tameike Sanno	Minato-ku, Tokyo	2,860	2.1
17	Park Axis Roppongi Hinokicho Park	Minato-ku, Tokyo	2,170	1.6
18	Park Axis Ochanomizu Stage	Bunkyo-ku, Tokyo	9,710	7.0
19	Park Axis Okachimachi	Taito-ku, Tokyo	1,070	0.8
20	Park Cube Hongo	Bunkyo-ku, Tokyo	1,760	1.3
21	Park Cube Kanda	Chiyoda-ku, Tokyo	2,454	1.8
22	Park Cube Ichigaya	Shinjuku-ku, Tokyo	1,794	1.3
23	Park Cube Asakusa Tawaramachi	Taito-ku, Tokyo	2,508	1.8
24	Park Cube Ueno	Taito-ku, Tokyo	2,233	1.6
28	Park Cube Ikebukuro Kanamecho	Toshima-ku, Tokyo	1,608	1.2
29	Park Axis Meguro Honcho	Meguro-ku, Tokyo	1,810	1.3
30	Park Axis Shin Itabashi	Itabashi-ku, Tokyo	3,430	2.5
31	Park Axis Akihabara	Chiyoda-ku, Tokyo	1,200	0.9
32	Park Axis Toyochō	Koto-ku, Tokyo	3,950	2.9
33	Park Axis Takinogawa	Kita-ku, Tokyo	1,820	1.3
34	Park Axis Asakusabashi	Taito-ku, Tokyo	2,717	2.0
38	Park Axis Nihonbashi Hamacho	Chuo-ku, Tokyo	5,540	4.0
39	Park Axis Yoyogi Tomigaya	Shibuya-ku, Tokyo	1,975	1.4
41	(Tentative name) Park Cube Itabashi Honcho (Acquisition planned)	Itabashi-ku, Tokyo	4,170	3.0
42	(Tentative name) Park Cube Gakugei Daigaku (Acquisition planned)	Meguro-ku, Tokyo	910	0.7
43	(Tentative name) Park Cube Oimachi (Acquisition planned)	Shinagawa-ku, Tokyo	1,440	1.0
Tokyo 23 wards Total			127,394	92.1
25	Park Cube Keiko Hachioji	Hachioji-shi, Tokyo	991	0.7
26	Park Cube Keio Hachioji 2	Hachioji-shi, Tokyo	1,130	0.8
40	Park Axis Nishi Funabashi	Funabashi-shi, Chiba	1,020	0.7
Greater Tokyo Subtotal (Note 3)			3,141	2.3
27	Park Axis Meieki Minami	Nakamura-ku, Nagoya-shi, Aichi	2,440	1.8
35	Park Axis Marunouchi	Naka-ku, Nagoya-shi, Aichi	1,920	1.4
36	Park Axis Ropponmatsu	Chuo-ku, Fukuoka-shi, Fukuoka	1,515	1.1
37	Park Axis Hakataeki Minami	Hakata-ku, Fukuoka-shi, Fukuoka	1,890	1.4
Other Major Cities Subtotal (Note 4)			7,765	5.6
Total			138,300	100.0

(Note 1) "Price of (Planned) Acquisition" denotes the sale price (exclusive of miscellaneous expenses for acquisition, fixed property taxes, urban planning taxes, consumption taxes and local consumption taxes) of the property which NAF acquired or the property to be acquired. Amounts less than one million yen have been rounded off.

(Note 2) "Portfolio Share" means the percentage resulting from the acquisition price of the property acquired or the property to be acquired compared with the total amount, rounded to the nearest one decimal place.

(Note 3) "Greater Tokyo" indicates Tokyo metropolis (excluding Tokyo's 23 wards), and the 3 prefectures of Kanagawa, Saitama and Chiba.

(Note 4) "Other Major Cities" indicates the regional core cities designated by government ordinance.

<Attached Document 3> Photographs of exteriors and entrances of the acquired properties
(1) Park Axis Nihonbashi Hamacho



(2) Park Axis Nishi Funabashi



<Attached Document 4> Maps to locate the acquired properties

(1) Park Axis Nihonbashi Hamacho



