

To All Concerned Parties

Issuer of Real Estate Investment Trust Securities:
Nippon Accommodations Fund Inc.
Takashi Ikeda, Executive Director
(TSE Code: 3226)
Investment Trust Management Company:
Mitsui Fudosan Accommodations Fund
Management Co., Ltd.
Tateyuki Ikura, President and CEO
Inquiries: Tetsuji Kawakami, CFO and Director
(TEL: +81-3-3246-3677)

Notification of Borrowing Funds (Refinancing with Green Loans and others)

This is a notification that Nippon Accommodations Fund Inc. (“NAF”) decided to borrow funds as shown below.

Of the loans, the loans from the NIPPON LIFE INSURANCE COMPANY. and Mizuho Bank, Ltd. are loans that will be executed based on the Green Finance Framework established by NAF (“Green Loans”).

The Green Loans are the first green loans financing conducted by NAF. NAF aims to strengthen the funding base through Green Finance by expanding the group of investors interested in ESG investment and financing, along with our promotions of sustainability initiatives.

1. Details of Loans

Lender	Loan Amount	Interest Rate	Loan Type & Repayment Method	Date of Loan	Date of Maturity
Sumitomo Mitsui Trust Bank, Limited	2.0 billion yen	0.10227%	Unsecured & unguaranteed, Bullet repayment	November 30, 2021	February 28, 2022
Sumitomo Mitsui Banking Corporation	2.0 billion yen	0.300%	Unsecured & unguaranteed, Bullet repayment	November 30, 2021	November 30, 2027
NIPPON LIFE INSURANCE COMPANY. (Green Loan)	1.0 billion yen	0.530%	Unsecured & unguaranteed, Bullet repayment	November 30, 2021	November 28, 2031
Mizuho Bank, Ltd. (Green Loan)	1.0 billion yen	0.530%	Unsecured & unguaranteed, Bullet repayment	November 30, 2021	November 28, 2031
The 77 Bank, Ltd.	1.0 billion yen	0.530%	Unsecured & unguaranteed, Bullet repayment	November 30, 2021	November 28, 2031

(Note 1) For details of NAF’s Green Loans, please refer to “2. Use of Funds”.
For details of NAF’s Green Finance (including Green Loans), please refer to “Green Finance” section on NAF’s website: <https://www.naf-r.jp/english/esg/2-7.html>.

2. Use of Funds

To apply the funds toward the repayment of short-term loans ¥1.0 billion concluded on November 30, 2020, short-term loans ¥2.0 billion concluded on August 31, 2021, long-term loans ¥2.0 billion concluded on November 29, 2013 and long-term loans total ¥3.0 billion concluded on November 28, 2014.

NAF plans to use all the procured funds as funds for the repayment for the loans that were required for acquisition of Park Axis Toyosu, an eligible green asset under the green finance framework. Specifically, it plans to apply such funds for repayment of 2 billion yen of long-term debt with the Mizuho Bank, Ltd. as the lender due for repayment on November 30, 2021.

3. Status of Interest-bearing Debt After this Event

(Unit: billion yen)

	Before this Event	After the Issuance (as of September 30, 2021)	Change
Short-term debt	3.0	2.0	(1.0)
Long-term debt	160.5	160.5	—
Total debt	163.5	162.5	(1.0)
Investment corporation bonds	8.0	8.0	—
Total interest-bearing debt	171.5	170.5	(1.0)
Interest-bearing debt ratio	54.1%	54.0%	(0.1)
Long-term interest-bearing debt ratio	98.3%	98.8%	0.6

(*1) The following formula was used to calculate the interest-bearing debt ratio.

$$(\text{interest bearing debt ratio}) = (\text{interest bearing debt}) \div (\text{interest bearing debt} + \text{unitholders' capital}) \times 100$$

The unitholders' capital as of today (145,449,910 thousand yen) was used.

(*2) $(\text{long term interest bearing debt ratio}) = (\text{long term debt} + \text{investment corporation bonds}) \div (\text{interest bearing debt}) \times 100$

(*3) All calculations of ratios were rounded to one decimal place.

(*4) The issuance of investment corporation bonds of 4 billion yen which was announced in the "Notification Concerning Issuance of Investment Corporation Bonds" on September 9, 2021 and the repayment of 1 billion yen of short-term debt due on September 30, 2021 has been reflected on "After the Issuance" in the table above.

4. Others

Regarding the loan repayment risk, there is no important change to the "Investment risks" description in the latest securities report submitted on May 31, 2021.

NAF website: <https://www.naf-r.jp/english/>

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.