

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.
Hiroshi Kojima, 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.

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	0.0986%	Unsecured & unguaranteed, Bullet repayment	November 30, 2022	February 28, 2023
NIPPON LIFE INSURANCE COMPANY (Green Loan)	2.0 billion yen	0.800%	Unsecured & unguaranteed, Bullet repayment	November 30, 2022	November 30, 2032

(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

Funds are to be allocated to the repayment of borrowings as detailed below.

Lender	Loan Amount	Date of Loan	Date of Maturity
Sumitomo Mitsui Trust Bank, Limited	2.0 billion yen	August 31, 2022	November 30, 2022
NIPPON LIFE INSURANCE COMPANY	2.0 billion yen	November 30, 2013	November 30, 2022

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 NIPPON LIFE INSURANCE COMPANY as the lender due for repayment on November 30, 2022.

3. Status of Interest-bearing Debt After this Event

(Unit: billion yen)

	Before this Event	After this Event	Change
Short-term debt	3.0	3.0	—
Long-term debt	158.5	158.5	—
Total debt	161.5	161.5	—
Investment corporation bonds	8.0	8.0	—
Total interest-bearing debt	169.5	169.5	—
Interest-bearing debt ratio	53.8%	53.8%	—
Long-term interest-bearing debt ratio	98.2%	98.2%	—

(*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. 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, 2022.

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

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