

May 8, 2012

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.  
Executive Director Yuji Yokoyama  
(Code number 3226)

Investment Trust Management Company  
Mitsui Fudosan Accommodations Fund Management Co., Ltd.  
President and CEO Kosei Murakami  
Contact CFO and Director Satoshi Nohara  
(TEL 03-3246-3677)

## Notification of Borrowing Funds

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
Mitsubishi UFJ Trust and Banking Corporation	1.5billion yen	0.38000%	Unsecured & unguaranteed, Bullet repayment	May 1, 2012	June 1, 2012

### 2. Use of Funds

To apply the funds toward the part of repayment of short-term loan of ¥1,500 million concluded on April 2, 2012.

### 3. Others

Regarding the loan repayment risk, there is no important change to the “Investment risks”description in the latest securities report submitted on November 28, 2011.

This English language notice is a translation of the Japanese language notice dated April 26, 2012 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>

- Status of interest-bearing debt after this event

## Reference data

<Status of interest-bearing debt after this event>

(Unit: billion yen)

	Before this event	After this event	Change
Short-term debt	8.5	8.5	—
Long-term debt	102.0	102.0	—
Investment corporation bonds	17.0	17.0	—
Total interest-bearing debt	127.5	127.5	—
Interest-bearing debt ratio	55.3%	55.3%	—
Long term interest-bearing debt ratio	93.3%	93.3%	—

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

(interest bearing debt ratio) = (interest bearing debt) ÷ (interest bearing debt + unitholder's capital) X 100

The unitholder's capital as of today (103,235,321 thousand yen) was used.

(\*2) (long term interest bearing debt ratio) = (long term debt+investment corporation bonds) ÷ (interest bearing debt) X 100

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