

November 6, 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  
Contact CFO and Director  
(TEL 03-3246-3677)  
Kosei Murakami  
Satoshi Nohara

### 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	1billion yen	0.35500%	Unsecured & unguaranteed, Bullet repayment	November 1, 2012	December 3, 2012

#### 2. Use of Funds

To apply the funds toward the repayment of short-term loan of ¥1,000 million concluded on September 28 , 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 May 29, 2012.

This English language notice is a translation of the Japanese language notice dated October 30, 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	7.5	7.5	—
Long-term debt	102.0	102.0	—
Investment corporation bonds	17.0	17.0	—
Total interest-bearing debt	126.5	126.5	—
Interest-bearing debt ratio	55.1%	55.1%	—
Long term interest-bearing debt ratio	94.1%	94.1%	—

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

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

The unitholder's capital as of today (103,235,321 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.