

February 6, 2013

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
The Bank of Fukuoka,Ltd.	1billion yen	0.32000%	Unsecured & unguaranteed, Bullet repayment	January 15, 2013	February 15, 2013
The 77 Bank, Ltd.	1billion yen	0.40000%	Unsecured & unguaranteed, Bullet repayment	January 15, 2013	March 15, 2013

#### 2. Use of Funds

To apply the funds toward the repayment of short-term loan of ¥2,000 million concluded on November 12, 2012 and December 14,2012.

#### 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, 2012.

This English language notice is a translation of the Japanese language notice dated January 10, 2013 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	14.5	14.5	—
Long-term debt	104.0	104.0	—
Investment corporation bonds	17.0	17.0	—
Total interest-bearing debt	135.5	135.5	—
Interest-bearing debt ratio	56.8%	56.8%	—
Long term interest-bearing debt ratio	89.3%	89.3%	—

(\*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.