

April 4, 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 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

Lenders	Loan amount	Interest rates	Loan types & Repayment methods	Date of Loan	Date of Maturity
The Bank of Fukuoka, Ltd.	1billion yen	0.30000%	Unsecured & unguaranteed, Bullet repayment	March 15, 2013	April 15, 2013
Mitsubishi UFJ Trust and Banking Corporation	1billion yen	0.30000%	Unsecured & unguaranteed, Bullet repayment	March 15, 2013	April 15, 2013
The 77 Bank, Ltd.	1billion yen	0.35083%	Unsecured & unguaranteed, Bullet repayment	March 15, 2013	May 15, 2013
Mitsubishi UFJ Trust and Banking Corporation	2billion yen	0.67000%	Unsecured & unguaranteed, Bullet repayment	March 15, 2013	March 16, 2020
Mitsubishi UFJ Trust and Banking Corporation	4billion yen	0.72750%	Unsecured & unguaranteed, Bullet repayment	March 15, 2013	September 15, 2020

2. Use of Funds

To apply the funds toward the repayment of short-term loan concluded on January 15, 2013, February 15, 2013 and March 1, 2013 of totaling ¥9,000 million.

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 March 13, 2013.

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.

<Attached document>

- 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	13.5	7.5	▲6.0
Long-term debt	104.0	110.0	6.0
Investment corporation bonds	17.0	17.0	—
Total interest-bearing debt	134.5	134.5	—

Interest-bearing debt ratio	51.9%	51.9%	—
Long term interest-bearing debt ratio	90.0%	94.4%	4.5

(*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 (124,439,489 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.