

May 8, 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
Mizuho Corporate Bank, Ltd.	0.5 billion yen	0.30000%	Unsecured & unguaranteed, Bullet repayment	April 30, 2013	May 31, 2013

2. Use of Funds

To apply the funds toward the repayment of short-term loan of ¥1,000 million concluded on March 29, 2013.

3. Status of interest-bearing debt after this event

(Unit: billion yen)

	Before this event	After this event	Change
Short-term debt	5.5	5.0	(0.5)
Long-term debt	110.0	110.0	—
Investment corporation bonds	17.0	17.0	—
Total interest-bearing debt	132.5	132.0	(0.5)

Interest-bearing debt ratio	51.3%	51.2%	(0.1)
Long term interest-bearing debt ratio	95.8%	96.2%	0.4

(*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 (125,686,793 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.

4. 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 April 25, 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.