

March 5, 2014

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

Nobumi Tobari

(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
Shinsei Bank, Limited	7 billion yen	0.22158%	Unsecured & unguaranteed, Bullet repayment	March 7, 2014	March 28, 2014
The 77 Bank, Ltd.	2 billion yen	0.22158%	Unsecured & unguaranteed, Bullet repayment	March 7, 2014	March 28, 2014
Mitsubishi UFJ Trust and Banking Corporation	3 billion yen	0.79375%	Unsecured & unguaranteed, Bullet repayment	March 7, 2014	March 7, 2022
Mitsubishi UFJ Trust and Banking Corporation	3 billion yen	0.85500%	Unsecured & unguaranteed, Bullet repayment	March 7, 2014	September 7, 2022

### 2. Use of Funds

To apply the funds toward the purchase and related incidental expenses of real estate which its handover date of March 7, 2014 for "Park Cube Nishigahara Stage" and "Park Cube Atagoyama Tower" was released in "Notification Concerning Acquisition of Domestic Real Estate Property" on February 12, 2014 and February 19, 2014 and of real estate which are to be purchased in the future.

### 3. Status of interest-bearing debt after this event

(Unit: billion yen)

	Before this event	After this event	Change
Short-term debt	4.0	13.0	9.0
Long-term debt	121.0	127.0	6.0
Investment corporation bonds	17.0	17.0	—
Total interest-bearing debt	142.0	157.0	15.0

Interest-bearing debt ratio	53.0%	55.5%	2.5
Long term interest-bearing debt ratio	97.2%	91.7%	(5.5)

(\*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 27, 2013.

- Japanese original document was distributed to press clubs within the Tokyo Stock Exchange (Kabuto Club) and the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and to the press club for construction publications of the Ministry of Land, Infrastructure, Transport and Tourism.
- NAF website: <http://www.naf-r.jp/english/index.html>

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