

March 28, 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<br>&<br>Repayment method               | Date of Loan  | Date of Maturity |
|--------------------------------|--------------------|---------------|--|---------------|------------------|
| Development Bank of Japan Inc. | 2.5 billion<br>yen | 1.17750%      | Unsecured &<br>unguaranteed,<br>Bullet repayment | April 1, 2014 | April 1, 2025    |

#### 2. Use of Funds

To apply the funds toward the purchase and related incidental expenses of real estate, “Park Axis Shibaura” and “Park Axis Asakusa Kuramae” which its handover date of April 1, 2014 was released in “Notification Concerning Acquisition of Domestic Real Estate Properties” dated March 7, 2014.

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

(Unit: billion yen)

|                              | Before this event | After this event | Change |
|------------------------------|-------------------|------------------|--------|
| Short-term debt              | 12.0              | 12.0             | —      |
| Long-term debt               | 128.0             | 130.5            | 2.5    |
| Investment corporation bonds | 17.0              | 17.0             | —      |
| Total interest-bearing debt  | 157.0             | 159.5            | 2.5    |

|                                       |       |       |     |
|---------------------------------------|-------|-------|-----|
| Interest-bearing debt ratio           | 55.5% | 55.9% | 0.4 |
| Long term interest-bearing debt ratio | 92.4% | 92.5% | 0.1 |

(\*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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