

To All Concerned Parties

April 9, 2014

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 |
|--------------------------|---------------|---------------|--|----------------|------------------|
| The Hachijuni Bank, Ltd. | 1 billion yen | 0.63900% | Unsecured & unguaranteed, Bullet repayment | April 11, 2014 | April 9, 2021 |

2. Use of Funds

To apply the funds toward the repayment of long-term loan of ¥1 billion concluded on April 12, 2010.

3. Status of interest-bearing debt after this event

| (Unit: | billion yen) | |
|------------|--------------|--|
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| | Before this event | After this event | Change |
|------------------------------|-------------------|------------------|--------|
| Short-term debt | 12.0 | 12.0 | _ |
| Long-term debt | 130.5 | 130.5 | _ |
| Investment corporation bonds | 17.0 | 17.0 | _ |
| Total interest-bearing debt | 159.5 | 159.5 | _ |

| Interest-bearing debt ratio | 55.9% | 55.9% | _ |
|---------------------------------------|-------|-------|---|
| Long term interest-bearing debt ratio | 92.5% | 92.5% | _ |

^(*1) The following formula was used to calculate the interest-bearing debt ratio.

(interest bearing debt ratio) = (interest bearing debt) ÷ (interest bearing debt + unitholders' capital) X 100

The unitholders' capital as of today (125,686,793 thousand yen) was used.

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.

NAF website: http://www.naf-r.jp/english/index.html

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^{(*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.