

To All Concerned Parties

July 18, 2014

Issuer of Real Estate Investment Trust Securities

4-1, Nihonbashi 1-chome, Chuo-Ku,

Tokyo 103-0027

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 Partial Early Repayment of Borrowing Funds

This is a notification that Nippon Accommodations Fund Inc. ("NAF") decided on a partial early repayment of its existing borrowings as shown below.

1. Details of Loans for Early Repayment

| Lender  | Loan<br>Amount | Interest Rate | Loan Type<br>&<br>Repayment Method         | Date of Loan         | Date of Maturity     |
|---|----------------|---------------|--|----------------------|----------------------|
| Sumitomo Mitsui Banking<br>Corporation          | 5 billion yen  | (*1)0.64636%  | Unsecured & unguaranteed, Bullet repayment | November 30,<br>2010 | November 30,<br>2015 |
| Sumitomo Mitsui Trust Bank,<br>Limited          | 3 billion yen  | (*1)0.64636%  | Unsecured & unguaranteed, Bullet repayment | November 30,<br>2010 | November 30,<br>2015 |
| Mitsubishi UFJ Trust and Banking<br>Corporation | 6 billion yen  | (*2)0.45636%  | Unsecured & unguaranteed, Bullet repayment | September 1,<br>2011 | September 3,<br>2018 |

<sup>(\*1)</sup> The interest rate is applied from June 30, 2014 to July 30, 2014.

For further details of the loan, please refer to the "Notification of Borrowing Funds" dated November 26, 2010.

For further details of the loan, please refer to the "Notification of Borrowing Funds" dated August 30, 2011.

## 2. Outline of Early Repayment

| Lender  | Early Repayment Amount | Balance after Early<br>Repayment | Repayment Date | Source of Funds |
|---|------------------------|----------------------------------|----------------|-----------------|
| Sumitomo Mitsui Banking<br>Corporation          | 1 billion yen          | 4 billion yen                    | July 31, 2014  | Own Funds       |
| Sumitomo Mitsui Trust Bank,<br>Limited          | 1 billion yen          | 2 billion yen                    | July 31, 2014  | Own Funds       |
| Mitsubishi UFJ Trust and Banking<br>Corporation | 1 billion yen          | 5 billion yen                    | August 1, 2014 | Own Funds       |

<sup>(\*2)</sup> The interest rate is applied from July 1, 2014 to July 31, 2014.



3. Status of Interest-bearing Debt After this Event (as of August 1, 2014)

(Unit: billion yen)

|                              | Before this Event(*1) | After this Event | Change |
|------------------------------|-----------------------|------------------|--------|
| Short-term debt              | 4.0                   | 4.0              | _      |
| Long-term debt               | 138.5                 | 135.5            | (3.0)  |
| Investment corporation bonds | 17.0                  | 17.0             | _      |
| Total interest-bearing debt  | 159.5                 | 156.5            | (3.0)  |

| Interest-bearing debt ratio           | 55.9% | 55.5% | (0.5) |
|---------------------------------------|-------|-------|-------|
| Long term interest-bearing debt ratio | 97.5% | 97.4% | (0.0) |

<sup>(\*1)</sup> It is assumed that the entire amount of the short term debt totaling ¥4 billion with a date of maturity on July 31, 2014, as disclosed in the press release "Notification of Borrowing Funds" dated June 26, 2014, will be refinanced.

- (\*3) (long term interest bearing debt ratio) = (long term debt + investment corporation bonds) ÷ (interest bearing debt) X 100
- (\*4) 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 May 28, 2014.

## 5. Outlook

The impact of the early repayment on NAF's financial results for the period ending August 31, 2014 (17th Period: March 1, 2014 to August 31, 2014) will be minimal, and there will be no change to the financial results forecast for the period.

- 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

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.

<sup>(\*2)</sup> 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.