

November 26, 2014

To All Concerned Parties

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  
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
Shinkin Central Bank	3 billion yen	0.20273%	Unsecured & unguaranteed, Bullet repayment	November 28, 2014	December 30, 2014
The 77 Bank, Ltd.	2 billion yen	0.20273%	Unsecured & unguaranteed, Bullet repayment	November 28, 2014	December 30, 2014
The Norinchukin Bank	2 billion yen	0.20273%	Unsecured & unguaranteed, Bullet repayment	November 28, 2014	December 30, 2014
THE BANK OF FUKUOKA, LTD.	2 billion yen	0.20273%	Unsecured & unguaranteed, Bullet repayment	November 28, 2014	December 30, 2014
Mizuho Trust & Banking Co., Ltd.	2 billion yen	0.20273%	Unsecured & unguaranteed, Bullet repayment	November 28, 2014	December 30, 2014
Sumitomo Mitsui Banking Corporation	2 billion yen	0.51375%	Unsecured & unguaranteed, Bullet repayment	November 28, 2014	November 30, 2021
NIPPON LIFE INSURANCE COMPANY	1 billion yen	0.51375%	Unsecured & unguaranteed, Bullet repayment	November 28, 2014	November 30, 2021

### 2. Use of Funds

To apply the funds toward the repayment of short-term loans totaling ¥14 billion concluded on October 31, 2014 and November 13, 2014.

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

(Unit: billion yen)

	Before this event	After this event	Change
Short-term debt	14.0	11.0	(3.0)
Long-term debt	135.5	138.5	3.0
Investment corporation bonds	7.0	7.0	—
Total interest-bearing debt	156.5	156.5	—

Interest-bearing debt ratio	55.5%	55.5%	—
Long term interest-bearing debt ratio	91.1%	93.0%	1.9

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

$(\text{interest bearing debt ratio}) = (\text{interest bearing debt}) \div (\text{interest bearing debt} + \text{unitholders' capital}) \times 100$

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

(\*2)  $(\text{long term interest bearing debt ratio}) = (\text{long term debt} + \text{investment corporation bonds}) \div (\text{interest bearing debt}) \times 100$

(\*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 May 28, 2014.

- NAF website: <http://www.naf-r.jp/english/>

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