

November 28, 2018

To All Concerned Parties

Issuer of Real Estate Investment Trust Securities:  
Nippon Accommodations Fund Inc.  
Takashi Ikeda, Executive Director  
(TSE Code: 3226)

Investment Trust Management Company:  
Mitsui Fudosan Accommodations Fund  
Management Co., Ltd.  
Tateyuki Ikura, President and CEO  
Inquiries: Tetsuji Kawakami, CFO and Director  
(TEL: +81-3-3246-3677)

### 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
Shinkin Central Bank	5.0 billion yen	0.09273%	Unsecured & unguaranteed, Bullet repayment	November 30, 2018	December 28, 2018
Mizuho Bank, Ltd.	3.0 billion yen	0.08773%	Unsecured & unguaranteed, Bullet repayment	November 30, 2018	December 28, 2018
Sumitomo Mitsui Trust Bank, Limited	2.0 billion yen	0.08773%	Unsecured & unguaranteed, Bullet repayment	November 30, 2018	December 28, 2018
The 77 Bank, Ltd.	1.0 billion yen	0.09273%	Unsecured & unguaranteed, Bullet repayment	November 30, 2018	December 28, 2018

#### 2. Use of Funds

To apply the funds toward the repayment of short-term loans totaling ¥11.0 billion concluded on October 12, 2018 and October 31, 2018.

#### 3. Status of Interest-bearing Debt After this Event

(Unit: billion yen)

	Before this Event	After this Event	Change
Short-term debt	11.0	11.0	—
Long-term debt	139.5	139.5	—
Total interest-bearing debt	150.5	150.5	—
Interest-bearing debt ratio	52.6%	52.6%	—
Long term interest-bearing debt ratio	92.7%	92.7%	—

(\*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 (135,603,623 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 May 31, 2018.

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

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