

September 9, 2021

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  
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### Notification Concerning Issuance of Investment Corporation Bonds

Nippon Accommodations Fund Inc. (“NAF”) hereby provides notice of its decision today to issue investment corporation bonds (the “Investment Corporation Bonds”) based on a comprehensive resolution to issue investment corporation bonds adopted at the Board of Directors’ meeting held on July 9, 2021, as follows.

#### 1. Summary of Investment Corporation Bonds

	8-year bonds	10-year bonds	15-year bonds
(1) Name	Nippon Accommodations Fund 5th Unsecured Investment Corporation Bonds (with special pari passu conditions among specified investment corporation bonds) (green bonds)	Nippon Accommodations Fund 6th Unsecured Investment Corporation Bonds (with special pari passu conditions among specified investment corporation bonds)	Nippon Accommodations Fund 7th Unsecured Investment Corporation Bonds (with special pari passu conditions among specified investment corporation bonds)
(2) Total amount to be issued	1.0 billion yen	2.0 billion yen	1.0 billion yen
(3) Form of certificates	The Act on Book-Entry Transfer of Corporate Bonds and Shares applies to the Investment Corporation Bonds, so investment corporation bond certificates will not be issued for the Investment Corporation Bonds.		
(4) Payment amount	100 yen per 100 yen par value of investment corporation bonds		
(5) Redemption amount	100 yen per 100 yen par value of investment corporation bonds		
(6) Interest rate	0.320% per annum	0.390% per annum	0.680% per annum
(7) Unit price	100 million yen		
(8) Method of offering	Public offering		
(9) Subscription date	September 9, 2021 (Thursday)		
(10) Payment date	September 30, 2021 (Thursday)		
(11) Security and collateral	No secured mortgage or guarantee is applicable to the Investment Corporation Bonds, and no assets are specifically reserved as collateral for the Investment Corporation Bonds.		
(12) Method and date of redemption	The entire amount will be redeemed on September 28, 2029.	The entire amount will be redeemed on September 30, 2031.	The entire amount will be redeemed on September 30, 2036.
	The Investment Corporation Bonds may be repurchased and cancelled at any time after the date of payment unless specified to the contrary by the relevant transfer agent.		
(13) Interest payment dates	Last day of each of March and September each year		
(14) Financial covenant	Negative pledge applies		
(15) Rating	AA – (Rating and Investment Information, Inc.)		

	8-year bonds	10-year bonds	15-year bonds
(16) Fiscal agent, issuing agent, and paying agent	The Norinchukin Bank	Sumitomo Mitsui Trust Bank, Limited	Sumitomo Mitsui Banking Corporation
(17) Underwriting securities companies	SMBC Nikko Securities Inc.	SMBC Nikko Securities Inc. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Mizuho Securities Co., Ltd.	SMBC Nikko Securities Inc. Nomura Securities Co., Ltd. Daiwa Securities Co. Ltd.

## 2. Reason for Issuance

NAF decided to issue the Investment Corporation Bonds with the aim of diversifying the repayment dates of interest-bearing debt, extending the average remaining maturity and diversifying fund procurement methods through the issuance.

In addition, as for the 5th Unsecured Investment Corporation Bonds (with special pari passu conditions among specified investment corporation bonds) (green bonds), NAF decided to issue green bonds (the “Green Bonds”) with the aim of strengthening the funding base by expanding the group of investors interested in ESG investment and financing, along with promoting initiatives for sustainability even further.

The Green Bonds will be issued as green bonds based on the green finance framework that NAF has formulated as announced in “Notification Concerning Submission of Revised Shelf Registration Statement for Issuance of Green Bonds” dated June 18, 2020.

For eligibility of the green finance framework, NAF has been assigned “Green 1 (F),” the highest evaluation grade in the JCR Green Finance Framework Evaluation by Japan Credit Rating Agency, Ltd. (JCR).

## 3. Amount, Use and Expected Dates of Expenditure of Capital to Be Procured

### (1) Amount of capital to be procured (estimated amount net of costs and expenses)

3,965 million yen

### (2) Specific use of funds and expected dates of expenditure

NAF plans to use the procured funds as funds for the repayment of the loans due for repayment by March 31, 2022. Moreover, NAF will apply all of the proceeds from the Green Bonds to fund the repayment of the loans (including the loans from subsequent refinancing) that were required for acquisition of Shibaura Island Air Tower, an eligible green asset under the green finance framework. Specifically, it plans to apply such proceeds to partially fund the repayment of 1 billion yen of short-term debt with The Bank of Fukuoka, Ltd. as the lender due for repayment on September 30, 2021.

4. Status of Interest-Bearing Debt After the Issuance of Investment Corporation Bonds

(Unit: billion yen)

	Before the Issuance	After the Issuance (as of September 30, 2021)	Change
Short-term debt	4.0	3.0	(1.0)
Long-term debt	161.5	161.5	—
Total debt	165.5	164.5	(1.0)
Investment corporation bonds	4.0	8.0	4.0
Total interest-bearing debt	169.5	172.5	3.0

Interest-bearing debt ratio	53.8%	54.2%	0.4%
Long-term interest-bearing debt ratio	97.6%	98.3%	0.6%

(\*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 (145,499,910 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) Of the 4 billion yen of short-term debt due for repayment on September 30, 2021, the repayment of 1 billion yen has been reflected on "After the Issuance" in the table above.

5. Others

Regarding risk associated with the redemption of the Investment Corporation Bonds, there is no important change to the "Investment risks" description in the latest securities report submitted on May 31, 2021.

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

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