

April 25, 2018

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

Takashi Ikeda
(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)

Tateyuki Ikura
Tetsuji Kawakami

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 77 Bank, Ltd.	2.0 billion yen	0.08364%	Unsecured & unguaranteed, Bullet repayment	April 27, 2018	May 31, 2018
Mizuho Bank, Ltd.	2.0 billion yen	0.07864%	Unsecured & unguaranteed, Bullet repayment	April 27, 2018	May 31, 2018
Shinkin Central Bank	1.0 billion yen	0.08364%	Unsecured & unguaranteed, Bullet repayment	April 27, 2018	May 31, 2018
Sumitomo Mitsui Trust Bank, Limited	1.0 billion yen	0.07864%	Unsecured & unguaranteed, Bullet repayment	April 27, 2018	May 31, 2018
The Bank of Fukuoka, Ltd.	2.0 billion yen	0.33500%	Unsecured & unguaranteed, Bullet repayment	April 27, 2018	April 30, 2026

2. Use of Funds

To apply the funds toward the repayment of short-term loans totaling ¥6.0 billion concluded on March 30, 2018 and long-term loan ¥2.0 billion concluded on October 31, 2012.

3. Status of Interest-bearing Debt After this Event

(Unit: billion yen)

	Before this Event	After this Event	Change
Short-term debt	7.0	7.0	—
Long-term debt	141.5	141.5	—
Total interest-bearing debt	148.5	148.5	—

Interest-bearing debt ratio	52.3%	52.3%	—
Long term interest-bearing debt ratio	95.3%	95.3%	—

(*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 November 30, 2017.

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

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