

January 29, 2019

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 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
Mizuho Bank, Ltd.	5.0 billion yen	0.08591%	Unsecured & unguaranteed, Bullet repayment	January 31, 2019	February 28, 2019
The 77 Bank, Ltd.	1.0 billion yen	0.09091%	Unsecured & unguaranteed, Bullet repayment	January 31, 2019	February 28, 2019
Shinkin Central Bank	1.0 billion yen	0.09091%	Unsecured & unguaranteed, Bullet repayment	January 31, 2019	February 28, 2019
Sumitomo Mitsui Trust Bank, Limited	1.0 billion yen	0.08591%	Unsecured & unguaranteed, Bullet repayment	January 31, 2019	February 28, 2019
Shinkin Central Bank	2.0 billion yen	0.12930%	Unsecured & unguaranteed, Bullet repayment	January 31, 2019	January 31, 2025
Shinkin Central Bank	2.0 billion yen	0.26930%	Unsecured & unguaranteed, Bullet repayment	January 31, 2019	January 31, 2028

2. Use of Funds

To apply the funds toward the repayment of short-term loans totaling ¥13.0 billion concluded on December 21, 2018 and December 28, 2018.

3. Status of Interest-bearing Debt After this Event

(Unit: billion yen)

	Before this Event	After this Event	Change
Short-term debt	13.0	8.0	(5.0)
Long-term debt	137.5	141.5	4.0
Total interest-bearing debt	150.5	149.5	(1.0)

Interest-bearing debt ratio	52.6%	52.4%	(0.2)
Long term interest-bearing debt ratio	91.4%	94.6%	3.3

(*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 (135,603,623 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 November 30, 2018.

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

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