

August 29, 2022

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.
Hiroshi Kojima, 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
Sumitomo Mitsui Trust Bank, Limited	2.0 billion yen	0.10864%	Unsecured & unguaranteed, Bullet repayment	August 31, 2022	November 30, 2022
Mizuho Bank, Ltd.	1.0 billion yen	0.21364%*	Unsecured & unguaranteed, Bullet repayment	August 31, 2022	February 28, 2023

* The interest rate will be applied from August 31, 2022 to November 29, 2022. The interest rate applicable from November 30, 2022 to February 27, 2023 shall be calculated based on the three-months JBA Japanese Yen TIBOR disclosed on November 28, 2022 + 0.15%. Please refer to the JBA TIBOR Administration’s website (<http://www.jbatibor.or.jp/english/>) for the three-months JBA Japanese Yen TIBOR.

2. Use of Funds

To apply the funds toward the repayment of short-term loan ¥1.0 billion concluded on May 31, 2022 and short-term loan ¥1.0 billion concluded on July 29, 2022.

3. Status of Interest-bearing Debt After this Event

(Unit: billion yen)

	Before this Event	After this Event	Change
Short-term debt	3.0	3.0	—
Long-term debt	158.5	158.5	—
Total debt	161.5	161.5	—
Investment corporation bonds	8.0	8.0	—
Total interest-bearing debt	169.5	169.5	—
Interest-bearing debt ratio	53.8%	53.8%	—
Long-term interest-bearing debt ratio	98.2%	98.2%	—

(*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 (145,449,910 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. 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, 2022.

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

Please note that this English translation of the Japanese original document is provided solely for information purposes. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.