

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
Mizuho Bank, Ltd.	5.0 billion yen	0.08318%	Unsecured & unguaranteed, Bullet repayment	May 31, 2019	June 28, 2019
Shinkin Central Bank	3.0 billion yen	0.08818%	Unsecured & unguaranteed, Bullet repayment	May 31, 2019	June 28, 2019
Sumitomo Mitsui Trust Bank, Limited	2.0 billion yen	0.08318%	Unsecured & unguaranteed, Bullet repayment	May 31, 2019	June 28, 2019
The 77 Bank, Ltd.	1.0 billion yen	0.08818%	Unsecured & unguaranteed, Bullet repayment	May 31, 2019	June 28, 2019
Sumitomo Mitsui Banking Corporation	2.0 billion yen	0.16000%	Unsecured & unguaranteed, Bullet repayment	May 31, 2019	May 31, 2023
The Chugoku Bank, Limited	1.0 billion yen	0.22000%	Unsecured & unguaranteed, Bullet repayment	May 31, 2019	November 29, 2024
The Hachijuni Bank, Ltd.	1.5 billion yen	0.29000%	Unsecured & unguaranteed, Bullet repayment	May 31, 2019	May 29, 2026

#### 2. Use of Funds

To apply the funds toward the repayment of short-term loans totaling ¥11.0 billion concluded on April 26, 2019, long-term loans totaling ¥3.5 billion concluded on May 31, 2013 and May 30, 2014, and the purchase and related incidental expenses of “Chisun Hotel Hiroshima” which was acquired on May 30, 2019 as announced in the “Notification Concerning Acquisition of Domestic Real Estate Property (Chisun Hotel Hiroshima)” dated January 29, 2019 (\*1).

(\*1) As NAF acquired “Chisun Hotel Hiroshima” by using its own funds on May 30, 2019, the above-mentioned loan will be executed in order to cover the decreased amount of own funds.

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	142.5	143.5	1.0
Total interest-bearing debt	153.5	154.5	1.0
Interest-bearing debt ratio	53.1%	53.3%	0.2
Long term interest-bearing debt ratio	92.8%	92.9%	0.0

(\*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/>

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.