

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
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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
Sumitomo Mitsui Banking Corporation	2.0 billion yen	0.462%	Unsecured & unguaranteed, Bullet repayment	September 30, 2022	September 30, 2026

2. Use of Funds

Funds are to be allocated to the repayment of borrowings as detailed below.

Lender	Loan Amount	Date of Loan	Date of Maturity
Sumitomo Mitsui Banking Corporation	2.0 billion yen	September 28, 2018	September 30, 2022

* Due to the “functional realignment” of the subsidiaries of Mitsubishi UFJ Financial Group, Inc., Mitsubishi UFJ Trust and Banking Corporation transferred its corporate loan-related businesses to The MUFG Bank, Ltd. (former: The Bank of Tokyo-Mitsubishi UFJ, Ltd.) as of April 16, 2018 by way of a corporate split. In conjunction with this, as of April 16, 2018, MUFG Bank, Ltd. succeeded as the lender for all the loans noted above originating from Mitsubishi UFJ Trust and Banking Corporation.

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.

$$\text{(interest bearing debt ratio)} = \frac{\text{(interest bearing debt)} + \text{(interest bearing debt + unitholders' capital)}}{\text{(interest bearing debt + unitholders' capital)}} \times 100$$

The unitholders' capital as of today (145,449,910 thousand yen) was used.

(*2)
$$\text{(long-term interest bearing debt ratio)} = \frac{\text{(long term debt + investment corporation bonds)} + \text{(interest bearing debt)}}{\text{(interest bearing debt)}} \times 100$$

(*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/>

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