

To All Concerned Parties

Issuer of Real Estate Investment Trust Securities
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Notification Concerning Acquisition of Evaluation on Environmental Considerations
Obtained from Sumitomo Mitsui Banking Corporation

Nippon Accommodations Fund Inc. (“NAF”) hereby provides notice concerning its acquisition of an “A” grade from Sumitomo Mitsui Banking Corporation (“SMBC”) in recognition of its commitment to environmentally aware initiatives in asset management, according to SMBC’s funding program based on an evaluation of environmental considerations.

1. Outline of SMBC's funding program based on an evaluation of environmental considerations

In SMBC's funding program, which is based on an evaluation of environmental considerations, corporate efforts for taking eco-friendly measures are evaluated for the provision of loans and establishment of lending conditions, according to evaluation criteria developed originally by SMBC and the Japan Research Institute, Limited.

2. Result of the evaluation

In conjunction with its initiatives for environmental considerations, NAF has received an “A” grade for maintaining a high standard in terms of the monitoring of environmental load, environmental management and the implementation of environmental protection measures, among other efforts.

In particular, the following factors contributed to the favorable grade in the evaluation.

- (1) Understanding main environment load such as electricity and water usage at owned real estate on a monthly basis and precisely analyzing factors of change such as confirming the reason for change with the property management company when the amount differs greatly on a yearly or monthly basis.
- (2) Contributing to the realization of a sustainable society by holding real estate that contributes to the mitigation of and adaptation to climate change such as facilities with co-generation systems and those that effectively use rainwater.
- (3) Urging even external parties to promote sustainability such as by adding a provision that requests to refrain from excessive use of electricity, gas and tap water to lease agreements concluded with tenants and confirming environmental and social considerations upon selection and evaluation of external contractors.

For the SMBC announcement, please visit the following website.

SMBC's website : <http://www.smbc.co.jp/news/>

3. Future efforts by NAF

NAF and its asset management company, Mitsui Fudosan Accommodations Fund Management Co., Ltd., in recognition of the importance of initiatives for sustainability including environmental and social considerations, etc., will promote measures that focus on reduction of environmental load as well as diversified affiliations and collaborations with various internal and external entities, in line with the “Group Environmental Policy” and “Policy for Social Contribution Initiatives” established by the Mitsui Fudosan Group.

- Japanese original document was distributed to press clubs within the Tokyo Stock Exchange (Kabuto Club) and the press club of the Ministry of Land, Infrastructure, Transport and Tourism and to the press club for construction publications of the Ministry of Land, Infrastructure, Transport and Tourism.
- NAF website: <https://www.naf-r.jp/english/>

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