

January 6, 2020

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 Loan

| Lender                    | Loan Amount     | Interest Rate | Loan Type & Repayment Method               | Date of Loan    | Date of Maturity |
|---------------------------|-----------------|---------------|--------------------------------------------|-----------------|------------------|
| THE BANK OF FUKUOKA, LTD. | 1.0 billion yen | 0.65000%      | Unsecured & unguaranteed, Bullet repayment | January 8, 2020 | January 8, 2032  |

#### 2. Use of Funds

To apply the funds toward the repayment of long-term loan ¥1.0 billion concluded on July 8, 2013.

#### 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                        | 150.5             | 150.5            | —      |
| Total interest-bearing debt           | 153.5             | 153.5            | —      |
| Interest-bearing debt ratio           | 53.1%             | 53.1%            | —      |
| Long term interest-bearing debt ratio | 98.0%             | 98.0%            | —      |

(\*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) (long term interest bearing debt ratio) = (long term debt + investment corporation bonds) ÷ (interest bearing debt) X 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 29, 2019.

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

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