

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  
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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  |
|----------------------|-----------------|---------------|--|---------------|-------------------|
| The Norinchukin Bank | 1.0 billion yen | 0.27000%      | Unsecured & unguaranteed, Bullet repayment | June 14, 2019 | December 30, 2025 |

#### 2. Use of Funds

To apply the funds toward 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              | 143.5             | 144.5            | 1.0    |
| Total interest-bearing debt | 154.5             | 155.5            | 1.0    |

|                                       |       |       |     |
|---------------------------------------|-------|-------|-----|
| Interest-bearing debt ratio           | 53.3% | 53.4% | 0.2 |
| Long term interest-bearing debt ratio | 92.9% | 92.9% | 0.0 |

(\*1) The following formula was used to calculate the interest-bearing debt ratio.

(interest bearing debt ratio) = (interest bearing debt) ÷ (interest bearing debt + unitholders' capital) X 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 May 31, 2019.

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

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