

December 28, 2015

To All Concerned Parties

Issuer of Real Estate Investment Trust Securities
 4-1, Nihonbashi 1-chome, Chuo-Ku,
 Tokyo 103-0027
 Nippon Accommodations Fund Inc.
 Executive Director Nobumi Tobari
 (Code Number 3226)
 Investment Trust Management Company
 Mitsui Fudosan Accommodations Fund Management Co., Ltd.
 President and CEO Tateyuki Ikura
 Contact CFO and Director Satoshi Nohara
 (TEL. 03-3246-3677)

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
Shinsei Bank, Limited	5.0 billion yen	0.16000%	Unsecured & unguaranteed, Bullet repayment	December 30, 2015	January 29, 2016

2. Use of Funds

To apply the funds toward the repayment of short-term loan of ¥5 billion concluded on November 30, 2015.

3. Status of interest-bearing debt after this event

(Unit: billion yen)

	Before this event	After this event	Change
Short-term debt	5.0	5.0	—
Long-term debt	137.5	137.5	—
Investment corporation bonds	7.0	7.0	—
Total interest-bearing debt	149.5	149.5	—

Interest-bearing debt ratio	52.4%	52.4%	—
Long term interest-bearing debt ratio	96.7%	96.7%	—

(*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 27, 2015.

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

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