

April 27, 2007

To All Concerned Parties

Issuer of Real Estate Investment Trust Securities  
1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo 103-0022  
Nippon Accommodations Fund Inc.  
Representative Executive Director Nobuyuki Nakai  
(Code number 3226)

Investment Trust Management Company  
Mitsui Fudosan Accommodations Fund Management Co., Ltd.  
Representative President and CEO Nobuyuki Nakai  
Contact CFO and Director Morio Shibata  
(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. Use of Funds

To repay existing debt (1 billion yen, repayment date April 19, 2007), along with part of funds to purchase real estate and related incidental expenses.

#### 2.Details of Loans

Lender	Loan amount	Interest rate	Loan type & Repayment method	Date of Loan	Date of Maturity
Shinsei Bank, Ltd.	1 billion yen	1.56375%	Unsecured & unguaranteed, Bullet repayment	April 19, 2007	April 19, 2011
	1 billion yen	0.85250%		April 19, 2007	July 19, 2007
The Chugoku Bank, Ltd.	2 billion yen	1.56370%		April 19, 2007	April 19, 2011
Mizuho Corporate Bank, Ltd.	1 billion yen	1.56375%		April 19, 2007	April 19, 2011
Mitsubishi UFJ Trust and Banking Corporation	1 billion yen	0.83250%		April 19, 2007	July 19, 2007
The Sumitomo Trust & Banking, Co. Ltd	1 billion yen	0.85250%		April 19, 2007	July 19, 2007

This English language notice is a translation of the Japanese language notice dated April 17, 2007 and was prepared solely for the convenience of, and reference by, overseas investors. NAF makes no warranties as to its accuracy or completeness.

<Attached documents>

- Status of interest-bearing debt after this event

## Reference data

<Status of interest-bearing debt after this event>

(Unit: billion yen)

	Before this event	After this event	Change
Short-term debt	13.5	15.5	2.0
Long-term debt	30.0	34.0	4.0
Total interest-bearing debt	43.5	49.5	6.0

Interest-bearing debt ratio	41.6%	44.8%	3.2
Long term interest-bearing debt ratio	69.0%	68.7%	▲0.3

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

(interest bearing debt ratio) = (interest bearing debt) ÷ (interest bearing debt + unitholder's capital) X 100

The unitholder's capital as of today (60,978,700,000 yen) was used.

(\*2) (long term interest bearing debt ratio) = (long term debt) ÷ (interest bearing debt) X 100

(\*3) All calculations of ratios were rounded to one decimal place.