August 6, 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
    Allocated to repay existing debt
2. Details of Loans

Lender	Loan amount	Interest rate	Loan type & Repayment method	Date of Loan	Date of Maturity
The Sumitomo Trust & Banking Co., Ltd.	1 billion yen	0.93506%	Unsecured & unguaranteed, Bullet repayment	July 19, 2007	October 12, 2007
Mitsubishi UFJ Trust and Banking Corporation	2 billion yen	0.93333%	Unsecured & unguaranteed, Bullet repayment	July 19, 2007	October 12, 2007

This English language notice is a translation of the Japanese language
   notice dated July 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	15.5	15.5	-
Long-term debt	34.0	34.0	-
Total interest-bearing debt	49.5	49.5	-

	Before this event	After this event	Change
Interest-bearing debt ratio	44.8%	44.8%	-
Long term interest-bearing debt ratio	68.7%	68.7%	-

(*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.