

September 20, 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 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
The Chuo Mitsui Trust and Banking Co., Ltd.	3 billion yen	0.96516%	Unsecured & unguaranteed, Bullet repayment	September 14, 2007	October 31, 2007
	2 billion yen	0.93500%		September 14, 2007	October 12, 2007
The Sumitomo Trust & Banking, Co. Ltd	1 billion yen	0.96434%		September 14, 2007	October 31, 2007
	3 billion yen	0.92063%		September 14, 2007	October 12, 2007
The Hachijuni Bank, Ltd.	1 billion yen	1.51800%		September 14, 2007	September 14, 2012
Mizuho Corporate Bank, Ltd.	2 billion yen	0.99000%		September 14, 2007	October 31, 2007
The Bank of Fukuoka, Ltd.	2 billion yen	0.96433%		September 14, 2007	October 31, 2007
Mitsubishi UFJ Trust and Banking Corporation	1 billion yen	0.97000%		September 14, 2007	October 31, 2007

This English language notice is a translation of the Japanese language notice dated September 12, 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	29.5	14
Long-term debt	34.0	35.0	1
Total interest-bearing debt	49.5	64.5	15

Interest-bearing debt ratio	44.8%	51.4%	6.6
Long term interest-bearing debt ratio	68.7%	54.3%	▲14.4

(\*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.