Nippon Accommodations Fund

January 8, 2009

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
Mitsubishi UFJ Trust and Banking Corporation	2 billion yen	1.14583%	Unsecured & unguaranteed, Bullet repayment	December 11,2008	January 30,2009
The Hachijuni Bank, Ltd.	1 billion yen	1.09660%	Unsecured & unguaranteed, Bullet repayment	December 11,2008	April 13,2009

This English language notice is a translation of the Japanese language notice dated December 9, 2008 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

Nippon Accommodations Fund

Reference data

<Status of interest-bearing debt after this event>

(Unit: billion yen)

	Before this event	After this event	Change
Short-term debt	29.0	29.0	—
Long-term debt	42.0	42.0	—
Investment corporation bonds	10.0	10.0	—
Total interest-bearing debt	81.0	81.0	—

Interest-bearing debt ratio	57.1%	57.1%	—
Long term interest-bearing debt ratio	64.2%	64.2%	—

(*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+investment corporation bonds) ÷ (interest bearing debt) X 100

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