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
The Bank of Fukuoka, Ltd.	2.0 billion yen	0.43500%	Unsecured & unguaranteed, Bullet repayment	February 20, 2017	February 26, 2027

2. Use of Funds

 To apply the funds toward the repayment of long-term loan ¥2.0 billion concluded on August 19, 2011.

3. Status of Interest-bearing Debt After this Event   (Unit: billion yen)

	Before this Event	After this Event	Change
Short-term debt	4.0	4.0	－
Long-term debt	143.0	143.0	－
Total interest-bearing debt	147.0	147.0	－

Interest-bearing debt ratio	52.0%	52.0%	－
Long term interest-bearing debt ratio	97.3%	97.3%	－

(*1) The following formula was used to calculate the interest-bearing debt ratio.
    (interest bearing debt ratio) = (interest bearing debt) ÷ (interest bearing debt + unitholders' capital) X 100
    The unitholders' capital as of today (135,603,623 thousand 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.

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 28, 2016.

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

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