

November 27, 2019

To All Concerned Parties

Issuer of Real Estate Investment Trust Securities:
Nippon Accommodations Fund Inc.
Takashi Ikeda, Executive Director
(TSE Code: 3226)

Investment Trust Management Company:
Mitsui Fudosan Accommodations Fund
Management Co., Ltd.
Tateyuki Ikura, President and CEO
Inquiries: Tetsuji Kawakami, CFO and Director
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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
Sumitomo Mitsui Trust Bank, Limited	1.0 billion yen	0.09227%	Unsecured & unguaranteed, Bullet repayment	November 29, 2019	February 28, 2020
The 77 Bank, Ltd.	1.0 billion yen	0.09727%(*1)	Unsecured & unguaranteed, Bullet repayment	November 29, 2019	November 30, 2020
Mizuho Bank, Ltd.	1.0 billion yen	0.09227%(*2)	Unsecured & unguaranteed, Bullet repayment	November 29, 2019	November 30, 2020

(*1) The interest rate will be applied from November 29, 2019 to December 29, 2019. The interest rate applicable on and after December 30, 2019 shall be calculated based on the one-month JBA Japanese Yen TIBOR released two business days prior to the last day of each calendar month (if such date is not a business day, the business day immediately preceding the concerned date) + 0.03%.

(*2) The interest rate will be applied from November 29, 2019 to February 27, 2020. The interest rate applicable on and after February 28, 2020 shall be calculated based on the three-month JBA Japanese Yen TIBOR released two business days prior to the last day of the calendar month every three months (if such date is not a business day, the business day immediately preceding the concerned date) + 0.025%.

Please refer to the JBA TIBOR Administration's website (<http://www.jbatibor.or.jp/english/>) for the JBA Japanese Yen TIBOR.

2. Use of Funds

To apply the funds toward the repayment of short-term loans totaling ¥3.0 billion concluded on October 31, 2019.

3. Status of Interest-bearing Debt After this Event

(Unit: billion yen)

	Before this Event	After this Event	Change
Short-term debt	3.0	3.0	—
Long-term debt	151.5	151.5	—
Total interest-bearing debt	154.5	154.5	—
Interest-bearing debt ratio	53.3%	53.3%	—
Long term interest-bearing debt ratio	98.1%	98.1%	—

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

$$(\text{interest bearing debt ratio}) = (\text{interest bearing debt}) \div (\text{interest bearing debt} + \text{unitholders' capital}) \times 100$$

The unitholders' capital as of today (135,603,623 thousand yen) was used.

(*2) $(\text{long term interest bearing debt ratio}) = (\text{long term debt} + \text{investment corporation bonds}) \div (\text{interest bearing debt}) \times 100$

(*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 May 31, 2019.

NAF website: <https://www.naf-r.jp/english/>

Please note that this English translation of the Japanese original document is provided solely for information purposes. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.