

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.
Hiroshi Kojima, President and CEO
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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 | 2.0 billion yen | 0.11955% | Unsecured & unguaranteed, Bullet repayment | February 28, 2023 | May 31, 2023 |

2. Use of Funds

Funds are to be allocated to the repayment of borrowings as detailed below.

| Lender | Loan Amount | Date of Loan | Date of Maturity |
|-------------------------------------|-----------------|-------------------|-------------------|
| Sumitomo Mitsui Trust Bank, Limited | 2.0 billion yen | November 30, 2022 | February 28, 2023 |

3. Status of Interest-bearing Debt After this Event

(Unit: billion yen)

| | Before this Event | After this Event | Change |
|---------------------------------------|-------------------|------------------|---------|
| Short-term debt | 3.0 | 2.0 | (1.0) * |
| Long-term debt | 158.5 | 158.5 | — |
| Total debt | 161.5 | 160.5 | (1.0) |
| Investment corporation bonds | 8.0 | 8.0 | — |
| Total interest-bearing debt | 169.5 | 168.5 | (1.0) |
| Interest-bearing debt ratio | 53.8% | 53.7% | (0.1) |
| Long-term interest-bearing debt ratio | 98.2% | 98.8% | 0.6 |

*We plan to repay the 1.0 billion yen short-term loan from Mizuho Bank, Ltd. on the repayment date of February 28, 2023.

(*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 (145,449,910 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 November 30, 2022.

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

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