

May 29, 2023

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 (Refinancing with Green Loan and others)

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	Date of Loan	Date of Maturity	Loan Type & Repayment Method
Sumitomo Mitsui Trust Bank, Limited	2.0 billion yen	0.11955%	May 31,2023	August 31, 2023	Unsecured & unguaranteed, Bullet repayment
Sumitomo Mitsui Banking Corporation (Green Loan)	2.0 billion yen	0.452%	May 31,2023	May 31,2027	Unsecured & unguaranteed, Bullet repayment

(Note) For details of NAF’s Green Loan, please refer to “2. Use of Funds”.
For details of NAF’s Green Finance (including Green Loan), please refer to “Green Finance” section on NAF’s website: <https://www.naf-r.jp/english/esg/finance/sustainability-finance.html>.

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	February 28, 2023	May 31, 2023
Sumitomo Mitsui Banking Corporation	2.0 billion yen	May 31,2019	May 31,2023

NAF plans to use all the procured funds as funds for the repayment for the loans that were required for acquisition of Park Axis Toyosu, an eligible green asset under the green finance framework. Specifically, it plans to apply such funds for repayment of 2 billion yen of long-term debt with Sumitomo Mitsui Banking Corporation as the lender due for repayment on May 31, 2023.

3. Status of Interest-bearing Debt After this Event

(Unit: billion yen)

	Before this Event	After this Event	Change
Short-term debt	2.0	2.0	—
Long-term debt	158.5	157.5	(1.0)*
Total debt	160.5	159.5	(1.0)
Investment corporation bonds	8.0	8.0	—
Total interest-bearing debt	168.5	167.5	(1.0)

Interest-bearing debt ratio	53.7%	53.5%	(0.1)
Long-term interest-bearing debt ratio	98.8%	98.8%	—

*We plan to repay the 1.0 billion yen long-term loan from Mizuho Bank, Ltd. on the repayment date of May 31, 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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