

To all parties concerned:

Real Estate Investment Trust Securities Issuer:
Nippon Hotel & Residential Investment Corporation
Representative: Takeshi Kirihara,
Executive Director
(Securities Code: 3472)

Asset Manager:
APA Investment Management Co., Ltd.
Representative: Takeshi Kirihara,
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Notice Concerning Borrowing of Funds

Nippon Hotel & Residential Investment Corporation (hereinafter “the Investment Corporation”) announces that it has decided today to undertake borrowings as detailed below.

1. Reason for the Borrowing

The proceeds of the loans will be allocated to constitute part of the funds for the repayment of short-term loans 739 million yen and long-term loans 4,362 million yen with a repayment date of May 31, 2024.

(Note) For details, please refer to “Notice Concerning Borrowing of Funds” announced on May 29, 2023 and February 26, 2024. The balance of the Existing Loans prior to the undertaking of the Borrowing comes to 4,971 million yen, taking scheduled repayments and other factors into consideration.

2. Details of the Borrowing

(1) Short-term loan (Note 1)

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| (1) Lender | : Sumitomo Mitsui Trust Bank, Limited |
| (2) Loan amount | : 750 million yen |
| (3) Interest rate (Note 3) | : Base interest rate (JBA JPY TIBOR) (Note 4) (Note 5) plus 0.60% |
| (4) Drawdown date (Note 6) | : May 31, 2024 |
| (5) Borrowing method | : Borrowing based on the individual loan agreement dated May 29, 2024 with the lender above |
| (6) Interest payment date (Note 6) | : The first interest payment date shall be the last day of June 2024, and subsequent interest payment dates shall be the last day of every month thereafter and the principal repayment date. |
| (7) Principal repayment date (Note 6) | : May 30, 2025 |
| (8) Principal repayment method (Note 6) | : The first repayment will be made on July 31, 2024. Subsequently, 5,262 thousand yen will be repaid on the last day of every three months with the balance to be repaid on the last principal payment date. |
| (9) Security | : Unsecured and guaranteed (Note 7) |

(2) Long-term loan

- (1) Lender : Syndicate with Sumitomo Mitsui Banking Corporation as the arranger (Note 2)
- (2) Loan amount : 4,221 million yen
- (3) Interest rate (Note 3) : Base interest rate (JBA JPY TIBOR) plus 0.70%
- (4) Drawdown date (Note 6) : May 31, 2024
- (5) Borrowing method : Borrowing based on the individual loan agreement dated May 29, 2024 with the lender above
- (6) Interest payment date : The first interest payment date shall be the last day of June 2024, and subsequent interest payment dates shall be the last day of every month thereafter and the principal repayment date.
(Note 6)
- (7) Principal repayment date : May 31, 2026
(Note 6)
- (8) Principal repayment method (Note 6) : The first repayment will be made on July 31, 2024. Subsequently, 34,214 thousand yen will be repaid on the last day of every three months with the balance to be repaid on the last principal payment date.
- (9) Security : Unsecured and guaranteed (Note 7)

(Note 1) “Short-term loan” refers to a loan where the principal is due within one year, and “long-term loan” refers to a loan where the principal is due within a period of more than one year. The same applies hereinafter.

(Note 2) The syndicate consists of Sumitomo Mitsui Banking Corporation, The Tokyo Star Bank, Limited, Aozora Bank, Ltd., Resona Bank, Limited, The Ogaki Kyoritsu Bank, Ltd. and San ju San Bank, Ltd. Also, Sumitomo Mitsui Banking Corporation can transfer their loan receivables for syndication.

(Note 3) Borrowing expenses, etc. payable to the lenders are not included. The same applies hereinafter.

(Note 4) The base interest rate applicable to a calculation period for the interest payable on each interest payment date shall be the JBA Japanese yen TIBOR (Tokyo Interbank Offered Rate), as of two business days prior to the interest payment date (in the case of the first interest calculation period, two business days prior to the borrowing date), which covers the calculation period for such interest payable. However, in cases where the interest rate is not announced, the base interest rate for such interest calculation period shall be calculated based on the method provided for in the loan agreements. Further, each interest rate will be 0% when it is below 0%.

(Note 5) Please refer to the Japanese Bankers Association (JBA) TIBOR Administration’s website (<https://www.jbatibor.or.jp/english/>) regarding the Japanese yen TIBOR.

(Note 6) If this date falls on a day that is not a business day, the repayment date shall be the immediately following business day or, if that immediately following business day falls in the next calendar month, the immediately preceding business day.

(Note 7) Please refer to the Notice of a Guarantee of Borrowings of Nippon Hotel & Residential Investment Corporation by APA Holdings issued on May 27, 2024.

3. Status of Loans, etc. after the Borrowing

(Unit: million yen)

	Before drawdown	After Drawdown	Increase or decrease
Short-term loans	926	945	+19
Long-term loans (Note)	11,810	11,791	(19)
Total loans	12,736	12,736	-
Investment corporation bonds	-	-	-
Total amount of loans and investment corporation bonds	12,736	12,736	-
Other interest-bearing debt	-	-	-
Total interest-bearing debt	12,736	12,736	-

4. Other Matters Necessary for Investors' Appropriate Understanding and Judgment of the Subject Information

There is no change to the content of "Part I. Fund Information, I Status of Fund, 3. Investment Risks" of the Securities Report for the fiscal period ended November 30, 2023 (15th fiscal period) submitted on February 26, 2024 due to the Borrowing.

* The Investment Corporation's website: <https://oom-reit.com/en/>