

To all parties concerned:

Real Estate Investment Trust Securities Issuer:
Nippon Hotel & Residential Investment Corporation
Representative: Takeshi Kiriwara,
Executive Director
(Securities Code: 3472)
Asset Manager:
APA Investment Management Co., Ltd.
Representative: Takeshi Kiriwara,
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Notice Concerning Borrowing of Funds

Nippon Hotel & Residential Investment Corporation (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 195 million yen with a repayment date of February 28, 2025.

(Note) For details, please refer to “Notice Concerning Borrowing of Funds” announced on February 26, 2024. The balance of the Existing Loans prior to the undertaking of the Borrowing comes to 21,364 million yen, taking scheduled repayments and other factors into consideration.

2. Details of the Borrowing

(1) Short-term loan

- | | |
|--------------------------------|--|
| (1) Lender | : Sumitomo Mitsui Banking Corporation |
| (2) Loan amount | : 195 million yen |
| (3) Interest rate | : Base interest rate (JBA JPY TIBOR) plus 0.60% |
| (4) Drawdown date | : February 28, 2025 |
| (5) Borrowing method | : Borrowing based on the individual loan agreement dated February 26, 2025 with the lender above |
| (6) Interest payment date | : The first interest payment date shall be the last day of March 2025, and subsequent interest payment dates shall be the last day of every month thereafter and the principal repayment date. |
| (7) Principal repayment date | : February 27, 2026 |
| (8) Principal repayment method | : Lump-sum repayment on the principal repayment date |
| (9) Security | : Unsecured and guaranteed |

- (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) Borrowing expenses, etc. payable to the lenders are not included. The same applies hereinafter.
- (Note 3) 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 4) Please refer to the Japanese Bankers Association (JBA) TIBOR Administration’s website (<https://www.jbatibor.or.jp/english/>) regarding the Japanese yen TIBOR.
- (Note 5) 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.

3. Status of Loans, etc. after the Borrowing

(Unit: million yen)

	Before drawdown	After Drawdown	Increase or decrease
Short-term loans	1,029	1,029	-
Long-term loans (Note)	20,335	20,335	-
Total loans	21,364	21,364	-
Investment corporation bonds	-	-	-
Total amount of loans and investment corporation bonds	21,364	21,364	-
Other interest-bearing debt	-	-	-
Total interest-bearing debt	21,364	21,364	-

(Note) Long-term loans includes the current portion of long-term loans within a year.

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, 2024 (17th fiscal period) submitted on February 25, 2025 due to the Borrowing.

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