

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,  
Chief Executive Officer

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Notice of a Guarantee of Borrowings of Nippon Hotel & Residential Investment Corporation  
by APA Holdings

Nippon Hotel & Residential Investment Corporation (hereinafter “the Investment Corporation”) announces that on May 27, 2024, it has agreed with APA Holdings Co., Ltd. on a guarantee of borrowings of the Investment Corporation (hereinafter “the Debt Guarantee”). Details are as follows.

**1. Details of the Debt Guarantee**

- Debtor : Investment Corporation
- Guarantor : APA Holdings Co., Ltd.
- Commencement date of the guarantee : May 31, 2024
- Debts guaranteed : All debts that the Investment Corporation currently owes or may owe in the future to the individual lenders mentioned in section 3 below (hereinafter “the Guaranteed Debts”) under the individual loan agreements (including any revisions) stated in section 3 below that have been signed under a basic agreement (including any revisions) that the Investment Corporation signed with the primary agent, Sumitomo Mitsui Banking Corporation, and other lenders, which are financial institutions, on August 30, 2016. The principal of the borrowings, the Guaranteed Debts, as of the commencement date of the guarantee is 12,736 million yen (based on the assumption that 4,971 million yen will be borrowed on the commencement date as planned, and that borrowings of 4,971 million yen will be repaid on the same date, which is also the repayment date. Please refer to section 3 below).
- Lenders : Individual lenders mentioned in section 3 below
- End of the guarantee : The Debt Guarantee will end if the Guaranteed Debts are paid off or if all the lenders related to the Guaranteed Debts accept the end of the Debt Guarantee.
- Guarantee fee : No fees will be paid to APA Holdings for providing the Debt Guarantee.

## 2. Reasons for requesting APA Holdings to provide the Debt Guarantee

The Investment Corporation's top management priorities are to enhance the financial foundation and achieve external growth. The Investment Corporation believes that the Debt Guarantee provided by APA Holdings, its sponsor, which has built good relationships with major financial institutions, will enhance its creditworthiness in transactions with financial institutions, which in turn will result in the following: (1) better financing conditions, (2) the removal of security interests on the Investment Corporation's assets, and (3) the expanded formation of lenders, leading to an increase in funding.

The Investment Corporation will leverage the Debt Guarantee to speed up portfolio expansion and diversification, achieve stable growth in distributions per unit, and enhance unitholder value stability.

For more information about this initiative, please refer to the Notice of Borrowings, Notice of the Removal of Security Interests, Notice of Revisions to Investment Status and Distribution Forecasts for Fiscal Periods Ending May and November 2024, as well as Supplementary Explanation Materials on Today's Press Releases, all of which were issued on May 27, 2024.

## 3. Loan agreements that will become guaranteed debts on the commencement date of the guarantee

(Unit: million yen)

Lender	Drawdown date	Repayment date	Outstanding borrowings	Remarks
Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited The Tokyo Star Bank, Limited San ju San Bank, Ltd.	May 31, 2023	May 31, 2024	4,240	(Note 1)
Sumitomo Mitsui Banking Corporation The Tokyo Star Bank, Limited Kiraboshi Bank, Ltd.	September 28, 2023	September 28, 2026	3,400	
The Ogaki Kyoritsu Bank, Ltd. Fukoku Mutual Life Insurance Company	February 29, 2024	May 31, 2024	730	(Note 1)
Sumitomo Mitsui Banking Corporation San ju San Bank, Ltd.	February 29, 2024	February 26, 2027	4,170	
Sumitomo Mitsui Banking Corporation	February 29, 2024	February 28, 2025	195	
Sumitomo Mitsui Banking Corporation The Tokyo Star Bank, Limited Aozora Bank, Ltd. Resona Bank, Limited The Ogaki Kyoritsu Bank, Ltd. San ju San Bank, Ltd.	May 31, 2024 (Plan)	May 31, 2026	4,221	(Note 2)
Sumitomo Mitsui Trust Bank, Limited	May 31, 2024 (Plan)	May 30, 2025	750	(Note 2)

(Note 1) The repayment date is the same as the date of commencement of the guarantee.

(Note 2) If these amounts are borrowed on May 31, 2024, as planned, the borrowings will be included in the guaranteed debts. Please refer to the Notice of Borrowings issued on May 27, 2024.

## 4. Impact on financial results

Please refer to the Notice of Revisions to Investment Status and Distribution Forecasts for Fiscal Periods Ending May and November 2024 issued on May 27, 2024.

## 5. 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 Debt Guarantee.

End

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