

August 27, 2013

TRANSLATION

Real Estate Investment Trust Securities Issuer  
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Representative: Junichi Inoue, Executive Director  
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Notice Concerning Borrowing of Funds

Sekisui House SI Investment Corporation (the “Investment Corporation”) hereby announces that it today reached an agreement with lenders for the debt financing (the “Borrowings”) as described below.

1. Borrowing of Funds

(1) Reason for the Borrowings

The Investment Corporation is borrowing funds to use them for refinancing existing loans totaling 8,000 million yen due for repayment on August 30 and 31, 2013.

(2) Description of the Borrowings

<Individual loan contract (loan period: 7 years)>

- |          |  |  |
|----------|--|--|
| (i)      | Lenders:   | Mizuho Bank, Ltd. (individual agent), Aozora Bank, Ltd., Mizuho Trust & Banking Co., Ltd., Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation and Resona Bank, Limited.   |
| (ii)     | Loan amount:   | 5,500,000,000 yen  |
| (iii)    | Interest rate, etc.:   | Floating interest rate (base rate + 0.50%) (Note 1 and 2)  |
| (iv)     | Scheduled drawdown date:   | August 30, 2013  |
| (v)      | Borrowing method:  | Based on the basic agreement dated July 27, 2010 (as amended) entered into with the lenders stated in (i) above and other parties, and the individual loan contract (August 2013 / 7 years) dated August 27, 2013 entered into with the lenders stated in (i) above.   |
| (vi)     | Interest payment dates:  | The first interest payment shall be due on the last day of November 2013, and subsequent interest payments shall be due on the last day of each of February, May, August and November of every year thereafter, until the final interest payment on August 31, 2020 (If the concerned date is not a business day, then the business day immediately preceding the concerned date will be due date.). |
| (vii)    | Principal repayment method:  | Lump-sum repayment on principal repayment date   |
| (viii)   | Principal repayment date:  | August 31, 2020  |
| (ix)     | Security:  | Unsecured and unguaranteed   |
| (Note 1) | The interest rate will be announced when determined.   |  |
| (Note 2) | An interest rate swap contract signed today will, in effect, fix the floating interest rate for the above borrowing at 1.17200% until the principal repayment date. For details on the interest rate swap contract, please refer to the press release entitled “Notice Concerning Interest Rate Swap Contract” which is separately issued today. |  |

This translation is for informational purpose only. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.

<Individual loan contract (loan period: 5 years)>

- (i) Lenders: Mizuho Bank, Ltd. (individual agent), Aozora Bank, Ltd., Mizuho Trust & Banking Co., Ltd., Sumitomo Mitsui Banking Corporation and Sumitomo Mitsui Trust Bank, Limited
- (ii) Loan amount: 2,500,000,000 yen
- (iii) Interest rate, etc.: Floating interest rate (base rate + 0.40%) (Note)
- (iv) Scheduled drawdown date: August 30, 2013
- (v) Borrowing method: Based on the basic agreement dated July 27, 2010 (as amended) entered into with the lenders stated in (i) above and other parties, and the individual loan contract (August 2013 / 5 years) dated August 27, 2013 entered into with the lenders stated in (i) above.
- (vi) Interest payment dates: The first interest payment shall be due on the last day of November 2013, and subsequent interest payments shall be due on the last day of each of February, May, August and November of every year thereafter, until the final interest payment on August 31, 2018 (If the concerned date is not a business day, then the business day immediately preceding the concerned date will be due date.).
- (vii) Principal repayment method: Lump-sum repayment on principal repayment date
- (viii) Principal repayment date: August 31, 2018
- (ix) Security: Unsecured and unguaranteed
- (Note) The interest rate will be announced when determined. The base rate applicable to the interest rate calculation period for each interest payment date will be the 3-month Japanese Yen TIBOR announced by The Japanese Bankers Association (JBA) on the date two business days prior to each interest payment date. The relevant base rate will be available on the website of JBA (<http://www.zenginkyo.or.jp/en/tibor/>). Moreover, the subsequent floating interest rates on these borrowings will be disclosed on the website of the Investment Corporation.

(3) Specific Use of Funds and Schedule of Expenditure

- (i) Specific use of funds: Funds for refinancing existing loans totaling 8,000 million yen
- (ii) Schedule of expenditure: August 30, 2013

2. Status of Loans, etc. after the Borrowings

(Unit: million yen)

	Before the Borrowings	After the Borrowings (Note 1)	Increase (Decrease)
Short-term loans	4,900	4,900	-
Current portion of long-term loans (to be repaid within one year or less)	27,646	19,646	-8,000
Long-term loans	37,429	45,429	8,000
Investment corporation bonds	6,000	6,000	-
Subtotal	75,975	75,975	-
Interest-bearing security deposits (Note 2)	300	300	-
Total interest-bearing debt	76,276	76,276	-
Interest-bearing debt ratio (Note 3)	52.8%	52.8%	-

(Note 1) Each amount and the percentage in the “After the Borrowings” column are the estimated figures as of August 30, 2013 and changes other than the Borrowings are not included.

(Note 2) This is the security deposit received from Ito-Yokado Co., Ltd. The principal of such security deposit is being returned over 120 equal installments starting from November 30, 2005 with 2% per annum interest charged on the balance outstanding at

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the end of every month, after a deferment period of five years started from the store opening date (November 30, 2000) (no interest during the deferment period).

(Note 3) Interest-bearing debt ratio is calculated as follows:

“interest-bearing debt ratio” = “interest-bearing debt” / (“interest-bearing debt” + “unitholders’ capital”) × 100%;

and rounded to the first decimal place. For “unitholders’ capital”, the unitholders’ capital as of the date of this document, which is 68,294,216,745 yen, is used.

(Note 4) Amounts are rounded down to the nearest specified unit.

### 3. Others

Concerning the risks associated with the Borrowing, etc., there is no change from the “Investment Risks” stated in the semi-annual securities report submitted on June 26, 2013 that would have a material negative impact on the Investment Corporation.

\* Sekisui House SI Investment Corporation website: <http://www.shsi-reit.co.jp/eng/>