

積水ハウス・SI レジデンシャル投資法人  
Sekisui House SI Residential Investment Corporation

TRANSLATION

August 26, 2016

Real Estate Investment Trust Securities Issuer  
Sekisui House SI Residential Investment Corporation  
3-1-31 Minami-Aoyama, Minato-ku, Tokyo  
Representative: Osamu Minami, Executive Director  
(Securities Code: 8973)

Asset Management Company  
Sekisui House SI Asset Management, Ltd.  
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Notice Concerning Borrowing of Funds

Sekisui House SI Residential Investment Corporation (the "Investment Corporation") hereby announces that it today reached an agreement with lenders for the borrowing of funds (the "Borrowing") as described below.

1. Borrowing of Funds

(1) Reason for the Borrowing

The Investment Corporation is using the borrowed funds as funds for refinancing the existing loans totaling 10 billion yen due on August 31, 2016 (please refer to press releases titled "Notice Concerning Borrowing of Funds" dated July 3, 2015, September 28, 2015 and February 25, 2016 for details of the existing loans.) ("the Refinancing").

(2) Description of the Borrowing

<Individual loan contract (August 2016 / 1 year, 8 years and 9 years) >

-Tranche A (loan period: approximately 1 year / Borrowing with floating interest rate)-

- |       |                          |   |
|-------|--------------------------|---|
| (i)   | Lenders:                 | Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd.  |
| (ii)  | Loan amount:             | 4,500,000,000 yen   |
| (iii) | Interest rate, etc.:     | Floating interest rate (base rate + 0.175%)<br>(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 1-month Japanese Yen TIBOR announced by JBA TIBOR Administration (JBATA) on the date two business days prior to the interest payment date immediately before each interest payment date (or, prior to the drawdown date for the first interest payment date). The relevant base rate will be available on the website of JBATA ( <a href="http://www.jbatibor.or.jp/english/">http://www.jbatibor.or.jp/english/</a> ). Moreover, the subsequent floating interest rates on this borrowing will be disclosed on the website of the Investment Corporation. |
| (iv)  | Scheduled drawdown date: | August 31, 2016   |
| (v)   | Borrowing method:        | The Investment Corporation borrows the fund 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 2016 / 1 year, 8 years and 9 years) dated August 26, 2016 entered into with the lenders stated in (i) above and other parties, assigning Mizuho Bank, Ltd. as individual agent.   |

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- (vi) Interest payment date: The first interest payment shall be due on September 30, 2016, and subsequent interest payments shall be due on the last day of every month thereafter until the final interest payment on August 31, 2017 (or the business day immediately preceding the concerned date if any concerned date is not a business day).
- (vii) Principal repayment method: Lump-sum repayment on principal repayment date
- (viii) Principal repayment date: August 31, 2017
- (ix) Security: Unsecured and unguaranteed

### -Tranche B (loan period: 8 years / Borrowing with fixed interest rate)-

- (i) Lenders: Mizuho Bank, Ltd., The Norinchukin Bank, Mizuho Trust & Banking Co., Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited.
- (ii) Loan amount: 1,900,000,000 yen
- (iii) Interest rate, etc.: TBD (fixed interest rate)  
(Note) The interest rate will be announced when determined.
- (iv) Scheduled drawdown date: August 31, 2016
- (v) Borrowing method: The Investment Corporation borrows the fund 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 2016 / 1 year, 8 years and 9 years) dated August 26, 2016 entered into with the lenders stated in (i) above and other parties, assigning Mizuho Bank, Ltd. as individual agent.
- (vi) Interest payment date: The first interest payment shall be due on November 30, 2016, and subsequent interest payments shall be due on the last day of every February, May, August, and November of every year thereafter until the final interest payment on August 30, 2024 (or the business day immediately preceding the concerned date if any concerned date is not a business day).
- (vii) Principal repayment method: Lump-sum repayment on principal repayment date
- (viii) Principal repayment date: August 30, 2024
- (ix) Security: Unsecured and unguaranteed

### -Tranche C (loan period: approximately 9 years / Borrowing with fixed interest rate)-

- (i) Lenders: Mizuho Bank, Ltd., Development Bank of Japan Inc., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation
- (ii) Loan amount: 3,000,000,000 yen
- (iii) Interest rate, etc.: TBD (fixed interest rate)  
(Note) The interest rate will be announced when determined.
- (iv) Scheduled drawdown date: August 31, 2016
- (v) Borrowing method: The Investment Corporation borrows the fund 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 2016 / 1 year, 8 years and 9 years) dated August 26, 2016 entered into with the lenders stated in (i) above and other parties, assigning Mizuho Bank, Ltd. as individual agent.
- (vi) Interest payment date: The first interest payment shall be due on November 30, 2016, and subsequent interest payments shall be due on the last day of every February, May, August, and November of every year thereafter until the final interest payment on August 29, 2025 (or the business day immediately preceding the concerned date if any concerned date is not a business day).
- (vii) Principal repayment method: Lump-sum repayment on principal repayment date
- (viii) Principal repayment date: August 29, 2025
- (ix) Security: Unsecured and unguaranteed

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-Tranche D (loan period: approximately 9 years / Borrowing with fixed interest rate)-

- (i) Lender: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (ii) Loan amount: 600,000,000 yen
- (iii) Interest rate, etc.: TBD (fixed interest rate)  
(Note) The interest rate will be announced when determined.
- (iv) Scheduled drawdown date: August 31, 2016
- (v) Borrowing method: The Investment Corporation borrows the fund 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 2016 / 1 year, 8 years and 9 years) dated August 26, 2016 entered into with the lender stated in (i) above and other parties, assigning Mizuho Bank, Ltd. as individual agent.
- (vi) Interest payment date: The first interest payment shall be due on November 30, 2016, and subsequent interest payments shall be due on the last day of every February, May, August, and November of every year thereafter until the final interest payment on August 29, 2025 (or the business day immediately preceding the concerned date if any concerned date is not a business day).
- (vii) Principal repayment method: Lump-sum repayment on principal repayment date
- (viii) Principal repayment date: August 29, 2025
- (ix) Security: Unsecured and unguaranteed

### (3) Amount to be Procured, Specific Use of Funds and Schedule of Expenditure

- Amount to be procured: 10 billion yen
- Specific use of funds: Funds for refinancing the existing loans totaling 10 billion yen
- Schedule of expenditure: August 31, 2016

## 2. Status of Interest-Bearing Debt Before and After the Refinancing

(Unit: million yen)

	Before the Refinancing	After the Refinancing (Note 1)	Increase (Decrease)
Short-term loans	7,200	4,500	▲2,700
Current portion of long-term loans (to be repaid within one year or less)	15,005	12,205	▲2,800
Long-term loans	73,504	79,004	5,500
Investment corporation bonds	14,500	14,500	-
Total interest-bearing debt	110,209	110,209	-
Interest-bearing debt ratio (Note 2)	55.3%	55.3%	-

(Note 1) Each of the amount and the percentage in the above are the estimated figure as of August 31, 2016 based on the assumption that the Investment Corporation will obtain no new borrowings, etc. by such date.

(Note 2) In this document, the interest-bearing debt ratio is calculated by using the formula: “interest-bearing debt ratio”(%) = “interest-bearing debt” / (“interest-bearing debt” + “unitholders’ capital”) × 100, and rounded to the first decimal place. The unitholders’ capital used in this calculation is 88,925,149,945 yen, which is the amount as of the date of this document.

(Note 3) 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 (*Japanese only*) submitted on June 24, 2016 that would have a material adverse effect on the Investment Corporation.

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

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.