

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

TRANSLATION

October 28, 2014

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
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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 part of fund for the acquisition of the trust beneficiary interests in domestic real estate with respect to Prime Maison MORISHITA and 6 other properties to be acquired on November 4, 2014 among the 8 properties to be acquired as described in the press release titled “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and their Leases (Prime Maison MORISHITA and 7 Other Properties)” issued by the Investment Corporation on October 3, 2014 (the “Real Estate Trust Beneficiary Interests”) as well as the expenses related to the acquisition.

(Note) The other property, besides the aforementioned 7 properties, of the 8 properties to be acquired described in the above press release, is Prime Maison EBISU and it is planned to be acquired on January 15, 2015. For details of all properties to be acquired, please refer to the press release mentioned above.

(2) Description of the Borrowing

<Individual loan contract (loan period: approx.10 months)>

- | | | |
|--------|-----------------------------|---|
| (i) | Lenders: | Mizuho Bank, Ltd. (individual agent) and Sumitomo Mitsui Banking Corporation |
| (ii) | Loan amount: | 1,000,000,000 yen |
| (iii) | Interest rate, etc.: | Floating interest rate (base rate + 0.20%) (Note) |
| (iv) | Scheduled drawdown date: | November 4, 2014 |
| (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 (October 2014 / 10 months) dated October 28, 2014 entered into with the lenders stated in (i) above. |
| (vi) | Interest payment date: | The first interest payment shall be due on the last day of November 2014, and subsequent interest payments shall be due on the last day of every month thereafter until the final interest payment on August 31, 2015 (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, 2015 |
| (iv) | Security: | Unsecured and unguaranteed |

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

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(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 each interest payment date. The relevant base rate will be available on the website of JBATA (<http://www.jbatibor.or.jp/>). Moreover, the subsequent floating interest rates on this borrowing will be disclosed on the website of the Investment Corporation.

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

- Amount to be procured: 1.0 billion yen
- Specific use of funds: Part of fund for the acquisition of the Real Estate Trust Beneficiary Interests and expenses related to the acquisition
- Schedule of expenditure: November 4, 2014

2. Status of Loans, etc. after the Borrowing

(Unit: million yen)

	Before the Borrowing	After the Borrowing (Note 1)	Increase (Decrease)
Short-term loans	8,700	9,700	1,000
Current portion of long-term loans (to be repaid within one year or less)	6,650	6,650	0
Long-term loans	62,609	62,609	0
Investment corporation bonds	14,500	14,500	0
Total interest-bearing debt	92,459	93,459	1,000
Interest-bearing debt ratio (Note 2)	51.1%	51.4%	0.3 points

(Note 1) Each amount and the percentage in the “After the Borrowing” column are the estimated figures as of today based on the assumption that the Investment Corporation will obtain no new borrowings, etc. by November 4, 2014.

(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 88,455,230,145 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 submitted on June 26, 2014 that would have a material impact on the Investment Corporation.

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