

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

TRANSLATION

February 24, 2015

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.  
 3-1-31 Minami-Aoyama, Minato-ku, Tokyo  
 Representative: Osamu Minami, President  
 Inquiries: Yoshiya Sasaki, General Manager  
 IR & Financial Affairs Department  
 TEL: +81-3-5770-8973 (main)

Notice Concerning Borrowing of Funds

Sekisui House SI Residential Investment Corporation (the “Investment Corporation”) hereby announces that it today reached agreements 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 15.35 billion yen due on February 27, 2015 (“the Refinancing”).

(2) Description of the Borrowings

<Individual loan contract (loan period: approximately 8 years) >

—Floating interest rate borrowing—

- |       |                      |   |
|-------|----------------------|---|
| (i)   | Lenders:             | Mizuho Bank, Ltd. (individual agent), Aozora Bank, Ltd., The Senshu Ikeda Bank, Ltd., The Shizuoka Bank, Ltd., The 77 Bank, Ltd., Shinkin Central Bank, The Norinchukin Bank, The Hiroshima Bank, Ltd., The Bank of Fukuoka, Ltd., Mizuho Trust & Banking Co., Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Yamaguchi Bank, Ltd. and Resona Bank, Limited. |
| (ii)  | Loan amount:         | 7,100,000,000 yen   |
| (iii) | Interest rate, etc.: | Floating interest rate (base rate + 0.45%)  |

(Note 1) The interest rate will be announced when determined. The base rate will be the 1-month Japanese Yen TIBOR announced by JBA TIBOR Administration (JBATA) on the date two business days prior to the immediately preceding interest payment date of each interest payment date.

(Note 2) The interest rate applicable to the above borrowing will be fixed in effect at 0.86650% until the principal repayment date of the Borrowing based on the interest rate swap contract signed today. For details on the interest rate swap contract, please refer to the press release titled “Notice Concerning Interest Rate Swap Contract” separately issued today.

- |      |                          |   |
|------|--------------------------|---|
| (iv) | Scheduled drawdown date: | February 27, 2015   |
| (v)  | Borrowing method:        | Based on the base agreement dated July 27, 2010 (as amended) entered into with the lenders stated in (i) above and other parties, and the individual loan contract (February 2015 / 8 years) dated February 24, 2015 entered into with the lenders stated in (i) above and —Fixed interest rate borrowing— (i) below. |

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.

## 積水ハウス・SI レジデンシャル投資法人

Sekisui House SI Residential Investment Corporation

- (vi) Interest payment dates: The first interest payment shall be due on March 31, 2015 and subsequent interest payments shall be due on the last day of every month thereafter until the final interest payment on February 28, 2023 (or the immediately preceding business date if such date is not a business day).
- (vii) Principal repayment method: Lump-sum repayment on principal repayment date
- (viii) Principal repayment date: February 28, 2023
- (ix) Security: Unsecured and unguaranteed

—Fixed interest rate borrowing—

- (i) Lender: Development Bank of Japan Inc.
- (ii) Loan amount: 1,000,000,000 yen
- (iii) Interest rate, etc.: TBD (fixed interest rate)  
(Note ) The interest rate will be announced when determined.
- (iv) Scheduled drawdown date: February 27, 2015
- (v) Borrowing method: Based on the base agreement dated July 27, 2010 (as amended) entered into with the lenders stated in (i) above and other parties, and the individual loan contract (February 2015 / 8 years) dated February 24, 2015 entered into with the lenders stated in —Floating interest rate borrowing— (i) and (i) above.
- (vi) Interest payment dates: The first interest payment shall be due on May 31, 2015, 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 February 28, 2023 (or the immediately preceding business date if such date is not a business day).
- (vii) Principal repayment method: Lump-sum repayment on principal repayment date
- (viii) Principal repayment date: February 28, 2023
- (ix) Security: Unsecured and unguaranteed

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

- (i) Lenders: Mizuho Bank, Ltd. (individual agent), The Norinchukin Bank, The Bank of Fukuoka, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Resona Bank, Limited.
- (ii) Loan amount: 3,350,000,000 yen
- (iii) Interest rate, etc.: Floating interest rate (base rate + 0.40%)  
(Note 1) The interest rate will be announced when determined. The base rate will be the 1-month Japanese Yen TIBOR announced by JBA TIBOR Administration (JBATA) on the date two business days prior to the immediately preceding interest payment date of each interest payment date.  
(Note 2) The interest rate applicable to the above borrowing will be fixed in effect at 0.73975% until the principal repayment date of the Borrowing based on the interest rate swap contract signed today. For details on the interest rate swap contract, please refer to the press release titled “Notice Concerning Interest Rate Swap Contract” separately issued today.
- (iv) Scheduled drawdown date: February 27, 2015
- (v) Borrowing method: Based on the base agreement dated July 27, 2010 (as amended) entered into with the lenders stated in (i) above and other parties, and the individual loan contract (February 2015 / 7 years) dated February 24, 2015 entered into with the lenders stated in (i) above.
- (vi) Interest payment dates: The first interest payment shall be due on March 31, 2015 and subsequent interest payments shall be due on the last day of every month thereafter until the final interest payment on February 28, 2022 (or the immediately preceding business date if such date is not a business day).
- (vii) Principal repayment method: Lump-sum repayment on principal repayment date.
- (viii) Principal repayment date: February 28, 2022
- (ix) Security: Unsecured and unguaranteed

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.

## 積水ハウス・SI レジデンシャル投資法人

Sekisui House SI Residential Investment Corporation

<Individual loan contract (loan period: approximately 6 years)>

- (i) Lenders: Mizuho Bank, Ltd. (individual agent), The Senshu Ikeda Bank, Ltd., The Shizuoka Bank, Ltd., The 77 Bank, Ltd., Shinkin Central Bank, The Norinchukin Bank, The Hiroshima Bank, Ltd., and Sumitomo Mitsui Banking Corporation
- (ii) Loan amount: 3,900,000,000 yen
- (iii) Interest rate, etc.: Floating interest rate (base rate + 0.35%)  
 (Note 1) The interest rate will be announced when determined. The base rate will be the 1-month Japanese Yen TIBOR announced by JBA TIBOR Administration (JBATA) on the date two business days prior to the immediately preceding interest payment date of each interest payment date.  
 (Note 2) The interest rate applicable to the above borrowing will be fixed in effect at 0.62800% until the principal repayment date of the Borrowing based on the interest rate swap contract signed today. For details on the interest rate swap contract, please refer to the press release titled "Notice Concerning Interest Rate Swap Contract" separately issued today.
- (iv) Scheduled drawdown date: February 27, 2015
- (v) Borrowing method: Based on the base agreement dated July 27, 2010 (as amended) entered into with the lenders stated in (i) above and other parties, and the individual loan contract (February 2015 / 6 years) dated February 24, 2015 entered into with the lenders stated in (i) above.
- (vi) Interest payment dates: The first interest payment shall be due on March 31, 2015 and subsequent interest payments shall be due on the last day of every month thereafter until the final interest payment on February 26, 2021 (or the immediately preceding business date if such date is not a business day).
- (vii) Principal repayment method: Lump-sum repayment on principal repayment date
- (viii) Principal repayment date: February 26, 2021
- (ix) Security: Unsecured and unguaranteed

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

- Amount to be procured : Total amount of 15.35 billion yen
- Specific use of funds : Funds for refinancing the existing loans totaling 15.35 billion yen
- Schedule of expenditure : February 27, 2015

## 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	9,700	1,000	(8,700)
Current portion of long-term loans (to be repaid within one year or less)	6,650	0	(6,650)
Long-term loans	65,409	80,759	15,350
Investment corporation bonds	14,500	14,500	0
Total interest-bearing debt	96,259	96,259	0
Interest-bearing debt ratio (Note 2)	52.0%	52.0%	0 point

(Note 1) Each amount and the percentage in the "After the Refinancing" column are the estimated figures as of February 27, 2015 based on the assumption that the Investment Corporation will obtain no new borrowings, etc. by that 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) Money amounts are rounded down to the nearest specified unit.

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.

## 積水ハウス・SI レジデンシャル投資法人

Sekisui House SI Residential Investment Corporation

### 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 December 25, 2014 that would have a material negative impact on the Investment Corporation.

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