

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

TRANSLATION

January 9, 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 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 EBISU to be acquired on January 15, 2015 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 Interest”) as well as the expenses related to the acquisition.

(Note) Of the 8 properties to be acquired described in the above press release, acquisition of 7 properties besides Prime Maison EBISU was completed on November 4, 2014. For details of Prime Maison EBISU, please refer to the above press release dated October 3, 2014.

(2) Description of the Borrowing

<Individual loan contract (loan period: approx. 1 year and 2 months)>

- | | | |
|--------|-----------------------------|--|
| (i) | Lenders: | Mizuho Bank, Ltd. (individual agent), Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| (ii) | Loan amount: | 2,800,000,000 yen |
| (iii) | Interest rate, etc.: | Floating interest rate (base rate + 0.20%) (Note) |
| (iv) | Scheduled drawdown date: | January 15, 2015 |
| (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 (January 2015 / 1 year and 2 months) dated January 9, 2015 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 January 2015, and subsequent interest payments shall be due on the last day of every month thereafter until the final interest payment on February 29, 2016 (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: | February 29, 2016 |
| (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.

積水ハウス・SI レジデンシャル投資法人

Sekisui House SI Residential Investment Corporation

(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 (the drawdown date for the first 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: 2.8 billion yen
- Specific use of funds: Part of fund for the acquisition of the Real Estate Trust Beneficiary Interest and expenses related to the acquisition
- Schedule of expenditure: January 15, 2015

2. Status of Loans, etc. after the Borrowing

(Unit: million yen)

	Before the Borrowing	After the Borrowing (Note 1)	Increase (Decrease)
Short-term loans	9,700	9,700	0
Current portion of long-term loans (to be repaid within one year or less)	6,650	6,650	0
Long-term loans	62,609	65,409	2,800
Investment corporation bonds	14,500	14,500	0
Total interest-bearing debt	93,459	96,259	2,800
Interest-bearing debt ratio (Note 2)	51.2 %	52.0%	0.8 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 January 15, 2015.

(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 submitted on December 25, 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/>