

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

TRANSLATION

March 26, 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.
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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 for the acquisition of domestic real estate trust beneficiary interests scheduled for March 31, 2015 and April 2, 2015, and for a portion of acquisition-related expenses.

(Note) For details concerning the domestic real estate trust beneficiary interest the Investment Corporation is scheduled to acquire on March 31, 2015, please refer to the press release titled “Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate (Esty Maison SHIBAURA)” issued separately today. With regard to the domestic real estate trust beneficiary interest the Investment Corporation is scheduled to acquire on April 2, 2015, the Investment Corporation will release details once the acquisition has been finalized.

(2) Description of the Borrowings

<Individual loan contract (loan period: approximately 11 months)>

-Tranche A (Funds for acquisition of asset scheduled for March 31, 2015)-

- | | | |
|-------|-----------------------|--|
| (i) | Lenders: | Mizuho Bank, Ltd. (individual agent), Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| (ii) | Loan amount: | 2,850,000,000 yen |
| (iii) | Interest rate, etc. : | Floating interest rate (base rate + 0.175%) |

(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.

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|------|--------------------------|----------------|
| (iv) | Scheduled drawdown date: | March 31, 2015 |
|------|--------------------------|----------------|

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- (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 (March 2015 / 11 months) dated March 26, 2015 entered into with the lenders stated in (i) above.
- (vi) Interest payment date: The first interest payment shall be due on April 30, 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

-Tranche B (Funds for acquisition of assets scheduled for April 2, 2015)-

- (i) Lenders: Mizuho Bank, Ltd. (individual agent), Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd
- (ii) Loan amount: 1,800,000,000 yen
- (iii) Interest rate, etc. : Floating interest rate (base rate + 0.175%)
(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.
- (iv) Scheduled drawdown date: April 2, 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 (March 2015 / 11 months) dated March 26, 2015 entered into with the lenders stated in (i) above.
- (vi) Interest payment date: The first interest payment shall be due on April 30, 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

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

-Tranche A-

- Amount to be procured: 2.85 billion yen
- Specific use of funds: For the acquisition of domestic real estate trust beneficiary interest scheduled for March 31, 2015, and for a portion of acquisition-related expenses
- Schedule of expenditure: March 31, 2015

-Tranche B-

- Amount to be procured: 1.8 billion yen
- Specific use of funds: For the acquisition of domestic real estate trust beneficiary interest scheduled for April 2, 2015, and for a portion of acquisition-related expenses
- Schedule of expenditure: April 2, 2015

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.

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2. Status of Loans, etc. after the Borrowings

(Unit: million yen)

	Before the Borrowings	After the Borrowings (Note 1)	Increase (Decrease)
Short-term loans	1,000	5,650	4,650
Current portion of long-term loans (to be repaid within one year or less)	5,650	5,650	0
Long-term loans	75,109	75,109	0
Investment corporation bonds	14,500	14,500	0
Total interest-bearing debt	96,259	100,909	4,650
Interest-bearing debt ratio (Note 2)	52.0%	53.2%	1.2 points

(Note 1) Each of the amount and the percentage in the “After the Borrowings” column is the estimated figure as of today based on the assumption that the Investment Corporation will obtain no new borrowings, etc. by April 2, 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 Borrowings, 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/>