



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, 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
Sekisui House SI Asset Management, Ltd.
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Notice Concerning Interest Rate Swap Contract

Sekisui House SI Residential Investment Corporation (the “Investment Corporation”) hereby announces that, concerning the borrowing of funds announced in the press release titled “Notice Concerning Borrowing of Funds” separately issued today, it reached an agreement with the counterparty for entering into an interest rate swap contract (the “Interest Rate Swap Contract”) as described below.

1. Reason for Entering into the Interest Rate Swap Contract

The Investment Corporation seeks to hedge the risks of interest rate hikes by fixing the future interest payments payable for the floating-rate borrowing totaling 9.8 billion yen scheduled to be made on August 29, 2014 under the individual loan contract (August 2014 / 8 years) and the individual loan contract (August 2014/ 7 years) signed today.

2. Overview of the Interest Rate Swap Contract

<Hedge target: Individual loan contract (August 2014 / 8 years)>

- | | |
|-----------------------------------|---|
| (i) Counterparty: | Mitsubishi UFJ Trust and Banking Corporation |
| (ii) Notional principal: | 5,400,000,000 yen |
| (iii) Interest rates, etc.: | Fixed interest rate payable: 0.46475%
Floating interest rate receivable: JBA Japanese Yen TIBOR (1-month rate) |
| (iv) Scheduled commencement date: | August 29, 2014 (same date as the relevant borrowing’s scheduled drawdown date) |
| (v) Scheduled termination date: | August 31, 2022 (same date as the relevant borrowing’s principal repayment date) |
| (vi) Interest payment dates: | Interest payments shall be due on September 30, 2014, and the last business day of each month thereafter until the final interest payment on August 31, 2022. |

*The Interest Rate Swap Contract will, in effect, fix the interest rate for the borrowing at 0.96475% until the principal repayment date.

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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<Hedge target: Individual loan contract (August 2014 / 7 years)>

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|-----------------------------------|---|
| (i) Counterparty: | The Bank of Tokyo-Mitsubishi UFJ,Ltd. |
| (ii) Notional principal: | 4,400,000,000 yen |
| (iii) Interest rates, etc.: | Fixed interest rate payable: 0.38600%
Floating interest rate receivable: JBA Japanese Yen TIBOR (1-month rate) |
| (iv) Scheduled commencement date: | August 29, 2014 (same date as the relevant borrowing's scheduled drawdown date) |
| (v) Scheduled termination date: | August 31, 2021 (same date as the relevant borrowing's principal repayment date) |
| (vi) Interest payment dates: | Interest payments shall be due on September 30, 2014, and the last business day of each month thereafter until the final interest payment on August 31, 2021. |

*The Interest Rate Swap Contract will, in effect, fix the interest rate for the borrowing at 0.83600% until the principal repayment date.

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