

TRANSLATION

February 18, 2014

Real Estate Investment Trust Securities Issuer
Sekisui House SI Investment Corporation
2-12 Kojimachi, Chiyoda-ku, Tokyo
Representative: Junichi Inoue, Executive Director
(Securities Code: 8973)

Asset Management Company
Sekisui House SI Asset Management, Ltd.
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Notice Concerning Issuance of Investment Corporation Bonds

Sekisui House SI Investment Corporation (the “Investment Corporation”) hereby announces that it has today decided on the issuance of investment corporation bonds as described below with an aim to diversify funding methods and lengthen borrowing periods based on the general resolution on the issuance of investment corporation bonds adopted by the Investment Corporation’s Board of Directors at its meeting held on January 29, 2014. For details on the above general resolution on the issuance of investment corporation bonds, please refer to the press release “Notice Concerning General Resolution on the Issuance of Investment Corporation Bonds” dated January 29, 2014.

1. Outline of Investment Corporation Bonds

(1) Name of Investment Corporation Bonds

Sekisui House SI Investment Corporation Third Series Unsecured Investment Corporation Bonds (with *pari passu* clause among specified investment corporation bonds) (the “Bond #3 (5-year Bond)”)
Sekisui House SI Investment Corporation Fourth Series Unsecured Investment Corporation Bonds (with *pari passu* clause among specified investment corporation bonds) (the “Bond #4 (10-year Bond)”)

The Bond #3 (5-year Bond) and the Bond #4 (10-year Bond) are hereinafter referred to collectively as the “Bonds.”
In the following items, matters common to the Bond #3 (5-year Bond) and the Bond #4 (10-year Bond) are not described separately.

(2) Total Issue Amount

Bond #3 (5-year Bond)	2.5 billion yen
Bond #4 (10-year Bond)	3.0 billion yen
Total	5.5 billion yen

(3) Certificates of Investment Corporation Bonds

Pursuant to the provision of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. that is applicable to the Bonds, no bond certificates for the Bonds will be issued.

(4) Paid-in Amount

100 yen per par value of 100 yen for each investment corporation bond

(5) Redemption Value

100 yen per par value of 100 yen for each investment corporation bond

(6) Coupon Rates

Bond #3 (5-year Bond):	0.374% per annum
Bond #4 (10-year Bond):	1.069% per annum

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.

- (7) Par Value of Each Investment Corporation Bond
100 million yen
- (8) Offering Method
Public offering
- (9) Subscription Date
February 18, 2014 (Tuesday)
- (10) Payment Date
February 28, 2014 (Friday)
- (11) Collateral / Guarantees
The Bonds will be issued on an unsecured, unguaranteed basis and no assets are reserved as security specifically for the Bonds.
- (12) Redemption Method and Redemption Dates
Bond #3 (5-year Bond): The total principal amount of the Bond #3 (5-year Bond) will be redeemed on February 28, 2019.
Bond #4 (10-year Bond): The total principal amount of the Bond #4 (10-year Bond) will be redeemed on February 28, 2024.
The Bonds may be repurchased and cancelled by the Investment Corporation at any time on and after the date following the payment date, unless otherwise determined by the book-entry transfer agent.
- (13) Interest Payment Dates
February 28 and August 28 of each year
- (14) Financial Covenants
“Negative Pledge Clause” is contained.
- (15) Rating
AA- (Japan Credit Rating Agency, Ltd.)
- (16) Fiscal Agent, Issuing Agent and Paying Agent
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (17) Underwriters
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mizuho Securities Co., Ltd. and SMBC Nikko Securities Inc.

2. Purpose of Issuance

The Investment Corporation plans to use the funds to be procured to repay existing borrowings and partly supplement cash on hand that has been reduced through acquisition of specified assets (within the meaning of Paragraph 1 of Article 2 of the Act on Investment Trusts and Investment Corporations).

3. Amount, Specific Use and Schedule for Expenditures of Funds to be Procured

(1) Amount of Funds to be Procured

5,460 million yen (approximate net proceeds)

(2) Specific Use of Funds to be Procured

The Investment Corporation plans to use the funds to be procured to repay 4.9 billion yen in short-term loans maturing on February 28, 2014, while using the rest to supplement cash on hand that has been reduced through the acquisition of trust beneficiary interests for MAST LIFE AKIHABARA as of January 21, 2014 and for N.S. ZEAL AOI as of as of January 31, 2014, respectively. For details of the respective trust beneficiary interests in real estate above, please refer to the press release “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate (MAST LIFE AKIHABARA and N.S. ZEAL AOI)” dated January 21, 2014.

(3) Schedule for Expenditure
February 28, 2014

4. Status of Loans, etc. after the Issuance of the Bonds

The status of interest-bearing debt of the Investment Corporation immediately after the issuance of the Bonds (as of February 28, 2014) is as follows:

(million yen)

	Before Issuance	Immediately After Issuance (Note 1)	Increase (Decrease)
Short-term loans	8,200	3,300	(4,900)
Current portion of long-term loans (to be repaid within one year or less)	26,296	26,296	0
Long-term loans	40,579	40,579	0
Investment corporation bonds	6,000	11,500	5,500
Total interest-bearing debt	81,075	81,675	600
Interest-bearing debt ratio (Note 2)	54.3%	54.5%	0.2 points

(Note 1) Each amount, etc. in the “Immediately After Issuance” column is the estimated figures as of February 28, 2014 that are calculated based on the assumption that there will be no new borrowing, etc. through to February 28, 2014.

(Note 2) The interest-bearing debt ratio is calculated as follows:

“interest-bearing debt ratio” = “interest-bearing debt” / (“interest-bearing debt” + “unitholders’ capital”) × 100%;
and rounded to the first decimal place. For “unitholders’ capital,” the unitholders’ capital as of the date of this document, which is 68,294,216,745 yen, is used.

(Note 3) Money amounts are rounded down to the nearest specified unit.

5. Others

Concerning the risks associated with the redemption, etc. of the Bonds, there is no change from the “Investment Risks” stated in the semi-annual securities report submitted on December 26, 2013, that would have material negative impact to the Investment Corporation.

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