

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

TRANSLATION

November 30, 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
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Notice Concerning Repayment (Early Repayment) of Loan

Sekisui House SI Residential Investment Corporation (the "Investment Corporation") hereby announces that it decided today to conduct early repayment of the existing loans (the "Repayment") as described below.

1. Repayment of Loan

(1) Description of Repayment

- (i) Amount to be repaid: 8,200,000,000 yen
(Note) For details, please refer to the "(2) Description of the Loan to be Repaid" written below.
- (ii) Scheduled repayment date: December 7, 2015
- (iii) Source for repayment: Cash on hand
(Note) Proceeds from the assignment of four retail properties implemented as of today will be allotted to the Repayment. For details of the assignment of the four retail properties, please refer to the press release "Notice Concerning Assignment of Trust Beneficiary Interests in Domestic Real Estate and Termination of Lease (RINKU HAGURAZAKI Plaza and 3 Other Properties)" announced separately today.

(2) Description of the Loan to be Repaid

The description of the loans to be repaid is as detailed below. Also, a total of 2.8 billion yen of the loan targeted by the Repayment is based on an individual loan contract concluded as of January 9, 2015 of which partial early repayment (2.1 billion yen) has been implemented as of June 30, 2015, thereby leaving 0.7 billion yen for the Repayment.

Furthermore, while break funding costs (Note 1) will arise with the Repayment, the decision to implement the Repayment was made under the judgement, resulting from considering the reduction of interest burdens through the Repayment, that more borrowing costs (Note 2) can be eliminated than the break funding costs that will arise.

(Note 1) "Break funding costs" arises when early repayment of an existing borrowing is being made and the reinvestment interest rate is smaller than the base rate, and is calculated by multiplying the difference between the base rate and reinvestment interest rate by the principal amount of early repayment, prorated (365 days a year) based on the number of actual days until the next interest payment date for loans with floating interest and the principal repayment date for loans with fixed interest.

(Note 2) "Borrowing costs" refer to the sum of interest expenses and borrowing related expenses.

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<Individual loan contract (loan period: approximately 4 years and 10 months)>

- (i) Lenders: Mizuho Bank, Ltd., Development Bank of Japan Inc. and Sumitomo Mitsui Banking Corporation
- (ii) Loan amount: 2,850,000,000 yen
- (iii) Interest rate, etc. : 1.57000% (Fixed interest rate)
- (iv) Drawdown date: May 9, 2011
- (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 (April 2011 / 4 years and 10 months) dated April 28, 2011 entered into with the lenders stated in (i) above.
- (vi) Principal repayment method: Lump-sum repayment on principal repayment date
- (vii) Principal repayment date: February 29, 2016
- (viii) Security: Unsecured and unguaranteed

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

- (i) Lenders: Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (ii) Loan amount: 700,000,000 yen
- (iii) Interest rate, etc. : 0.33000% (Floating interest rate) (From October 30, 2015 to November 30, 2015)
- (iv) 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) Principal repayment method: Lump-sum repayment on principal repayment date
- (vii) Principal repayment date: February 29, 2016
- (viii) Security: Unsecured and unguaranteed

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

- (i) Lenders: Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (ii) Loan amount: 2,850,000,000 yen
- (iii) Interest rate, etc. : 0.30500% (Floating interest rate) (From October 30, 2015 to November 30, 2015)
- (iv) Drawdown date: March 31, 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) Principal repayment method: Lump-sum repayment on principal repayment date
- (vii) Principal repayment date: February 29, 2016
- (viii) Security: Unsecured and unguaranteed

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

- (i) Lenders: Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (ii) Loan amount: 1,800,000,000 yen
- (iii) Interest rate, etc. : 0.30500% (Floating interest rate) (From October 30, 2015 to November 30, 2015)

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- (iv) 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) Principal repayment method: Lump-sum repayment on principal repayment date
- (vii) Principal repayment date: February 29, 2016
- (viii) Security: Unsecured and unguaranteed

2. Status of Interest-bearing Debt after the Repayment

(Unit: million yen)

	Before the Repayment	After the Repayment (Note 1)	Increase (Decrease)
Short-term loans	5,850	1,200	(4,650)
Current portion of long-term loans (to be repaid within one year or less)	6,350	2,800	(3,550)
Long-term loans	75,109	75,109	-
Investment corporation bonds	14,500	14,500	-
Total interest-bearing debt	101,809	93,609	(8,200)
Interest-bearing debt ratio (Note 2)	53.4%	51.3%	(2.1 points)

(Note 1) Each of the amount and the percentage in the “After the Repayment” column is the estimated figure as of December 7, 2015 based on the assumption that the Investment Corporation will obtain no new borrowings, etc. by such 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) Amounts are rounded down to the nearest specified unit.

3. Future Outlook

Concerning the management status forecast for the fiscal period ending March 2016 (21st fiscal period) disclosed in the “Financial Report for the Fiscal Period ended September 30, 2015” that was announced on November 16, 2015, the Investment Corporation examined the operational status of properties it owns currently and other factors. As a result, the Investment Corporation does not anticipate any large difference, such as a disparity by 5% or more between the forecast distribution per unit and the actual figure or a disparity of 10% or more between the forecast operating revenue and the actual figure. However, due to material changes occurred in assumptions for the management status forecast, the Investment Corporation has revised its management status forecast for the fiscal period ending March 2016 (21st fiscal period). For further details, please refer to the press release “Notice Concerning Revisions to Management Status Forecast for the 21st Fiscal Period Ending March 2016” separately announced today.

4. Others

Concerning the risks associated with the Repayment, etc., there is no change from the “Investment Risks” stated in the semi-annual securities report submitted on June 19, 2015 that would have a material impact on the Investment Corporation.

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

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