

TRANSLATION

March 25, 2014

Real Estate Investment Trust Securities Issuer  
Sekisui House SI Investment Corporation  
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Representative: Koji Sakamoto, Executive Director  
(Securities Code: 8973)

Asset Management Company  
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Notice Concerning Borrowing of Funds

Sekisui House SI 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 funds for the acquisition of the trust beneficiary interest in domestic real estate with respect to Cistus Yakuin as described in the press release titled “Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate (Cistus Yakuin)” issued by the Investment Corporation on March 7, 2014 (the “Real Estate Trust Beneficiary Interest”) as well as the expenses related to the acquisition.

(Note) For an overview of the Real Estate Trust Beneficiary Interest, please refer to the press release titled “Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate (Cistus Yakuin)” issued by the Investment Corporation on March 7, 2014.

(2) Description of the Borrowing

<Individual loan contract (loan period: approximately 7 years)>

- |                                   |   |
|-----------------------------------|---|
| (i) Lenders:                      | Mizuho Bank, Ltd. (individual agent), The Shizuoka Bank, Ltd., Shinkin Central Bank, The Bank of Fukuoka, Ltd. and Sumitomo Mitsui Banking Corporation  |
| (ii) Loan amount:                 | 2,100,000,000 yen   |
| (iii) Interest rate, etc.:        | Floating interest rate (base rate + 0.45%) (Notes 1 and 2)  |
| (iv) Scheduled drawdown date:     | March 28, 2014  |
| (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 2014 / 7 years / 2.1 billion yen) dated March 25, 2014 entered into with the lenders stated in (i) above.  |
| (vi) Interest payment dates:      | The first interest payment shall be due on the last day of May 2014, and subsequent interest payments shall be due on the last day of each of February, May, August and November of every year thereafter, and the final interest payment shall be due on February 26, 2021 (or the immediately preceding business day if such date is not a business day). |
| (vii) Principal repayment method: | Lump-sum repayment on principal repayment date  |
| (viii) Principal repayment date:  | February 26, 2021   |
| (ix) Security:                    | Unsecured and unguaranteed  |

(Note 1) The interest rate will be announced when determined.

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.

(Note 2) The interest rate applicable to the above borrowing will be fixed in effect at 0.97300% until the principal repayment date of the borrowing based on the interest rate swap contract signed today. For details on the interest rate swap contract, please refer to the press release titled “Notice Concerning Interest Rate Swap Contract” separately issued today.

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

- Amount to be procured: 2.1 billion yen
- Specific use of funds: Part of funds for the acquisition of the Real Estate Trust Beneficiary Interest and expenses related to the acquisition
- Schedule of expenditure: March 28, 2014

## 2. Status of Loans, etc. after the Borrowing

(Unit: million yen)

	Before the Borrowing	After the Borrowing (Note 1)	Increase (Decrease)
Short-term loans	3,300	3,300	0
Current portion of long-term loans (to be repaid within one year or less)	16,159	16,159	0
Long-term loans	50,709	52,809	2,100
Investment corporation bonds	11,500	11,500	0
Total interest-bearing debt	81,668	83,768	2,100
Interest-bearing debt ratio (Note 2)	54.5%	55.1%	0.6 points

(Note 1) Each amount and the percentage in the “After the Borrowing” column are the estimated figures as of March 28, 2014 based on the assumption that the Investment Corporation will obtain no new borrowings, etc. by that 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 68,294,216,745 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 26, 2013 that would have a material negative impact on the Investment Corporation.

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