



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 8, 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.
3-1-31 Minami-Aoyama, Minato-ku, Tokyo
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Notice Concerning Issuance of Investment Corporation Bonds

Sekisui House SI Residential Investment Corporation (the “Investment Corporation”) hereby announces that it has today decided on the issuance of investment corporation bonds as described below, based on the general resolution on the issuance of investment corporation bonds adopted by its Board of Directors meeting held on January 29, 2014, with an aim to increase the ratio of borrowings with fixed interest and lengthen borrowing periods. 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 Residential Investment Corporation Fifth Series Unsecured Investment Corporation Bonds (with pari passu clause among specified investment corporation bonds) (the “Bond #5”)

(2) Total Issue Amount

3.0 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 Bond #5, no bond certificates for the Bond #5 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

0.871% per annum

(7) Par Value of Each Investment Corporation Bond

100 million yen

(8) Offering Method

Public offering

(9) Subscription Date

August 8, 2014 (Friday)

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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(10) Payment Date

August 29, 2014 (Friday)

(11) Collateral / Guarantees

The Bond #5 will be issued on an unsecured, unguaranteed basis and no assets are reserved as security specifically for it.

(12) Redemption Method and Redemption Dates

The total principal amount of the Bond #5 will be redeemed on August 30, 2024.

The Bond #5 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

The last day of February and August in 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.

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

(1) Amount of Funds to be Procured

2,974 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 partially repay the short-term loans (totaling 3.3 billion yen) maturing on August 29, 2014. Furthermore, the Investment Corporation plans to repay the remaining amount (0.3 billion yen) of the said short-term loans, together with the long-term loans (totaling 9.509 billion yen) maturing on August 31, 2014, by using long-term loans to be borrowed from financial institutions. The overview of the long-term loans to be borrowed will be announced when it has been finalized.

(3) Schedule for Expenditure

August 29, 2014

4. Status of Loans, etc. after the Issuance of the Bond #5

The increase and decrease in interest-bearing debt of the Investment Corporation as a result of the issuance of the Bond #5 is as follows:

(million yen)

	Before Issuance	Immediately After Issuance (Note 1)	Increase (Decrease)
Short-term loans	12,000	9,000	(3,000)
Current portion of long-term loans (to be repaid within one year or less)	16,159	16,159	-
Long-term loans	52,809	52,809	-
Investment corporation bonds	11,500	14,500	3,000
Total interest-bearing debt	92,468	92,468	-
Interest-bearing debt ratio (Note 2)	53.9%	53.9%	-

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(Note 1) Each amount, etc. in the “Immediately After Issuance” column is the estimated figures as of August 29, 2014 that are calculated based on the assumption that there will be no new borrowing, etc. through to August 29, 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 79,059,711,205 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 Bond #5, there is no change from the “Investment Risks” stated in the semi-annual securities report submitted on June 26, 2014, that would have material negative impact to the Investment Corporation.

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