

TRANSLATION

February 25, 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)

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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 "Borrowings") as described below.

1. Borrowing of Funds

(1) Reason for the Borrowings

The Investment Corporation is using the borrowed funds to refinance the existing loan of 10.137 billion yen of which repayment date is February 28, 2014.

(2) Description of the Borrowings

<Individual loan contract (loan period: Approximately 8 years)>

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|-----------------------------------|--|
| (i) Lenders: | Mizuho Bank, Ltd. (individual agent), Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Mitsubishi UFJ Trust and Banking Corporation and Resona Bank, Limited. |
| (ii) Loan amount: | 4,680,000,000 yen |
| (iii) Interest rate, etc.: | Floating interest rate (base rate + 0.50%) (Notes 1 and 2) |
| (iv) Scheduled drawdown date: | February 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 (February 2014 / 8 years / 4.68 billion yen) dated February 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 28, 2022 (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 28, 2022 |
| (ix) Security: | Unsecured and unguaranteed |

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

(Note 2) The interest rate applicable to the above borrowing will be fixed in effect at 1.11000% 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 Contracts" separately issued today.

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

- (i) Lenders: Mizuho Bank, Ltd. (individual agent), The Senshu Ikeda Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Yamaguchi Bank, Ltd. and Resona Bank, Limited.
- (ii) Loan amount: 3,900,000,000 yen
- (iii) Interest rate, etc.: Floating interest rate (base rate + 0.45%) (Notes 1 and 2)
- (iv) Scheduled drawdown date: February 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 (February 2014 / 7 years / 3.9 billion yen) dated February 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.

(Note 2) The interest rate applicable to the above borrowing will be fixed in effect at 0.95225% 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 Contracts" separately issued today.

<Individual loan contract (loan period: Approximately 6 years)>

- (i) Lenders: Mizuho Bank, Ltd. (individual agent) and Sumitomo Mitsui Banking Corporation
- (ii) Loan amount: 1,550,000,000 yen
- (iii) Interest rate, etc.: Floating interest rate (base rate + 0.40%) (Notes 1 and 2)
- (iv) Scheduled drawdown date: February 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 (February 2014 / 6 years / 1.55 billion yen) dated February 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 28, 2020 (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 28, 2020
- (ix) Security: Unsecured and unguaranteed

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

(Note 2) The interest rate applicable to the above borrowing will be fixed in effect at 0.79614% 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 Contracts" separately issued today.

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

- (i) Amount to be procured: Total 10.13 billion yen (Note)
- (ii) Specific use of funds: To refinance the total existing loan of 10.137 billion yen.
- (iii) Schedule of expenditure: February 28, 2014

(Note) The difference of 7 million yen between repayment amount of 10.137 billion yen for the existing loan and the amount of borrowing of 10.13 billion yen for the borrowings is planned to be covered by cash on hand.

2. Status of Loans, etc. after the Borrowings

(Unit: million yen)

	Before the Borrowings	After the Borrowings (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)	26,296	16,159	(10,137)
Long-term loans	40,579	50,709	10,130
Investment corporation bonds	11,500	11,500	0
Total interest-bearing debt	81,675	81,668	(7)
Interest-bearing debt ratio (Note 2)	54.5%	54.5%	0 point

(Note 1) Each amount and the percentage in the “After the Borrowings” column are the estimated figures as of February 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 Borrowings, 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/>