

August 10, 2018

For Translation Purposes Only

Real Estate Investment Trust Securities Issuer
Samty Residential Investment Corporation
1-8-3 Marunouchi, Chiyoda-ku, Tokyo
Tetsuro Kawamoto, Executive Director
(Securities Code: 3459)

Asset Management Company:
Samty Asset Management Co., Ltd.
Yosuke Masuda, President
Inquiries: Izumi Jozuka
General Manager
Investor Relations, Finance & Planning Department
Phone: +81-3-5220-3841

Notice Concerning Borrowing of Funds

Samty Residential Investment Corporation (“Samty Residential”) announces the decision made today on the following borrowing of funds (the “Borrowings”).

1. Details of the Borrowings

(1) Term loan 9-A^(Note 1)

i	Lenders	The Bank of Fukuoka, Ltd., Shinsei Bank, Ltd., Mizuho Bank, Ltd., Aozora Bank, Ltd., and Resona Bank, Limited.
ii	Scheduled Loan amount (Note 2)	2,160 million yen
iii	Interest rate	To be decided ^(Note 3)
iv	Scheduled Drawdown date	August 28, 2018 ^(Note 4)
v	Borrowing method	An individual loan agreement shall be concluded with the above lenders on August 24, 2018 (scheduled)
vi	Principal repayment date	January 31, 2024
vii	Principal repayment method	Lump - sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on September 28, 2018, and subsequent interest payments shall be due on the end of every month thereafter and on the principal repayment date ^(Note5)
ix	Security	Unsecured and unguaranteed

(2) Term loan 9-B^(Note 1)

i	Lenders	The Bank of Fukuoka, Ltd., Shinsei Bank, Ltd., Mizuho Bank, Ltd., and Resona Bank, Limited.
ii	Scheduled Loan amount (Note 2)	1,300 million yen
iii	Interest rate	To be decided ^(Note 3)
iv	Scheduled Drawdown	August 28, 2018 ^(Note 4)

Disclaimer: This translation is for informational purposes only. Neither Samty Residential Investment Corporation nor Samty Asset Management Co., Ltd. guarantees the accuracy or completeness of the translation. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail. This document is an English translation of a press release for public announcement concerning borrowing of funds by Samty Residential, and has not been prepared as an inducement or invitation for investment. We caution investors to refer to Samty Residential's prospectus (available in Japanese) and notice of amendments thereto, if any, without fail and to undertake investment at their own decision and responsibility.

	date	
v	Borrowing method	An individual loan agreement shall be concluded with the above lenders on August 24, 2018 (scheduled)
vi	Principal repayment date	July 31, 2025
vii	Principal repayment method	Lump - sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on September 28, 2018, and subsequent interest payments shall be due on the end of every month thereafter and on the principal repayment date ^(Note5)
ix	Security	Unsecured and unguaranteed

(3) Term loan 9-C ^(Note 1)

i	Lenders	The Bank of Fukuoka, Ltd., Shinsei Bank, Ltd., and Mizuho Bank, Ltd.
ii	Scheduled Loan amount ^(Note 2)	840 million yen
iii	Interest rate	To be decided ^(Note 3)
iv	Scheduled Drawdown date	November 26, 2018 ^(Note 4)
v	Borrowing method	An individual loan agreement shall be concluded with the above lenders on August 24, 2018 (scheduled)
vi	Principal repayment date	January 31, 2024
vii	Principal repayment method	Lump - sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on December 28, 2018, and subsequent interest payments shall be due on the end of every month thereafter and on the principal repayment date ^(Note5)
ix	Security	Unsecured and unguaranteed

(Note 1) As to the Borrowings, although the result of discussions has been notified by each financial institution described in “i” above, individual loan agreements for the above loans have not been concluded as of today. Therefore, it is not guaranteed the Borrowings will actually be conducted, and the actual total loan amount is subject to change.

(Note 2) Scheduled loan amount is the scheduled loan amount of Samty Residential as of today, and may change before the final drawdown date taking into account the amount of proceeds from the primary offering (meaning the primary offering described in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today), etc.

(Note 3) Interest rate will be announced as soon as it is decided, including whether it is fixed or floating.

(Note 4) Scheduled drawdown date is subject to change in line with the change in scheduled outlay, etc.

(Note 5) If the relevant day is not a business day, the business day immediately following the relevant day shall be the date. If the said business day is in the following month, the business day immediately preceding the relevant day shall be the date.

(Note 6) For the above borrowings, financial covenant which stipulates the maintenance of certain level in financial index figures based on assets, liabilities, etc. and such are expected to be established.

(Note 7) In addition to the above borrowings, Samty Residential may conduct borrowing (floating interest rate, unsecured and unguaranteed) with The Bank of Fukuoka, Ltd. as the lender, within the limit necessary for acquiring to-be-acquired assets.

2. Reasons for the Borrowings

Samty Residential will conduct the Borrowings to partly fund the acquisition of the trust beneficiary interest in real estate and the real estate (11 properties with total planned acquisition price of 8,127 million yen) and expenses incidental to the acquisition, which are the to-be-acquired assets described in the “Notice Concerning Acquisition and Lease of Domestic Real Estate (Trust Beneficiary interests in Real Estate and Real Estate (in Kind))” separately announced today.

3. Amount, Use and Scheduled Outlay of Funds to Be Procured

Disclaimer: This translation is for informational purposes only. Neither Samty Residential Investment Corporation nor Samty Asset Management Co., Ltd. guarantees the accuracy or completeness of the translation. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail. This document is an English translation of a press release for public announcement concerning borrowing of funds by Samty Residential, and has not been prepared as an inducement or invitation for investment. We caution investors to refer to Samty Residential’s prospectus (available in Japanese) and notice of amendments thereto, if any, without fail and to undertake investment at their own decision and responsibility.

- (1) Amount of funds to be procured
4,300 million yen
- (2) Specific use of funds to be procured
For use as part of funds for acquisition of to-be-acquired assets described above and expenses incidental to such.
- (3) Scheduled outlay
August 28, 2018 and November 26, 2018

4. Status of Borrowings, Etc. after the Borrowings and the Refinancing

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Increase (Decrease)
Short-term loans ^(Note)	10,600	10,600	-
Long-term loans ^(Note)	32,000	36,300	4,300
Total borrowings	42,600	46,900	4,300
Investment corporation bonds	2,000	2,000	-
Sum total of borrowings and investment corporation bonds	44,600	48,900	4,300
Other interest-bearing debt	-	-	-
Total interest-bearing debt	44,600	48,900	4,300

(Note) Short-term loans refer to borrowings for which the repayment dates are due in or within one year, and long-term loans refer to borrowings for which the repayment days are due in more than a year.

5. Other

Concerning the risks associated with the Borrowings, they are described in Chapter 2: Reference Information, Section 2: Supplementary Information on Reference Documents, 3. Investment Risks in the Securities Registration Statement Samty Residential submitted today.

*This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism.

*Samty Residential Investment Corporation website: <https://samty-residential.com/en/>