

January 15, 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: Takeshi Fujiwara
Director
Business Management Department
Phone: +81-3-5220-3841

Notice Concerning Borrowing of Funds, Partial Refinancing and Partial Early Repayment of Existing Borrowings

Samty Residential Investment Corporation (“Samty Residential”) announces it decided today on the borrowing of funds (the “Borrowing”), partial refinancing (the “Refinancing”) and partial early repayment (the “Early Repayment”) of existing borrowings, as described below.

1. Details of the Borrowings

(1) Term loan 7-A ^(Note1)

i	Lenders	Loan Syndicate with Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd. as arrangers
ii	Scheduled loan amount ^(Note2)	3,200 million yen
iii	Interest rate	To be decided ^(Note 3)
iv	Scheduled drawdown date	February 1, 2018 ^(Note 4)
v	Borrowing method	An individual loan agreement shall be concluded with the above lenders on January 30, 2018 (scheduled)
vi	Principal repayment date	July 31, 2021
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on February 28, 2018, and subsequent interest payments shall be due on the end of every month thereafter and on the principal repayment date ^(Note 5)
ix	Security	Unsecured and unguaranteed

(2) Term loan 7-B ^(Note1)

i	Lenders	Loan Syndicate with Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd. as arrangers
ii	Scheduled loan amount ^(Note2)	5,350 million yen
iii	Interest rate	To be decided ^(Note 3)

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, partial refinancing and partial early repayment of existing borrowings 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.

iv	Scheduled drawdown date	February 1, 2018 ^(Note 4)
v	Borrowing method	An individual loan agreement shall be concluded with the above lenders on January 30, 2018 (scheduled)
vi	Principal repayment date	January 31, 2022
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on February 28, 2018, and subsequent interest payments shall be due on the end of every month thereafter and on the principal repayment date ^(Note 5)
ix	Security	Unsecured and unguaranteed

(3) Term loan 7-C^(Note1)

i	Lenders	Loan Syndicate with Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd. as arrangers
ii	Scheduled loan amount ^(Note2)	5,350 million yen
iii	Interest rate	To be decided ^(Note 3)
iv	Scheduled drawdown date	February 1, 2018 ^(Note 4)
v	Borrowing method	An individual loan agreement shall be concluded with the above lenders on January 30, 2018 (scheduled)
vi	Principal repayment date	July 31, 2022
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on February 28, 2018, and subsequent interest payments shall be due on the end of every month thereafter and on the principal repayment date ^(Note 5)
ix	Security	Unsecured and unguaranteed

(4) Term loan 7-D^(Note1)

i	Lenders	Loan Syndicate with Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd. as arrangers
ii	Scheduled loan amount ^(Note2)	1,500 million yen
iii	Interest rate	To be decided ^(Note 3)
iv	Scheduled drawdown date	February 1, 2018 ^(Note 4)
v	Borrowing method	An individual loan agreement shall be concluded with the above lenders on January 30, 2018 (scheduled)
vi	Principal repayment date	January 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 February 28, 2018, and subsequent interest payments shall be due on the end of every month thereafter and on the principal repayment date ^(Note 5)
ix	Security	Unsecured and unguaranteed

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, partial refinancing and partial early repayment of existing borrowings 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.

- (Note 1) As to the Borrowings, although the result of discussions has been notified by Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd., the arrangers of the loan syndicate, 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 be changed before the final drawdown date.
- (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.

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 (33 properties with total planned acquisition price of 29,964 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

- (1) Amount of funds to be procured
15,400 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) Schedule outlay
February 1, 2018

4. Details of the Refinancing

Term loan 6 ^(Note1)

i	Lenders	Loan Syndicate with Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd. as arrangers
ii	Scheduled loan amount	2,500 million yen
iii	Interest rate	To be decided ^(Note 3)
iv	Scheduled drawdown date	January 31, 2018
v	Borrowing method	Pursuant to an individual loan agreement concluded with the above lenders on January 20, 2018
vi	Principal repayment date	January 31, 2023
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on February 28, 2018, and subsequent interest payments shall be due on the end of every month thereafter and on the principal repayment date ^(Note 3)
ix	Security	Unsecured and unguaranteed

- (Note 1) As to the Borrowings, although the result of discussions has been notified by Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd., the arrangers of the loan syndicate, 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.

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, partial refinancing and partial early repayment of existing borrowings 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.

(Note 2) Interest rate will be announced as soon as it is decided, including whether it is fixed or floating.

(Note 3) 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 4) 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.

5. The loan subject to refinancing

Term loan 1-A

i	Lenders	Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., Aozora Bank, Ltd., The Kagawa Bank, Ltd., The Shizuoka Bank, Ltd., Resona Bank, Ltd., Shinsei Bank Ltd., The Chiba Bank Ltd., the Hiroshima Bank, Ltd., The Shinwa Bank, Ltd., and The Kumamoto Bank, Ltd.,
ii	Scheduled loan amount	5,000 million yen
iii	Interest rate	Base rate (one-month JPY TIBOR) ^(Note1) + 0.6% (floating interest rate) ^(Note2)
iv	Drawdown date	July 1, 2015
v	Borrowing method	Pursuant to an individual loan agreement concluded with the above lenders on June 26, 2015
vi	Principal repayment date	June 30, 2018
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on July 31, 2015, and subsequent interest payments shall be due on the end of every month thereafter and on the principal repayment date ^(Note 3)
ix	Security	Unsecured and unguaranteed

(Note1) The base rate applicable to the interest rate calculation period for each interest payment date will be determined on the date two business days prior to the interest payment date (or the drawdown date for the first interest rate calculation period). The relevant 1-month JBA Japanese Yen TIBOR will be available on the website of JBA TIBOR Administration (JBATA) (<http://www.jbatibor.or.jp/english/>).
(The 1-month JBA Japanese yen TIBOR is 0.13000% as of June 29, 2015.)

(Note 2) The first interest rate calculation period is from July 1, 2015 to July 30, 2015, and the base rate applicable to the period is 0.13000%.

(Note 3) 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.

6. Reason for Refinancing and Partial Early Repayment

Samty Residential will conduct refinancing of 2,500 million yen, a portion of the long-term loan taken out on July 1, 2015 (Term Loan 1-A with the balance of 5,000 million yen as of today), in order to level refinancing. For details of the long-term loan, please refer to "Notice Concerning Borrowing of Funds and Early Repayment of Existing Borrowings" dated July 1, 2015.

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

(1) Amount of funds to be procured

2,500 million yen

(2) Specific use of funds to be procured

Use as the repayment of long term borrowing.

(3) Schedule outlay

January 31, 2018

8. Details of the Early Repayments

Term loan 5 ^(Note1)

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, partial refinancing and partial early repayment of existing borrowings 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.

i	Lenders	Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd.
ii	Loan amount	400 million yen
iii	Interest rate	Base rate (one-month JPY TIBOR) ^(Note1) + 0.4% (floating interest rate) ^(Note2)
iv	Drawdown date	June 30, 2017
v	Borrowing method	Pursuant to an individual loan agreement concluded with the above lenders on June 28, 2017
vi	Principal repayment date	June 30, 2018
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Security	Unsecured and unguaranteed
ix	Principal repayment amount	200 million yen
x	Amount after repayment	200 million yen
xi	Repayment date	January 31, 2018

(Note1) For the details of the borrowings, please refer to "Notice Concerning Borrowing of Funds", announced on June 23, 2017.

(Note2) Interest rate applicable for the period from December 29, 2017 to January 30, 2018 is 0.64545%.

9. Funds for repayment

Appropriated from cash on hand

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

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Increase (Decrease)
Short-term loans ^(Note1)	5,400	2,700	(2,700)
Long-term loans ^(Note1)	22,200	40,100	17,900
Total borrowings	27,600	42,800	15,200
Investment corporation bonds ^(Note2)	1,000	2,000	1,000
Sum total of borrowings and investment corporation bonds	28,600	44,800	16,200
Other interest-bearing debt	-	-	-
Total interest-bearing debt ^(Note2)	28,600	44,800	16,200

(Note 1) 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.

(Note 2) For details of the issuance of investment corporation bonds scheduled to take place on the same day as the Borrowings, please refer to "Notice Concerning Issuance of Investment Corporation Bonds" announced today.

11. Other

Concerning the risks associated with the Borrowings, they are described in Chapter 1: Fund information, Section 1: Fund Status, 3: Investment Risks in the Securities Registration Statement Samty Residential submitted on October 30, 2017.

*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: <http://www.samty-residential.com/en/>

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, partial refinancing and partial early repayment of existing borrowings 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.