

June 23, 2016

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

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

1. Details of the Borrowings

Short-term loan (Term Loan 3)

| | | |
|------|----------------------------|--|
| i | Lenders | Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd. |
| ii | Loan amount | 550 million yen |
| iii | Interest rate | Base rate (1-month JBA Japanese yen TIBOR) ^(Note 1) + 0.4% (floating interest rate) |
| iv | Drawdown date | June 30, 2016 |
| v | Borrowing method | An individual loan agreement shall be concluded with the above lenders on June 28, 2016 |
| vi | Principal repayment date | June 30, 2017 |
| vii | Principal repayment method | 150 million yen shall be paid on January 31, 2017 and the Lump-sum payment shall be paid on principal repayment date |
| viii | Interest repayment date | The first interest payment shall be due on July 29, 2017, and subsequent interest payments shall be due on the last day of every month thereafter and on the principal repayment date ^(Note2) |
| ix | Security | Unsecured and unguaranteed |

(Note 1) 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 0.03364% as of June 22, 2016.)

(Note 2) 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.

2. Reasons for the Borrowings

Concerning the short term borrowing drew down on July 1, 2015 (Term loan 1-E, unpaid principal 700 million yen as of today), 150 million yen shall be paid on account and then convert this loan into the new loan.

For the details of this short term borrowing, please refer to the “Notice Concerning Borrowing of Funds and Early Repayment of Existing”, announced July 1, 2015 and “Notice Concerning Partial Early Repayment of Existing Borrowing”, announced December 28, 2015.

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 execution of 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.

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

(1) Amount of funds to be procured

550 million yen

(2) Specific use of funds to be procured

To partially appropriate for the repayment of short term borrowing

(3) Scheduled outlay

June 30, 2016

4. Status of Borrowings, Etc. after the Borrowing

(Unit: million yen)

| | Before the Borrowing | After the Borrowing | Increase (Decrease) |
|--|----------------------|---------------------|---------------------|
| Short-term loans ^(Note) | 1,162 | 1,012 | (150) |
| Long-term loans ^(Note) | 16,000 | 16,000 | - |
| Total borrowings | 17,162 | 17,012 | (150) |
| Investment corporation bonds | - | - | - |
| Sum total of borrowings and investment corporation bonds | 17,162 | 17,012 | (150) |
| Other interest-bearing debt | - | - | - |
| Total interest-bearing debt | 17,162 | 17,012 | (150) |

(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. Outlook for Financial Results

The impact of the Borrowings on the financial results of Samty Residential for the Fiscal Period Ending July 31, 2016 (period from February 28, 2016 to July 31, 2016) will be minimal and Samty Residential will not make any revisions to its forecasts of financial results for these periods.

6. Other

Concerning the risks associated with the Borrowing, there is no material change from what is described in Chapter 2: Fund information, Section1: Fund Status, 3. Investment Risks in the Securities Report. (submitted on April 26, 2016.)

*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/>