

July 1, 2015

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 and Early Repayment of Existing Borrowings

Samty Residential Investment Corporation (“Samty Residential”) announces that it today conducted borrowing of funds (the “Borrowings”) and early repayment of existing borrowings (the Early Repayments”), as described below.

1. Details of the Borrowings

(1) Long-term loan (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, Limited, Shinsei Bank, Limited, The Chiba Bank, Ltd., The Hiroshima Bank, Ltd., The Shinwa Bank, Ltd. and The Kumamoto Bank, Ltd.
ii	Loan amount	5,000 million yen
iii	Interest rate	Base rate (1-month JBA Japanese yen TIBOR) ^(Note 1) + 0.6% (floating interest rate) ^(Note 2)
iv	Drawdown date	July 1, 2015
v	Borrowing method	Individual loan agreements were 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 last day of every month thereafter and on the principal repayment date ^(Note 3)
ix	Security	Unsecured and unguaranteed

(2) Long-term loan (Term Loan 1-B)

i	Lenders	Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., Aozora Bank, Ltd., The Kagawa Bank, Ltd., Resona Bank, Limited, Shinsei Bank, Limited, The Shinwa Bank, Ltd. and The Kumamoto Bank, Ltd.
ii	Loan amount	5,000 million yen
iii	Interest rate	Base rate (1-month JBA Japanese yen TIBOR) ^(Note 1) + 0.7% (floating interest rate) ^(Note 2)
iv	Drawdown date	July 1, 2015
v	Borrowing method	Individual loan agreements were concluded with the above lenders on June 26, 2015
vi	Principal repayment date	June 30, 2019

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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 last day of every month thereafter and on the principal repayment date ^(Note 3)
ix	Security	Unsecured and unguaranteed

(3) Long-term loan (Term Loan 1-C)

i	Lenders	Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., The Kagawa Bank, Ltd., The Tokyo Star Bank, Limited, Aozora Bank, Ltd., Resona Bank, Limited, The Shinwa Bank, Ltd., Shinsei Bank, Limited and The Kumamoto Bank, Ltd.
ii	Loan amount	4,000 million yen
iii	Interest rate	Base rate (1-month JBA Japanese yen TIBOR) ^(Note 1) + 0.8% (floating interest rate) ^(Note 2)
iv	Drawdown date	July 1, 2015
v	Borrowing method	Individual loan agreements were concluded with the above lenders on June 26, 2015
vi	Principal repayment date	June 30, 2020
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 last day of every month thereafter and on the principal repayment date ^(Note 3)
ix	Security	Unsecured and unguaranteed

(4) Long-term loan (Term Loan 1-D)

i	Lenders	Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., The Tokyo Star Bank, Limited and Aozora Bank, Ltd.
ii	Loan amount	2,000 million yen
iii	Interest rate	Base rate (1-month JBA Japanese yen TIBOR) ^(Note 1) + 0.9% (floating interest rate) ^(Note 2)
iv	Drawdown date	July 1, 2015
v	Borrowing method	Individual loan agreements were concluded with the above lenders on June 26, 2015
vi	Principal repayment date	June 30, 2021
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 last day of every month thereafter and on the principal repayment date ^(Note 3)
ix	Security	Unsecured and unguaranteed

(5) Short-term loan (Term Loan 1-E)

i	Lenders	Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd.
ii	Loan amount	1,350 million yen
iii	Interest rate	Base rate (1-month JBA Japanese yen TIBOR) ^(Note 1) + 0.4% (floating interest rate) ^(Note 2)
iv	Drawdown date	July 1, 2015
v	Borrowing method	Individual loan agreements were concluded with the above lenders on June 26, 2015
vi	Principal repayment date	June 30, 2016
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 last day of every month thereafter and

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		on the principal repayment date ^(Note 3)
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 0.13000% 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.

2. Reasons for the Borrowings

Samty Residential will use the borrowed funds to acquire the to-be-acquired assets stated in Chapter 2: Fund Information, Section 1: Fund Status, 2. Investment Policy, (2) Investment Targets, iii. Overview of Already Acquired Assets and To-Be-Acquired Assets in the Securities Registration Statement Samty Residential submitted on May 29, 2015 (including subsequent corrections), to repay borrowings and to pay part of the expenses incidental to these.

(Note) For the overview of the to-be-acquired assets, please refer to "Notice Concerning Completion of Asset Acquisitions" announced today.

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

(1) Amount of funds to be procured

17,350 million yen

(2) Specific use of funds to be procured

Use as the above-mentioned funds for acquisition of to-be-acquired assets as well as repayment of borrowings and part of the expenses incidental to them.

(3) Scheduled outlay

July 2015

4. Details of the Early Repayments

(1) Short-term loan (The Bank of Fukuoka, Ltd.)

i	Lender	The Bank of Fukuoka, Ltd.
ii	Loan amount	6,150 million yen (total)
iii	Interest rate	1.63% (from June 1, 2015 to June 30, 2015) (floating interest rate)
iv	Drawdown date	April 15, 2015 and May 1, 2015
v	Borrowing method	Based on the loan agreement concluded with the above lender on April 13, 2015
vi	Principal repayment date	September 30, 2015
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Security	Secured and unguaranteed
ix	Principal repayment amount	6,150 million yen (total)
x	Repayment date	July 1, 2015

(2) Short-term loan (The Kagawa Bank, Ltd.)

i	Lenders	The Kagawa Bank, Ltd.
ii	Loan amount	5,000 million yen (total)
iii	Interest rate	1.5% (fixed interest rate)
iv	Drawdown date	April 15, 2015 and May 1, 2015
v	Borrowing method	Based on the loan agreement concluded with the above lender on April 13, 2015
vi	Principal repayment date	September 30, 2015
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Security	Secured and unguaranteed
ix	Principal repayment amount	5,000 million yen (total)
x	Repayment date	July 1, 2015

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5. Status of Borrowings, Etc. after the Borrowings and the Early Repayments

(Unit: million yen)

	Before the Borrowings and the Early Repayments	After the Borrowings and the Early Repayments	Increase (Decrease)
Short-term loans ^(Note)	11,150	1,350	(9,800)
Long-term loans ^(Note)	-	16,000	16,000
Total borrowings	11,150	17,350	6,200
Investment corporation bonds	-	-	-
Sum total of borrowings and investment corporation bonds	11,150	17,350	6,200
Other interest-bearing debt	-	-	-
Total interest-bearing debt	11,150	17,350	6,200

(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.

6. Other

Concerning the risks associated with the Borrowings, there is no material change from what is described in Chapter 2: Fund Information, Section 1: Fund Status, 3. Investment Risks in the Securities Registration Statement Samty Residential submitted on May 29, 2015

*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/>