



January 15, 2018

For Translation Purposes Only

Real Estate Investment Trust Securities Issuer:
 Samty Residential Investment Corporation
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 (Securities Code: 3459)

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Notice Concerning Issuance of Investment Corporation Bonds

Samty Residential Investment Corporation (“Samty Residential”) announces that it decided today on the issuance of investment corporation bonds as follows.

1. Details of the Investment Corporation Bonds

(1)	Name of the Investment corporation bonds	Second Series Unsecured Investment Corporation Bonds of Samty Residential Investment Corporation (offering limited to qualified institutional investors) (“Investment Corporation Bond”)
(2)	Total issue amount	1 billion yen
(3)	Form of bond certificate	Under the Act on Book-Entry of Company Bonds, Shares, etc., bond certificates for the Investment Corporation Bonds will not be issued.
(4)	Paid-in amount	100% of the denomination of each Investment Corporation Bond
(5)	Redemption price	100% of the denomination of each Investment Corporation Bond
(6)	Interest rate	Fixed interest rate ^(Note)
(7)	Denomination of each Investment Corporation Bonds	100 million yen
(8)	Offering method	Private offering to qualified institutional investors
(9)	Offering period	January 30, 2018
(10)	Payment date	February 1, 2018
(11)	Collateral/Security	No security or guarantee is applicable to, and no assets are specifically reserved as collateral for, the Investment Corporation Bonds
(12)	Method and date of redemption	① All of the Investment Corporation Bonds will be redeemed on January 31, 2023. ② If the date of redemption falls on a day other than a business day, the redemption shall be made one business day prior to the initially set date of redemption. The amount of interest shall not be reduced due to such

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		advanced payment. ③ Redemption by purchase of the Investment Corporation Bonds can be made any time starting the day after the payment date, unless specified otherwise by the transfer agency.
(13)	Interest payment date	The first interest payment shall be on April 27, 2018 and subsequent interest payments shall be on the end of each January, April, July and October and on the redemption date. ^(Note2)
(14)	Rating	Not applicable
(15)	Financial covenants	A negative pledge clause is attached.
(16)	Financial agent, issuing agent, and paying agent	Shinsei Bank, Limited.
(17)	Underwriter	DBJ Securities Co., Ltd. (Scheduled) ^(Note3)

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

(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.

(Note 3) DBJ Securities Co., Ltd. ("DBJ Securities") has expressed their intention to consider accepting handling and underwriting of private placement. However, the agreement to accept such, etc. shall be concluded only under such conditions as DBJ Securities reasonably agreeing to the content of the related agreement and completing screening procedures. Underwriting in this section refers to DBJ Securities handling private placement for the entire amount issued and underwriting the remaining amount, if any (stand-by underwriting).

2. Reasons for Issuance

Samty Residential will conduct the issuance to partly fund a part of 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)).

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

(1) Amount of funds to be procured

981 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

February 1, 2018

4. Status of Borrowings, Etc. after the Issuance

(Unit: million yen)

	Before the Issuance	After he Issuance	Increase (Decrease)
Short-term loans ^(Note1)	5,400	2,700	▲2,700
Long-term loans ^(Note1)	22,200	40,100	17,900
Total borrowings ^(Note2)	27,600	42,800	15,200
Investment corporation bonds	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 ^(Note 2)	28,600	44,800	16,200

(Note1) 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

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which the repayment days are due in more than a year.

(Note 2) For details of borrowings of funds scheduled on the same day as the issuance of investment corporation bonds, please refer to "Notice Concerning Borrowings of Funds, Partial Refinancing and Partial Early Repayment of Existing Borrowings" announced today.

5. Other

Concerning the risks associated with the issuance and redemption of Investment Corporation Bonds, there is no change from what is described in "Chapter 1: Fund information, Section1: Fund Status, 3. Investment Risks" in the Securities Report 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/>

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