

July 29, 2016

For Translation Purposes Only

Real Estate Investment Trust Securities Issuer:  
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Notice Concerning Borrowing of Funds (Determination of Conditions)

Samty Residential Investment Corporation (“Samty Residential”) announces that the conditions of new borrowing (the “Borrowing”) was resolved announced in “Notice Concerning Borrowing of Funds” dated July 11, 2016, as described below.

1. Details of the Borrowings

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

i	Lenders	Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., Aozora Bank, Ltd., The Kagawa Bank, Ltd., Resona Bank, Ltd., Shinsei Bank Ltd., The Tokyo Star Bank, Ltd., The Shinwa Bank, Ltd., The Mie Bank Ltd. and The Bank of Saga, Ltd.
ii	Loan amount	3,500 million yen
iii	Interest rate	0.63182% <sup>(Note1)</sup> (floating interest rate)
iv	Drawdown date	August 2, 2016
v	Borrowing method	Individual loan agreements were concluded with the above lenders on July 29, 2016
vi	Principal repayment date	August 2, 2019 <sup>(Note 2)</sup>
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on September 2, 2016, and subsequent interest payments shall be due on the 2 <sup>nd</sup> day of every month thereafter and on the principal repayment date <sup>(Note 2)</sup>
ix	Security	Unsecured and unguaranteed

(2) Long-term loan (Term Loan 4-B)

i	Lenders	Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., Aozora Bank, Ltd., The Kagawa Bank, Ltd., Resona Bank, Ltd., Shinsei Bank, Ltd., The Tokyo Star Bank, Ltd., The Mie Bank, Ltd., The Shinwa Bank, Ltd., The Kumamoto Bank, Ltd. and The Bank of Saga, Ltd.
ii	Loan amount	3,500 million yen
iii	Interest rate	0.73182% <sup>(Note 3)</sup> (floating interest rate)
iv	Drawdown date	August 2, 2016

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v	Borrowing method	Individual loan agreements were concluded with the above lenders on July 29, 2016
vi	Principal repayment date	August 2, 2020 <sup>(Note 2)</sup>
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on September 2, 2016, and subsequent interest payments shall be due on the 2 <sup>nd</sup> day of every month thereafter and on the principal repayment date <sup>(Note 2)</sup>
ix	Security	Unsecured and unguaranteed

(3) Long-term loan (Term Loan 4-C)

i	Lenders	The Bank of Fukuoka, Ltd., Aozora Bank, Ltd., Resona Bank, Ltd., Shinsei Bank, Ltd., The Tokyo Star Bank, Ltd., The Mie Bank, Ltd., The Shinwa Bank, Ltd., The Kumamoto Bank, Ltd., The Bank of Saga, Ltd., and Oita Bank co., Ltd.
ii	Loan amount	2,100 million yen
iii	Interest rate	0.67676% <sup>(Note 4)</sup> (Fixed interest rate)
iv	Drawdown date	August 2, 2016
v	Borrowing method	Individual loan agreements were concluded with the above lenders on July 29, 2016
vi	Principal repayment date	August 2, 2019 <sup>(Note 2)</sup>
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on September 2, 2016, and subsequent interest payments shall be due on the 2 <sup>nd</sup> day of every month thereafter and on the principal repayment date <sup>(Note 2)</sup>
ix	Security	Unsecured and unguaranteed

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

i	Lenders	The Bank of Fukuoka, Ltd., Aozora Bank, Ltd., Resona Bank, Ltd., Shinsei Bank, Ltd., The Tokyo Star Bank, Ltd., The Mie Bank, Ltd., The Shinwa Bank, Ltd., The Kumamoto Bank, Ltd., the Hiroshima Bank, Ltd., The Bank of Saga, Ltd., and Oita Bank co., Ltd.
ii	Loan amount	2,100 million yen
iii	Interest rate	0.77296% <sup>(Note 3)</sup> (Fixed interest rate)
iv	Drawdown date	August 2, 2016
v	Borrowing method	Individual loan agreements were concluded with the above lenders on July 29, 2016
vi	Principal repayment date	August 2, 2020 <sup>(Note2)</sup>
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on September 2, 2016, and subsequent interest payments shall be due on the 2 <sup>nd</sup> day of every month thereafter and on the principal repayment date <sup>(Note 2)</sup>
ix	Security	Unsecured and unguaranteed

(Note1) Interest rate applicable for the period from August 2, 2016 to September 1, 2019. The applicable interest rate is one-month JPY TIBOR (base rate) +0.6%.  
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. The relevant 1-month

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JBA Japanese Yen TIBOR will be available on the website of JBA TIBOR Administration (JBATA) (<http://www.jbatibor.or.jp/english/>).

- (Note2) 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) Interest rate applicable for the period from August 2, 2016 to September 1, 2016. The applicable interest rate is one-month Japanese Yen TIBOR (base rate) +0.7%. 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.
- (Note 4) The applicable interest rate is +0.6% (fixed rate) calculated by adding the number (indicated in percentage and rounded up to the fifth decimal place) gained by multiplying 365 by the three-year yen-yen swap offered rate and the three-year offered rate of the spread difference of Japanese Yen TIBOR/LIBOR posted on page 9154 (or following page or alternative page) on the REUTERS screen as of 10 AM or the closest possible time to 10 AM after 10 AM Tokyo time on the date two business days prior to the drawdown date and dividing it by 360.
- (Note 5) The applicable interest rate is +0.7% (fixed rate) calculated by adding the number (indicated in percentage and rounded up to the fifth decimal place) gained by multiplying 365 by the four-year yen-yen swap offered rate and the four-year offered rate of the spread difference of Japanese Yen TIBOR/LIBOR posted on page 9154 (or following page or alternative page) on the REUTERS screen as of 10 AM or the closest possible time to 10 AM after 10 AM Tokyo time on the date two business days prior to the drawdown date and dividing it by 360.

## 2. Reasons for the Borrowings

Samty Residential will conduct the Borrowings to partly fund the acquisition of real estate and the trust beneficiary interest in real estate (20 properties with total planned acquisition price of 20,589 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” dated July 11, 2016.

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

### (1) Amount of funds to be procured

11,200 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 2, 2016

## 4. Status of Borrowings, Etc., after the Borrowing

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Increase (Decrease)
Short-term loans <sup>(Note1)</sup>	1,012	1,012	-
Long-term loans <sup>(Note1)</sup>	16,000	27,200	11,200
Total borrowings	17,012	28,212	11,200
Investment corporation bonds <sup>(Note2)</sup>	-	1,000	1,000
Sum total of borrowings and investment corporation bonds	17,012	29,212	12,200
Other interest-bearing debt	-	-	-
Total interest-bearing debt	17,012	29,212	12,200

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

(Note2) 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.

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#### 5. Other

Concerning the risks associated with the Borrowings, there is no material change from what is described in Chapter2: Reference Information, Section 2: Supplementary Information on Reference Documents, 3. Investment Risks in the Securities Registration Statement Samty Residential submitted on July 11, 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 the 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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