

January 30, 2018

For Translation Purposes Only

Real Estate Investment Trust Securities Issuer
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(Securities Code: 3459)

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Notice Concerning Borrowing of Funds (Determination of Lenders and Interest rate)

Samty Residential Investment Corporation (“Samty Residential”) announces that the Lenders and Interest rate of new borrowing (the “Borrowing”) were resolved announced in “ Notice Concerning Borrowing of Funds, Partial Refinancing and Partial Early Repayment of Existing Borrowings” dated January 15, 2018, as described below.

1. Details of the Borrowings

(1) Term loan 7-A

i	Lenders	Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., The Kagawa Bank, Ltd., Shinsei Bank, Ltd., The Tochigi Bank Ltd., The Shinwa Bank, Ltd., The Ashikaga Bank, Ltd., The Kagoshima Bank, Ltd., The Kumamoto Bank, Ltd. and The Mie Bank Ltd.
ii	Loan amount ^(Note2)	3,200 million yen
iii	Interest rate	0.65545% ^(Note 1) (floating interest rate)
iv	Drawdown date	February 1, 2018
v	Borrowing method	An individual loan agreement were concluded with the above lenders on January 30, 2018
vi	Principal repayment date	July 31, 2021 ^(Note2)
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 2)
ix	Security	Unsecured and unguaranteed

(2) Term loan 7-B

i	Lenders	Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., Resona Bank, Ltd., The Shinwa Bank, Ltd., Shinsei Bank, Ltd., The Hyakugo Bank, Ltd., The Minato Bank, Ltd., The Kumamoto Bank, Ltd., The Tochigi Bank Ltd. and The Mie Bank, Ltd.
ii	Loan amount ^(Note2)	5,350 million yen

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iii	Interest rate	0.70545% ^(Note 3) (floating interest rate)
iv	Drawdown date	February 1, 2018 ^(Note 4)
v	Borrowing method	An individual loan agreement were concluded with the above lenders on January 30, 2018
vi	Principal repayment date	January 31, 2022 ^(Note2)
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 2)
ix	Security	Unsecured and unguaranteed

(3) Term loan 7-C

i	Lenders	Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd, Aozora Bank, Ltd., The Higo Bank, Ltd., Fukoku Mutual Life Insurance Company, The Kagawa Bank, Ltd., Shinsei Bank, Ltd., The Dai-ichi Life Insurance Company, Ltd., The Hyakugo Bank, Ltd., Oita Bank Co., Ltd., The Kagoshima Bank, Ltd. and The Kumamoto Bank, Ltd.
ii	Loan amount ^(Note2)	5,350 million yen
iii	Interest rate	0.99460% (fixed interest rate)
iv	Drawdown date	February 1, 2018
v	Borrowing method	An individual loan agreement were concluded with the above lenders on January 30, 2018
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 2)
ix	Security	Unsecured and unguaranteed

(4) Term loan 7-D

i	Lenders	Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., Aozora Bank, Ltd., The Higo Bank, Ltd., Fukoku Mutual Life Insurance Company.
ii	Loan amount ^(Note2)	1,500 million yen
iii	Interest rate	1.47558% (fixed interest rate)
iv	Drawdown date	February 1, 2018
v	Borrowing method	An individual loan agreement were concluded with the above lenders on January 30, 2018
vi	Principal repayment date	January 31, 2025 ^(Note2)
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

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- (Note 1) Interest rate applicable for the period from February 1, 2018 to February 27, 2018. 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 JBA Japanese Yen TIBOR will be available on the website of JBA TIBOR Administration (JBATA) (<http://www.ibatibor.or.jp/english/>).
- (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) Interest rate applicable for the period from February 1, 2018 to February 27, 2018. The applicable interest rate is one-month Japanese Yen TIBOR (base rate) +0.65%. 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 JBA Japanese Yen TIBOR will be available on the website of JBA TIBOR Administration (JBATA) (<http://www.ibatibor.or.jp/english/>).

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))” dated January 15, 2018.

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. 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	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	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) After the Refinancing indicates the amount after the completion of the efforts announced in “Notice Concerning Borrowing of Funds and Partial Refinancing and Partial Early Repayment of Existing Borrowings” dated January 15, 2018 and “Notice Concerning Issuance of Investment Corporation Bonds” dated January 15, 2018.

5. 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/>

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