



July 11, 2016

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 the decision made today on the following issuance investment corporation bonds.

1. Details of the Investment Corporation Bonds

(1)	Name of the Investment corporation bonds	First 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	July 29, 2016
(10)	Payment date	August 2, 2016
(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 August 2, 2020. 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 advanced payment.

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		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 November 2, 2016 and subsequent interest payments shall be on the 2nd day of each February, May, August and November and on the redemption date.
(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.

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

2. Reason for the Issuance

Samty Residential will conduct the issuance to partly fund a part of the acquisition of the 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” separately announced today.

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

(1) Amount of funds to be procured

991 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 Issuance

(Unit: million yen)

	Before the Issuance	After the Issuance	Increase (Decrease)
Short-term loans ^(Note1)	1,012	1,012	-
Long-term loans ^(Note1)	16,000	27,200	11,200
Total borrowings	17,012	28,212	11,200
Investment corporation bonds ^(Note2)	-	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 ^(Note 2)	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.

(Note 2) For details of borrowing of funds scheduled on the same day as the issuance of investment corporation bonds, please refer to “Notice Concerning Borrowing of Funds” announced today.



5. Other

Concerning the risks associated with the issuance of investment corporation bonds, there is no material change from what is described in Chapter 2: Reference Information, Section 2: Supplementary Information on Reference Documents, 3. Investment Risks in the Securities Registration Statement Samty Residential submitted today.

*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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