



July 11, 2016

For Translation Purposes Only

Real Estate Investment Trust Securities Issuer  
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Notice Concerning Borrowing of Funds

Samty Residential Investment Corporation (“Samty Residential”) announces the decision made today on the following borrowing of funds (the “Borrowings”).

1. Details of Borrowings

(1) Long-term loan <sup>(Note 1)</sup>

i	Lenders	Loan Syndicate with Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd. as arrangers
ii	Scheduled loan amount <sup>(Note2)</sup>	5,600 million yen
iii	Interest rate	To be decided <sup>(Note 3)</sup>
iv	Scheduled drawdown date	August 2, 2016 <sup>(Note 4)</sup>
v	Borrowing method	An individual loan agreement shall be concluded with the above lenders on July 29, 2016 (scheduled)
vi	Principal repayment date	August 2, 2019
vii	Principal repayment method	Lump-sum repayment on principal repayment date
vii	Interest repayment date	The first interest payment shall be due on September 2, 2016, and subsequent interest payments shall be due on the 2nd of every month thereafter and on the principal repayment date <sup>(Note 5)</sup>
ix	Security	Unsecured and unguaranteed

(2) Long-term loan <sup>(Note 1)</sup>

i	Lenders	Loan Syndicate with Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd. as arrangers
ii	Scheduled loan amount <sup>(Note2)</sup>	5,600 million yen
iii	Interest rate	To be decided <sup>(Note 3)</sup>
iv	Scheduled drawdown date	August 2, 2016 <sup>(Note 4)</sup>
v	Borrowing method	An individual loan agreement shall be concluded with the above lenders on July 29, 2016 (scheduled)
vi	Principal repayment date	August 2, 2020

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vii	Principal repayment method	Lump-sum repayment on principal repayment date
vii	Interest repayment date	The first interest payment shall be due on September 2, 2016, and subsequent interest payments shall be due on the 2nd of every month thereafter and on the principal repayment date <sup>(Note 5)</sup>
ix	Security	Unsecured and unguaranteed

(Note 1) As to the Borrowings, although the result of discussions has been notified by Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd., the arrangers of the loan syndicate, individual loan agreements for the above loans have not been concluded as of today. Therefore, it is not guaranteed the Borrowings will actually be conducted, and the actual total loan amount is subject to change.

(Note 2) Scheduled loan amount is the scheduled loan amount of Samty Residential as of today, and may be changed before the final drawdown date taking into account the amount of proceeds from the primary offering (meaning the primary offering described in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today), etc.

(Note 3) Interest rate will be announced as soon as it is decided, including whether it is fixed or floating.

(Note 4) Scheduled drawdown date is subject to change in line with the change in scheduled outlay, etc.

(Note 5) 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 6) For the above borrowings, financial covenant which stipulates the maintenance of certain level in financial index figures based on assets, liabilities, etc. and such are expected to be established.

(Note 7) In addition to the above borrowings, Samty Residential may make borrowing (floating interest rate, unsecured and unguaranteed) with Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd. as lenders, within the limit necessary for acquiring to-be-acquired assets.

## 2. Reason for the Borrowings

Samty Residential will conduct the Borrowings to partly fund 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

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) Schedule outlay

August 2, 2016

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

(Unit: million yen)

	Before the Borrowings	After the Borrowings	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 <sup>(Note 2)</sup>	17,012	29,212	12,200

(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) 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, they are 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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