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For Translation Purposes Only

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Notice Concerning Borrowing of Funds and Repayment of Borrowings

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

**1. Details of the Borrowings**

(1) Reasons for the Borrowings

Samty Residential will conduct the Borrowings to fund the repayment of existing borrowings due on June 28, 2019 and August 2, 2019.

(2) Details of the Borrowings

i. Term loan 11

1.	Lenders	Loan syndicate <sup>(Note 1)</sup> with Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd. as arrangers
2.	Loan amount	5,000 million yen
3.	Interest rate	Base rate (one-month JPY TIBOR) +0.65% (floating interest rate) <sup>(Note 2)</sup> <sub>(Note 3)</sub>
4.	Drawdown date	June 28, 2019
5.	Principal repayment date	July 31, 2024 <sup>(Note 4)</sup>
6.	Principal repayment method	Lump-sum repayment on principal repayment date
7.	Interest repayment date	The first interest payment shall be due on July 31, 2019, and subsequent interest payments shall be due at the end of every month thereafter and on the principal repayment date <sup>(Note 4)</sup>
8.	Security/guarantee	Unsecured and unguaranteed

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ii. Term loan 12-A

1.	Lenders	Loan syndicate <sup>(Note 1)</sup> with Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd. as arrangers
2.	Loan amount	3,150 million yen
3.	Interest rate	Base rate (one-month JPY TIBOR) +0.55% (floating interest rate) <sup>(Note 2)</sup> <sup>(Note 3)</sup>
4.	Drawdown date	August 2, 2019
5.	Principal repayment date	July 31, 2023 <sup>(Note 4)</sup>
6.	Principal repayment method	Lump-sum repayment on principal repayment date
7.	Interest repayment date	The first interest payment shall be due on August 30, 2019, and subsequent interest payments shall be due at the end of every month thereafter and on the principal repayment date <sup>(Note 4)</sup>
8.	Security/guarantee	Unsecured and unguaranteed

iii. Term loan 12-B

1.	Lenders	Loan syndicate <sup>(Note 1)</sup> with Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd. as arrangers
2.	Loan amount	2,450 million yen
3.	Interest rate	To be decided (fixed interest rate) <sup>(Note 5)</sup>
4.	Drawdown date	August 2, 2019
5.	Principal repayment date	July 31, 2026 <sup>(Note 4)</sup>
6.	Principal repayment method	Lump-sum repayment on principal repayment date
7.	Interest repayment date	The first interest payment shall be due on August 30, 2019, and subsequent interest payments shall be due at the end of every month thereafter and on the principal repayment date <sup>(Note 4)</sup>
8.	Security/guarantee	Unsecured and unguaranteed

(Note 1) The loan syndicate comprises Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd., Aozora Bank, Ltd., Resona Bank, Ltd., Shinsei Bank, Ltd., The Shinwa Bank, Ltd., The Kagawa Bank, Ltd., The Kumamoto Bank, Ltd., The Bank of Saga Ltd., The Mie Bank, Ltd. The Oita Bank, Ltd.

(Note 2) 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.jbatibor.or.jp/english/>).

(Note 3) Financing charges, etc. to be paid to lenders are not included.

(Note 4) 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 5) The interest rate will be announced as soon as it is determined.

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

i. Amount of funds to be procured

10,600 million yen

ii. Specific use of funds to be procured

For use as funds for the repayment of the existing borrowings described in “2. Repayment of Borrowings” below.

iii. Scheduled outlay

June 28, 2019 and August 2, 2019 (scheduled)

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## 2. Repayment of Borrowings

Term loan	Lender	Loan amount (million yen)	Drawdown date	Principal repayment date
1-B	Loan syndicate with Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka, Ltd. as arrangers	5,000	July 1, 2015	June 28, 2019
4-A		3,500	August 2, 2016	August 2, 2019
4-C		2,100		
Total		10,600		

(Note) For more details, please refer to "Notice Concerning Borrowing of Funds and Early Repayment of Existing Borrowings" dated July 1, 2015 and "Notice Concerning Borrowing of Funds" dated July 11, 2016.

## 3. Status of Interest-bearing Debt after the Borrowings

(Unit: million yen)

	Before the Borrowing (as of today)	After the Borrowing (as of August 2, 2019)	Increase (Decrease)
Short-term loans <sup>(Note)</sup>	13,700	4,000	(9,700)
Long-term loans <sup>(Note)</sup>	37,550	44,150	6,600
Total borrowings	51,250	48,150	(3,100)
Investment corporation bonds	2,000	2,000	-
Total interest-bearing debt	53,250	50,150	(3,100)

(Note) Short-term loans refer to borrowings for which the repayment dates are due in or within one year (including current portion of long-term loans payable), and long-term loans refer to borrowings for which the repayment days are due in more than a year. Short-term loans of 3,100 million yen due on July 31, 2019 are scheduled to be repaid using proceeds from the sale of S-FORT Sanno.

## 4. 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 Security Report Samty Residential submitted on April 26, 2019.

\*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: <https://samty-residential.com/en/>

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