

June 23, 2017

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 the Borrowings

##### Short-term loan (Term Loan 5)

i	Lenders	Sumitomo Mitsui Banking Corporation, The Bank of Fukuoka, Ltd.
ii	Loan amount	400 million yen
iii	Interest rate	Base rate (1-month JBA Japanese yen TIBOR) <sup>(Note 1)</sup> + 0.4% (floating interest rate)
iv	Drawdown date	June 30, 2017
v	Borrowing method	An individual loan agreement shall be concluded with the above lenders on June 28, 2017
vi	Principal repayment date	June 30, 2018
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on July 31, 2017, and subsequent interest payments shall be due on the last day of every month thereafter and on the principal repayment date <sup>(Note2)</sup>
ix	Security	Unsecured and unguaranteed

(Note 1) 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 (or the drawdown date for the first interest rate calculation period). 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/>). (The 1-month JBA Japanese yen TIBOR is 0.03000% as of June 22, 2017.)

(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.

#### 2. Reasons for the Borrowings

Concerning the short term borrowing drew down on June 30, 2016 (Term loan 3, unpaid principal 550 million yen as of today), 150 million yen shall be paid on account and then convert this loan into the new loan.

For the details of this short term borrowing, please refer to the “Notice Concerning Borrowing of Funds and Early Repayment of Existing”, announced June 23, 2016 and “Notice Concerning Borrowing of Funds”.

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

- (1) Amount of funds to be procured  
400 million yen
- (2) Specific use of funds to be procured  
To partially appropriate for the repayment of short term borrowing
- (3) Scheduled outlay  
June 30, 2017

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

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Increase (Decrease)
Short-term loans <sup>(Note)</sup>	550	400	(150)
Long-term loans <sup>(Note)</sup>	27,200	27,200	-
Total borrowings	27,750	27,600	(150)
Investment corporation bonds	1,000	1,000	-
Sum total of borrowings and investment corporation bonds	28,750	28,600	(150)
Other interest-bearing debt	-	-	-
Total interest-bearing debt	28,750	28,600	(150)

(Note) 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.

### 5. Outlook for Financial Results

The impact of the Borrowings on the financial results of Samty Residential for the Fiscal Period Ending July 31, 2017 (period from February 1, 2017 to July 31, 2017) will be minimal and Samty Residential will not make any revisions to its forecasts of financial results for these periods.

### 6. Other

Concerning the risks associated with the Borrowing, there is no material change from what is described in Chapter 1: Fund information, Section1: Fund Status, 3. Investment Risks in the Securities Report. (submitted on April 28, 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/>