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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

(1) Term loan 10-A ^(Note 1)

i	Lenders	Sumitomo Mitsui Banking Corporation and The Bank of Fukuoka
ii	Scheduled Loan amount ^(Note 2)	3,100 million yen
iii	Interest rate	To be decided ^(Note 2)
iv	Scheduled Drawdown date	March 29, 2019 ^(Note 3)
v	Borrowing method	An individual loan agreement shall be conducted with the above lenders on March 27, 2019 (scheduled)
vi	Principal repayment date	July 31, 2019 ^(Note 4)
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on April 26, 2019 and subsequent interest payments shall be due on the end of every month thereafter and on the principal repayment date ^(Note 4)
ix	Security	Unsecured and unguaranteed

(1) Term loan 10-B ^(Note 1)

i	Lenders	Mizuho Bank, Ltd.
ii	Scheduled Loan amount ^(Note 2)	1,250 million yen
iii	Interest rate	To be decided ^(Note 2)
iv	Scheduled Drawdown date	March 29, 2019 ^(Note 3)

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v	Borrowing method	An individual loan agreement shall be conducted with the above lenders on March 27, 2019 (scheduled)
vi	Principal repayment date	January 31, 2026 ^(Note 4)
vii	Principal repayment method	Lump-sum repayment on principal repayment date
viii	Interest repayment date	The first interest payment shall be due on April 26, 2019 and subsequent interest payments shall be due on the end of every month thereafter and on the principal repayment date ^(Note 4)
ix	Security	Unsecured and unguaranteed

(Note 1) As to the Borrowings, although the result of discussions has been notified by each financial institution described in “i” above, 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) Interest rate will be announced as soon as it is decided, including whether it is fixed or floating.

(Note 3) Scheduled drawdown date is subject to change in line with the change in scheduled outlay, etc.

(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) 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.

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2. Reasons for the Borrowings

Samty Residential will conduct the Borrowings to partially fund the acquisition of trust beneficiary interests in real estate or real estate (4 properties with total planned acquisition price of 4,026 million yen) as well as expenses incidental to the acquisition for 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)) and Transfer and Lease Cancellation of Trust Beneficiary Interests in Domestic Real Estate (Asset Replacement)” announced on January 25, 2019.

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

(1) Amount of funds to be procured

4,350 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

March 29, 2019

4. Status of Borrowing Etc. after the Borrowings

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Increase (Decrease)
Short-term loans ^(Note)	10,600	13,700	3,100
Long-term loans ^(Note)	36,300	37,550	1,250
Total borrowings	46,900	51,250	4,350
Investment corporation bonds	2,000	2,000	-
Sum total of borrowings and investment corporation bonds	48,900	53,250	4,350
Other interest-bearing debt	-	-	-
Total interest-bearing debt	48,900	53,250	4,350

(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. 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 October 30, 2018.

*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://www.samty-residential.com/en/>

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