

November 25, 2020

Real Estate Investment Trust Securities Issuer

Sekisui House Reit, Inc.

 Representative: Junichi Inoue, Executive Director
(Securities Code: 3309)

Asset Management Company

Sekisui House Asset Management, Ltd.

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Notice Concerning Borrowing of Funds

Sekisui House Reit, Inc. ("SHR") hereby announces that it has decided today to undertake new borrowings (the "Borrowing") as described below.

1. Terms of the Borrowing

(1) Fixed Interest Rate Borrowing

Category	Lender (Note 1)	Borrowing amount (mm yen)	Interest rate (Note 2) (Note3) (Note4)	Drawdown date	Borrowing method	Repayment date (Note 5)	Repayment method (Note 6)	Security
Long-term	Development Bank of Japan Inc.	370	0.435%	November 30, 2020	Borrowing based on individual loan agreement, dated November 25, 2020. The lender under the loan agreement is as indicated to the left of this table.	November 30, 2028	Lump-sum repayment at maturity	Unsecured and Unguaranteed
Total		370	—	—	—	—	—	—

(Note 1) MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation are arrangers of the above borrowings.

(Note 2) The borrowing expenses and other charge payable to the lender are not included.

(Note 3) The first interest payment date will be the last day of February 2021. Subsequent interest payment dates will be the last day of August and February of each year and the principal repayment date. Where the relevant date is not a business day, such date will be the immediately following business day or (if the immediately following business day falls into the next calendar month) the immediately preceding business day.

(Note 4) The first interest calculation period is from November 30, 2020 to the last day of February 2021.

(Note 5) Where the repayment date is not a business day, such date will be the immediately following business day or (if the immediately following business day falls in the next calendar month) the immediately preceding business day.

(Note 6) SHR may, by giving prior written notice and if certain other terms and conditions are met, make early repayment of the above borrowings (in whole or in part) in the period between the drawdown date and the repayment date.

(2) Floating Interest Rate Borrowing

Category	Lenders (Note 1)	Borrowing amount (mm yen)	Interest rate (Note 2) (Note 3)	Drawdown date	Borrowing method	Repayment date (Note 4)	Repayment method (Note 5)	Security
Long-term	MUFG Bank, Ltd. (Note 6)	750	Base rate (JBA 1-month Japanese Yen TIBOR) plus 0.190% (Note 7)	November 30, 2020	Borrowing based on individual loan agreement, dated November 25, 2020. The lenders under the loan agreement are as indicated to the left of this table.	November 30, 2022	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Mizuho Bank, Ltd.	640						
	Sumitomo Mitsui Banking Corporation	610						
	MUFG Bank, Ltd. (Note 6)	300	Base rate (JBA 3-month Japanese Yen TIBOR) plus 0.190% (Note 8)			May 30, 2025		
	Mizuho Bank, Ltd.	100						
	Sumitomo Mitsui Banking Corporation	800						
	Sumitomo Mitsui Trust Bank, Limited	1,380	Base rate (JBA 3-month Japanese Yen TIBOR) plus 0.355% (Note 8)			November 30, 2028		
	MUFG Bank, Ltd. (Note 6)	800						
	Mizuho Bank, Ltd.	210						
	Sumitomo Mitsui Banking Corporation	1,800						
	Sumitomo Mitsui Trust Bank, Limited	300						
	Mizuho Trust & Banking Co., Ltd.	870						
	Resona Bank, Limited.	1,100						
	The Norinchukin Bank	1,020						
Total		10,680	—	—	—	—	—	

(Note 1) MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation are arrangers of the above borrowings.

(Note 2) The borrowing expenses and other charge payable to the lenders are not included.

(Note 3) The base rate applicable to the calculation period for the interest payable on an interest payment date shall be the Japanese Yen TIBOR (Tokyo Inter Bank Offered Rate), corresponding to the calculation period of the interest, two business days prior to the immediately preceding relevant interest payment date. The Japanese Yen TIBOR is published by the Japanese Bankers Association (JBA) TIBOR Administration. The base rate is subject to review every interest payment date. Where no rate that corresponds to the interest calculation period exists, the base rate shall be that which corresponds to the concerned period calculated based on the method provided for in the relevant individual loan agreement. For changes in the base rate (being the Japanese Yen TIBOR published by JBA), please check the website of JBA TIBOR Administration (<http://www.ibatibor.or.jp/english/rate/>). In addition, SHR is considering effectively fixing interest rate of a portion of the above borrowings through interest rate swap agreement. If SHR has determined to conclude the interest swap agreement, there will be an announcement regarding the interest rate fixed on the basis of the interest rate swap agreement to be arranged.

Disclaimer: This translation is for informational purposes only. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.

- (Note 4) Where the repayment date is not a business day, such date will be the immediately following business day or (if the immediately following business day falls in the next calendar month) the immediately preceding business day.
- (Note 5) SHR may, by giving prior written notice and if certain other terms and conditions are met, make early repayment of the borrowings (in whole or in part), in the period between the drawdown date and the repayment date.
- (Note 6) The borrowings from MUFG Bank, Ltd. are ESG Loan for J-REIT. For details, please refer to the "Notice Concerning Acquisition of the highest rank of "S" in "MUFG ESG Rating Certificate for J-REIT supported by JCR"" dated April 26, 2019.
- (Note 7) The first interest payment date will be the last day of December 2020. Subsequent interest payment dates will be the last day of every month and the principal repayment date. Where the relevant date is not a business day, such date will be the immediately following business day or (if the immediately following business day falls into the next calendar month) the immediately preceding business day.
- (Note 8) The first interest payment date will be the last day of February 2021. Subsequent interest payment dates will be the last day of every three months and the principal repayment date. Where the relevant date is not a business day, such date will be the immediately following business day or (if the immediately following business day falls into the next calendar month) the immediately preceding business day.

2. Purpose of the Borrowing

The Borrowing (11,050 million yen) is for use as repayment funds of a long-term borrowings (11,050 million yen) which shall be due for repayment on November 30, 2020 (the "Existing Borrowing").

For details of the Existing Borrowing, please refer to "Notice Concerning Borrowing of Funds, Establishment of Interest Rate Swaps and Early Repayment of Existing Borrowing" announced on July 24, 2015 and "Notice Concerning Borrowing of Funds" announced on September 7, 2016.

3. Amount, Use and Scheduled Outlay of Funds to be Procured from the Borrowing

- (1) Amount of funds to be procured
11,050 million yen
- (2) Specific use of funds to be procured
Funds for repayment of the Existing Borrowing
- (3) Scheduled outlay
November 30, 2020

4. Status of Borrowings, etc. after the Borrowing

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Increase (Decrease)
Short-term borrowings (Note)	—	—	—
Long-term borrowings (Note)	217,442	217,442	—
(repayment due within one year)	46,710	35,660	(11,050)
Total borrowings	217,442	217,442	—
Investment corporation bonds	32,500	32,500	—
(redemption due within one year)	—	—	—
Total interest-bearing liabilities	249,942	249,942	—

(Note) Short-term borrowings refer to borrowings due for repayment within a period of one year or less from the relevant drawdown date, and long-term borrowings refer to borrowings due for repayment within a period of more than one year from the relevant drawdown date.

5. Other Matters Necessary for Investors' Appropriate Understanding/Judgment of Relevant Information

With regard to risks associated with the Borrowing, there is no change from the contents of "Part 1. Fund Information; Section 1. Status of Fund; 3. Investment Risks" of the securities report submitted on July 27, 2020.

* Sekisui House Reit, Inc. website: <https://sekisuihouse-reit.co.jp/en/>