

February 22, 2021

Real Estate Investment Trust Securities Issuer

Sekisui House Reit, Inc.

Representative: Atsuhiko Kida, Executive Director
(Securities Code: 3309)

Asset Management Company

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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

2) Fixed Interest Rate Borrowing								
Category	Lender (Note 1)	Borrowing amount (mm yen)	Interest rate (Note 2) (Note 3) (Note 4) (Note 5)	Drawdown date	Borrowing method	Repayment date (Note 6)	Repayment method (Note 7)	Security
Long-term	MUFG Bank, Ltd. (Note 8)	200	To be determined	February 26, 2021	Borrowing based on individual loan agreement, dated February 22, 2021. The lender under the loan agreement is as indicated to the left of this table.	August 29, 2025	Lump-sum repayment at maturity	Unsecured and Unguaranteed
		300	To be determined			February 28, 2029		
Total		500	—	—	—	—	—	—

(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 August 2021. Subsequent interest payment dates will be the last day of February and August 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 February 26, 2021 to the last day of August 2021.

(Note 5) The interest rates will be announced once determined.

(Note 6) 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 7) 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.

(Note 8) The above borrowings 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.

(2) Floating Interest Rate Borrowing

E) Floating Interest Rate Borrowing								
Category	Lenders (Note 1)	Borrowing amount (mm yen)	Interest rate (Note 2) (Note 3) (Note 4) (Note 5)	Drawdown date	Borrowing method	Repayment date (Note 6)	Repayment method (Note 7)	Security
Long-term	Mizuho Bank, Ltd.	600	Base rate (JBA 3-month Japanese Yen TIBOR) plus 0.190%	February 26, 2021	Borrowing based on individual loan agreement, dated February 22, 2021. The lenders under the loan agreement are as indicated to the left of this table.	August 29, 2025	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Sumitomo Mitsui Banking Corporation	500						
	Sumitomo Mitsui Trust Bank, Limited	500						
	THE BANK OF FUKUOKA, LTD.	500						
	Shinkin Central Bank	1,000						
	The 77 Bank, Ltd.	500						
	The Shizuoka Bank Ltd.	1,000						
	Mizuho Bank, Ltd.	700	Base rate (JBA 3-month Japanese Yen TIBOR) plus 0.355%			February 28, 2029		
	Sumitomo Mitsui Banking Corporation	600						
	Mizuho Trust & Banking Co., Ltd.	500						
	Resona Bank, Limited.	500						
	The Norinchukin Bank	500						
	The Senshu Ikeda Bank, Ltd.	1,000						
	The Yamaguchi Bank, Ltd.	500						
	The Hiroshima Bank, Ltd.	500						
Total		9,400	—	—	—	—	—	

(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, interest rate swap agreement will be executed in order to effectively fix the interest rate of the above borrowings. There will be an announcement regarding the interest rate fixed on the basis of the interest rate swap agreement to be arranged, once such details have been determined.

- (Note 4) The first interest payment date will be the last day of May 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.
- (Note 5) The first interest calculation period is from February 26, 2021 to the last day of May 2021.
- (Note 6) 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 7) 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.

2. Purpose of the Borrowing

The Borrowing (9,900 million yen) is for use as repayment funds of a long-term borrowings (9,900 million yen) which shall be due for repayment on February 26, 2021 (the “Existing Borrowing”).

For details of the Existing Borrowing, please refer to “Notice Concerning Borrowing of Funds” announced on February 25, 2014, “Notice Concerning Borrowing of Funds” announced on March 25, 2014 and “Notice Concerning Borrowing of Funds” announced on February 24, 2015 by Sekisui House Residential Investment Corporation (“SHI”) (Note).

(Note) SHR has implemented an absorption-type merger, effective as of May 1, 2018, whereby SHR was the surviving corporation and SHI was the dissolving corporation in the merger. Therefore, the debt obligation of SHI has been succeeded by SHR.

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

- (1) Amount of funds to be procured
9,900 million yen
- (2) Specific use of funds to be procured
Funds for repayment of the Existing Borrowing
- (3) Scheduled outlay
February 26, 2021

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)	35,660	25,760	(9,900)
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 January 28, 2021.

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