

May 15, 2015

Real Estate Investment Trust Securities Issuer
 Sekisui House Reit, Inc.
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 (Securities Code: 3309)

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Notice Concerning Borrowing of Funds

Sekisui House Reit, Inc. ("SHR") announces the decision made today on the following borrowing of funds (the "Borrowing").

1. Content of the Borrowing

Category	Lender	Loan 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
Short term	Loan syndicate with The Bank of Tokyo-Mitsubishi UFJ, Ltd. as arranger (Note 1)	16,600	Base rate (JBA 1-month Japanese Yen TIBOR) plus 0.225%	May 19, 2015	Borrowing based on the individual loan agreement, dated May 15, 2015, with the lender shown to the left	May 18, 2016	Lump-sum repayment at maturity	Unsecured Unguaranteed

(Note 1) The loan syndicate comprises The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Banking Corporation.

(Note 2) Borrowing expenses, etc. payable to the lender 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 one-month Japanese Yen TIBOR (Tokyo Interbank Offered Rate) published by JBA TIBOR Administration two business days prior to the interest payment date immediately preceding the respective interest payment date. The base rate is subject to review every interest payment date. However, in cases where there is no rate corresponding to the interest calculation period, the base rate shall be the base rate corresponding to the concerned period calculated based on the method provided in the contract. For changes in the base rate, Japanese Bankers Association (JBA) Japanese Yen TIBOR, please check the website of JBA TIBOR Administration (<http://www.ibatibor.or.jp/english/rate/>).

(Note 4) The first interest payment date shall be the last day of May 2015, and subsequent interest payment dates shall be the last day of every month and the principal repayment date. However, if the concerned date is not a business day, then it shall be the next business day, and if that next business day falls into the next calendar month, then it shall be the business day immediately preceding the concerned date.

(Note 5) The first interest calculation period shall be from May 19, 2015 to the last day of May 2015. The base rate corresponding to the concerned period is 0.13000%.

(Note 6) If the concerned date is not a business day, then the repayment date shall be the next business day, and if that next business day falls into the next calendar month, then it shall be the business day immediately preceding the concerned date.

(Note 7) During the period from the Borrowing's drawdown to the repayment date, SHR may make early repayment of loans, in whole or in part, if SHR gives prior written notice and other certain terms and conditions are met.

2. Reason for the Borrowing

SHR will conduct the Borrowing to partly fund the acquisition of the trust beneficiary interest in real estate stated as “Property to be Acquired” in the “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and its Lease (Hommachi Garden City)” dated April 24, 2015 (the “Property for Acquisition”), as well as its related expenses. For details of the Property for Acquisition, please refer to the press release.

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

(1) Amount of funds to be procured

16,600 million yen

(2) Specific use of funds to be procured

For use as part of funds for acquisition of the Property for Acquisition, as well as related expenses

(3) Scheduled outlay

May 19, 2015

4. Status of Loans, Etc. After the Borrowing

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Increase (Decrease)
Short-term loans (Note)	—	16,600	16,600
Long-term loans (Note)	55,000	55,000	—
Total loans	55,000	71,600	16,600
Investment corporation bonds	—	—	—
Total interest-bearing liabilities	55,000	71,600	16,600

(Note) Short-term loans refer to loans due for repayment in a period of one year or less, and long-term loans refer to loans due for repayment in a period of more than one year.

5. Other Matters Necessary for Investors’ Appropriate Understanding/Judgment of Concerned Information

Concerning the risks associated with repayment, etc. of the Borrowing, there is no change from the content of “Part 2. Fund Information; Section 1. Status of Fund; 3. Investment Risks” of the securities registration statement submitted on April 24, 2015.

*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.

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