

August 23, 2017

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 and Early Repayment of Existing Borrowing

Sekisui House Reit, Inc. (“SHR”) announces that it decided today to conduct the borrowing of funds (the “Borrowing”), and early repayment of an existing loan (the “Early Repayment”) for the purpose of promotion of long-term and fixed interest-bearing debt as well as for the purpose of diversification of lenders and repayment due date based on the financial strategy as described below.

I. Borrowing of Funds

1. Content of the Borrowing

<Fixed Interest Rate 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
Long term	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	990	To be determined	August 31, 2017	Borrowing based on the individual loan agreement, dated August 23, 2017, with the lender shown to the left	November 30, 2023	Lump-sum repayment at maturity	Unsecured Unguaranteed
	Loan syndicate with The Bank of Tokyo-Mitsubishi UFJ, Ltd. as arranger (Note 1)	1,250	To be determined					

(Note 1) The loan syndicate comprises Mizuho Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Development Bank of Japan Inc. and Mizuho Trust & Banking Co., Ltd.

(Note 2) Borrowing expenses, etc. payable to the lender are not included.

(Note 3) The first interest payment date shall be the last day of November 2017, and subsequent interest payment dates shall be the last day of May and November of each year and the principal repayment due. 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 4) The first interest calculation period shall be from August 31, 2017 to the last day of November 2017.

(Note 5) Interest rate will be announced once determined.

(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.

<Floating Interest Rate 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
Long term	Loan syndicate with The Bank of Tokyo-Mitsubishi UFJ, Ltd. as arranger (Note 1)	1,860	Base rate (JBA 1-month Japanese Yen TIBOR) plus 0.20%	August 31, 2017	Borrowing based on the individual loan agreement, dated August 23, 2017, with the lender shown to the left	August 31, 2021	Lump-sum repayment at maturity	Unsecured Unguaranteed

(Note 1) The loan syndicate comprises Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited and The Norinchukin Bank.

(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.jbatibor.or.jp/english/rate/>).

(Note 4) The first interest payment date shall be the last day of September 2017, 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 August 31, 2017 to the last day of September 2017.

(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

The Borrowing is for use as repayment funds of the existing borrowings.

3. Amount, Use and Scheduled Outlay of Funds to be Procured from the Borrowing
(1) Amount of funds to be procured

4,100 million yen

(2) Specific use of funds to be procured

Funds for early repayment of the existing borrowing

(3) Scheduled outlay

August 31, 2017

II. Early Repayment of the Existing Borrowings

1. Content of Early Repayment

Category	Lender	Drawdown date	Repayment date	Balance before repayment (mm yen)	Repayment amount (mm yen)	Balance after repayment (mm yen)	Scheduled repayment date
Short term	Loan syndicate with The Bank of Tokyo-Mitsubishi UFJ, Ltd. as arranger (Note 1)	May 24, 2017	May 23, 2018	4,100	4,100	—	August 31, 2017

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

(Note 2) For details of the borrowing, please refer to the “Notice Concerning Borrowing of Funds” dated May 22, 2017, “Notice Concerning Partial Early Repayment of Borrowing” dated June 8, 2017, and “Notice Concerning Issuance of Investment Corporation Bonds and Partial Early Repayment of Existing Borrowings” dated July 7, 2017.

2. Funds for Repayment

The total borrowing of 4,100 million yen to be procured as described in above “I. Borrowing of Funds” will be used for the Early Repayment.

III. Status of Loans, etc. after the Borrowing and the Early Repayment

(Unit: million yen)

	Before the Borrowing and the Early Repayment (As of August 23, 2017)	After the Borrowing and the Early Repayment (As of August 31, 2017)	Increase (Decrease)
Short-term loans (Note)	4,100	—	(4,100)
Long-term loans (Note)	75,300	79,400	4,100
(repayment due within one year)	14,000	14,000	—
Total loans	79,400	79,400	—
Investment corporation bonds	5,000	5,000	—
Total interest-bearing liabilities	84,400	84,400	—

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

IV. Future Outlook

There are no changes to the forecast of management status and distribution as the Borrowing and the Early Repayment is already incorporated in the management status and distribution forecast for the fiscal period ending October 2017 (May 1, 2017 – October 31, 2017) and the fiscal period ending April 2018 (November 1, 2017 – April 30, 2018) announced on June 13, 2017.

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

Concerning the risks associated with the Borrowing and the Early Repayment, there is no change from the content of “Part 1. Fund Information; Section 1. Status of Fund; 3. Investment Risks” of the securities report submitted on July 28, 2017.

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