

February 26, 2019

Real Estate Investment Trust Securities Issuer
 Sekisui House Reit, Inc.
 Representative: Junichi Inoue, Executive Director
 (Securities Code: 3309)

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**Notice Concerning Borrowing of Funds (Determination of Interest Rate) and
 Establishment of Interest Rate Swap**

Sekisui House Reit, Inc. ("SHR") announces today that, concerning the borrowing of funds announced in "Notice Concerning Borrowing of Funds" dated February 25, 2019, the interest rate of the fixed interest rate borrowing indicated to as "to be determined" in that press release has been determined, and SHR has established interest rate swap for long term borrowing with floating interest rate in that press release as described below.

1. Borrowing of Funds (Determination of Interest Rate)

<Fixed Interest Rate Borrowing>

Category	Lender	Loan amount (mm yen)	Interest rate	Drawdown date	Borrowing method	Repayment date	Repayment method	Security
Long Term	MUFG Bank, Ltd.	300	0.34900%	February 28, 2019	Borrowing based on individual loan agreement, dated February 26, 2019. The lenders under the loan agreement are as indicated to the left of this table.	August 30, 2024	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Development Bank of Japan Inc.	376	0.28568%					
	MUFG Bank, Ltd.	450	0.56500%			February 26, 2027		
	Development Bank of Japan Inc.	565	0.48000%					
Total		1,691	-	-	-	-	-	-

(Note) For details of the above borrowing, please refer to the "Notice Concerning Borrowing of Funds" dated February 25, 2019.

2. Establishment of Interest Rate Swap

(1) Reason for Establishment

Interest rate swap has been established in order to hedge the risk of interest rate fluctuations by converting the interest rate payable into a fixed rate for the floating interest rate borrowing based on the individual loan agreement concluded today stated in “(2) Content of Interest Rate Swap” below.

(2) Content of Interest Rate Swap

<Floating Interest Rate Borrowing (i)>

Category	Lender	Loan amount (mm yen)	Interest rate	Drawdown date	Borrowing method	Repayment date	Repayment method	Security
Long term	Mizuho Bank, Ltd.	2,459	Base rate (JBA 1-month Japanese Yen TIBOR) plus 0.240%	February 28, 2019	Borrowing based on individual loan agreement, dated February 26, 2019. The lenders under the loan agreement are as indicated to the left of this table.	August 30, 2024	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Sumitomo Mitsui Banking Corporation	260						
	Mizuho Trust & Banking Co., Ltd.	900						
Total		3,619	-	-	-	-	-	-

(Note) For details of the above borrowing, please refer to the “Notice Concerning Borrowing of Funds” dated February 25, 2019.

<Floating Interest Rate Borrowing (ii)>

Category	Lender	Loan amount (mm yen)	Interest rate	Drawdown date	Borrowing method	Repayment date	Repayment method	Security
Long term	Mizuho Bank, Ltd.	1,332	Base rate (JBA 1-month Japanese Yen TIBOR) plus 0.365%	February 28, 2019	Borrowing based on individual loan agreement, dated February 26, 2019. The lenders under the loan agreement are as indicated to the left of this table.	February 26, 2027	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Sumitomo Mitsui Banking Corporation	390						
	Mizuho Trust & Banking Co., Ltd.	1,350						
Total		3,072	-	-	-	-	-	-

(Note) For details of the above borrowing, please refer to the “Notice Concerning Borrowing of Funds” dated February 25, 2019.

<Content of Interest rate swap agreement for Floating Interest Rate Borrowing (i)>

(a) Counterparty	Mizuho Bank, Ltd.
(b) Notional principal	3,619 million yen
(c) Interest rate	Fixed interest rate payable 0.35900% Floating interest rate receivable JBA 1-month JPY TIBOR plus 0.240%
(d) Commencement date	February 28, 2019
(e) Termination date	August 30, 2024
(f) Interest payment date	The first interest payment date shall be the last day of March 2019, and subsequent interest payment dates shall be the last days 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) Conclusion of the interest rate swap agreement will, in effect, fix the interest rate for the above borrowing at 0.35900%. The floating interest rate receivable under the interest rate swap agreement stated above will not be less than 0% because the agreement is subject to a floor rate.

<Content of Interest rate swap agreement for Floating Interest Rate Borrowing (ii)>

(a) Counterparty	Mizuho Bank, Ltd.
(b) Notional principal	3,072 million yen
(c) Interest rate	Fixed interest rate payable 0.57500% Floating interest rate receivable JBA 1-month JPY TIBOR plus 0.365%
(d) Commencement date	February 28, 2019
(e) Termination date	February 26, 2027
(f) Interest payment date	The first interest payment date shall be the last day of March 2019, and subsequent interest payment dates shall be the last days 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) Conclusion of the interest rate swap agreement will, in effect, fix the interest rate for the above borrowing at 0.57500%. The floating interest rate receivable under the interest rate swap agreement stated above will not be less than 0% because the agreement is subject to a floor rate.

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

With regard to risks associated with the determination of interest rate and establishment of interest rate swap, neither of them will result in any 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, 2019.

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