

March 22, 2019

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") hereby announces that it has decided today to undertake new loans (the "Borrowing"), and make early repayment of an existing loan (the "Early Repayment") for the purpose of promoting long-term and fixed interest-bearing debt as well as to diversify its lender base and repayment due dates, based on its financial strategy, as described below.

I. Borrowings

1. Terms of the Borrowing

<Fixed Interest Rate Borrowing>

Fixed Interest Rate Borrowing								
Category	Lenders (Note 1)	Loan Amount (mm yen)	Interest rate (Note 2) (Note 3) (Note 4) (Note 5)	Drawdown date	Borrowing method	Repayment date (Note 5)	Repayment method (Note 6)	Security
Long term	MUFG Bank, Ltd.	500	To be determined	March 29, 2019	Borrowing based on individual loan agreement, dated March 22, 2019. The lenders under the loan agreement are as indicated to the left of this table.	May 31, 2023	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	MUFG Bank, Ltd.	1,000				August 30, 2024		
	MUFG Bank, Ltd.	1,000				August 31, 2026		
	Shinkin Central Bank	200				February 29, 2028		
	MUFG Bank, Ltd.	1,400						
Total		4,100	-	-	-	-	-	-

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

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

(Note 3) The first interest payment date will be the last day of August 2019. 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 March 29, 2019 to the last day of August 2019.

(Note 5) 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 loans (in whole or in part) in the period between the drawdown date and the repayment date.

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.

<Floating Interest Rate Borrowing>

Floating Interest Rate Borrowing								
Category	Lenders (Note 1)	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	Mizuho Bank, Ltd.	500	Base rate (JBA 1- month Japanese Yen TIBOR) plus 0.185%	March 29, 2019	Borrowing based on individual loan agreement, dated March 22, 2019. The lenders under the loan agreement are as indicated to the left of this table.	May 31, 2023	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Sumitomo Mitsui Banking Corporation	500						
	Sumitomo Mitsui Trust Bank, Limited	700						
	Mizuho Trust & Banking Co., Ltd.	200						
	Resona Bank, Limited.	200						
	The Norinchukin Bank	100						
	Mizuho Bank, Ltd.	800	Base rate (JBA 1- month Japanese Yen TIBOR) plus 0.240%			August 30, 2024		
	Sumitomo Mitsui Banking Corporation	700						
	Sumitomo Mitsui Trust Bank, Limited	400						
	Mizuho Trust & Banking Co., Ltd.	400						
	Resona Bank, Limited.	200						
	The Norinchukin Bank	200						
	Mizuho Bank, Ltd.	800	Base rate (JBA 1- month Japanese Yen TIBOR) plus 0.340%			August 31, 2026		
	Sumitomo Mitsui Banking Corporation	700						
	Sumitomo Mitsui Trust Bank, Limited	200						
	Mizuho Trust & Banking Co., Ltd.	400						
	Resona Bank, Limited.	200						
	The Norinchukin Bank	500						

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Category	Lenders (Note 1)	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	Mizuho Bank, Ltd.	2,400	Base rate (JBA 1-month Japanese Yen TIBOR) plus 0.415%	March 29, 2019	Borrowing based on individual loan agreement, dated March 22, 2019. The lenders under the loan agreement are as indicated to the left of this table.	February 29, 2028	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Sumitomo Mitsui Banking Corporation	1,000						
	Sumitomo Mitsui Trust Bank, Limited	200						
	Mizuho Trust & Banking Co., Ltd.	400						
	Resona Bank, Limited.	300						
	The Bank of Fukuoka, Ltd.	300						
	The Senshu Ikeda Bank, Ltd.	200						
	The 77 Bank, Ltd.	200						
	The Yamaguchi Bank, Ltd.	200						
Total		12,900	-	-	-	-	-	-

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

(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 one-month Japanese Yen TIBOR (Tokyo Interbank Offered Rate) published by the Japanese Bankers Association (JBA) TIBOR Administration two business days immediately prior to the relevant interest payment date. 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 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.jbatibor.or.jp/english/rate/>). In addition, interest rate swap agreement will be executed in order to effectively fix the interest rate of debt finance. 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 April 2019. 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 5) The first interest calculation period is from March 29, 2019 to the last day of April 2019.

(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 loans (in whole or in part), in the period between the drawdown date and the repayment date.

2. Purpose of the Borrowing

The Borrowing will be made for the purpose of making the Early Repayment.

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

(1) Amount of funds to be procured

17,000 million yen

(2) Specific use of funds to be procured

For making the Early Repayment

(3) Scheduled outlay

March 29, 2019

II. Early Repayment of Existing Borrowings

1. Terms of Early Repayment

Category	Lenders	Balance before repayment (mm yen)	Repayment amount (mm yen)	Balance after repayment (mm yen)	Drawdown date	Repayment date	Scheduled repayment date
Short term	MUFG Bank, Ltd.	6,700	6,700	—	January 31, 2019	January 31, 2020	March 29, 2019
	Mizuho Bank, Ltd.	5,000	5,000	—			
	Sumitomo Mitsui Banking Corporation	5,300	5,300	—			
Total		17,000	17,000	—	—	—	—

(Note) For details of the above borrowing, please refer to the "Notice Concerning Borrowing of Funds" dated January 29, 2019.

2. Funds for Repayment

The total borrowings of 17,000 million yen to be procured, as described in Section I. above "Borrowings", will be used for the Early Repayment.

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

(Unit: million yen)

	Before the Borrowing and the Early Repayment	After the Borrowing and the Early Repayment	Increase (Decrease)
Short-term loans (Note)	23,500	6,500	(17,000)
Long-term loans (Note)	178,432	195,432	17,000
(repayment due within one year)	20,792	20,792	—
Total loans	201,932	201,932	—
Investment corporation bonds	13,000	13,000	—
(redemption due within one year)	2,000	2,000	—
Total interest-bearing liabilities	214,932	214,932	—

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

IV. Future Outlook

There are no changes to the forecast of operating results and distribution for fiscal periods ending April 30, 2019 and October 31, 2019 stated in the “Notice Concerning Revisions to the Forecast of Operating Results and Distributions for the Fiscal Periods Ending April 30, 2019 and October 31, 2019” announced on January 29, 2019 by SHR.

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

With regard to risks associated with the Borrowing and the Early Repayment, 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, 2019.

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