

January 28, 2020

Real Estate Investment Trust Securities Issuer

Sekisui House Reit, Inc.

Representative: Junichi Inoue, Executive Director
(Securities Code: 3309)

Asset Management Company

Sekisui House Asset Management, Ltd.

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Notice Concerning Borrowing of Funds

Sekisui House Reit, Inc. ("SHR") hereby announces that it has decided today to undertake new loans (the "Borrowing") as described below.

1. Terms of the 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
Short-term	MUFG Bank, Ltd.	200	Base rate (JBA 1-month Japanese Yen TIBOR) plus 0.170%	January 31, 2020	Borrowing based on individual loan agreement, dated January 28, 2020. The lenders under the loan agreement are as indicated to the left of this table.	January 29, 2021	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Mizuho Bank, Ltd.	200						
	Sumitomo Mitsui Banking Corporation	200						
Total		600	—	—	—	—	—	—

(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 1-month Japanese Yen TIBOR (Tokyo InterBank Offered Rate) published by the Japanese Bankers Association (JBA) TIBOR Administration two business days prior to the immediately preceding 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 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.jbatibor.or.jp/english/rate/>).

(Note 4) The first interest payment date will be the last day of February 2020. 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 January 31, 2020 to the last day of February 2020.

(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 is for partial payment on the acquisition of an asset to be acquired (the “Asset to be Acquired”) stated in the press release “Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate (Esty Maison Shizuoka Takajo)” announced today, as well as related expenses. For details of the Asset to be Acquired, please refer to the above-mentioned press release.

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

(1) Amount of funds to be procured

600 million yen

(2) Specific use of funds to be procured

For use as part of funds for acquisition of the Asset to be Acquired, as well as related expenses.

(3) Scheduled outlay

January 31, 2020

4. Status of Loans, etc. after the Borrowing

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Increase (Decrease)
Short-term loans (Note)	8,000	8,600	600
Long-term loans (Note)	211,742	211,742	—
(repayment due within one year)	24,942	24,942	—
Total loans	219,742	220,342	600
Investment corporation bonds	24,500	24,500	—
(redemption due within one year)	2,000	2,000	—
Total interest-bearing liabilities	244,242	244,842	600

(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.

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 27, 2020.

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