

April 15, 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 borrowings (the "Borrowing") as described below.

1. Contents of the Borrowing

Category	Lender (Note 1)	Borrowing amount (mm yen) (Note 2)	Interest rate (Note 3) (Note 4) (Note 5) (Note 6)	Drawdown date	Borrowing method	Repayment date (Note 7)	Repayment method (Note 8)	Security
Short-term	MUFG Bank, Ltd.	1,670	Base rate (JBA 1-month Japanese Yen TIBOR) plus 0.170%	April 20, 2020	Borrowing based on individual loan agreement, dated April 15, 2020. The lenders under the loan agreement are as indicated to the left of this table.	March 31, 2021	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Mizuho Bank, Ltd.	1,370						
	Sumitomo Mitsui Banking Corporation	1,260						
	MUFG Bank, Ltd.	300						
	Mizuho Bank, Ltd.	260						
	Sumitomo Mitsui Banking Corporation	240						
Total		5,100	—	—	—	—	—	—

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

(Note 2) For the borrowings borrowed from the same lenders and under the same terms and conditions, the borrowing amounts are stated separately by tranches.

(Note 3) The borrowing expenses and other charge payable to the lenders are not included.

(Note 4) 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

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TIBOR published by JBA), please check the website of JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/rate/>).

- (Note 5) The first interest payment date will be the last day of April 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 6) The first interest calculation period is from April 20, 2020 to the last day of April 2020.
- (Note 7) 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 8) SHR may, by giving prior written notice and if certain other terms and conditions are met, make early repayment of the borrowings (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 the assets to be acquired (the “Assets to be Acquired”) stated in the press release “Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate (The Ritz-Carlton, Kyoto (Additional Acquisition) and GRAND MAST Hirose-dori)” announced today, as well as related expenses. For details of the Assets 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

5,100 million yen

(2) Specific use of funds to be procured

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

(3) Scheduled outlay

April 20, 2020

4. Status of Borrowings, etc. after the Borrowing

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Increase (Decrease)
Short-term borrowings (Note)	8,000	13,100	5,100
Long-term borrowings (Note)	212,342	212,342	—
(repayment due within one year)	28,050	28,050	—
Total borrowings	220,342	225,442	5,100
Investment corporation bonds	24,500	24,500	—
(redemption due within one year)	—	—	—
Total interest-bearing liabilities	244,842	249,942	5,100

(Note) Short-term borrowings refer to borrowings due for repayment within a period of one year or less from the relevant drawdown date, and long-term borrowings refer to borrowings 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: <https://sekisuihouse-reit.co.jp/en/>