

October 18, 2021

Real Estate Investment Trust Securities Issuer
 Sekisui House Reit, Inc.
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 (Securities Code: 3309)

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Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

Sekisui House Reit, Inc. (“SHR”) hereby announces that, at a meeting of the board of directors of SHR held today, the following resolution was passed concerning the issuance of new investment units and secondary offering of investment units.

1. Issuance of new investment units through public offering

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| (1) | Number of investment units to be offered: | 137,500 units |
| (2) | Amount to be paid in (issue amount): | To be determined
The amount to be paid in (issue amount) shall be determined at a meeting of the board of directors of SHR to be held on a date between October 25, 2021 (Monday) and October 27, 2021 (Wednesday) (the “pricing date”). |
| (3) | Total amount to be paid in (total issue amount): | To be determined |
| (4) | Issue price (offer price): | To be determined
The issue price (offer price) shall provisionally be calculated as the closing price of the investment units of SHR (the “SHR investment units”) in an ordinary trading session at the Tokyo Stock Exchange, Inc. on the pricing date (if the closing price is not available on such date, the closing price on the immediately preceding day), less the expected distributions per unit of 1,780 yen for the fiscal period ending October 31, 2021, multiplied by 0.90 to 1.00 (amounts less than one yen to be rounded down), and then be determined on the pricing date by taking into account the demand and other factors. |
| (5) | Total amount of issue price (total offer price): | To be determined |
| (6) | Offering method: | The SHR investment units will be offered through a primary offering and all investment units for the offering shall be underwritten and purchased by joint lead managers (the “joint lead managers”) and other underwriters (together with the joint lead managers, collectively referred to as the “underwriters”). |

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- A portion of the above-mentioned number of investment units to be offered may be sold to foreign investors in overseas markets (except for the United States and Canada) mainly in Europe and Asia.
- (7) Content of underwriting agreement: The underwriters shall pay to SHR the same amount as the total amount to be paid in (total issue amount) with respect to the primary offering on the payment date stated in (11) below, and the difference between the total amount to be paid in (total issue amount) with respect to the primary offering and the total amount of issue price (total offer price) with respect to the primary offering shall be the proceeds of the underwriters. SHR shall not pay an underwriting commission to the underwriters.
- (8) Unit of subscription: One (1) unit or more in multiples of one (1) unit
- (9) Subscription period: The business day immediately following the pricing date
- (10) Payment period for units: From the business day immediately following the pricing date to the day two business days after the pricing date.
- (11) Payment date: Either day November 1, 2021 (Monday) or November 2, 2021 (Tuesday).
However, when the pricing date is October 25, 2021 (Monday) or October 26, 2021 (Tuesday), the payment date is November 1, 2021 (Monday), and when the pricing date is October 27, 2021 (Wednesday), the payment date is November 2, 2021 (Tuesday).
- (12) Delivery date: The business day immediately following the payment date stated in (11) above
- (13) The amount to be paid in (issue amount), issue price (offer price) and other matters necessary for this issuance of new investment units shall be determined at a future meeting of the board of directors of SHR. However, any changes prior to the determination at the meeting of the board of directors will be left to the discretion of the executive director.
- (14) Matters described in the items above, shall be subject to the Securities Registration Statement under the Financial Instruments and Exchange Act taking effect.

2. Secondary offering of investment units (secondary offering via over-allotment)

(Please refer to <Reference> 1. below.)

- (1) Number of investment units to be offered: 6,875 units
The number of investment units to be offered shown above is the maximum number of investment units to be offered in the secondary offering via over-allotment. There are cases where the number of investment units to be offered may decrease, or the secondary offering via over-allotment itself may not take place at all, depending on the demand and other factors of the primary offering. The number of investment units to be offered shall be determined at a meeting of the board of directors of SHR to be held on the pricing date, taking into account the demand and other factors of the primary offering.
- (2) Distributor: The lead underwriter
- (3) Distribution price: To be determined
The distribution price shall be determined on the pricing date. Furthermore, the distribution price shall be the same price as the issue price (offer price) of the primary offering.
- (4) Total amount of distribution price: To be determined

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- (5) Distribution method: The secondary offering via over-allotment shall be a secondary offering of the SHR investment units borrowed from Sekisui House, Ltd. in a number not to exceed 6,875 units upon the primary offering, and shall be conducted by the lead underwriter of the primary offering, taking into account the demand and other factors of the primary offering.
- (6) Unit of subscription: One (1) unit or more in multiples of one (1) unit
- (7) Subscription period: Same as the subscription period for the primary offering
- (8) Payment period for units: Same as the payment period for units for the primary offering.
- (9) Delivery date: Same as the delivery date for the primary offering
- (10) The distribution price and other matters necessary for this secondary offering of investment units shall be determined at a future meeting of the board of directors of SHR. However, any changes prior to the determination at the meeting of the board of directors will be left to the discretion of the executive director.
- (11) Matters described in the items above shall be subject to the Securities Registration Statement under the Financial Instruments and Exchange Act taking effect.

3. Issuance of new investment units by way of third-party allotment (Please refer to <Reference> 1. below.)

- (1) Number of investment units to be offered: 6,875 units
- (2) Amount to be paid in (issue amount): To be determined
The amount to be paid in (issue amount) shall be determined at a meeting of the board of directors of SHR to be held on the pricing date. Furthermore, the amount to be paid in (issue amount) shall be the same price as the amount to be paid in (issue amount) of the primary offering.
- (3) Total amount to be paid in (Total issue amount): To be determined
- (4) Allottee: The lead underwriter
- (5) Unit of subscription: One (1) unit or more in multiples of one (1) unit
- (6) Subscription period (Subscription date): November 26, 2021 (Friday)
- (7) Payment date: November 29, 2021 (Monday)
- (8) The investment units not subscribed for during the subscription period (or on the subscription date) stated in (6) above shall not be issued.
- (9) The amount to be paid in (issue amount) and other matters necessary for this issuance of new investment units by way of third-party allotment shall be determined at a future meeting of the board of directors of SHR. However, any changes prior to the determination at the meeting of the board of directors will be left to the discretion of the executive director.
- (10) Matters described in the items above shall be subject to the Securities Registration Statement under the Financial Instruments and Exchange Act taking effect.

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<Reference>

1. Secondary offering via over-allotment, etc.

The secondary offering via over-allotment shall be a secondary offering of the SHR investment units borrowed from Sekisui House, Ltd. (the “borrowed investment units”) in a number not to exceed 6,875 units upon the primary offering, and shall be conducted by the lead underwriter of the primary offering, taking into account the demand and other factors of the primary offering. The maximum number of investment units to be offered in the secondary offering via over-allotment is scheduled to be 6,875 units. There are cases where the number of investment units to be offered may decrease, or the secondary offering via over-allotment itself may not take place at all, depending on the demand and other factors.

Furthermore, in connection with the secondary offering via over-allotment, at a meeting of the board of directors of SHR held on October 18, 2021 (Monday), SHR passed a resolution to issue 6,875 new investment units by way of third-party allotment to the lead underwriter as the allottee (the “third-party allotment”) with November 29, 2021 (Monday) as the payment date, in order for the lead underwriter to acquire the SHR investment units necessary for the lead underwriter to return the borrowed investment units to Sekisui House, Ltd.

In addition, during the period from the day immediately following the subscription period for the primary offering and the secondary offering via over-allotment to November 22, 2021 (Monday) (the “syndicate covering transaction period”), there are cases where the lead underwriter may purchase the SHR investment units on Tokyo Stock Exchange, which shall be in a number not to exceed the number of investment units of the secondary offering via over-allotment, in order to return the borrowed investment units (the “syndicate covering transaction”). All of the SHR investment units acquired by the lead underwriter in the syndicate covering transaction shall be used to return the borrowed investment units. Furthermore, during the syndicate covering transaction period, there are cases where the lead underwriter may decide not to engage in the syndicate covering transaction at all, or end the syndicate covering transaction in a number not reaching the number of investment units of the secondary offering via over-allotment.

Moreover, the lead underwriter may conduct stabilizing transactions in connection with the primary offering and secondary offering via over-allotment. The SHR investment units purchased through such stabilizing transactions may be used, in whole or in part, to return the borrowed investment units.

The lead underwriter intends to agree to the third-party allotment to acquire the SHR investment units for the number of the investment units obtained by subtracting the number of investment units that are purchased through the stabilizing transactions and the syndicated cover transaction and used to return the borrowed investment units from the number of the investment units for the secondary offering via over-allotment. For this reason, there are cases where the number of investment units to be issued in the third-party allotment may not be subscribed for, in whole or in part. As a result, there are cases where the final number of investment units issued in the third-party allotment may decrease to such extent, or the issuance itself may not take place at all, due to the loss of right or no issuance.

Furthermore, the above transaction shall be conducted by the lead underwriter in consultation with the other joint lead managers.

2. Changes in number of investment units issued and outstanding due to this issuance of new investment units

Total number of investment units issued and outstanding at present	4,288,666 units
Increase in number of investment units	
due to issuance of new investment units through public offering	137,500 units
Total number of investment units issued and outstanding	
after issuance of new investment units through public offering	4,426,166 units
Increase in number of investment units due to the third-party allotment	6,875 units (Note)
Total number of investment units issued and outstanding after the third-party allotment	4,433,041 units (Note)

(Note) These figures represent the number of investment units when the lead underwriter subscribes for and issuance takes place for all of the investment units to be issued in the third-party allotment.

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3. Reason for and purpose of new issuance

Financing the acquisition of the new specified assets (as defined in Paragraph 1 of Article 2 of the Act on Investment Trusts and Investment Corporations; the same applies hereafter) through the issuance of new investment units enables SHR to expand its asset size, to improve profitability of its portfolio and to strengthen its earnings base. SHR has made a determination to issue new investment units after taking into account the level of distribution per unit, NAV per unit, market trends and other factors.

4. Amount, use and scheduled outlay of funds to be procured

(1) Amount of funds to be procured (estimated net proceeds)

12,343,773,750 yen (maximum)

(Note) The sum total amount of 11,755,975,000 yen in proceeds from the primary offering and 587,798,750 yen in maximum proceeds from the third-party allotment. The amount is an estimate calculated on the basis of the closing price of the SHR investment unit in an ordinary trading session at the Tokyo Stock Exchange as of September 30, 2021 (Thursday).

(2) Specific use and scheduled outlay of funds to be procured

The net proceeds from the primary offering are scheduled to be used as part of funds for acquiring the specified assets planned to be acquired by SHR as described in "Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate (Akasaka Garden City: Additional Acquisition)" announced today.

In addition, the proceeds from the third party allotment, which was decided on the same date as the primary offering, will be allocated to part of the funds to acquire Prime Maison Nakameguro and Prime Maison Itabashi among the specified assets that SHR is planning to acquire as described in the "Notice Concerning Acquisition and Disposition of Trust Beneficiary Interest in Domestic Real Estate (Acquisition of Prime Maison Shimokitazawa and Four Other Properties and Disposition of Esty Maison Tsukamoto and Eight Other Properties)" released on July 30, 2021.

5. Designation of party to be allocated investment units

Not applicable.

6. Lock-up

(1) In regards to the primary offering, Sekisui House has agreed with the joint lead managers not to engage in the sales and certain other transactions of the SHR investment units (excluding the lending of the SHR investment units accompanying the secondary offering via over-allotment) without the prior written consent of the joint lead managers during the period starting from the pricing date to the date 180 days from and including the delivery date of the primary offering. The joint lead managers retain the right to terminate a part or all of the aforementioned agreement at their own discretion during the restriction period thereof.

(2) In regards to the primary offering, SHR has agreed with the joint lead managers not to engage in the issuance and certain other transactions of the investment units without the prior written consent of the joint lead managers during the period starting from the pricing date to the date 90 days from and including the delivery date of the primary offering (excluding the primary offering, the third-party allotment, and the issuance of the SHR investment units through split of investment units).

The joint lead managers retain the right to terminate a part or all of the aforementioned agreement at their own discretion during the restriction period thereof.

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

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