

November 25, 2021

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

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

1. Terms of the Borrowing

(1) Fixed Interest Rate Borrowing

Category	Lender (Note 1)	Borrowing amount (mm yen)	Interest rate (Note 2) (Note 3) (Note 4)	Drawdown date	Borrowing method	Repayment date (Note 5)	Repayment method (Note 6)	Security
Long-term	MUFG Bank, Ltd. (Note 7)	1,060	To be determined	November 30, 2021	Borrowing based on individual loan agreement, dated November 25, 2021. The lenders under the loan agreement are as indicated to the left of this table.	May 31, 2028	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Mizuho Bank, Ltd.	340						
	Sumitomo Mitsui Banking Corporation	760						
	Sumitomo Mitsui Trust Bank, Limited	1,500						
	Resona Bank, Limited.	1,400						
	Development Bank of Japan Inc.	800						
	The Norinchukin Bank	700						
Total	6,560	—	—	—	—	—	—	

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

(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 May 2022. Subsequent interest payment dates will be the last day of every six months and the principal repayment date. Where the relevant date is not a business day, such date will be the immediately following

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business day or (if the immediately following business day falls into the next calendar month) the immediately preceding business day.

(Note 4) The interest rates will be announced once determined.

(Note 5) 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 6) SHR may, by giving prior written notice and if certain other terms and conditions are met, make early repayment of the above borrowings (in whole or in part) in the period between the drawdown date and the repayment date.

(Note 7) The borrowing from MUFG Bank, Ltd. is ESG Loan for J-REIT. For details, please refer to the “Notice Concerning Acquisition of the highest rank of “S” in “MUFG ESG Rating Certificate for J-REIT supported by JCR” dated April 26, 2019.

(2) Floating Interest Rate Borrowing

Category	Lenders (Note 1)	Borrowing amount (mm yen)	Interest rate (Note 2) (Note 3)	Drawdown date	Borrowing method	Repayment date (Note 4)	Repayment method (Note 5)	Security
Long-term	MUFG Bank, Ltd. (Note 6)	1,550	Base rate (JBA 1-month Japanese Yen TIBOR) plus 0.190% (Note 7)	November 30, 2021	Borrowing based on individual loan agreement, dated November 25, 2021. The lenders under the loan agreement are as indicated to the left of this table.	November 30, 2023	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Mizuho Bank, Ltd.	1,270						
	Sumitomo Mitsui Banking Corporation	1,180						
	MUFG Bank, Ltd. (Note 6)	2,490	Base rate (JBA 3-month Japanese Yen TIBOR) plus 0.405% (Note 8)			November 29, 2030		
	Mizuho Bank, Ltd.	790						
	Sumitomo Mitsui Banking Corporation	1,760						
	Sumitomo Mitsui Trust Bank, Limited	500						
	Mizuho Trust & Banking Co., Ltd.	900						
Total	10,440	—	—	—	—	—		

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

(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 Japanese Yen TIBOR (Tokyo Inter Bank Offered Rate), corresponding to the calculation period of the interest, two business days prior to the immediately preceding relevant interest payment date. The Japanese Yen TIBOR is published by the Japanese Bankers Association (JBA) TIBOR Administration. 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.ibatibor.or.jp/english/rate/>). In addition, SHR plans to effectively fix the interest rate of a portion of the above borrowings through interest rate swap agreement. 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.

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- (Note 4) 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 5) 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.
- (Note 6) The borrowing from MUFG Bank, Ltd. is ESG Loan for J-REIT. For details, please refer to the “Notice Concerning Acquisition of the highest rank of “S” in “MUFG ESG Rating Certificate for J-REIT supported by JCR”” dated April 26, 2019.
- (Note 7) The first interest payment date will be the last day of December 2021. 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 8) The first interest payment date will be the last day of February 2022. Subsequent interest payment dates will be the last day of every three months 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.

2. Purpose of the Borrowing

The Borrowing (17,000 million yen) is for use as repayment funds of a long-term borrowings (17,000 million yen) which shall be due for repayment on November 30, 2021 (the “Existing Borrowing”).

For details of the Existing Borrowing, please refer to “Notice Concerning Borrowing of Funds and Establishment of Interest Rate Swaps” announced on December 3, 2014.

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
Funds for repayment of the Existing Borrowing
- (3) Scheduled outlay
November 30, 2021

4. Status of Borrowings, etc. after the Borrowing

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Increase (Decrease)
Short-term borrowings (Note)	—	—	—
Long-term borrowings (Note)	215,442	215,442	—
(repayment due within one year)	42,230	25,230	(17,000)
Total borrowings	215,442	215,442	—
Investment corporation bonds	34,500	34,500	—
(redemption due within one year)	3,000	3,000	—
Total interest-bearing liabilities	249,942	249,942	—

(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 2. Reference Information; Section 2. Supplementary Information for Reference Documents; 3. Investment Risks” of the securities registration statement submitted on October 18, 2021.

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