



February 24, 2022

Real Estate Investment Trust Securities Issuer

Sekisui House Reit, Inc.

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(Securities Code: 3309)

Asset Management Company

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Notice Concerning Establishment of Interest Rate Swap

Sekisui House Reit, Inc. (“SHR”) announces today that, SHR has established interest rate swap for the long-term borrowing with floating interest rate announced in the press release “Notice Concerning Borrowing of Funds” dated February 22, 2022, as described below.

1. Establishment of Interest Rate Swap

(1) Reason for Establishment

Interest rate swap has been established in order to hedge the risk of interest rate fluctuations by converting the interest rate payable into a fixed rate for the floating interest rate borrowing based on the individual loan agreement concluded on February 22, 2022 stated in “(2) Content of Interest Rate Swap” below.

(2) Content of Interest Rate Swap

a. Interest rate swap agreement (Contract period: 6 years)

(i) Counterparty	Nomura Securities Co., Ltd.
(ii) Notional principal	3,380 million yen
(iii) Interest rate	Fixed interest rate payable 0.522% Floating interest rate receivable JBA 3-month JPY TIBOR plus 0.265%
(iv) Commencement date	February 28, 2022
(v) Termination date	February 29, 2028
(vi) Interest payment date	The first interest payment date shall be the last day of May 2022, and subsequent interest payment dates shall be the last days of every three months and the principal repayment date (however, if the concerned date is not a business day, then it shall be the next business day, and if that next business day falls into the next calendar month, then it shall be the business day immediately preceding the concerned date).

(Note) Conclusion of the interest rate swap agreement will, in effect, fix the interest rate for the below borrowing at 0.522%. The floating interest rate receivable under the interest rate swap agreement stated above will not be less than 0% because the agreement is subject to a floor rate.

**<Hedge target>**

Category	Lenders	Borrowing amount (mm yen)	Interest rate	Drawdown date	Borrowing method	Repayment date	Repayment method	Security
Long-term	MUFG Bank, Ltd.	480	Base rate (JBA 3-month Japanese Yen TIBOR) plus 0.265%	February 28, 2022	Borrowing based on individual loan agreement, dated February 22, 2022. 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
	Mizuho Bank, Ltd.	360						
	Sumitomo Mitsui Banking Corporation	390						
	Sumitomo Mitsui Trust Bank, Limited	900						
	Resona Bank, Limited.	750						
	THE BANK OF FUKUOKA, LTD.	500						
Total		3,380	—	—	—	—	—	—

**b. Interest rate swap agreement (Contract period: 8 years)**

(i) Counterparty	Mizuho Bank, Ltd.
(ii) Notional principal	6,450 million yen
(iii) Interest rate	Fixed interest rate payable 0.665% Floating interest rate receivable JBA 3-month JPY TIBOR plus 0.355%
(iv) Commencement date	February 28, 2022
(v) Termination date	February 28, 2030
(vi) Interest payment date	The first interest payment date shall be the last day of May 2022, and subsequent interest payment dates shall be the last days of every three months and the principal repayment date (however, if the concerned date is not a business day, then it shall be the next business day, and if that next business day falls into the next calendar month, then it shall be the business day immediately preceding the concerned date).

(Note) Conclusion of the interest rate swap agreement will, in effect, fix the interest rate for the below borrowing at 0.665%. The floating interest rate receivable under the interest rate swap agreement stated above will not be less than 0% because the agreement is subject to a floor rate.

**<Hedge target>**

Category	Lenders	Borrowing amount (mm yen)	Interest rate	Drawdown date	Borrowing method	Repayment date	Repayment method	Security
Long-term	MUFG Bank, Ltd.	1,120	Base rate (JBA 3-month Japanese Yen TIBOR) plus 0.355%	February 28, 2022	Borrowing based on individual loan agreement, dated February 22, 2022. The lenders under the loan agreement are as indicated to the left of this table.	February 28, 2030	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Mizuho Bank, Ltd.	840						
	Sumitomo Mitsui Banking Corporation	910						
	Sumitomo Mitsui Trust Bank, Limited	1,000						

	Mizuho Trust & Banking Co., Ltd.	980						
	Resona Bank, Limited.	800						
	The Norinchukin Bank	800						
	Total	6,450	—	—	—	—	—	—

2. Other Matters Necessary for Investors' Appropriate Understanding/Judgment of Relevant Information

With regard to risks associated with the establishment of interest rate swap of the Borrowings, 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 25, 2022.

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