

February 22, 2023

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 Borrowing of Funds (Green Loan)

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	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	Mizuho Bank, Ltd.	500	To be determined	February 28, 2023	Borrowing based on individual loan agreement, dated February 22, 2023. 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 Trust & Banking Co., Ltd.	400						
	The Norinchukin Bank	500						
	Development Bank of Japan Inc.	1,000						
	The Bank of Fukuoka, Ltd.	700						
	Shinkin Central Bank	200						
	The 77 Bank, Ltd.	200						
	The Yamaguchi Bank, Ltd.	200						
	The Senshu Ikeda Bank, Ltd.	200						
	The Hiroshima Bank, Ltd.	200						
	Aozora Bank, Ltd.	200						
	MUFG Bank, Ltd. (Note 6)	700	To be determined					
Total		5,000	—	—	—	—	—	—

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

(Note 2) The interest rate will be announced once determined.

Disclaimer: This translation is for informational purposes only. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.

- (Note 3) The first interest payment date will be the last day of August 2023. 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 business day or (if the immediately following business day falls into the next calendar month) the immediately preceding business day.
- (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.

(2) Floating Interest Rate Borrowing

Category	Lenders (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)	600	Base rate (JBA 3-month Japanese Yen TIBOR) plus 0.190%	February 28, 2023	Borrowing based on individual loan agreement, dated February 22, 2023. The lenders under the loan agreement are as indicated to the left of this table.	February 26, 2027	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Mizuho Bank, Ltd.	500						
	Sumitomo Mitsui Banking Corporation	600						
	Sumitomo Mitsui Trust Bank, Limited	300						
	Mizuho Trust & Banking Co., Ltd.	400						
	Resona Bank, Limited.	500						
	The Shizuoka Bank, Ltd.	200						
Total		3,100	—	—	—	—	—	

(Note 1) MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation are arrangers of the 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 (<https://www.jbatibor.or.jp/english/rate/>).

(Note 4) The first interest payment date will be the last day of May 2023. 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.

(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 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.

2. Purpose of the Borrowing

The Borrowing (8,100 million yen) is for use as repayment funds of the long-term borrowings (8,100 million yen) which is due for repayment on February 28, 2023 (the “Existing Borrowing”).

The Borrowing is a green loan (the “Green Loan”) to be conducted under the Green Finance Framework established by SHR in December 2022. For details of the Green Finance Framework, please refer to “Notice Concerning Formulation of Green Finance Framework and Acquisition of Green Finance Framework Evaluation” announced by SHR on December 16, 2022.

In addition, for details of the Existing Borrowing, please refer to “Notice Concerning Borrowing of Funds” announced by Sekisui House Residential Investment Corporation (“SHI”) (Note) on February 24, 2015.

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The Existing Borrowing was used for repayment of borrowings related to the part of the funds for the acquisition of assets fulfilling the eligibility criteria (Eligible Green Projects), based on SHR's Green Finance Framework.

SHR aims to promote asset management with consideration to ESG (Environment, Social and Governance) and strengthen the financial base through green finance.

(Note) SHR executed an absorption-type merger, with May 1, 2018 as the effective date, whereby SHR was the surviving company and SHI was the dissolving company in the merger. Therefore, the debt obligation of SHI related to the Existing Borrowings was succeeded by SHR.

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

(1) Amount of funds to be procured

8,100 million yen

(2) Specific use of funds to be procured

Funds for repayment of the Existing Borrowing

(3) Scheduled outlay

February 28, 2023

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)	226,742	226,742	—
Total borrowings	226,742	226,742	—
Investment corporation bonds	31,500	31,500	—
Total interest-bearing liabilities	258,242	258,242	—

(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 30, 2023 (available in Japanese only).

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