



August 28, 2023

Real Estate Investment Trust Securities Issuer

Sekisui House Reit, Inc.

Representative: Atsuhiko Kida, Executive Director
(Securities Code: 3309)

Asset Management Company

Sekisui House Asset Management, Ltd.

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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 (Green Loan)

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.	550	To be determined	August 31, 2023	Borrowing based on individual loan agreement, dated August 28, 2023. The lenders under the loan agreement are as indicated to the left of this table.	August 30, 2030	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Mizuho Trust & Banking Co., Ltd.	1,000						
	Development Bank of Japan Inc.	2,100						
	Sumitomo Mitsui Banking Corporation	450	To be determined			August 29, 2031		
	The Bank of Fukuoka, Ltd.	400	To be determined					
	Shinkin Central Bank	300						
	The Yamaguchi Bank, Ltd.	300						
Total	5,100	—	—	—	—	—	—	

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

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

(Note 3) The first interest payment date will be the last day of February 2024. 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.

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.

(2) Floating Interest Rate Borrowing (Green Loan)

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	Sumitomo Mitsui Banking Corporation	1,200	Base rate (JBA 1-month Japanese Yen TIBOR) plus 0.190%	August 31, 2023	Borrowing based on individual loan agreement, dated August 28, 2023. The lenders under the loan agreement are as indicated to the left of this table.	August 31, 2027	Lump-sum repayment at maturity	Unsecured and Unguaranteed
	Mizuho Bank, Ltd.	1,410						
	Sumitomo Mitsui Trust Bank, Limited	1,300						
	Mizuho Trust & Banking Co., Ltd.	600						
	Resona Bank, Limited.	700						
	Shinkin Central Bank	200						
Total		5,410	—	—	—	—	—	—

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

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

2. Purpose of the Borrowing

The Borrowing (10,510 million yen) is for use as repayment funds of the long-term borrowings (10,510 million yen) which is due for repayment on August 31, 2023 (the “Existing Borrowing”).

The Borrowing will be a green loan executed based on the Green Finance Framework established by SHR in December 2022. For details of the Green Finance Framework, please refer to “[Green Finance](#)” on the ESG special website.

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 January 26, 2016 and “Notice Concerning Borrowing of Funds and Partial Early Repayment of Existing Borrowing” announced by SHR on September 20, 2019.

The Existing Borrowing is the borrowings (including the borrowings for the refinance funds afterwards) related to 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 continue promoting 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 corporation and SHI was the dissolving corporation in the merger. Therefore, the debt obligation related to SHI’s 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

10,510 million yen

(2) Specific use of funds to be procured

Funds for repayment of the Existing Borrowing

(3) Scheduled outlay

August 31, 2023

4. Status of Borrowings, etc. after the Borrowing

(Unit: million yen)

	Before the Borrowing	After the Borrowing	Increase (Decrease)
Short-term borrowings (Note)	3,000	3,000	—
Long-term borrowings (Note)	222,742	222,742	—
Total borrowings	225,742	225,742	—
Investment corporation bonds	31,500	31,500	—
Total interest-bearing liabilities	257,242	257,242	—

(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 July 28, 2023 (available in Japanese only).

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