



May 29, 2018

Real Estate Investment Trust Securities Issuer  
 Sekisui House Reit, Inc.  
 Representative: Junichi Inoue, Executive Director  
 (Securities Code: 3309)

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Notice Concerning Borrowing of Funds (Determination of Interest Rate) and  
 Establishment of Interest Rate Swap

Sekisui House Reit, Inc. (“SHR”) announces today that, concerning the borrowing of funds (the “Borrowings”) announced in “Notice Concerning Borrowing of Funds and Early Repayment of Existing Borrowing” dated May 23, 2018, the interest rate of the fixed interest rate borrowing indicated to as “to be determined” in that press release has been determined, and SHR has established interest rate swap for floating interest rate borrowing in that press release as described below.

I. Borrowing of Funds (Determination of Interest Rate)

<Fixed Interest Rate Borrowing>

Category	Lender	Loan amount (mm yen)	Interest rate	Drawdown date	Borrowing method	Repayment date	Repayment method	Security
Long Term	MUFG Bank Ltd.	1,900	0.700%	May 31, 2018	Borrowing based on individual loan agreement, dated May 29, 2018. 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

(Note) For details of the Borrowing, please refer to the “Notice Concerning Borrowing of Funds and Early Repayment of Existing Borrowing” dated May 23, 2018.

II. 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 today stated in “2. Content of Interest Rate Swap” below.

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. Content of Interest Rate Swap

### <Floating Interest Rate Borrowing>

Category	Lender	Loan amount (mm yen)	Interest rate	Drawdown date	Borrowing method	Repayment date	Repayment method	Security
Long term	Loan syndicate with MUFG Bank, Ltd. and Mizuho Bank, Ltd. as arrangers	6,100	Base rate (JBA 1-month Japanese Yen TIBOR) plus 0.460%	May 31, 2018	Borrowing based on individual loan agreement, dated May 29, 2018. 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

(Note) For details of the Borrowing, please refer to the “Notice Concerning Borrowing of Funds and Early Repayment of Existing Borrowing” dated May 23, 2018.

### <Content of Interest rate swap agreement >

(i) Counterparty	Nomura Securities Co., Ltd.
(ii) Notional principal	6,100 million yen
(iii) Interest rate	Fixed interest rate payable 0.783% Floating interest rate receivable JBA 1-month JPY TIBOR plus 0.460%
(iv) Commencement date	May 31, 2018
(v) Termination date	August 31, 2027
(vi) Interest payment date	The first interest payment date shall be the last day of June 2018, and subsequent interest payment dates shall be the last days of every month 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 Borrowing at 0.783%. 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.

### III. Other Matters Necessary for Investors’ Appropriate Understanding/Judgment of Relevant Information

With regard to risks associated with the determination of interest rate and establishment of interest rate swap, neither of them will result in any change from the contents of “Part 1. Fund Information; Section 1. Status of Fund; 3. Investment Risks” of the securities report submitted on January 24, 2018.

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