



May 23, 2018

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 and Early Repayment of Existing Borrowing

Sekisui House Reit, Inc. (“SHR”) hereby announces that it has decided today to take up new loans (the “Borrowing”), and make early repayment of an existing loan (the “Early Repayment”) for the purpose of promoting long-term and fixed interest-bearing debt as well as to diversify its lender base and repayment due dates, based on the financial strategy described below.

I. Borrowings

1. Terms of the Borrowings

<Fixed Interest Rate Borrowing>

Category	Lender	Loan amount (mm yen)	Interest rate (Note 2) (Note 3) (Note 4) (Note 5)	Drawdown date	Borrowing method	Repayment date (Note 6)	Repayment method (Note 7)	Security
Long term	MUFG Bank, Ltd.	1,900	To be determined	May 31, 2018	Borrowing based on individual loan agreement, dated May 29, 2018. The lender under the loan agreement is as indicated to the left of this table	August 31, 2027	Lump-sum repayment at maturity	Unsecured and Unguaranteed

(Note 1) The borrowing expenses and other charge, etc. payable to the lender are not included.

(Note 2) The first interest payment date will be the last day of August 2018. Subsequent interest payment dates will be the last day of February and August of each year and the principal repayment due. 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 3) This first interest calculation period is from May 31, 2018 to the last day of August 2018.

(Note 4) Interest rate 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.

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

<Floating Interest Rate Borrowing>

Category	Lender	Loan amount (mm yen)	Interest rate (Note 2) (Note 3) (Note 4) (Note 5)	Drawdown date	Borrowing method	Repayment date (Note 6)	Repayment method (Note 7)	Security
Long term	Loan syndicate with MUFG Bank, Ltd. and Mizuho Bank, Ltd. as arrangers (Note 1)	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 1) The loan syndicate comprises Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation.

(Note 2) The borrowing expenses and other charge payable to the lender 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 one-month Japanese Yen TIBOR (Tokyo Interbank Offered Rate) published by the JBA TIBOR Administration two business days immediately prior to the relevant interest payment date. The base rate is subject to review every interest payment date. Where there exists no rate that corresponds to the interest calculation period, the base rate shall be that which corresponds to the concerned period calculated based on the method provided for in the relevant loan agreement. For changes in the base rate (being the Japanese Yen TIBOR published by Japanese Bankers Association (JBA)), please check the website of JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/rate/>). In addition, interest rate swap agreement will be executed in order to effectively fix the interest rate of debt finance. 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.

(Note 4) The first interest payment date will be the last day of June 2018. 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) The first interest calculation period is from May 31, 2018 to the last day of June 2018.

(Note 6) 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 7) SHR may, by giving prior written notice and if certain other terms and conditions are met, make early repayment of the loans (in whole or in part), in the period between the drawdown date and the repayment date.

2. Purpose of the Borrowing

The Borrowing will be used to make the Early Repayment.

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

(1) Amount of funds to be procured

8,000 million yen

(2) Specific use of funds to be procured

For making the Early Repayment

(3) Scheduled outlay

May 31, 2018

II. Early Repayment of Existing Borrowings

1. Terms of Early Repayment

Category	Lender	Drawdown date	Repayment date	Balance before repayment (mm yen)	Repayment amount (mm yen)	Balance after repayment (mm yen)	Scheduled repayment date
Short term	Loan syndicate with MUFG Bank, Ltd. and Mizuho Bank, Ltd. as arrangers (Note 1)	May 1, 2018	April 30, 2019	8,000	8,000	—	May 31, 2018

(Note 1) The loan syndicate comprises MUFG Bank, Ltd., Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation.

(Note 2) For details of the borrowing, please refer to the “Notice Concerning Borrowing of Funds” dated April 23, 2018.

2. Funds for Repayment

The total borrowings of 8,000 million yen to be procured, as described in Section I. above “Borrowings”, will be used for the Early Repayment.

III. Status of Loans, etc. after the Borrowing and Early Repayment

(Unit: million yen)

	Before the Borrowing and Early Repayment (As of May 23, 2018)	After the Borrowing and Early Repayment (As of May 31, 2018)	Increase (Decrease)
Short-term loans (Note)	8,000	—	(8,000)
Long-term loans (Note)	174,432	182,432	8,000
(repayment due within one year)	14,882	14,882	—
Total loans	182,432	182,432	—
Investment corporation bonds	15,500	15,500	—
(redemption due within one year)	2,500	2,500	—
Total interest-bearing liabilities	197,932	197,932	—

(Note) Short-term loans refer to loans due for repayment within a period of one year or less from the relevant drawdown date, and long-term loans refer to loans due for repayment within a period of more than one year from the relevant drawdown date.

IV. Future Outlook

There are no changes to the forecast of matters in respect of management and distributions as the Borrowing and Early Repayment have already been incorporated in the “Notice Concerning Revisions to the Forecast of Operating Results and Distributions for the Fiscal Periods Ending October 31, 2018 and April 30, 2019” announced on May 1, 2018.

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

With regard to risks associated with the Borrowing and Early Repayment, neither of them will result in any change in 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/>