



May 1, 2018

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

Asset Management Company  
 Sekisui House Asset Management, Ltd.  
 Representative: Junichi Inoue,  
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Notice Concerning Completion of Merger with Sekisui House Residential Investment Corporation

Sekisui House Reit, Inc. (“SHR”) hereby announces that SHR, as the surviving corporation, and Sekisui House Residential Investment Corporation (“SHI”), as the dissolved corporation, have implemented an absorption-type merger (the “Investment Corporation Merger”), effective as of today, as announced in the “Notice Concerning Conclusion of a Merger Agreement between Sekisui House Reit, Inc. and Sekisui House Residential Investment Corporation” released on January 24, 2018.

SHR will primarily target “residential properties” including residential buildings and other assets, and “commercial properties”, including office buildings and hotels which fall under “High Quality” Prime Properties situated in “Strategic Locations” and will pursue a growth strategy leveraging to the fullest the real estate development and management capabilities of the Sekisui House Group. In addition, it will strive to make it possible for its unitholders, tenants and all other stakeholders to move forward together while aiming to “provide high quality social capital” and “maximization of unitholders value” through asset management seeking medium and long-term income stability and a steady increase of managed assets.

1. Outline of the Investment Corporation Merger

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|---|---|
| (1) Surviving corporation                               | Sekisui House Reit, Inc.<br>(Securities Code: 3309)                         |
| (2) Dissolved corporation                               | Sekisui House Residential Investment Corporation<br>(Securities Code: 8973) |
| (3) Effective date of the Investment Corporation Merger | May 1, 2018   |

2. Unitholders Equity, etc., of SHR after the Investment Corporation Merger (as of May 1, 2018)

Unitholders’ equity	
Unitholders’ capital	110,189 million yen (Note 1)
Capital surplus	128,598 million yen (Note 1)
Total number of authorized investment units	20,000,000 units (Note 2)
Total number of issued and outstanding units	3,762,091 units (Note 3)

(Note 1) There is no increase or decrease in total of unitholders’ capital as a result of the Investment Corporation Merger, but the acquisition consideration for the Investment Corporation Merger (which is the amount arrived at when the investment unit price per SHR investment unit is multiplied by the “(iv) Number of investment units allotted to SHI



investment units following the Investment Corporation Merger" given in (Note 3) below) is scheduled to be recorded as capital surplus.

(Note 2) Proposed partial amendments to the Articles of Incorporation were approved at the Third General Meeting of Unitholders of SHR held on March 27, 2018, and resulted in a change in the total number of authorized investment units from 10,000,000 investment units to 20,000,000 investment units as of May 1, 2018 in according with the effectuation of the Investment Corporation Merger.

(Note 3) Total number of investment units increased from 969,000 to 3,762,091 as a result of (i) the split of investment units in conjunction with the Investment Corporation Merger (split at a ratio of 1 SHR investment unit to 2 investment units) and (ii) the allotment of post-split SHR investment units to 1,105,510 SHI investment units.

The increased number of investment units and other details are provided as follows:

i)	Total number of issued and outstanding units of SHR prior to the Investment Corporation Merger	:	969,000 units
ii)	Increased number of units through the split of units on the Investment Corporation Merger	:	969,000 units
iii)	Total number of issued and outstanding units of SHR after the split	:	1,938,000 units
iv)	Number of investment units allotted to SHI investment units following the Investment Corporation Merger	:	1,824,091 units
v)	Total number of issued and outstanding units of SHR after the Investment Corporation Merger	:	3,762,091 units

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