

September 21, 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,
 President & Representative Director
 Inquiries: Yoshiya Sasaki, Chief Manager
 Investor Relations Department
 TEL: +81-3-6447-4870 (main)

Notice Concerning GRESB Real Estate Assessment Results, etc.

Sekisui House Reit, Inc. (“SHR”) announces that it has acquired “Green Star” in the Global Real Estate Sustainability Benchmark (“GRESB”) Real Estate Assessment conducted in 2018.

1. Evaluation Result

SHR has received a “Green Star” rating for the second consecutive year upon being highly evaluated in both dimensions of “Management & Policy” and “Implementation & Measurement” with regards to activities for environmental consideration and sustainability. At the same time, SHR has received “4 Stars,” up one rank from 2017, in “GRESB Rating” (a five-grade evaluation system with the highest being “5 Stars”) that reflects an applicant’s relative evaluation based on total GRESB Score on a global perspective.

In addition, SHR received a “B” rating, also up one rank from 2017, in the GRESB Public Disclosure Level evaluation scheme (five-level rating from “A” to “E”) launched last year to measure disclosure regarding environmental, social and governance (“ESG”).



The key points of efforts by SHR recognized in GRESB Real Estate Assessment this time are as follows.

- Establishment of sustainability policy and building of management structure
- Efforts aimed at enhancing the content of information disclosure based on the sustainability policy and execution of the policy
- Multidimensional approach to reduce environmental burden, such as energy saving and water saving activities
- A proactive attitude toward acquiring green building certifications and other such certifications

Moreover, SHR participated again this year in “Health & Well-being Module”, an optional supplement to the GRESB Real Estate Assessment that evaluates considerations for health/comfort of a company’s employees, tenants of owned properties and local communities. SHR intends to further promote efforts to enhance health and comfort of tenants and employees going forward.

In addition, SHR started participating in “Resilience Module”, an optional supplement to the GRESB Real Estate Assessment added this year. It evaluates a participant’s capability to manage and adapt to climate change or other environmental and societal shifts. SHR will proactively develop its capability to assess, manage and adapt to social and environmental shocks and stressors going forward.

2. Future ESG Initiatives

In order to realize a sustainable society, SHR shall conduct asset management with due consideration given to ESG, with the objective of providing “sustainable bases for living” for residents of residential properties and “sustainable bases of operation” for tenant companies of commercial properties.

While utilizing the know-how on real estate operation and management possessed by the sponsor, Sekisui House, Ltd., SHR intends to further pursue such initiatives as energy saving, environmental consideration, and ensuring living safety and business continuity to enhance satisfaction of residents and tenants at owned properties.

Furthermore, Sekisui House Asset Management, Ltd., the asset management company of SHR, became a GRESB member (GRESB members of property companies and asset managers) in June 2018 in recognition of the importance of ESG initiatives, in order to obtain reports which include more detailed information on ESG performance and analysis. Sekisui House Asset Management, Ltd. will seek to improve SHR's ESG initiatives by witnessing initiatives of leading ESG companies from a global point of view.

For details of SHR’s ESG initiatives, please refer to the SHR website “CSR and Environmental Activities”.

(Reference) Overview of GRESB

GRESB is an annual benchmark assessment to evaluate ESG considerations in the global real estate sector, which was established in 2009 primarily by major European pension fund groups which led the Principles for Responsible Investment. The characteristic of the GRESB Real Estate Assessment is that it evaluates sustainability efforts by real estate companies, REITs, etc., not of individual properties.

The number of member investors and banks who use the GRESB for selecting investment targets and discussing with clients reached 75 (assets under management of US\$18 trillion (approx. JPY1,980 trillion at an exchange rate of US\$1=JPY110)) as of September 2018, indicating use of GRESB Real Estate Assessment results in various processes including investment management. 903 property companies, real estate investment trusts (REITs), funds, and developers participated in the GRESB Real Estate Assessment conducted in 2018. The number of participants from Japanese markets was 61.

For details of GRESB Assessment, please refer to the GRESB website (<https://gresb.com/>).

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