

January 24, 2018

Real Estate Investment Trust Securities Issuer

Sekisui House Reit, Inc.

Representative: Junichi Inoue, Executive Director
(Securities Code: 3309)

Asset Management Company

Sekisui House Investment Advisors, Ltd.

Representative: Junichi Inoue,
President & Representative DirectorInquiries: Atsuhiko Kida,
Director & General Manager
Management Division
TEL: +81-03-6447-4870 (main)Notice Concerning a Split of Investment Units

Sekisui House Reit, Inc. (“SHR”) hereby announces that it resolved, at the board of directors meeting held on this day, to split its investment units as follows (the “Investment Unit Split”).

1. Purpose of the Investment Unit Split

As announced in the “Notice Concerning Conclusion of a Merger Agreement between Sekisui House Reit, Inc. and Sekisui House Residential Investment Corporation” released today by SHR and Sekisui House Residential Investment Corporation (“SHI”), SHR and SHI have agreed to implement an absorption-type merger (the “Investment Corporation Merger”) on the effective date of May 1, 2018, with SHR as the surviving corporation and SHI as the dissolving corporation, and executed a merger agreement (the “Investment Corporation Merger Agreement”) today.

The Investment Corporation Merger will be carried out through an absorption-type merger having SHR as the surviving corporation, and the merger ratio, before considering the Investment Unit Split, would be SHR 1: SHI 0.825. However, based on this merger ratio, 0.825 units of SHR would be allotted to every unit of SHI, which would mean that a number of SHI unitholders would receive less than one SHR unit. For this reason, in order to enable SHI unitholders to continue holding SHR units even after the Investment Corporation Merger, for the purpose of issuing 1 SHR unit or more to all SHI unitholders, it was decided that the SHR units will be split 2-for-1. As a result of the Investment Unit Split, SHI unitholders will receive 1.65 units of SHR following the Investment Unit Split for every SHI unit they own.

2. Details of the Investment Unit Split

(1) Method of the Investment Unit Split

SHR units owned by the SHR unitholders set forth or recorded in the final unitholder roster on April 30, 2018 (the day before the effective date of the Investment Corporation Merger) will be split 2-for-1. The Investment Unit Split shall come into effect on May 1, 2018 (the effective date of the Investment Corporation Merger), provided that all conditions precedent for the Investment Corporation Merger set forth in the Investment Corporation Merger Agreement are satisfied.

- (2) Number of investment units to increase after the Investment Unit Split
- (i) Total number of outstanding SHR units prior to the Investment Unit Split : 969,000 units
 - (ii) Increase in the number of units through the Investment Unit Split : 969,000 units
 - (iii) Total number of outstanding SHR units following the Investment Unit Split : 1,938,000 units
 - (iv) Total number of outstanding SHR units following the Investment Corporation Merger : 3,762,091 units^(Note 1)
 - (v) Number of authorized investment units following the Investment Unit Split and the Investment Corporation Merger : 20,000,000 units^(Note 2)

Note 1: The number under the assumption that, in connection with the Investment Corporation Merger, 1.65 SHR units following the Investment Unit Split would be allocated to every SHI unit with respect to all outstanding SHI units (1,105,510 units) as of today.

Note 2: SHR's authorized investment units constitute 10,000,000 units at present, but as a result of the Investment Corporation Merger, the articles of incorporation of SHR are expected to be partially amended, with the authorized investment units to be changed as of the effective date of the Investment Corporation Merger. For details, please see the "Notice Concerning Conclusion of a Merger Agreement between Sekisui House Reit, Inc. and Sekisui House Residential Investment Corporation" released today.

3. Timeline of the Investment Unit Split

- (1) Announcement of the record date : March 30, 2018 (tentative)
- (2) Record date : April 30, 2018 (tentative)
- (3) Effective date : May 1, 2018 (tentative)

* Address of the website of the investment corporation

Sekisui House Reit, Inc.:

<http://sekisuihouse-reit.co.jp/en/>