

March 30, 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 Director
 Inquiries: Atsuhiko Kida,
 Director & General Manager
 Management Division
 TEL: +81-3-6447-4870 (main)

Real Estate Investment Trust Securities Issuer
 Sekisui House Residential Investment Corporation
 Representative: Osamu Minami, Executive Director
 (Securities Code: 8973)

Asset Management Company
 Sekisui House Asset Management, Ltd.
 Representative: Osamu Minami,
 President & Representative Director
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Notice Concerning Changes in Credit Rating Outlooks

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, Sekisui House Reit, Inc., (“SHR”) and Sekisui House Residential Investment Corporation (“SHI” and collectively with SHR, the “Two Investment Corporations”) plan to implement an absorption-type merger (the “Investment Corporation Merger”) effective May 1, 2018, with SHR as the surviving corporation and SHI as the dissolving corporation. SHR and SHI hereby announce that Japan Credit Rating Agency, Ltd., (“JCR”) today disclosed changes to the rating outlooks for the long-term issuer rating of the Two Investment Corporations in light of the Investment Corporation Merger, as described below.

1. Status of Credit Ratings

<Credit Rating Agency> Japan Credit Rating Agency, Ltd. (JCR)

<Subject of Rating> Long-term Issuer Rating

Issuer	Rating (Rating Outlook)	
	Before Change	After Change
Sekisui House Reit, Inc.	AA- (Stable)	AA- (Positive)

Issuer	Rating (Rating Outlook)	
	Before Change	After Change
Sekisui House Residential Investment Corporation	AA- (Stable)	AA- (Positive)

This translation is for informational purpose only. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.

2. Rationale of Credit Rating Outlooks Changes

JCR stated in a document disclosed today that the changes in credit rating outlooks are based on factors that include the facts that each of the Two Investment Corporations have built high-quality portfolios by utilizing the pipeline with Sekisui House Group in addition to accumulating stable track records in management, as well as the expected maintenance of stable management even after the merger under a growth strategy capitalizing on the integrated corporate strength of the Sekisui House Group, and the fact that, the strengthening of portfolios and diversification of properties have further progressed through the expansion of asset scale, and in light of these facts JCR decided to change the outlook to positive for each of the Two Investment Corporations while leaving the ratings unchanged.

(Note) For more details, please refer to the JCR website.

[Reference] JCR website: <https://www.jcr.co.jp/en/>

*Addresses of the websites of the Two Investment Corporations

Sekisui House Reit, Inc.:

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

Sekisui House Residential Investment Corporation:

<http://www.shi-reit.co.jp/eng/>