

December 14, 2018

Financial Report for the Fiscal Period Ended October 31, 2018

(For the Reporting Period from May 1, 2018 to October 31, 2018)

Name of REIT issuer: Sekisui House Reit, Inc. ("SHR")
 Stock exchange listing: Tokyo Stock Exchange
 Securities code: 3309
 URL: <http://sekisuihouse-reit.co.jp/en/>
 Representative: Junichi Inoue, Executive Director

 Asset management company: Sekisui House Asset Management, Ltd.
 Representative: Junichi Inoue, President & Representative Director
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 Scheduled date to file securities report: January 28, 2019
 Scheduled date to commence distribution payment: January 18, 2019
 Preparation of supplementary material on financial report: Yes
 Holding of financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts truncated to the nearest million yen)

1. Summary of financial results for the fiscal period ended October 31, 2018

(May 1, 2018 – October 31, 2018)

(1) Operating results

(Percentages show changes from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
Fiscal period ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2018	12,174	161.5	5,793	93.5	5,109	94.8	7,402	182.4
April 30, 2018	4,655	1.6	2,994	0.2	2,622	(0.2)	2,621	(0.2)

	Net Income per Unit	Return on Equity	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
Fiscal period ended	Yen	%	%	%
October 31, 2018	1,967	3.0	1.1	42.0
April 30, 2018	1,352	2.3	1.3	56.3

(Note1) Each figure of Fiscal period ended April 30, 2018 shows the figures for SHR before the merger of SHR and Sekisui House Residential Investment Corporation. The same applies hereinafter.

(Note2) Net income per unit is calculated by dividing net income by the day-weighted average number of investment units outstanding during the period.

(Note3) SHR implemented a 2-for-1 split of the investment units on May 1, 2018 as the effective date. Net Income per Unit is calculated under assumption that the split implements on beginning of the Fiscal period ended April 30, 2018.

(2) Distributions

	Distributions per Unit (excluding Distributions in Excess of Earnings)	Total Distributions (excluding Distributions in Excess of Earnings)	Distributions in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distributions to Net Assets
Fiscal period ended	Yen	Millions of yen	Yen	Millions of yen	%	%
October 31, 2018	1,554	5,846	0	0	79.0	2.4
April 30, 2018	2,705	2,621	0	0	100.0	2.3

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(Note) Total Distribution for the Fiscal period ended October 31, 2018 is not the same amount as Net Income because the amount that part of the gain on negative goodwill excluded from Net Income will be distributed.

(3) Financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Unit
As of	Millions of yen	Millions of yen	%	Yen
October 31, 2018	457,588	245,663	53.7	65,299
April 30, 2018	207,450	112,810	54.4	58,209

(Note) SHR implemented a 2-for-1 split of the investment units on May 1, 2018 as the effective date. Net Income per Unit is calculated under assumption that the split implements on beginning of the Fiscal period ended April 30, 2018.

(4) Cash flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
Fiscal period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
October 31, 2018	25,821	(27,064)	2,326	22,090
April 30, 2018	4,000	(36)	(2,625)	9,613

2. Forecasts of performance for the fiscal period ending April 30, 2019 (November 1, 2018 – April 30, 2019) and the fiscal period ending October 31, 2019 (May 1, 2019 – October 31, 2019)

(Percentages show changes from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Distributions per Unit (excluding Distributions in Excess of Earnings)	Distributions in Excess of Earnings per Unit
Fiscal period ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
April 30, 2019	12,120	(0.4)	6,353	9.7	5,624	10.1	5,624	(24.0)	1,537	0
October 31, 2019	12,050	(0.6)	6,267	(1.4)	5,538	(1.5)	5,537	(1.5)	1,532	0

(Reference) Forecasted net income per unit (Forecasted net income / Forecasted number of investment units at end of period)

For the Fiscal period ending April 30, 2019: 1,494 yen
For the Fiscal period ending October 31, 2019: 1,471 yen

(Note) For the Fiscal period ending April 30, 2019 and October 31, 2019, the distributions per unit are different from the forecasted net income per unit because it is premised that source of the distributions includes the drawdown amount for reserve for temporary difference adjustment; 158 million yen for the Fiscal period ending April 30, 2019 and 225 million yen for October 31, 2019.

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*** Other**

(1) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

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|---|------|
| a. Changes in accounting policies due to revisions to accounting standards and other regulations: | None |
| b. Changes in accounting policies due to reasons other than a. above: | None |
| c. Changes in accounting estimates: | None |
| d. Retrospective restatement: | None |

(2) Number of investment units issued

- | | |
|---|-----------------|
| a. Number of investment units issued at end of period (including treasury investment units) | |
| As of October 31, 2018: | 3,762,091 units |
| As of April 30, 2018: | 969,000 units |
| b. Number of treasury investment units at end of period | |
| As of October 31, 2018: | – units |
| As of April 30, 2018: | – units |

*** Status of audit procedures**

As of the time of disclosure of this financial report, audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act of Japan are not yet completed.

*** Remarks on appropriate use of forecasts of performance and other special notes**

Forward-looking statements presented in this financial report, including forecasts of performance, are based on information currently available to SHR and on certain assumptions it deems to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of numerous factors. These forecasts do not guarantee the distribution amount.

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