

December 13, 2019

Financial Report for the Fiscal Period Ended October 31, 2019

(For the Reporting Period from May 1, 2019 to October 31, 2019)

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 27, 2020
 Scheduled date to commence distribution payment: January 20, 2020
 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, 2019

(May 1, 2019 – October 31, 2019)

(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, 2019	14,683	18.7	8,226	24.1	7,406	25.6	7,405	25.6
April 30, 2019	12,369	1.6	6,627	14.4	5,894	15.4	5,894	(20.4)

	Net Income per Unit	Return on Equity	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
Fiscal period ended	Yen	%	%	%
October 31, 2019	1,775	2.8	1.4	50.4
April 30, 2019	1,566	2.4	1.3	47.7

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

(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, 2019	1,631	6,994	—	—	91.9	2.5
April 30, 2019	1,594	5,996	—	—	101.8	2.4

This is an English translation of summarized financial report translated for informational purposes only. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.

(Note 1) Total distribution for the fiscal period ended October 31, 2019 is the amount reserved 775 million yen out of the unappropriated retained earnings as reserve for reduction entry and added 364 million yen of reversal of reserve for temporary difference adjustment (“RTA”).

(Note 2) Total distribution for the fiscal period ended April 30, 2019 is the amount added 102 million yen of reversal of RTA to the unappropriated retained earnings.

(3) Financial position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Unit
As of	Millions of yen	Millions of yen	%	Yen
October 31, 2019	547,989	286,192	52.2	66,732
April 30, 2019	474,985	245,695	51.7	65,308

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal period ended				
October 31, 2019	12,246	(70,577)	62,058	24,685
April 30, 2019	7,719	(20,005)	11,155	20,959

2. Forecasts of performance for the fiscal period ending April 30, 2020 (November 1, 2019 – April 30, 2020) and the fiscal period ending October 31, 2020 (May 1, 2020 – October 31, 2020)

(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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal period ending										
April 30, 2020	14,526	(1.1)	7,694	(6.5)	6,804	(8.1)	6,803	(8.1)	1,623	—
October 31, 2020	14,765	1.6	7,718	0.3	6,832	0.4	6,831	0.4	1,630	—

(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, 2020: 1,586 yen
For the fiscal period ending October 31, 2020: 1,592 yen

(Note) Forecasted distribution for the fiscal period ending April 30, 2020 is the amount added 117 million yen of reversal of RTA and 38 million yen of reversal of reserve for reduction entry to the unappropriated retained earnings and forecasted distribution for the fiscal period ending October 31, 2020 is the amount added 136 million yen of reversal of RTA and 22 million yen of reversal of reserve for reduction entry to the unappropriated retained earnings.

*** 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

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|---|-----------------|
| a. Number of investment units issued at end of period (including treasury investment units) | |
| As of October 31, 2019: | 4,288,666 units |
| As of April 30, 2019: | 3,762,091 units |
| b. Number of treasury investment units at end of period | |
| As of October 31, 2019: | — units |
| As of April 30, 2019: | — units |

*** Status of audit procedures**

This financial report is not subject to audit procedures by public accountants or audit corporations.

*** 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.