



Fiscal Results Briefing

6th Fiscal Period Ended October 31, 2017

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The material containing the information required under Article 23 (1) and (2) of the AIFMD is available at <http://sekisuihouse-reit.co.jp/en/ir/library.html>.

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Characteristics of Sekisui House Reit, Inc. (“SHR”)

Characteristic 1	<ul style="list-style-type: none"> SHR’s sponsor is Sekisui House, Ltd. (“Sekisui House”), one of the leading homebuilders in Japan. 	<p>Current AUM (aggregate acquisition price) 200.7 billion yen</p>
Characteristic 2	<ul style="list-style-type: none"> SHR is a diversified REIT focusing mainly on office buildings, retail properties and hotels (“Commercial Properties”). 	<p>Current Portfolio (asset type) Office buildings 91.4% Hotels 8.6%</p>
	<ul style="list-style-type: none"> Investing in Commercial Properties located in major metropolitan areas; Greater Tokyo (55.3%), the Osaka area (41.5%) and the Nagoya area (3.2%) (acquisition price basis). 	<p>Current Portfolio (area) Tokyo, Osaka & Nagoya 100%</p>
	<ul style="list-style-type: none"> Investing in Prime Properties featuring “strategic locations” and “high quality”. All 6 properties have been recently built and 5 properties have a rating of 4 or 5 Stars under the DBJ Green Building Certification system. 	<p>Current Portfolio (features) Prime Properties 100%</p>
Characteristic 3	<ul style="list-style-type: none"> Strong relationships with major domestic financial institutions. 	<p>Current LTV 40.7%</p>

(Note) Money amounts less than the indicated figures are rounded down and percentage figures are rounded to the nearest first decimal place otherwise indicated in this document. The same shall apply hereinafter.
(Note) The figures are as of December 14, 2017.

Profile of Sekisui House Reit, Inc.

Corporate Profile

Trade name
Asset management company
Sponsor

Sekisui House Reit, Inc. (securities code: 3309)
Sekisui House Investment Advisors, Ltd.
Sekisui House, Ltd.



Sekisui House is also the main sponsor of
Sekisui House Residential Investment Corporation

Owned Assets

Aggregate acquisition price
Number of properties

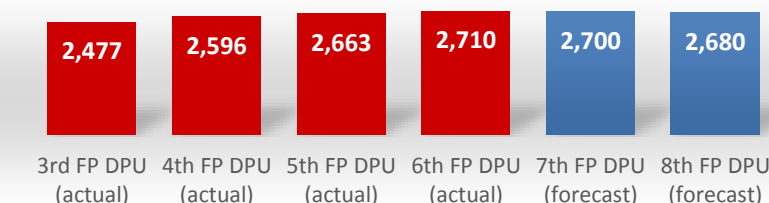
JPY 200.7 bil
6 properties



Distributions

Fiscal period ends
Actual for 6th fiscal period
Forecast for 7th fiscal period
Forecast for 8th fiscal period

April and October of each year
JPY 2,710 per unit
JPY 2,700 per unit
JPY 2,680 per unit



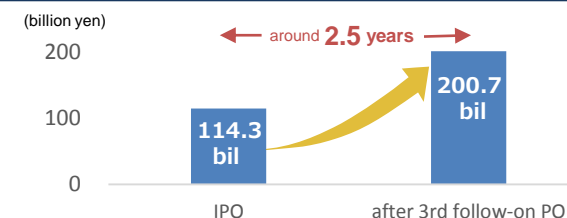
Financial information

Total interest-bearing liabilities
Unitholders' capital
Number of investment units issued and outstanding
Long-term issuer rating

JPY 84.4 bil
JPY 110.1 bil
969,000 units
AA- (stable) [JCR]

Highlight

- Around a 1.8-fold expansion of asset size from the time of IPO
- Achieved the target of 200 billion yen in asset size in around 2.5 years since IPO



(Note) The figures are as of December 14, 2017.

Strength and Track Record of Sekisui House's Development Business

■ Sekisui House's Corporate Profile and Business Strategies

About Sekisui House

Sekisui House's Corporate Profile (As of July 31, 2017)

Corporation Name : **Sekisui House, Ltd.**

Date of Establishment : **August 1, 1960**

Capital Stock : **202,591.20 million yen**

Cumulative Number of Houses Built : **2,357,644 houses**

How Sekisui House became involved in the field of J-REIT

Since 2005, Sekisui House entered the J-REIT field by acquiring an equity stake in Japan Excellent Asset Management Co., Ltd., the asset manager for Japan Excellent Inc. (The capital ties have dissolved already.)

In 2010, Sekisui House acquired 75% of Joint Capital Partners Co., Ltd., the asset manager of Joint Reit Investment Corporation, now known as Sekisui House Residential Investment Corporation.

■ Commitment of properties by Sekisui House Group to its sponsored J-REITs (as of December 14, 2017)

Collaboration with our J-REIT platform within Sekisui House's Development Business has become significantly more important.

Asset Type	Number of Properties (Note)	Transaction Price
Office (2007-2017)	8 properties	235.0 billion yen
Residential (2010-2017)	55 properties	103.6 billion yen
Total (2007-2017)	63 properties	338.6 billion yen

(Note) 2 office properties have been acquired by Japan Excellent, Inc. and 55 residential properties have been acquired by Sekisui House Residential Investment Corporation.

Priority strategies for each business model

[Built-to-Order Business]

Promote stable growth and work to create quality housing stock by supplying high-value-added houses.

[Supplied Housing Business]

Develop business for the purpose of increasing the asset value of quality housing stock created by the Built-to-Order Business.

[Development Business]

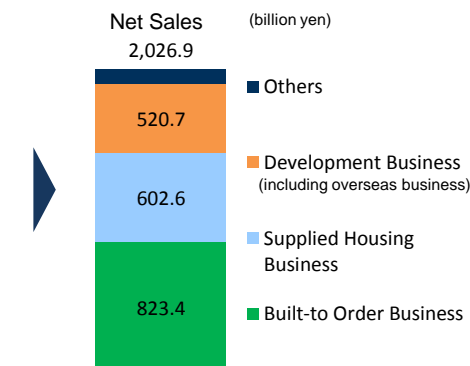
Promote the creation of quality towns through the environment creation-oriented development and promote stable growth by increasing the asset turnover ratio.

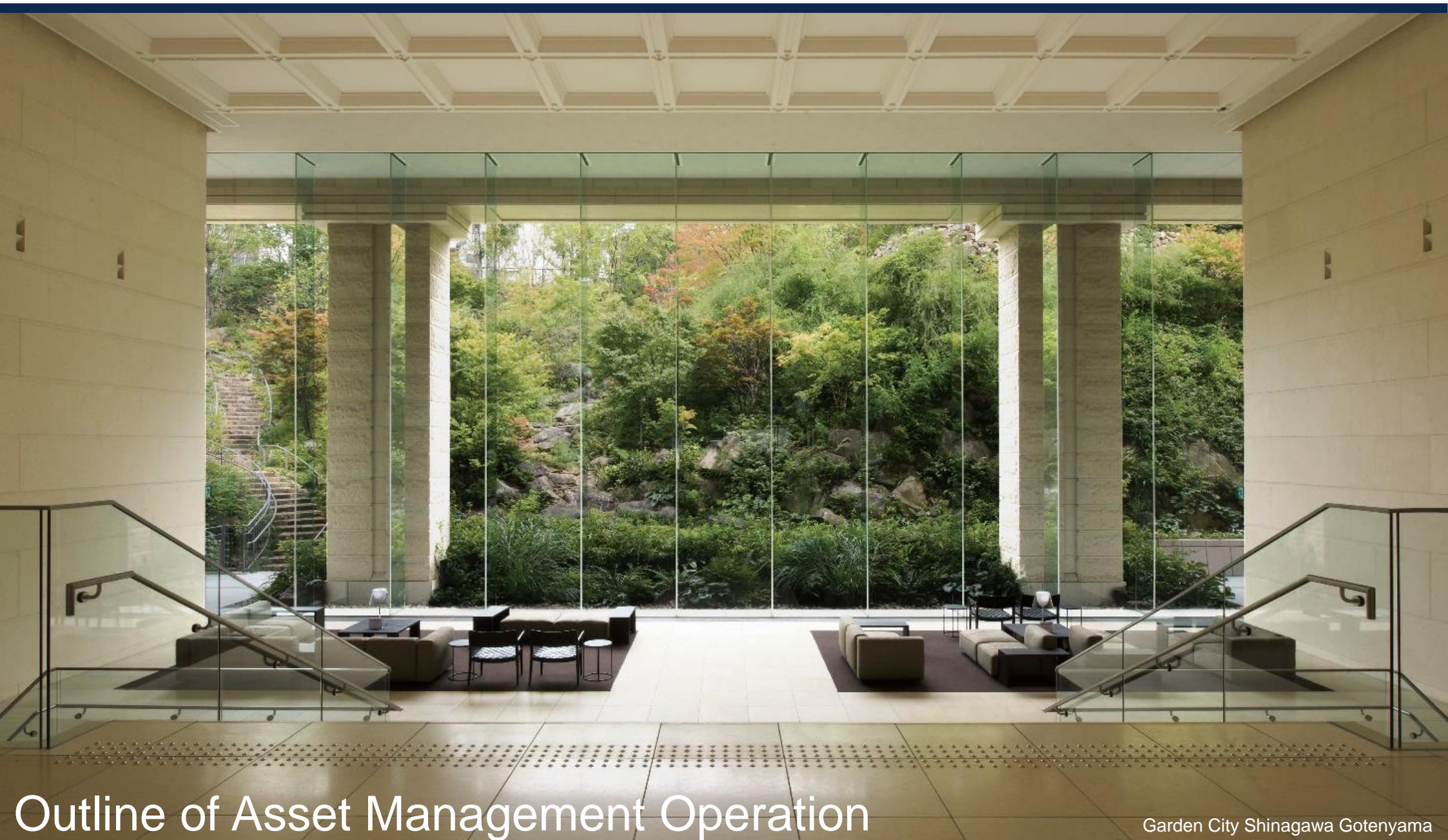
[Overseas Business]

Provide Sekisuihouse Quality globally based on the environmental technologies cultivated in Japan.

■ Sekisui House's Consolidated Financial Statements FY2016(16/2-17/1)

Total Assets	2,184.8 billion yen
Net Sales	2,026.9 billion yen
Operating Income	184.1 billion yen
Net Income	121.8 billion yen





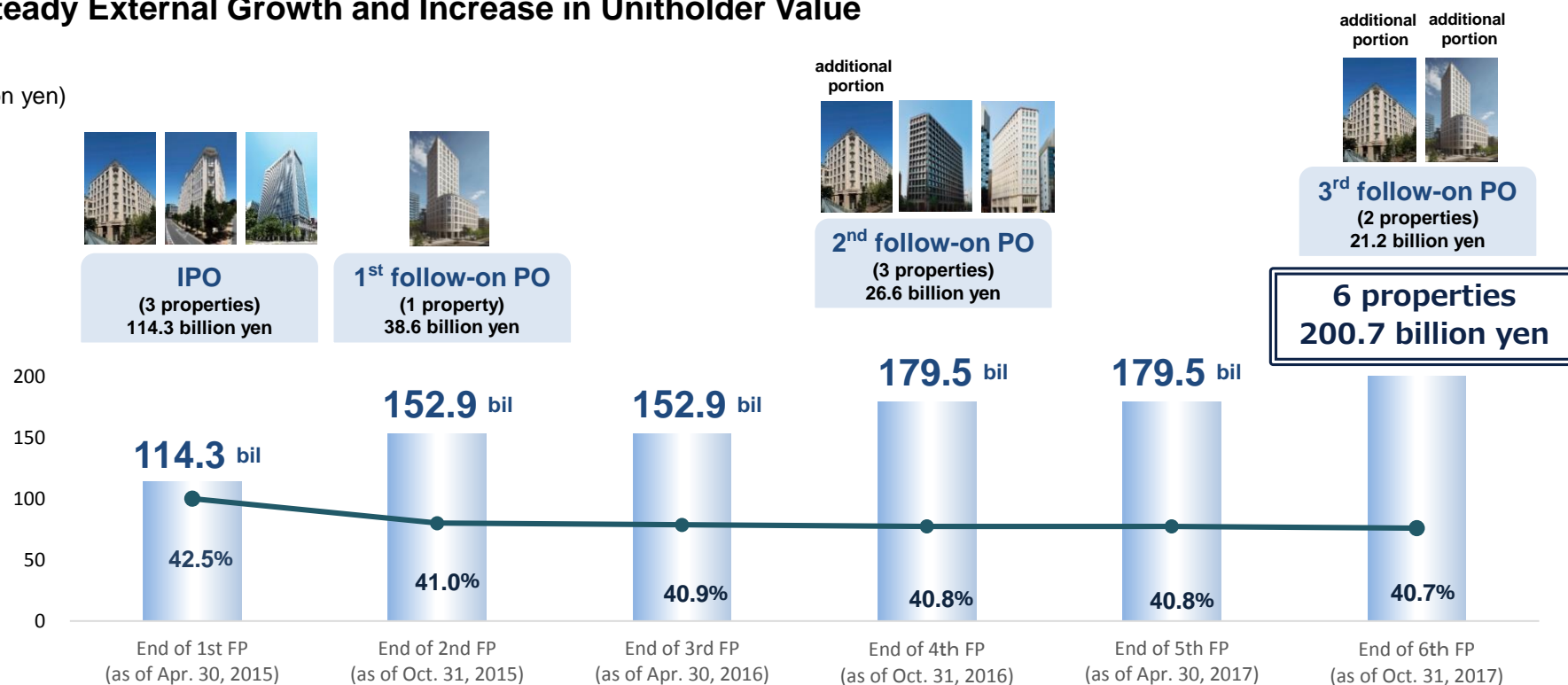
Outline of Asset Management Operation

Garden City Shinagawa Gotenyama

Management Performance since IPO

Steady External Growth and Increase in Unitholder Value

(billion yen)



Unrealized Gain (Note1)	5.9 billion yen	11.9 billion yen	17.8 billion yen	24.1 billion yen	27.7 billion yen	35.0 billion yen		
Total Market Value (Note2)	89.6 billion yen	99.0 billion yen	100.2 billion yen	126.6 billion yen	127.2 billion yen	121.9 billion yen		
Distribution per unit	1 st FP (actual)	2 nd FP (actual)	3 rd FP (actual)	4 th FP (actual)	5 th FP (actual)	6 th FP (actual)	7 th FP (forecast)	8 th FP (forecast)
	1,603 yen	2,458 yen	2,477 yen	2,596 yen	2,663 yen	2,710 yen	2,700 yen	2,680 yen

Growth of Distribution per unit by follow-on POs

Initial Forecast
2,201 yen

Increase of 11.7% from initial forecast

Initial Forecast
2,410 yen

Increase of 7.7% from initial forecast

Initial Forecast
2,590 yen

Increase of 4.6% from initial forecast

(Note1) The sum of differences between the book values and appraisal values at the end of each FP are calculated and indicated for the asset held as of the end of each FP.

(Note2) Total market value as of the end of each FP is calculated based on unit price as of the end of each FP respectively.

Financial Results and Forecast

■ Results and Forecast

	Actual Results of 3 rd FP (as of Apr. 30, 2016)	Actual Results of 4 th FP (as of Oct. 31, 2016)	Actual Results of 5 th FP (as of Apr. 30, 2017)	Actual Results of 6 th FP (as of Oct. 31, 2017)	Forecast of 7 th FP (as of Apr. 30, 2018)	Forecast of 8 th FP (as of Oct. 31, 2018)
Days of Operation	182 days	184 days	181 days	184 days	181 days	184 days
Operating Revenue	3,467 million yen	4,059 million yen	4,144 million yen	4,580 million yen	4,646 million yen	4,655 million yen
Operating Income	2,278 million yen	2,664 million yen	2,704 million yen	2,987 million yen	2,992 million yen	2,968 million yen
Ordinary Income	1,967 million yen	2,321 million yen	2,381 million yen	2,626 million yen	2,617 million yen	2,597 million yen
Net Income	1,966 million yen	2,320 million yen	2,380 million yen	2,625 million yen	2,616 million yen	2,596 million yen
Distribution Per Unit (DPU)	2,477 yen	2,596 yen	2,663 yen	2,710 yen	2,700 yen	2,680 yen

■ Results of NOI

	Actual Results of 6 th FP (as of Oct. 31, 2017)	
	Actual Results	Yield (Note)
NOI	4,132 million yen	4.2 %
NOI (after depreciation)	3,402 million yen	3.4 %

■ Forecast of NOI yield

	Forecast of 7 th FP (as of Apr. 30, 2018)	Forecast of 8 th FP (as of Oct. 31, 2018)
NOI yield	4.1 %	4.1 %
NOI yield (after depreciation)	3.4 %	3.4 %

(Note) Yield is calculated by dividing annualized NOI and NOI (after depreciation) by total acquisition price of the current portfolio.

Portfolio Summary (as of December 14, 2017)

■ Portfolio Highlight

Asset Size (aggregate acquisition price)		200.7 billion yen	Total Appraisal Value (Note 1)		233.0 billion yen
Number of Properties		6 properties	Occupancy Rate		100.0 %
Asset Type Ratio (Note 2)	Office buildings	91.4 %	Location Ratio (Note 2) (acquisition price basis)	3 major metropolitan areas	100.0 %
	Hotels	8.6 %			
Average Building Age (Note 2)		6.9 years			Greater Tokyo

■ Portfolio Description




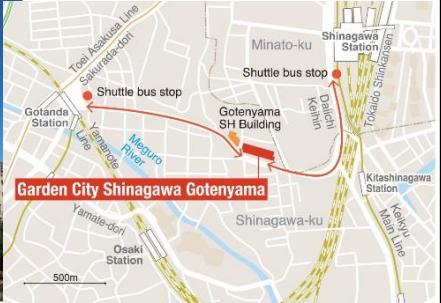
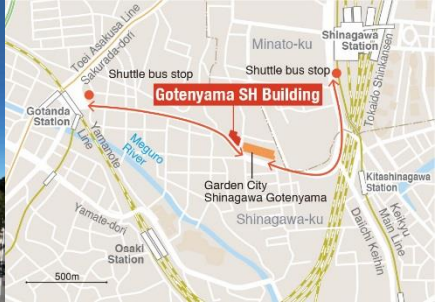

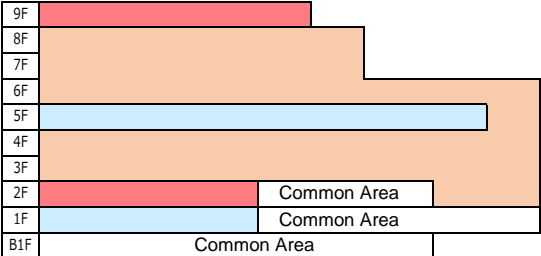
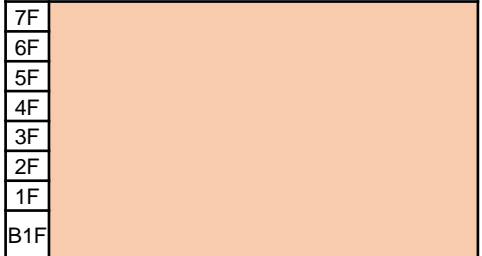
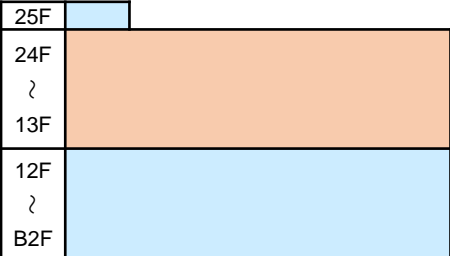
No.	Property Name		Acquisition Price (JPY)	Appraisal Value (JPY)	Investment Ratio	Total Leasable Area	Occupancy Rate	Building Age	Area
J-1	Garden City Shinagawa Gotenyama	Acquired portion	55.6 bil	—	27.7%	29,235.95 m ²	100%	6.8 years	Tokyo
		Additional acquisition portion NEW	4.0bil	—	2.0%	2,000.39 m ²			
		Subtotal	59.6 bil	71.0 bil	29.7%	31,236.34 m ²			
J-2	Gotenyama SH Building		51.5 bil	58.5 bil	25.7%	19,999.97 m ²	100%	6.9 years	Tokyo
J-3	Hommachi Minami Garden City		23.1 bil	28.6bil	11.5%	16,699.46 m ²	100%	6.8 years	Osaka
J-4	Hommachi Garden City	Office building portion	38.6 bil	44.6 bil	19.2%	17,006.94 m ²	100%	7.6 years	Osaka
		Hotel portion NEW	17.2 bil	17.7 bil	8.6%	18,092.98 m ²			
		Subtotal	55.8 bil	62.3 bil	27.8%	35,099.92 m ²			
J-5	HK Yodoyabashi Garden Avenue		4.4 bil	5.57 bil	2.2%	4,554.52 m ²	100%	2.4 years	Osaka
J-6	Hirokoji Garden Avenue		6.35 bil	7.11 bil	3.2%	4,442.75 m ²	100%	6.8 years	Nagoya

(Note 1) Total appraisal value is the sum of appraisal values stated in the appraisal reports as of the end of 6th FP.

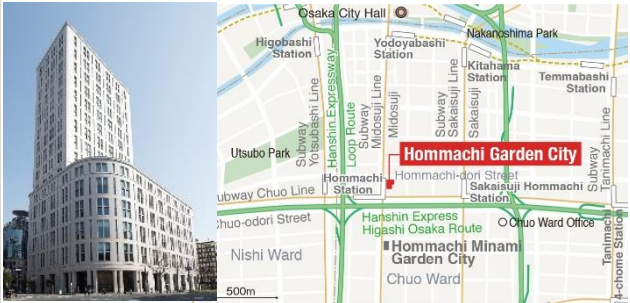


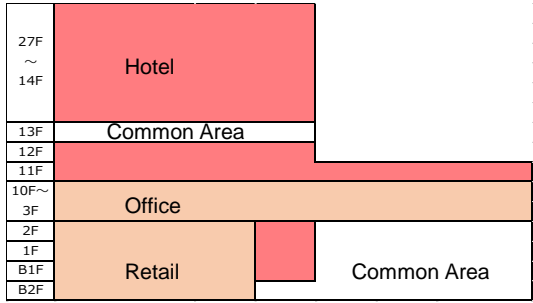
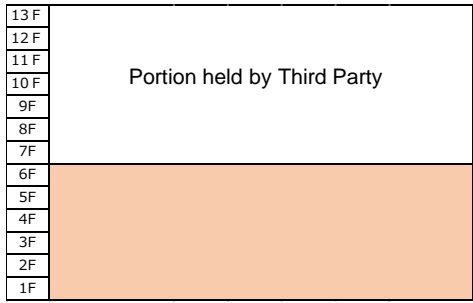
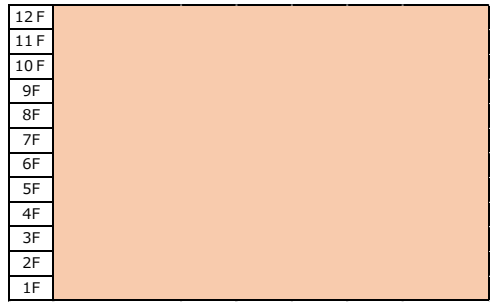



(Note 2) Asset type ratio and location ratio are calculated by dividing the sum of acquisition prices of assets for each asset type or area by the total acquisition price, rounded to the nearest first decimal place. Average building age is calculated using the weighted average of building age according to the respective acquisition price.

(Note 3) As for Garden City Shinagawa Gotenyama, Hommachi Minami Garden City and HK Yodoyabashi Garden Avenue, SHR owns the sectional ownership right as well as accompanying right of site (in the site ownership ratio of approximately 81.0%, 56.3% and 40.6%, respectively).

Outline of Portfolio

Property No.	J-1	J-2	J-3
Property name	Garden City Shinagawa Gotenyama	Gotenyama SH Building	Hommachi Minami Garden City
Photo of Properties			
Map of Properties			
Description of Rights	 <div> <div>9F</div> <div>8F</div> <div>7F</div> <div>6F</div> <div>5F</div> <div>4F</div> <div>3F</div> <div>2F</div> <div>1F</div> <div>B1F</div> </div> <div> <div>Common Area</div> <div>Common Area</div> <div>Common Area</div> </div>	 <div> <div>7F</div> <div>6F</div> <div>5F</div> <div>4F</div> <div>3F</div> <div>2F</div> <div>1F</div> <div>B1F</div> </div>	 <div> <div>25F</div> <div>24F</div> <div>23F</div> <div>13F</div> <div>12F</div> <div>11F</div> <div>B2F</div> </div>
	<div> <div>Portion acquired before the 3rd follow-on PO</div> <div>Portion acquired at the time of the 3rd follow-on PO</div> <div>Portion held by Sekisui House</div> </div>		
Types of Lease Agreement	Fixed-Rent Type Master Lease	Direct Lease	Fixed-Rent Type Master Lease
Environmental Considerations	DBJ Green Building Certification: 5 Stars	-	DBJ Green Building Certification: 4 Stars
Total Floor Area (entire building)	62,975.42m ²	19,812.85m ²	46,010.88m ²
Leasable Area (acquired portions)	31,236.34m ²	19,999.97m ²	16,699.46m ²
Occupancy Rate	100.0%	100.0%	100.0%
Completion Date	February 2011	February 2011	February 2011

Outline of Portfolio

Property No.	J-4	J-5	J-6
Property name	Hommachi Garden City	HK Yodoyabashi Garden Avenue	Hirokoji Garden Avenue
Photo of Properties Map of Properties			
Description of Rights			
	 Portion acquired before 3rd follow-on PO	 Portion acquired at the time of the 3rd follow-on PO	 Portion held by Sekisui House
Types of Lease Agreement	Fixed-Rent Type Master Lease	Pass-Through Type Master Lease	Pass-Through Type Master Lease
Environmental Considerations	DBJ Green Building Certification: 4 Stars (Office building portion)	DBJ Green Building Certification: 4 Stars CASBEE OSAKA: Rank A	DBJ Green Building Certification: 4 Stars CASBEE NAGOYA: Rank A
Total Floor Area (entire building)	49,163.16m ²	16,953.28m ²	7,017.98m ²
Leasable Area (acquired portions)	Office building portion : 17,006.94m ² Hotel portion: 18,092.98m ²	4,554.52m ²	4,442.75m ²
Occupancy Rate	100.0%	100.0%	100.0%
Completion Date	May 2010	July 2015	March 2011

Portfolio Map and Growth Potential of the Area

Shinagawa Gotenyama Area

- Shinagawa station, a station accessible from the two buildings below, is one of the largest stations in Tokyo and has a high growth rate in terms of passenger numbers.
- Shinagawa station offers easy access to the Shinkansen Line and to Tokyo International Airport.

Hommachi - Yodoyabashi Area

- These three buildings are located in an area known as the Hommachi - Yodoyabashi area, the central business district of Osaka.
- This area offers convenient access to public transportation and also to the Shinkansen Line and to Osaka International Airport.

Nagoya Meieki Area

- Nagoya Station, the biggest terminal station in the Chubu Area, is located in the Nagoya Meieki Area, which is a business and commercial district.
- A large-scale redevelopment project around Nagoya is underway with an eye to the launch of the Linear Chuo Shinkansen in 2027.



■ Investment policy

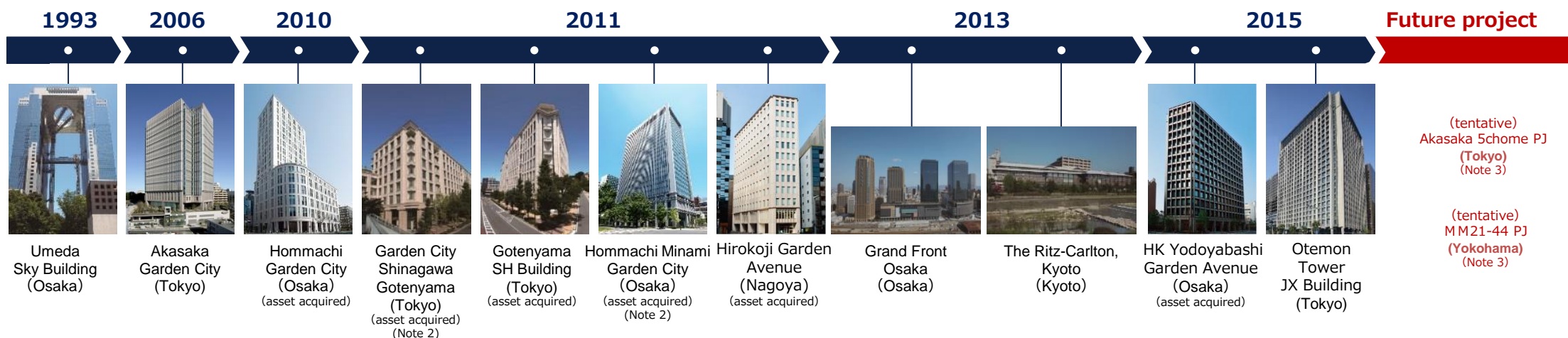
- Promoting continuous external growth by focusing on property acquisitions from the sponsor
- Applying strict investment selection criteria when considering acquisition from third parties
- External growth centering on acquisition of office buildings
- Shifting to an external growth strategy that focuses on domestic real estate for the time being

Achieved 200 billion yen in asset size by focusing on domestic real estate through utilization of Sponsor Pipeline and promotion of continuous external growth.

【Preferential Negotiation Rights for Properties Co-owned with Sekisui House】

	Area	Asset type	Ratio of unaquired floor area
Garden City Shinagawa Gotenyama	Tokyo	Office Building	19.0%
Hommachi Minami Garden City	Osaka	Office Building	43.6%

■ Urban development undertaken by Sekisui House (Note 1)



(Note 1) The above projects include joint projects with other companies and properties that have been sold. SHR has no plan to acquire the above properties as of December 14, 2017.

(Note 2) Although SHR has acquired parts of the above buildings, it still has preferential negotiation rights by acquiring the remaining parts of these buildings. SHR does not have any plan to acquire the remaining parts of these buildings as of the date hereof.

(Note 3) These projects are currently under consideration by Sekisui House and may be changed or cancelled without prior notice.







■ Utilization of sponsor support

- Provision of property management services for owned assets
- Utilization of know-how and services possessed by Sekisui House that can enhance tenant satisfaction for operation management
- Coordination in strategies such as renovation and value enhancement, etc. regarding old properties
- Investigation and discussion regarding execution of master lease agreements that respond to property characteristics

■ Status of lease agreements of portfolio properties (as of December 14, 2017)

Management policy emphasizing stability until the portfolio is diversified

Selecting lease type depending on property characteristics

Property Name	Garden City Shinagawa Gotenyama			Hommachi Minami Garden City	Hommachi Garden City		Gotenyama SH Building	HK Yodoyabashi Garden Avenue	Hirokoji Garden Avenue
Photo of Properties									
Lease Type (Note)	Fixed-Rent Type Master Lease						Direct Lease	Pass-Through Type Master Lease	
Ratio of Lease Type (Note)	58.0%					16.1%	17.9%	8.0%	
Asset Type	Office building					Hotel	Office building	Office building	
Contract Period (Master Lease or Direct Lease)	① portion originally acquired From Dec. 2014 to Dec. 2019	② portion additionally acquired From May 2016 to Dec. 2019	③ portion additionally acquired From May 2017 to Dec. 2019	From Dec. 2014 to Dec. 2019	Office building portion From May 2015 to May 2020	Hotel portion From May 2017 to May 2020	From Mar. 2011 to Feb. 2031	From May 2016 to May 2019	From May 2016 to May 2019

Stable rent revenue

Long-term rent revenue

Rent for **92.0%** of leased floor area (including direct lease) has been fixed substantively

(Note) "Ratio of lease type" refers to the ratio of the leased floor area for each lease type under the relevant lease agreements, in respect of the properties, that are valid as of December 14, 2017 (or, if a master lease agreement that is valid as of December 14, 2017 is concluded for the property, the master lease agreement), to the total sum of the leased floor areas indicated in such lease agreements, rounded to the nearest first decimal place.

Financial Results

Financial Standing

	End of 5 th FP (actual) (as of Apr. 30, 2017)	After refinance (as of end of Nov. 2017)
Total interest-bearing liabilities	77.3 billion yen	84.4 billion yen
Fixed interest rate debt ratio	76.6%	93.0%
Long-term debt ratio	100.0%	100.0%
LTV (total asset basis)	40.8%	40.7% (Note 1)
Acquisition capacity until LTV reaches 50% (Approximate amount)	35.0 billion yen	39.0 billion yen (Note 1)
Average financing interest rate (Note 2)	0.75%	0.73%
Average financing term (Note 3)	6.3 years	6.5 years
Average remaining term of interest-bearing liabilities (Note 4)	4.2 years	4.5 years

Credit Rating Information

Credit Rating Company	Long-term Issuer Rating
JCR	AA- (Stable)

(Note 1) As of the end of the 6th FP.

(Note 2) Average financing interest rate indicates a weighted average (annual) interest rate using the balance of interest-bearing liabilities as of the end of the 5th FP and the end of November 2017. In respect of the average interest rates of interest-bearing liabilities for which an interest rate swap was conducted in order to hedge the risk of interest rate fluctuations, interest rates taking into account the effect of the interest rate swap are used. The figure is rounded to the nearest second decimal place.

(Note 3) Average financing term indicates the average term from the date of borrowing to maturity dates weighted by the balance of the respective interest-bearing liabilities.

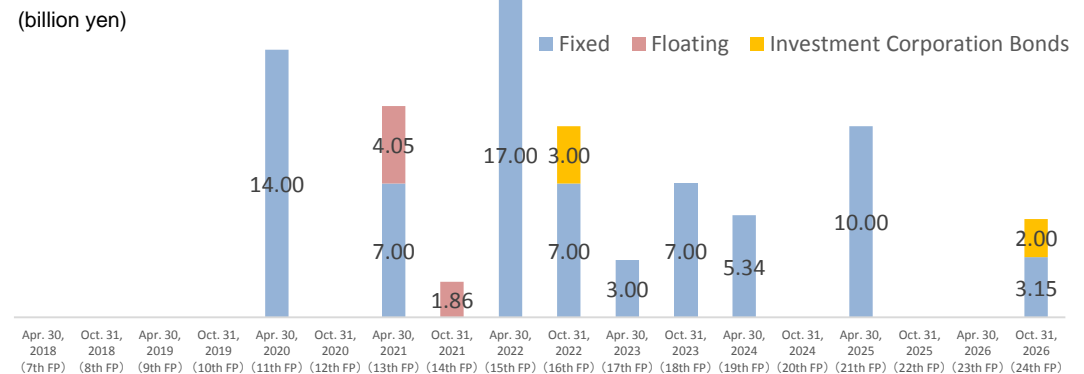
(Note 4) Average remaining term of interest-bearing liabilities indicates the average remaining term from the end of the 5th FP and the end of November 2017 to maturity dates weighted by the balance of the respective interest-bearing liabilities.

Status of interest-bearing liabilities (as of December 14, 2017)

	Total Interest-Bearing Liabilities	Percentage
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	19.10 billion yen	24.1 %
Sumitomo Mitsui Banking Corporation	17.03 billion yen	21.4 %
Mizuho Bank, Ltd.	10.15 billion yen	12.8 %
Sumitomo Mitsui Trust Bank, Limited	9.46 billion yen	11.9 %
Resona Bank, Limited	6.00 billion yen	7.6 %
Mitsubishi UFJ Trust and Banking Corporation	5.00 billion yen	6.3 %
Development Bank of Japan Inc.	4.24 billion yen	5.3 %
The Norinchukin Bank	4.23 billion yen	5.3 %
Mizuho Trust & Banking Co., Ltd.	4.19 billion yen	5.3 %
Total	79.4 billion yen	100.0%

	Issue Amount	Duration of Bonds
First Series Unsecured Investment Corporation Bonds	2.0 billion yen	10 years
Second Series Unsecured Investment Corporation Bonds	3.0 billion yen	5 years

Diversification of Repayment Date (as of December 14, 2017)



Interest-Bearing Liabilities (1/3) (as of December 14, 2017)

■ Loan

Term	Lender	Balance (million yen)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Long	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited Mitsubishi UFJ Trust and Banking Corporation Development Bank of Japan Inc. The Norinchukin Bank Mizuho Trust & Banking Co., Ltd.	14,000	0.65830% (Note)	Dec. 3, 2014	Nov. 30, 2019	Unsecured and Unguaranteed
		17,000	0.94060% (Note)		Nov. 30, 2021	
		10,000	1.47450% (Note)		Nov. 30, 2024	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Mitsubishi UFJ Trust and Banking Corporation Development Bank of Japan Inc.			Jul. 31, 2015		
	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited Mitsubishi UFJ Trust and Banking Corporation The Norinchukin Bank Mizuho Trust & Banking Co., Ltd.	5,350	0.62760% (Note)		Nov. 30, 2020	
	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited	1,650	0.89470% (Note)		Nov. 30, 2022	
	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited Mitsubishi UFJ Trust and Banking Corporation Mizuho Trust & Banking Co., Ltd.	2,350	1.01850% (Note)		Nov. 30, 2023	

(Note) In order to hedge the risk of interest rate fluctuations, an interest rate swap transaction, which substantially secured interest rates, was conducted. Accordingly, the interest rates are calculated taking the effect of this interest rate swap into consideration.

Interest-Bearing Liabilities (2/3) (as of December 14, 2017)

Term	Lender	Balance (JPY mil)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Long	Development Bank of Japan Inc.	650	0.88500%	Jul. 31, 2015	Nov. 30, 2022	Unsecured and Unguaranteed
					Nov. 30, 2020	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,650	0.61760%		Nov. 30, 2022	
		700	0.88470%		Nov. 30, 2023	
		750	1.00850%			
	Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited Development Bank of Japan Inc. The Norinchukin Bank Mizuho Trust & Banking Co., Ltd.	4,050	Base Rate (JBA 1-month JPY TIBOR) +0.225%	Sep. 9, 2016	Nov. 30, 2020	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,810	0.60500%	Sep. 8, 2026		
	Mizuho Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation	1,340	0.67000%			
	Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited The Norinchukin Bank	1,860	Base Rate (JBA 1-month JPY TIBOR) +0.20%	Aug. 31, 2017	Aug. 31, 2021	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	990	0.37000%		Nov. 30, 2023	
	Mizuho Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Development Bank of Japan Inc. Mizuho Trust & Banking Co., Ltd.	1,250	0.45254%			

Interest-Bearing Liabilities (3/3) (as of December 14, 2017)

Term	Lender	Balance (JPY mil)	Interest Rate	Drawdown Date	Repayment Date	Remarks
Long	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited The Norinchukin Bank Mizuho Trust & Banking Co., Ltd.	5,050	0.34800% (Note)	Nov. 30, 2017	Jul. 13, 2022	Unsecured and Unguaranteed
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	750	0.32000%			
	Mitsubishi UFJ Trust and Banking Corporation Development Bank of Japan Inc.	1,200	0.35341%			
	Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Resona Bank, Limited The Norinchukin Bank Mizuho Trust & Banking Co., Ltd.	5,050	0.41800% (Note)		May 31, 2023	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	750	0.34000%			
	Mitsubishi UFJ Trust and Banking Corporation Development Bank of Japan Inc.	1,200	0.42622%			
Total Loans		79,400	-	-	-	-

(Note) In order to hedge the risk of interest rate fluctuations, an interest rate swap transaction, which substantially secured interest rates, was conducted. Accordingly, the interest rates are calculated taking the effect of this interest rate swap into consideration.

■ Investment Corporation Bond

Name	Issue Amount (million yen)	Interest Rate	Issue Date	Redemption Date	Remarks
First Series Unsecured Investment Corporation Bonds (with a clause that ranks them pari passu among specified investment corporation bonds)	2,000	0.340%	Sep. 8, 2016	Sep. 8, 2026	Unsecured and Unguaranteed
Second Series Unsecured Investment Corporation Bonds (with a clause that ranks them pari passu among specified investment corporation bonds)	3,000	0.240%	Jul. 13, 2017	Jul. 13, 2022	Unsecured and Unguaranteed
Total Investment Corporation Bonds	5,000	-	-	-	-
Total Interest-Bearing Liabilities	84,400				

Sekisui House REIT's goals are to continue to focus on “Prime Properties”, and expand and diversify its portfolio at a sustainable pace, by capitalizing on the strong support of Sekisui House.

Sekisui House REIT's Operational Philosophy

- **Provide high-quality social capital and maximize unitholder value**
- **Invest in commercial properties focused on strategic locations and high quality**
- **Portfolio development policy centering on office buildings**
- **Growth strategies that take full advantage of the versatile support of Sekisui House**

Sekisui House's Support for Sekisui House REIT

- **External growth through Pipeline Support Agreement**
- **Fixed-rent type Master Lease with Sekisui House**

Current Target

Expanding asset size to 300 billion yen

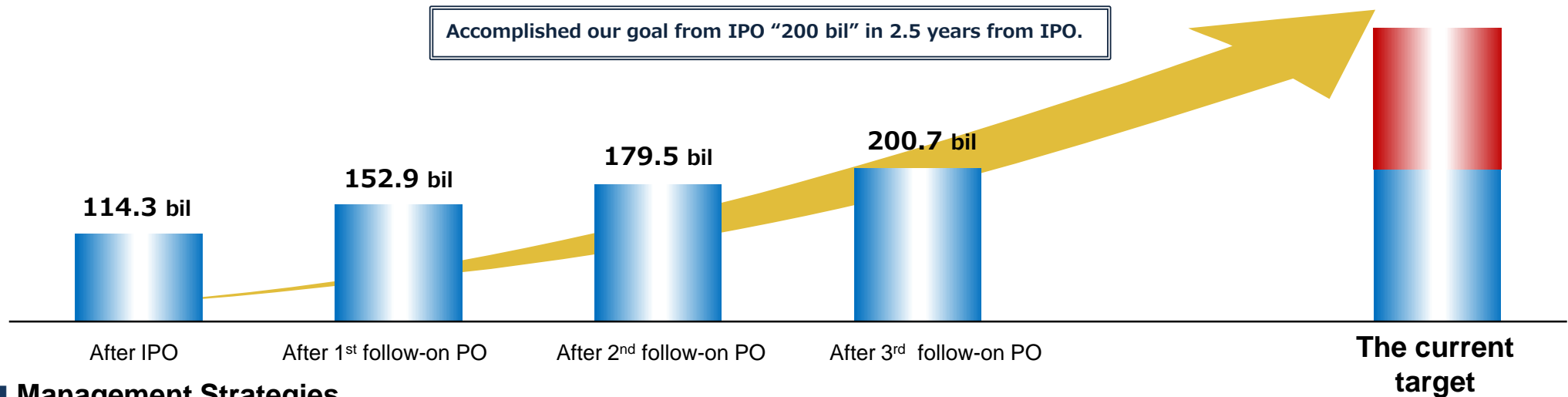
Strategy

Utilizing Sponsor Pipeline effectively

Promote continuous external growth for full-fledged diversification of portfolio

300 billion yen

Accomplished our goal from IPO "200 bil" in 2.5 years from IPO.



Management Strategies

Investment Strategies

- Utilizing sponsor pipeline by Sekisui House
- Investment focusing on Prime Properties
- Continuous expansion of asset size
- Diversifying portfolio (number of properties / tenants)

Financial Strategies

- Enhancing liquidity of investment units by way of public offering
- Maintaining LTV (total asset basis) at a conservative level between 40% and 50%
- Promoting extension of borrowing periods, diversification of repayment dates and fixation of interest rates

Maximize our unitholder value

while maintaining stable DPU growth

Award of “Green Star” in the Global Real Estate Sustainability Benchmark (“GRESB”) Survey



■ In the GRESB Survey conducted in 2017, SHR received a “Green Star” rating, which is awarded to participants highly evaluated in both dimensions of “Management & Policy” and “Implementation & Measurement” with regard to activities for environmental considerations and sustainability. SHR also received “3 Stars” in the GRESB Rating.

■ SHR began participating in the Health & Well-being Module in 2017, an optional supplement to the GRESB Real Estate Assessment launched in 2016.

The GRESB Survey, established primarily by major European pension fund groups, is an annual benchmark survey for environmental, social and governance “ESG” considerations in the global real estate sector.

Contributing to Regions and Communities

■ Events held in common areas

Participation in Midosuji Illumination 2017

- <Hommachi Minami Garden City>
Exhibit of modern art installation using pilotis
- <Hommachi Garden City>
Exhibit of dresses expressing Osaka’s night view images in LED lights



Christmas tree display

- <Hommachi Garden City>
An approximately 6m-high tree designed by Five Star Christmas Tree Co., for 5-star hotels around the world



5 out of 6 Owned Properties Received DBJ Green Building Certifications High Rankings

<5 Stars>



<Properties with the best class environmental & social awareness>
Garden City Shinagawa Gotenyama



<4 Stars>



<Properties with exceptionally high environmental & social awareness>

Hommachi Minami Garden City Hommachi Garden City (office building portion) HK Yodoyabashi Garden Avenue Hirokoji Garden Avenue



Other Activities

■ Tenant satisfaction survey

With a view to maintaining/improving tenant satisfaction, SHR conducted a tenant satisfaction survey to understand their dissatisfaction or requests as well as to reflect the same in our asset management strategies.

■ Employee training

The Asset Management Company provided its employees with periodical training, such as compliance training, to improve their skills as professional real estate managers.

■ Announcement of “policy concerning customer-oriented business conduct”

Having adopted “Principles for Customer-Oriented Business Conduct” announced in March 2017 by the Financial Services Agency of Japan, the Asset Management Company formulated a clear policy to achieve customer-oriented business conduct. This policy was also announced on its website.

■ ESG initiatives targeting sustainable growth

■ Development of Philosophy and Value Creation

In 2005, Sekisui House defined “a sustainable society” as the vision to aspire to and in this connection announced four values—environmental, economic, social and homeowner—in order to attain and confirm this goal, which is intended to achieve balanced management based on its corporate philosophy.

■ Main Actions of Sekisui House and Accolade from Third Parties

Environment

Environmental Management

- Global warming prevention
- Ecosystem conservation
- Resource recycling

Social

Improvements in Sociability

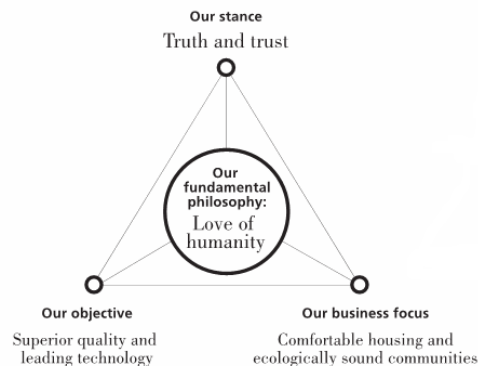
- Improve CS, ES and SS (note)
- Human rights
- Promotion of diversity
- Workstyle innovation “Creating thrilling and exciting workplaces”
- Social contribution activities

Governance

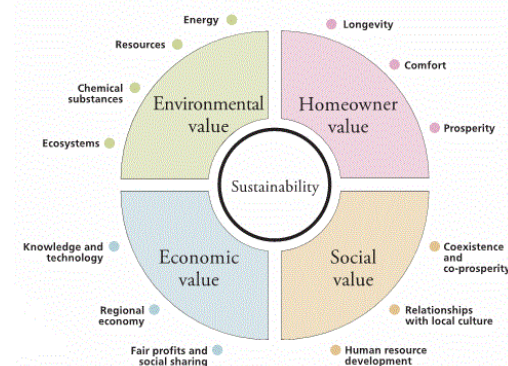
Governance

- Compliance risk management
- Establishment of corporate ethics

Corporate Philosophy (Established in 1989)



4 Values and 13 Guidelines (Established in 2006)



- E** Certified as an Eco-First Company by the Ministry of the Environment Japan in June 2008
- E** Promotion of Net Zero Energy House “Green First Zero” received the 26th Grand Prize for the Global Environment Award from the Minister of Economy, Trade and Industry / Organizer: Fuji Sankei Group
- E** FY2017 Environment Minister's Award for Global Warming Prevention Activities (Advanced Introduction of Countermeasure Technologies category) / Organizer: Ministry of the Environment
- E** First to joined RE100 in the construction industry in Japan, declaring use of 100% renewable energy

- S** Selected by the Ministry of Economy, Trade and Industry for the New Diversity Management Selection 100 as a company that promotes diversity management
- S** Selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for the Nadeshiko brand 2017 as a company that promotes the active participation of women
- ESG** Selected by S&P Dow Jones Indices in the U.S. and RobecoSAM in Swiss for the Dow Jones Sustainability World Index (DJSI World)

- G** Appointment of two outside directors to the Board of Directors and three outside audit and supervisory board members to the Audit & Supervisory Board
- G** Introduction of executive officer system
- G** Established “Basic Policy on Corporate Governance” in 2016.

(note) CS (Customer Satisfaction), ES (Employee Satisfaction), SS (Shareholder Satisfaction)



Appendix

HK Yodoyabashi Garden Avenue

Balance Sheet

(unit : thousand yen)

	5 th Fiscal Period April 30, 2017	6 th Fiscal Period October 31, 2017
Assets		
Current assets		
Cash and deposits	4,115,187	1,756,618
Cash and deposits in trust	7,662,531	6,518,376
Operating accounts receivable	16,709	19,330
Prepaid expenses	84,523	76,198
Deferred tax assets	16	7
Consumption taxes receivable	-	372,744
Other	11,350	-
Total current assets	11,890,319	8,743,275
Non-current assets		
Property, plant and equipment		
Buildings in trust	53,345,801	59,604,170
Accumulated depreciation	(2,678,821)	(3,399,530)
Buildings in trust, net	50,666,979	56,204,639
Structures in trust	672,428	683,807
Accumulated depreciation	(43,390)	(52,592)
Structures in trust, net	629,038	631,215
Machinery and equipment in trust	411	921
Accumulated depreciation	(23)	(58)
Machinery and equipment in trust, net	387	862
Tools, furniture and fixtures in trust	1,259	1,259
Accumulated depreciation	(297)	(447)
Tools, furniture and fixtures in trust, net	961	811
Land in trust	126,120,644	141,218,283
Construction in progress in trust	9,699	-
Total property, plant and equipment	177,427,710	198,055,813
Intangible assets		
Other	3,882	3,147
Total intangible assets	3,882	3,147
Investments and other assets		
Lease and guarantee deposits	20,181	20,181
Long-term prepaid expenses	239,863	227,164
Total investments and other assets	260,044	247,345
Total non-current assets	177,691,637	198,306,306
Deferred assets		
Investment corporation bond issuance costs	17,453	35,045
Investment unit issuance costs	28,026	57,907
Total deferred assets	45,479	92,952
Total assets	189,627,436	207,142,534

	5 th Fiscal Period April 30, 2017	6 th Fiscal Period October 31, 2017
Liabilities		
Current liabilities		
Operating accounts payable	130,929	172,924
Current portion of long-term loans payable	14,000,000	14,000,000
Accounts payable - other	376,804	402,587
Accrued expenses	79,170	82,238
Income taxes payable	938	743
Accrued consumption taxes	284,571	-
Total current liabilities	14,872,413	14,658,493
Non-current liabilities		
Investment corporation bonds	2,000,000	5,000,000
Long-term loans payable	61,300,000	65,400,000
Tenant leasehold and security deposits in trust	9,033,710	9,268,730
Total non-current liabilities	72,333,710	79,668,730
Total liabilities	87,206,123	94,327,223

Net assets		
Unitholders' equity		
Unitholders' capital	100,040,294	110,189,294
Surplus		
Unappropriated retained earnings	2,381,018	2,626,016
Total surplus	2,381,018	2,626,016
Total unitholders' equity	102,421,312	112,815,310
Total net assets	102,421,312	112,815,310

Total liabilities and net assets	189,627,436	207,142,534
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Statement of Income and Retained Earnings

(unit : thousand yen)

	5 th Fiscal Period From November 1, 2016 to April 30, 2017	6 th Fiscal Period From May 1, 2017 to October 31, 2017
Operating revenue		
Rent revenue - real estate	4,121,417	4,550,426
Other lease business revenue	22,970	30,081
Total operating revenue	4,144,387	4,580,508
Operating expenses		
Expenses related to rent business	1,053,022	1,178,033
Asset management fee	332,503	359,562
Asset custody fee	3,520	3,526
Administrative service fees	11,820	11,485
Directors' compensations	3,600	3,600
Other operating expenses	35,864	36,614
Total operating expenses	1,440,331	1,592,823
Operating income	2,704,056	2,987,685
Non-operating income		
Interest income	50	46
Interest on refund	1,521	-
Subsidy income	10,935	-
Total non-operating income	12,507	46
Non-operating expenses		
Interest expenses	283,125	293,464
Interest expenses on investment corporation bond	3,383	5,568
Borrowing related expenses	39,818	43,160
Amortization of investment unit issuance costs	7,006	14,384
Amortization of investment corporation bond issuance costs	934	2,258
Other	515	2,416
Total non-operating expenses	334,784	361,252
Ordinary income	2,381,779	2,626,479
Income before income taxes	2,381,779	2,626,479
Income taxes - current	945	750
Income taxes - deferred	(5)	9
Total income taxes	940	759
Net Income	2,380,839	2,625,719
Retained earnings brought forward	179	296
Unappropriated retained earnings	2,381,018	2,626,016

Entire Portfolio (as of October 31, 2017)

(unit : thousand yen)

Property No.	J -1	J-2	J-3	J-4		J-5	J-6	Total	
Property Name	Garden City Shinagawa Gotenyama	Gotenyama SH Building	Hommachi Minami Garden City	Hommachi Garden City		HK Yodoyabashi Garden Avenue	Hirokoji Garden Avenue		
				Office building Portion	Hotel Portion				
Days of operation	From	May 1, 2017	May 1, 2017	May 1, 2017	May 1, 2017	May 24, 2017	May 1, 2017	May 1, 2017	May 1, 2017
	To	Oct. 31, 2017	Oct. 31, 2017	Oct. 31, 2017	Oct. 31, 2017	Oct. 31, 2017	Oct. 31, 2017	Oct. 31, 2017	Oct. 31, 2017
Property-related operating revenue									
Rent revenue – real estate									
Rental income and others		1,307,694	1,088,998	586,791	903,801	352,728	139,221	171,190	4,550,426
Other lease business revenue									
Utilities revenue and others		-	-	92	-	-	11,914	18,074	30,081
① Property-related operating revenue		1,307,694	1,088,998	586,884	903,801	352,728	151,136	189,264	4,580,508
Property-related operating expenses									
Expenses related to rent business									
Subcontract expenses		-	-	-	-	-	8,628	15,917	24,546
Property management fees		8,925	1,200	6,000	6,000	1,051	1,800	1,200	26,177
Trust fees		869	400	500	250	219	240	225	2,704
Utilities expenses		-	-	-	-	-	10,996	9,598	20,595
Property and other taxes		105,010	49,944	62,211	88,007	-	12,759	16,173	334,107
Insurance expenses		1,702	962	984	1,139	626	554	322	6,291
Repair expenses		10,598	-	4,088	6,051	5,871	572	1,161	28,342
Depreciation		167,954	139,639	111,740	195,546	69,056	22,407	23,750	730,095
Other expenses related to rent business		1,638	2,280	16	415	35	645	141	5,171
② Property-related operating expenses		296,699	194,426	185,541	297,409	76,860	58,605	68,488	1,178,033
③ Property-related operating income (=①-②)		1,010,994	894,571	401,342	606,391	275,867	92,530	120,776	3,402,475
NOI (= ③ + Depreciation)		1,178,949	1,034,210	513,083	801,937	344,924	114,938	144,526	4,132,570
NOI yield (Note)		4.0%	4.0%	4.4%	4.2%	4.6%	5.2%	4.6%	4.2%

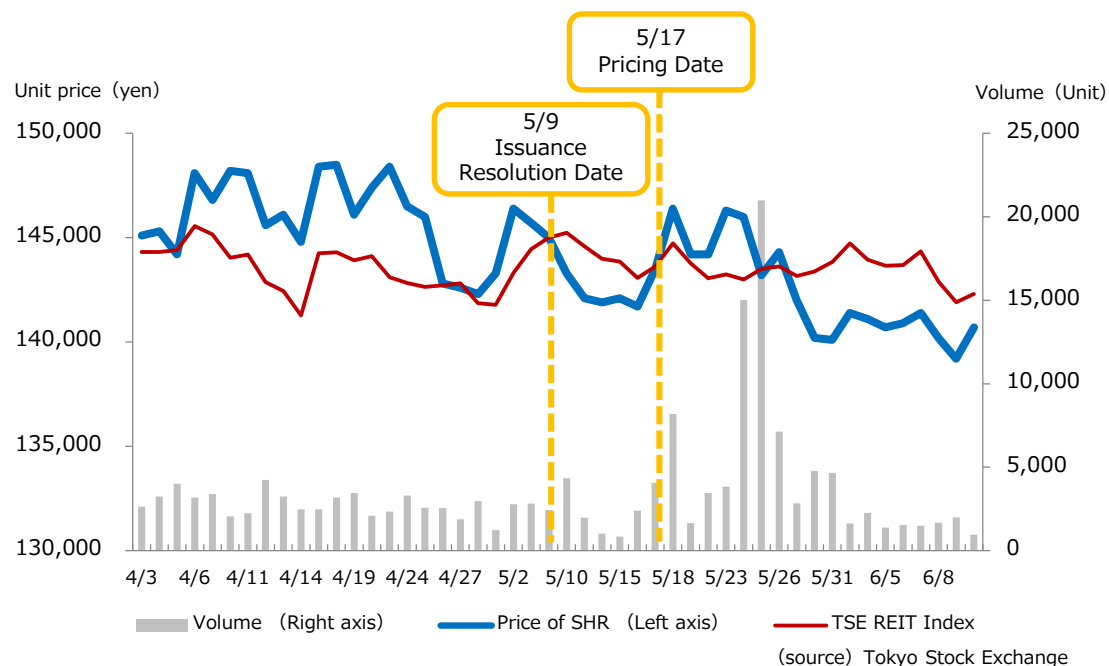
(Note) NOI yield is calculated by dividing annualized NOI by total acquisition price.

Overview of Third follow-on Public Offering

■ Overview of Third follow-on Public Offering

Offering Type	Domestic Offering	
Number of Investment Units issued through the public offering	Total	75,000 units
	Primary offering	71,400 units
	The third party allotment	3,600 units
Issue price	139,912 yen	
Issue amount	135,320 yen	
Amount of funds procured (including third-party allotment)	10.14 billion yen	
Issuance Resolution Date	2017/5/9	
Pricing Date	2017/5/17	
Payment Date	Primary offering	2017/5/24
	The third party allotment:	2017/6/12

■ Change in Unit Price (April 3, 2017 – June 12, 2017)



(Note) TSE REIT Index performance is indexed to SHR unit price (145,000 yen) as of end of May 9, 2017, which is pricing date of 3rd follow-on PO date of SHR

■ Changes in Key Factor

Portfolio	End of 5 th FP	After 3 rd follow-on PO
Total acquisition price	179.5 billion yen	200.7 billion yen
Maximum Investment Ratio	31.0 %	29.7 %
Portfolio PML	1.9 %	2.1 %
Average Building Age (Note 1)	6.3 years	6.4 years
Unrealized Gain	27.7 billion yen	29.4 billion yen
Finance	End of 5 th FP	After 3 rd follow-on PO
Total interest-bearing debt	77.3 billion yen	84.4 billion yen
Period-end total assets LTV	40.8 %	40.8 %
Acquisition Capacity (Note 2)	approximately 35.0 billion yen	approximately 38.0 billion yen
Number of Investment Units Issued and outstanding	894,000 units	969,000 units
Total Market Value (Note 3)	127.2 billion yen	136.3 billion yen

(Note 1) Average building age after 3rd follow-on PO is calculated using the weighted average of building age.

(Note 2) Acquisition capacity refers to the maximum amount of funds to be procured, upon property acquisitions by SHR, through new interest-bearing liabilities until LTV (total asset basis) reaches 50%. Please note that this does not guarantee that such an amount can be actually procured.

(Note 3) Market capitalization is obtained by multiplying the closing price of investment unit at the end of period for End of 5th FP and on June 12, 2017 for After 3rd follow-on PO by the total number of investment units issued and outstanding on the respective date, rounded off to the specified unit.

Overview of Appraisal

■ Appraisal Value List

Property No.	Property Name	Appraisal Value ① (million yen)	Book Value or Acquisition price ② (million yen)	Unrealized Gain/Loss ①-② (million yen)	Capitalization					Appraisal NOI (million yen)	Appraisal Institution
					Direct Return Method		DCF Method				
					Capitalization (million yen)	Cap Rate (%)	Capitalization (million yen)	Discount Rate (%)	Terminal Cap Rate (%)		
J-1	Garden City Shinagawa Gotenyama	71,000	58,974	12,025	73,000	3.3	70,100	3.0	3.5	2,418	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
J-2	Gotenyama SH Building	58,500	50,722	7,777	59,700	3.5	58,000	3.5	3.7	2,064	The Tanizawa Sōgō Appraisal Co., Ltd.
J-3	Hommachi Minami Garden City	28,600	22,481	6,118	29,600	3.8	28,100	3.5	4.0	1,137	Richi Appraisal Institute Co., Ltd.
J-4	Hommachi Garden City (Office building portion)	44,600	37,888	6,711	45,400	3.5	43,700	3.3	3.7	1,591	Japan Real Estate Institute
	Hommachi Garden City (Hotel portion)	17,700	17,270	429	17,900	3.8	17,400	3.6	4.0	689	Japan Real Estate Institute
J-5	HK Yodoyabashi Garden Avenue	5,570	4,391	1,178	5,810	4.0	5,470	4.0	4.1	235	The Tanizawa Sōgō Appraisal Co., Ltd.
J-6	Hirokoji Garden Avenue	7,110	6,326	783	7,260	4.2	7,040	4.0	4.4	308	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Total		233,080	198,055	35,024	238,670	-	229,810	-	-	8,445	-

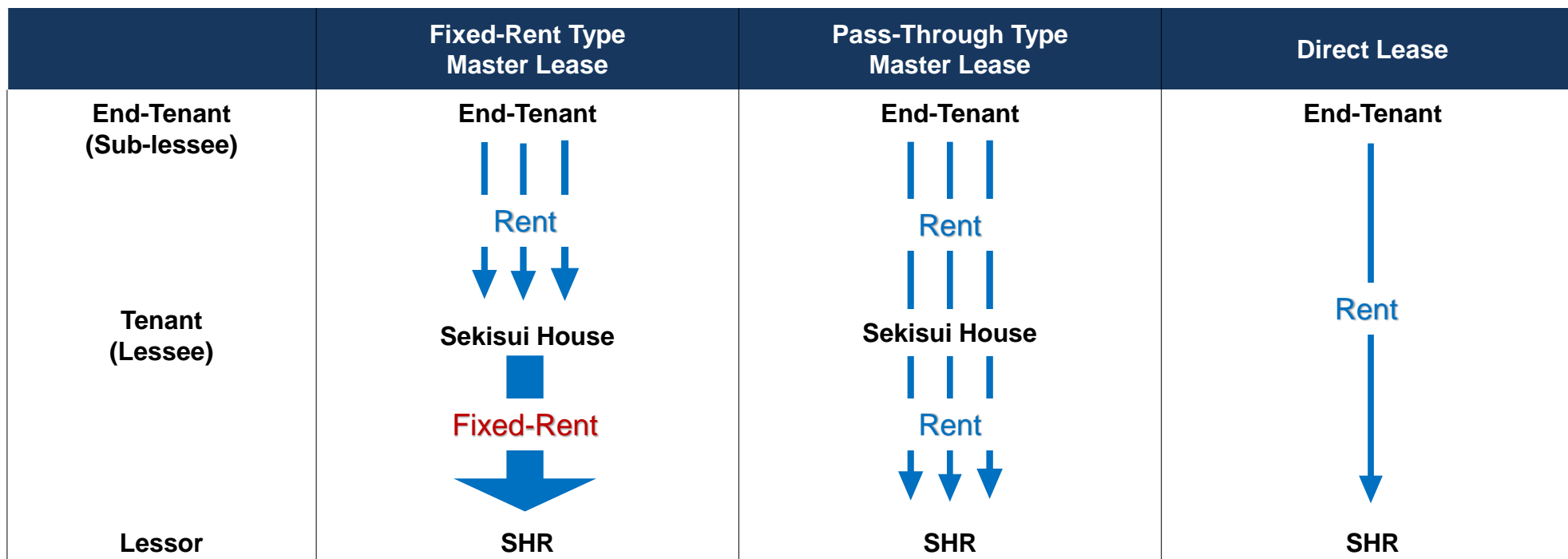
■ Appraisal Value (as of end of 6th Fiscal Period, compared to as of end of 5th Fiscal Period)

Property No.	Property Name	Appraisal Value (million yen)			Direct Return Method Cap Rate (%)		
		End of 5 th FP ① (note)	End of 6 th FP ②	Comparison ②-①	End of 5 th FP ① (note)	End of 6 th FP ②	Comparison ②-①
J-1	Garden City Shinagawa Gotenyama (the first portion acquired and second portion acquired)	64,500	71,000	+2,210	3.4	3.3	△0.1
	Garden City Shinagawa Gotenyama (the third portion acquired)	4,290			3.5		△0.2
J-2	Gotenyama SH Building	56,900	58,500	+1,600	3.6	3.5	△0.1
J-3	Hommachi Minami Garden City	27,900	28,600	+700	3.9	3.8	△0.1
J-4	Hommachi Garden City (Office building portion) (Note2)	43,500	44,600	+1,100	3.6	3.5	△0.1
	Hommachi Garden City (Hotel portion)	17,600	17,700	+100	3.8	3.8	-
J-5	HK Yodoyabashi Garden Avenue	5,380	5,570	+190	4.1	4.0	△0.1
J-6	Hirokoji Garden Avenue	6,940	7,110	+170	4.3	4.2	△0.1
合計		227,010	233,080	+4,970	-	-	-

(note1) Figures for Garden City Shinagawa Gotenyama(the third portion acquired) and Hommachi Garden City (Hotel portion), which was acquired during the 6th FP are based on the appraisal report as of March 31, 2017.

(note2) Hommachi Garden City (Office building portion) has increased its value for holding the building entirely by acquiring Hommachi Garden City (Hotel portion) additionally in May 24, 2017. Therefore, figures of appraisal value as of end of the 5th period is market values that do not include the increased value, however, figures as of the 6th period is limited market values including the increased value.

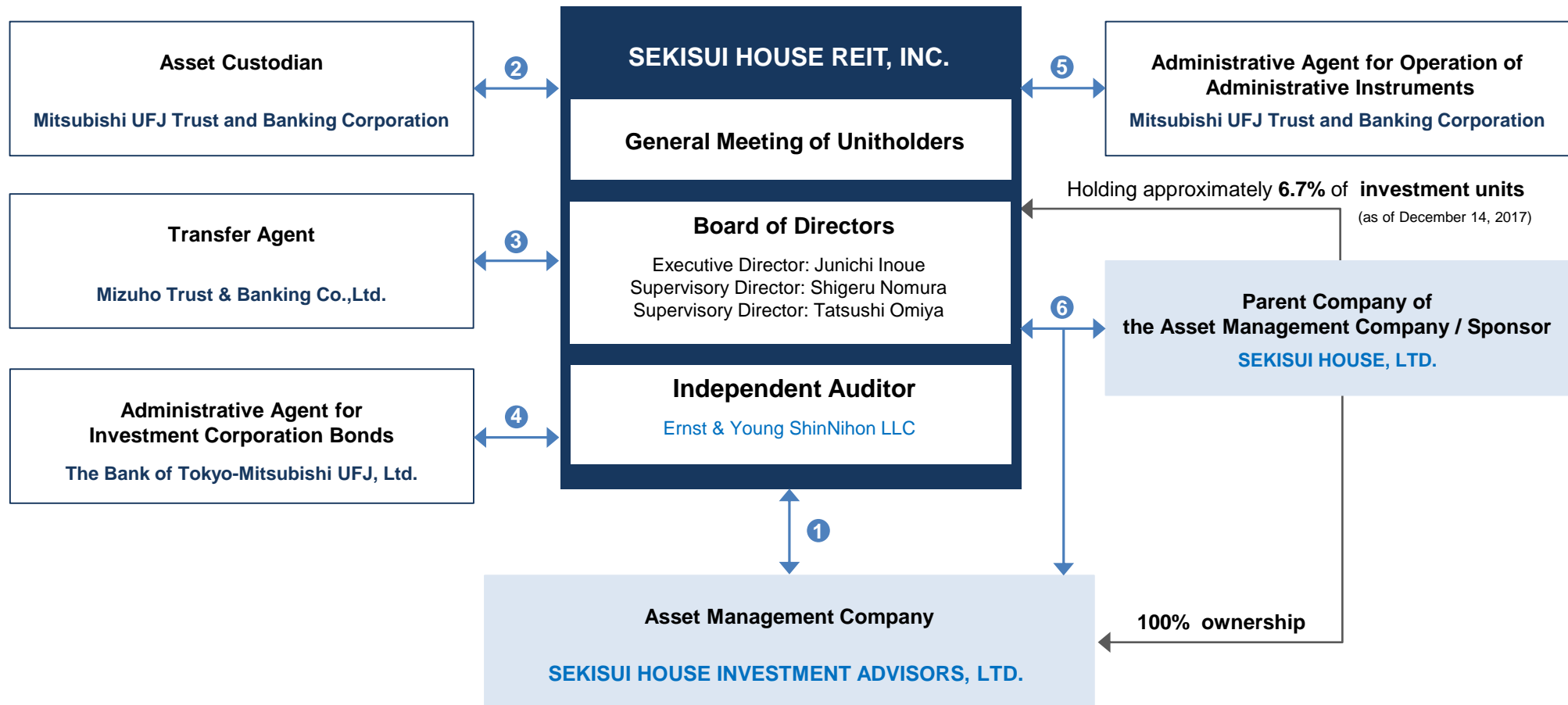
■ Image of Lease Scheme



■ Characteristics of SHR's Internal Growth

- Approximately 74% of the portfolio (ratio of lease types) adopts **fixed-rent type master lease** with Sekisui House. Rent revenue is being fixed in order to reduce the impact of tenant vacation, etc. on earnings.
- HK Yodoyabashi Garden Avenue and Hirokoji Garden Avenue adopt **pass-through type master lease** with Sekisui House. Since SHR can receive rent of the same amount as the rent under the lease agreement concluded between Sekisui House and end-tenants, SHR can benefit from rent revenue upside when the occupancy rate rises or the rent is revised upward.
- Gotenyama SH Building adopts **direct lease** in which the property is directly leased to the end-tenant. A 20-year lease agreement has been concluded with the tenant, and thus the rent revenue is stable over the long-term.

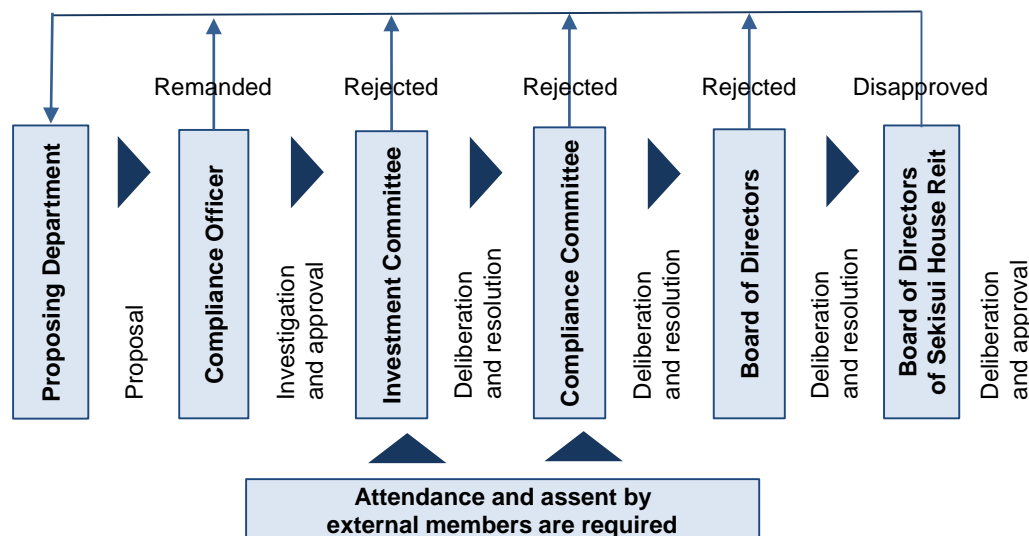
■ Structure Diagram



- ① Asset Management Agreement ② Asset Custody Agreement ③ Administrative Agreement (Administration of Investment Units)
 ④ Fiscal Agency Agreement ⑤ General Administrative Agreement ⑥ Pipeline Support Agreement / Sponsor Support Agreement, etc.

Adopts a Scheme that Emphasizes Unitholders' Interests

Decision-Making Process



Performance-Based Asset Management Fees

Management Fee	Calculation Method
Type 1 (Asset-based fee)	Total assets at prior FY-end × (up to) 0.5% ^(Note 1)
Type 2 (DPU-based fee)	DPU ^(Note 2) × Operating Income ^(Note 3) × (up to) 0.0023% ^(Note 1)
Type 3 (Acquisition Fees)	Purchase price × (up to) 0.5% ^(Note 1) (up to 0.25% ^(Note 1) in case of a transaction with a related party)
Type 4 (Disposition Fees)	Sale price × (up to) 0.5% (zero in case of a transaction with a related party)

(Note 1) As of December 14, 2017,

Rate for Type 1 management fee is 0.15%,

Rate for Type 2 management fee is 0.0023%,

Rate for Type 3 management fee is 0.3% (or 0.15% in case of a transaction with a related party)

(Note 2) DPU= distributable profit before deduction of Type 2 management fee / total number of investment units issued and outstanding

(Note 3) Operating Income before deduction of type 2 management fee

Strong Alignment of Interests between Sekisui House and Our Unitholders

Same-Boat Investment from Sekisui House

Sekisui House has confirmed that it intends to continue holding SHR's investment units on a long-term basis

Agreement on Consideration of Co-Ownership or Sectional Ownership with Sekisui House

Sekisui House has confirmed that it will consider faithfully co-ownership (including beneficiary interests) or sectional ownership with us upon our request

Measures to Prevent Transactions Involving Conflict of Interest

Property Acquisition	Acquisition price shall be equal to or less than the appraisal value.
Property Transfer	Transfer price shall be equal to or higher than the appraisal value.
Payment of Brokerage Fee	Brokerage fee shall be within the scope of reward stipulated in the Building Lots and Buildings Transaction Business Act, and shall be determined after taking into account the levels of contract terms and conditions, difficulty in conducting brokerage and other factors.
Outsourcing of Management and Other Services of Real Estate and Other Assets	<p>a. Consignment shall be made under conditions that are deemed to be appropriate after comprehensively taking into account the market levels of the outsourcing fees, the content of provided services, total work volume and other factors.</p> <p>b. Upon acquiring real estate and other assets, and if their management and other services have been outsourced to interested parties and will continue to be outsourced to the same parties, approval or disapproval of the acquisition as well as the acquisition price shall be determined by paying full attention to the adequacy of the outsourcing terms and conditions.</p> <p>c. With regard to the interested party's status of implementing management and other services, the party's adequacy as consignee shall be verified once a year as a rule via assessments and such conducted by an outside independent appraiser that is not an interested party.</p>
Execution of Lease Agreements for Real Estate and Other Assets	The agreements shall be executed under the terms and conditions that are deemed to be adequate after investigating such factors as the market rent level and price situation in neighboring markets and, as needed, referring to the opinions of third parties that are not interested parties.
Placement of Orders for Construction Work, Etc. with Contract Amount Surpassing 30 million yen	Orders may be placed to interested parties only when such factors as the estimated price and the content of services to be provided are not disadvantageous to SHR after comparing such factors with those of third parties other than the interested parties.

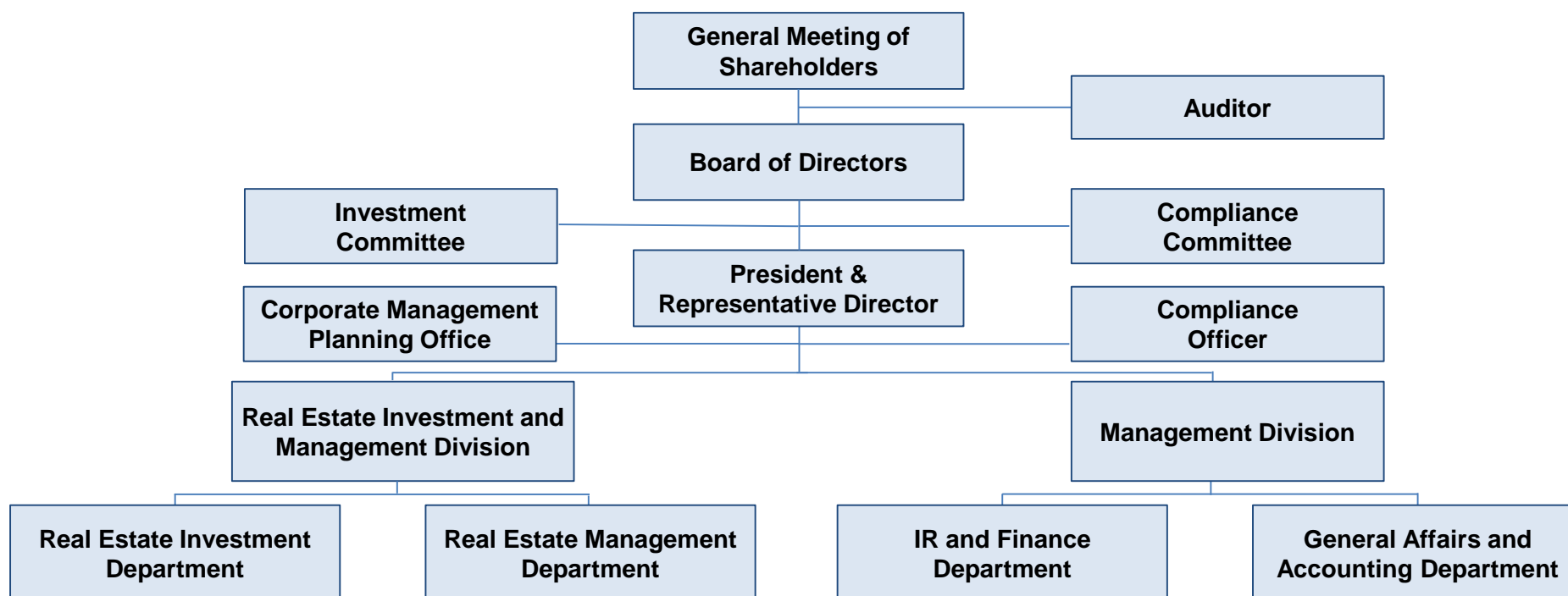
■ Overview of Asset Management Company

Trade Name	Sekisui House Investment Advisors, Ltd. (Financial Instruments Business Operator: Director-General of the Kanto Finance Bureau (Kinsho) No. 2791)
Foundation	February 17, 2014
Paid-in capital	400 million yen
Shareholder	Sekisui House, Ltd. (100%)
Directors and employees	25

■ Directors and Corporate Auditors

President & Representative Director	Junichi Inoue
Director	Atsuhiko Kida (General Manager of Management Division)
Director	Shoichi Maruyama (General Manager of Real Estate Investment Management Division)
Director	Ichiro Maeoka (Compliance Officer)
Director	Kimiyoshi Otani (Chief Manager of Corporate Management Planning Office)
Director (Part time)	Hideyuki Kamijyo (Executive Officer, Chief Manager of Accounting & Finance Department of Sekisui House)
Auditor (Part time)	Keizo Yoshimoto (Chief Manager of Legal Department of Sekisui House)

■ Organization Chart



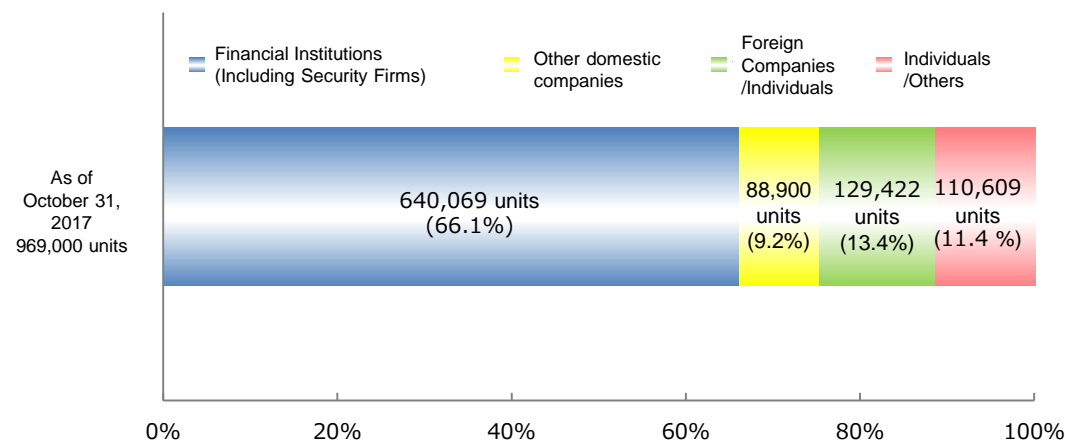
Unitholders Composition

■ Number of Investment Units Issued and Outstanding by Unitholder Type

Unitholder Type	End of 5 th FP		End of 6 th FP		Comparison	
	Number of investment unit (unit)	ratio (%)	Number of investment unit (unit)	ratio (%)	Number of investment unit (unit)	ratio (pt)
Individuals, etc	88,147	9.9	110,609	11.4	22,462	1.6
Financial institution	607,389	67.9	625,525	64.6	18,136	△3.4
City banks	-	-	-	-	-	-
Regional banks	66,620	7.5	81,741	8.4	15,121	1.0
Trust banks	477,578	53.4	474,308	48.9	-3,270	△4.5
Life insurers	15,527	1.7	15,521	1.6	-6	△0.1
Casualty insurers	1,601	0.2	1,601	0.2	0	△0.0
Shinkin banks	28,206	3.2	33,964	3.5	5,758	0.4
Others	17,857	2.0	18,390	1.9	533	△0.1
Nonfinancial corporations	88,494	9.9	88,900	9.2	406	△0.7
Non-Japanese corporations	105,878	11.8	129,422	13.4	23,544	1.5
Securities companies	4,092	0.5	14,544	1.5	10,452	1.0
Total	894,000	100.0	969,000	100.0	75,000	-

■ Number of Unitholders by Unitholder Type

Unitholder Type	End of 5 th FP		End of 6 th FP		Comparison	
	Number of unit holder (people)	ratio (%)	Number of unit holder (people)	ratio (%)	Number of unit holder (people)	ratio (pt)
Individuals, etc	11,934	95.9	13,878	95.8	1,944	△0.1
Financial institution	123	1.0	151	1.0	28	0.1
City banks	-	-	-	-	-	-
Regional banks	26	0.2	27	0.2	1	△0.0
Trust banks	9	0.1	9	0.1	0	△0.0
Life insurers	6	0.0	6	0.0	0	△0.0
Casualty insurers	2	0.0	2	0.0	0	△0.0
Shinkin banks	44	0.4	59	0.4	15	0.1
Others	36	0.3	48	0.3	12	0.0
Nonfinancial corporations	234	1.9	268	1.8	34	△0.0
Non-Japanese corporations	140	1.1	173	1.2	33	0.1
Securities companies	18	0.1	20	0.1	2	△0.0
Total	12,449	100.0	14,490	100.0	2,041	-



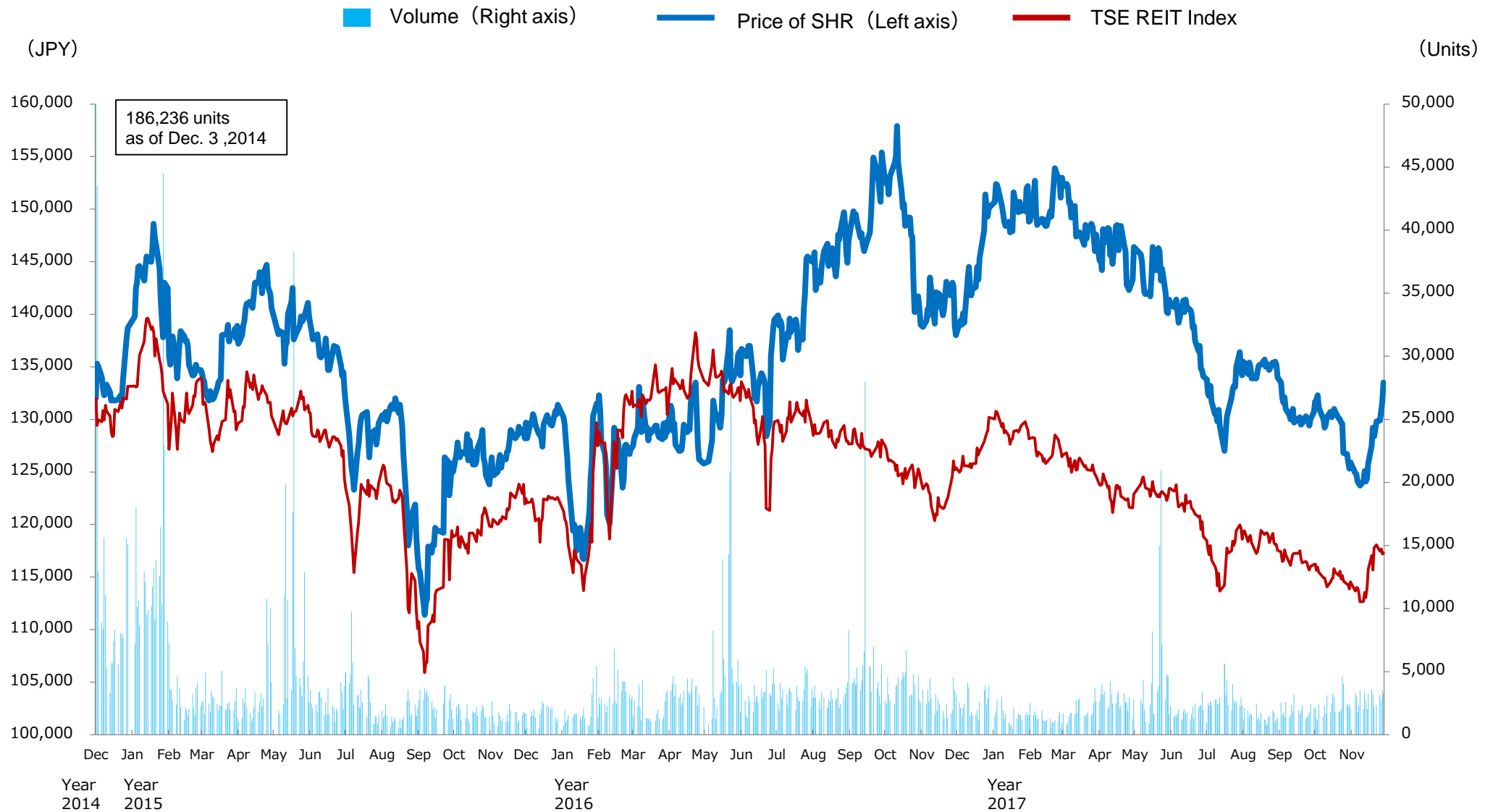
■ Major Unitholders (Top 5) (as of October 31, 2017)

Name	Units	Percentage
Japan Trustee Services Bank, Ltd. (Trust Account)	245,286 units	25.3%
The Master Trust Bank of Japan, Ltd. (Trust Account)	128,376 units	13.2%
Sekisui House, Ltd.	65,200 units	6.7%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	50,411 units	5.2%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	35,728 units	3.7%

(Note) Percentages are rounded to the nearest first decimal place.

Change in Unit Price

(December 3, 2014 – November 30, 2017)



(Note) TSE REIT Index performance is indexed to SHR unit price (132,000 yen) as of December 3, 2014, which is our listing date. TSE REIT Index refers to the weighted average-type index of market capitalization of all REIT counters.



SEKISUI HOUSE REIT, INC.