

December 13, 2016

## Financial Report for the Fiscal Period Ended October 31, 2016

(For the Reporting Period from May 1, 2016 to October 31, 2016)

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

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

Scheduled date to file securities report: January 27, 2017  
 Scheduled date to commence distribution payment: January 23, 2017  
 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, 2016

(May 1, 2016 – October 31, 2016)

#### (1) Operating results

(Percentages show changes from the previous period)

| Fiscal period ended | Operating Revenue |      | Operating Income |       | Ordinary Income |      | Net Income      |      |
|---------------------|-------------------|------|------------------|-------|-----------------|------|-----------------|------|
|                     | Millions of yen   | %    | Millions of yen  | %     | Millions of yen | %    | Millions of yen | %    |
| October 31, 2016    | 4,059             | 17.1 | 2,664            | 17.0  | 2,321           | 18.0 | 2,320           | 18.0 |
| April 30, 2016      | 3,467             | 2.6  | 2,278            | (0.5) | 1,967           | 0.8  | 1,966           | 0.8  |

| Fiscal period ended | Net Income per Unit | Return on Equity | Ordinary Income to Total Assets | Ordinary Income to Operating Revenue |
|---------------------|---------------------|------------------|---------------------------------|--------------------------------------|
|                     | Yen                 | %                | %                               | %                                    |
| October 31, 2016    | 2,634               | 2.4              | 1.3                             | 57.2                                 |
| April 30, 2016      | 2,477               | 2.2              | 1.2                             | 56.8                                 |

(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

| Fiscal period ended | 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 |
|---------------------|--|---|--|---|--------------|-----------------------------|
|                     | Yen  | Millions of yen   | Yen  | Millions of yen                           | %            | %                           |
| October 31, 2016    | 2,596  | 2,320   | 0  | 0   | 100.0        | 2.3                         |
| April 30, 2016      | 2,477  | 1,966   | 0  | 0   | 100.0        | 2.2                         |

(Note) The payout ratio was calculated by the following formula because the number of investment units changed during the period due to issuances of new investment units during the period.

$$\text{Payout ratio} = \text{Total distributions (excluding distributions in excess of earnings)} / \text{Net income} \times 100$$

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**(3) Financial position**

|                  | Total Assets    | Net Assets      | Equity Ratio | Net Assets per Unit |
|------------------|-----------------|-----------------|--------------|---------------------|
| As of            | Millions of yen | Millions of yen | %            | Yen                 |
| October 31, 2016 | 189,257         | 102,361         | 54.1         | 114,498             |
| April 30, 2016   | 166,303         | 89,710          | 53.9         | 112,985             |

**(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, 2016    | 2,364   | (25,589)  | 19,470  | 10,343                                     |
| April 30, 2016      | 3,831   | 5   | (1,949)   | 14,097                                     |

**2. Forecasts of performance for the fiscal period ending April 30, 2017 (November 1, 2016 – April 30, 2017) and the fiscal period ending October 31, 2017 (May 1, 2017 – October 31, 2017)**

(Percentages show changes from the previous period)

| Fiscal period ending | 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  |
| April 30, 2017       | 4,140             | 2.0 | 2,686            | 0.8   | 2,361           | 1.7   | 2,360           | 1.7   | 2,640  | 0  |
| October 31, 2017     | 4,149             | 0.2 | 2,657            | (1.1) | 2,315           | (1.9) | 2,314           | (1.9) | 2,590  | 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, 2017: 2,640 yen  
 For the fiscal period ending October 31, 2017: 2,589 yen

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

- 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, 2016: 894,000 units  
 As of April 30, 2016: 794,000 units  
 b. Number of treasury investment units at end of period  
 As of October 31, 2016: – units  
 As of April 30, 2016: – 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.

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\* **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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