



積水ハウス・SI レジデンシャル投資法人  
Sekisui House SI Residential Investment Corporation

TRANSLATION

April 28, 2016

Real Estate Investment Trust Securities Issuer  
Sekisui House SI Residential Investment Corporation  
3-1-31 Minami-Aoyama, Minato-ku, Tokyo  
Representative: Osamu Minami, Executive Director  
(Securities Code: 8973)

Asset Management Company  
Sekisui House SI Asset Management, Ltd.  
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Notice Concerning Partial Amendments to Asset Management Guidelines at Asset Management Company

Sekisui House SI Asset Management, Ltd., to which Sekisui House SI Residential Investment Corporation (the “Investment Corporation”) entrusts management of its assets (the “Asset Management Company”), hereby announces that it has resolved at its Board of Directors’ meeting held today to make partial amendments to the asset management guidelines, one of its internal rules, as described below.

1. Essentials of Amendments and Reason for Amendments

(1) Investment target

In line with the inclusion of renewable energy power generation facilities in the scope of specified assets (as defined in Article 3 of the Order for Enforcement of the Act on Investment Trusts and Investment Corporations (Cabinet Order No. 480 of 2000, including amendments thereto; the “Investment Trust Enforcement Order”) ) due to the revision to the Investment Trust Enforcement Order, the Investment Corporation will submit a proposal to partially amend the Articles of Incorporation, including amendments to add renewable energy power generation facilities to the investment target and others, to its 7th general meeting of unitholders to be held on June 10, 2016 (the “General Meeting of Unitholders”) for approval. In accordance with this amendment, descriptions on the investment target will also be modified in the asset management guidelines of the Asset Management Company.

(2) Investment Region

With an aim to maximize its business value as well as the unitholder interests, the Investment Corporation promotes building of a portfolio that can best utilize the reputation, track record and know-how of Sekisui House, Ltd. (“Sekisui House”), the main sponsor, and nationwide real estate leasing network of Sekiwa Real Estate companies (altogether 7 companies) (Note) that are fully-owned subsidiaries of Sekisui House, each developing its own businesses with region-specific business strategies.

(Note) The “Sekiwa Real Estate companies (altogether 7 companies)” represents the 7 companies (Sekiwa Real Estate, Ltd., Sekiwa Real Estate Kanto, Ltd., Sekiwa Real Estate Tohoku, Ltd., Sekiwa Real Estate Chubu, Ltd., Sekiwa Real Estate Kansai, Ltd., Sekiwa Real Estate Chugoku, Ltd. and Sekiwa Real Estate Kyushu, Ltd.) which are wholly-owned subsidiaries of Sekisui House and core companies in the domestic real estate division of the Sekisui House Group. The “Sekisui House Group” represents a group of companies comprising Sekisui House and its 205 subsidiaries and 23 affiliates (as of the end of January 2016). The same applies hereafter.

Specifically, the Asset Management Company has classified the Greater Tokyo (referring to Tokyo, Kanagawa, Chiba and Saitama Prefectures; the same shall apply hereafter) into the two target investment areas, Greater Tokyo/Major Urban Areas and Greater Tokyo/Other Urban Areas, depending on their regional characteristics. While positioning Greater Tokyo/Major Urban Areas, where the rental market is large in size and the supply and demand balance is anticipated to remain favorable through the future, as the focused investment area and the core area of the portfolio, the Asset Management Company will also invest in Major Cities Nationwide where the Asset Management Company may expect to enjoy the benefit of utilizing the nationwide network of the Sekisui House Group just like in Greater Tokyo, by classifying them into two target investment areas of Major Urban Areas and Other Major Cities Nationwide, from the perspective of diversified investment by region.

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While maintaining the aforementioned basic investment stance towards target investment areas, the Investment Corporation has decided to make the allocation ratio of Greater Tokyo/Other Urban Areas approximately 30% in combination with Major Cities Nationwide in order to respond more flexibly to investments in areas other than Greater Tokyo/Major Urban Areas, by making partial amendments to the asset management guidelines. The allocation ratio of Greater Tokyo/Major Urban Areas, which is the focused investment area and the core area of the portfolio, remains unchanged at approximately 70%.

The Investment Corporation believes that the above partial amendments to the asset management guidelines will lead to further enhancement in the stability of earnings since greater benefits from utilization of Sekisui House Group's nationwide network can be expected.

Details of the amendments are as follows. Underlined sections indicate the amendments.

### <Regional Categories for Investment Real Estate (Before Amendments)>

Investment Area Category		Specific Areas	Allocation Ratio (Note 3)
Greater Tokyo	Greater Tokyo / Major Urban Areas (Focused investment area)	1) Tokyo: 23 wards, Musashino City, Mitaka City and Koganei City 2) Kanagawa Prefecture: Yokohama City and Kawasaki City	Approx. 70%
	Greater Tokyo / Other Urban Areas	1) All areas of Tokyo other than the above areas (except islands) and Kanagawa Prefecture 2) Chiba Prefecture and Saitama Prefecture	<u>Approx. 80% in combination with Greater Tokyo / Major Urban Areas</u>
Major Cities Nationwide	Major Urban Areas	1) Sapporo City, Sendai City, Nagoya City, Kyoto City, Osaka City, Kobe City, Hiroshima City and Fukuoka City 2) Areas within commuting distance around the cities of above 1) (Note 1)	Approx. <u>20%</u> (Up to roughly 10% for Other Major Cities Nationwide)
	Other Major Cities Nationwide	Government designated cities, etc. other than the above (Note 2)	

(Note 1) "Areas within commuting distance" represent the peripheral areas from which it generally requires around 30 minutes to commute to the central parts of Sapporo City, Sendai City, Nagoya City, Kyoto City, Osaka City, Kobe City, Hiroshima City and Fukuoka City.

(Note 2) "Government designated cities, etc. other than the above" represent cities in areas other than Greater Tokyo and that fall under the category of either government designated cities, core cities, special ordinance cities or prefectural capitals in areas other than Major Urban Areas.

(Note 3) "Approx." in the allocation ratio means  $\pm 10\%$ .

(Note 4) Existing retail properties have been excluded from the calculation of the above allocation ratio.

### <Regional Categories for Investment Real Estate (After Amendments)>

Investment Area Category		Specific Areas	Allocation Ratio (Note 3)
Greater Tokyo	Greater Tokyo / Major Urban Areas (Focused investment area)	1) Tokyo: 23 wards, Musashino City, Mitaka City and Koganei City 2) Kanagawa Prefecture: Yokohama City and Kawasaki City	Approx. 70%
	Greater Tokyo / Other Urban Areas	1) All areas of Tokyo other than the above areas (except islands) and Kanagawa Prefecture 2) Chiba Prefecture and Saitama Prefecture	Approx. <u>30%</u> (10% <u>or less</u> for Other Major Cities Nationwide)
Major Cities Nationwide	Major Urban Areas	1) Sapporo City, Sendai City, Nagoya City, Kyoto City, Osaka City, Kobe City, Hiroshima City and Fukuoka City 2) Areas within commuting distance around the cities of above 1) (Note 1)	
	Other Major Cities Nationwide	Government designated cities, etc. other than the above (Note 2)	

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(Note 1) “Areas within commuting distance” represent the peripheral areas from which it generally requires around 30 minutes to commute to the central parts of Sapporo City, Sendai City, Nagoya City, Kyoto City, Osaka City, Kobe City, Hiroshima City and Fukuoka City.

(Note 2) “Government designated cities, etc. other than the above” represent cities in areas other than Greater Tokyo and that fall under the category of either government designated cities, core cities, special ordinance cities at the entry into force or prefectural capitals in areas other than Major Urban Areas.

(Note 3) “Approx.” in the allocation ratio means  $\pm 10\%$ .

(Note 4) Existing retail properties have been excluded from the calculation of the above allocation ratio.

### 2. Scheduled Date for Amendments

June 10, 2016 (Scheduled) (Note)

(Note) Approval and passage of the proposal for the partial amendments to the Articles of Incorporation at the General Meeting of Unitholders will be a condition precedent. For details of the proposal for the partial amendments to the Articles of Incorporation, please refer to “Notice Concerning Partial Amendments to the Article of Incorporation and Appointment of Directors” separately announced today.

\* Sekisui House SI Residential Investment Corporation website: <http://www.shsi-reit.co.jp/eng/>