

TRANSLATION

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Real Estate Investment Trust Securities Issuer  
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Notice Concerning Results of GRESB Real Estate Assessment, etc.  
(Selection as “Sector Leader” for the Third Consecutive Year in Asian Residential Sector)

Sekisui House Residential Investment Corporation (the “Investment Corporation”) hereby announces that it was selected as “Sector Leader” in Asian residential sector (ranked first) for the third consecutive year and acquired ratings in the 2017 Global Real Estate Sustainability Benchmark (“GRESB”) Assessment to real estate companies and funds as described below.

#### 1. The Assessment results for the Investment Corporation

The GRESB Real Estate Assessment is conducted by evaluating two dimensions which are “Management and Policy” with respect to consideration for environment, society and governance (ESG) and “Implementation and Measurement” with respect to actual efforts. Following the previous year, the Investment Corporation achieved “Green Star” which means to be superior in both dimensions, and acquired “4 Stars” (five-level rating with the highest being “5 Stars”) in the “GRESB Rating” which shows a participant’s relative status of overall GRESB Score.

Furthermore, the GRESB awards the title of “Sector Leader” to real estate companies, REITs and funds with outstanding efforts on sustainability that have received the highest ranking in each sector in each region. The Investment Corporation was selected as “Sector Leader” in Asian residential sector (ranked first) for the third consecutive year.

In addition, the “GRESB Public Disclosure (five-level rating from “A” to “E”)” is launched this year to measure ESG disclosures for more than 450 listed real estate vehicles with coverage of the entire FTSE EPRA/NAREIT Developed Index components. The Investment Corporation has achieved “C” which is global average level.



This translation is for informational purpose only. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail.

The Investment Corporation received higher GRESB score in comparison with the previous year. We believe the following efforts were highly evaluated in the 2017 GRESB Assessment.

- Establishment of sustainability policies and management system of such policies
- Proactive implementation of measures to mitigate environmental impact such as energy-saving activities
- Efforts to establish collaborative relationship with stakeholders such as our tenants
- Monitoring practices with an aim of increasing the resource efficiency of real estate portfolio and continuous acquisition of green building certifications

## 2. Overview of the GRESB

The GRESB is a benchmark system for evaluating sustainability performance in the real estate sector, established in 2009 primarily by major European pension funds, which played a major role in establishing the Principles for Responsible Investment (PRI), for the purpose of enhancing shareholder value by applying ESG considerations to real estate investments. As of September 2017, major institutional investors act as the GRESB Investor and Bank Members with total assets under management of approximately US\$17 trillion and use the GRESB in selecting upon investments and discussing with clients they invest in.

The GRESB Real Estate Assessment is an assessment about sustainability efforts of real estate companies, REITs and funds, not of individual real estates. A total of 850 entities participated in the 2017 GRESB Real Estate Assessment in the world.

For the details, please refer to the following website: <https://gresb.com/>

## 3. Future Efforts by the Investment Corporation

The Investment Corporation established Environmental Basic Policy and Sustainability Policy and Objectives on March 31, 2015 and has been promoting initiatives for energy saving and environmental awareness of its owned properties and acquisition of environmentally friendly properties to meet with the requirements of society. To do so, the Investment Corporation has been cooperating with Sekisui House, Ltd., the sponsor, which has been certified as Eco-First Company by the Minister of the Environment for the first time in the housing industry.

Based on this policy, the Investment Corporation will further promote sustainability activities such as implementation of measures to mitigate environmental impact.

\* The Eco-First Company refers to a company that made a pledge to the Minister of the Environment about its commitment to environmental preservation, including countermeasures against global warming and waste reduction and recycling measures, and has been recognized by the Minister as being engaged in “advanced, original and industry-leading business activities” in the environment areas. As of today, 40 companies have been certified as Eco-First Companies. For more details, please refer to the website of “Ministry of the Environment” (*Japanese only*).

## 4. Others

For details of the “GRESB” and other environmental certifications from external agencies which the Investment Corporation has acquired, and of “CSR and Environmental Activities” of the Investment Corporation, please refer to [“CSR and Environmental Activities”](#) in the Investment Corporation’s website.

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