

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

TRANSLATION

November 30, 2015

Real Estate Investment Trust Securities Issuer
 Sekisui House SI Residential Investment Corporation
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 (Securities Code: 8973)

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Notice Concerning Revisions to Management Status Forecast for the 21st Fiscal Period Ending March 2016

Sekisui House SI Residential Investment Corporation (the "Investment Corporation") hereby announces that it has decided to make the following revisions to its management status forecast for the fiscal period ending March 2016 (21st fiscal period) (October 1, 2015 to March 31, 2016) announced on November 16, 2015, as described below.

1. Revisions to Management Status Forecast for the Fiscal Period Ending March 2016 (21st Fiscal Period) (October 1, 2015 to March 31, 2016)

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Distribution per Unit (excluding distribution in excess of earnings)	Distribution per Unit in Excess of Earnings
Previous Forecast (A)	6,458 million yen	2,701 million yen	2,160 million yen	2,158 million yen	2,120 yen	0 yen
Revised Forecast (B)	6,429 million yen	2,683 million yen	2,161 million yen	2,158 million yen	2,120 yen	0 yen
Variation (B)-(A)	(28) million yen	(17) million yen	0 million yen	0 million yen	0 yen	0 yen
Rate of Variation	(0.4%)	(0.7%)	0.0%	0.0%	0.0%	0.0%

(Note 1) Forecast number of investment units issued at the end of the fiscal period ending March 2016 (21st fiscal period): 1,018,110 units

(Note 2) For details of the previous management status forecast for the fiscal period ending March 2016 (21st fiscal period), please refer to the "Financial Report for the Fiscal Period ended September 30, 2015" announced on November 16, 2015.

(Note 3) Figures have been rounded down to the nearest specified unit.

(Note 4) The rate of variation has been rounded to the first decimal place

<Reference> Results of the Management Status for the Fiscal Period Ended September 2015 (20th Fiscal Period) (April 1, 2015 to September 30, 2015)

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Distribution per Unit (excluding distribution in excess of earnings)	Distribution per Unit in Excess of Earnings
Fiscal Period Ended September 2015 (20th Fiscal Period)	6,411 million yen	2,743 million yen	2,211 million yen	2,209 million yen	2,122 yen	0 yen

(Note 1) Number of investment units issued at the end of the fiscal period ended September 2015 (20th fiscal period): 1,018,110 units

(Note 2) For details of the results of the management status for the fiscal period ended September 2015 (20th fiscal period), please refer to the "Financial Report for the Fiscal Period ended September 30, 2015" announced on November 16, 2015.

(Note 3) Figures have been rounded down to the nearest specified unit.

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2. Reason for Revisions

As indicated in the press release “Notice Concerning Assignment of Trust Beneficiary Interests in Domestic Real Estate and Termination of Lease (RINKU HAGURAZAKI Plaza and 3 Other Properties)” announced separately today, the Investment Corporation has decided to assign 4 of its retail properties and the assignment has been completed today. The gain on sale (estimate: ¥187 million) from this assignment is scheduled to be recorded to the fiscal period ending March 2016 (21st fiscal period).

Furthermore, as indicated in the press release “Notice Concerning Repayment (Early Repayment) of Loan” announced separately today, the Investment Corporation has at the same time decided to allocate the proceeds from the assignment of the abovementioned 4 retail properties to early repayment of loans.

With these developments, the Investment Corporation examined the operational status of properties it owns currently and other factors. As a result, the Investment Corporation does not anticipate any large difference, such as a disparity by 5% or more between the forecast distribution per unit and the actual figure or a disparity of 10% or more between the forecast operating revenue and the actual figure. However, due to material changes occurred in assumptions for the management status forecast, the Investment Corporation has revised its management status forecast for the fiscal period ending March 2016 (21st fiscal period).

(Note 1) The forecasts indicated above are the current figures calculated under the assumptions described in the Attachment “Assumptions for the Revision to Management Status Forecast for the Fiscal Period Ending March 2016 (21st Fiscal Period).” The actual operating revenue, operating income, ordinary income, net income and distribution per unit may be subject to change due to such factors as changes in assets under management, changes in rental income associated with changes in tenants or other causes, unexpected occurrences of repair, changes in the real estate and other markets, fluctuations in interest rates and changes in other conditions surrounding the Investment Corporation. In addition, the Investment Corporation does not guarantee any actual results or distribution amount by announcing the forecast figures.

(Note 2) The forecasts may be subject to revision when a disparity beyond a certain degree is expected between the above forecasts and actual figures.

3. Other

The Investment Corporation has reserved internally part of gain on sale from asset assignment as reserve for reduction entry utilizing special measures concerning taxation for advance acquisition of land and such stipulated under Article 66-2 of the Act on Special Measures Concerning Taxation, and has reserved 127 million yen at the end of the fiscal period ended September 2015 (20th fiscal period).

Although internal reserve of gain on sale from the 4 retail properties (estimate: 187 million yen) described in above 2. Reason for Revisions in this press release “Notice Concerning Revisions to Management Status Forecast for the 21st Fiscal Period Ending March 2016” is not planned, the Investment Corporation intends to consider newly reserving internally part of the gain on sale as reserve for reduction entry going forward when acquisition of new properties is made during the fiscal period ending March 2016 (21st fiscal period), taking distribution level into account.

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

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[Attachment]

Assumptions for the Revision to Management Status Forecast for the Fiscal Period Ending March 2016 (21st Fiscal Period)

Item	Assumption
Calculation Period	Fiscal period ending March 2016 (21st fiscal period): October 1, 2015 – March 31, 2016 (183 days)
Assets under Management	<ul style="list-style-type: none"> • It is assumed that there will be no change (new property acquisitions, sales of existing properties, etc.) through the end of the fiscal period ending March 2016 to the 107 properties (111 properties owned by the Investment Corporation as of November 16, 2015 less the 4 retail properties assigned as of today (the “Assigned Retail Properties”)) owned by the Investment Corporation. As for the Assigned Retail Properties, the Investment Corporation anticipates operating revenue and operating expense concerning the period they are owned for the fiscal period ending March 2016 (21st fiscal period). For detail of the Assigned Retail Properties, please refer to the press release “Notice Concerning Assignment of Trust Beneficiary Interest in Domestic Real Estate and Termination of Lease (RINKU HAGURAZAKI Plaza and 3 Other Properties)” announced separately today. • In practice, they may vary due to changes in assets under management.
Operating Revenue	<ul style="list-style-type: none"> • The Investment Corporation anticipates an increase in revenues in accordance with the gain on sale (187 million yen) generated by the assignment of the Assigned Retail Properties. • Rent revenue – real estate has been calculated on the basis of the lease contracts effective as of the end of October 2015, taking into account the change in status of tenants anticipated as of today with considerations given to the competitiveness of the properties, among other factors. • Rent levels have been estimated with consideration given to the existence of competing properties in neighboring areas and the market trends, etc. • For operating revenues, it is assumed that rents will be paid in time and no tenants will fail or decline to pay rents.
Operating Expenses	<ul style="list-style-type: none"> • Among expenses related to rent business, which are the principal operating expenses, expenses excluding depreciation are calculated on the basis of the information as of the end of October 2015, reflecting variable factors of expenses. • Administrative service fees are assumed to be approximately 592 million yen. • For the fixed property taxes, city planning taxes and other public charges related to owned real estate, etc., the Investment Corporation adopts the method to record the portion of the tax amounts decided to be levied which corresponds to the relevant fiscal period as expenses related to rent business. The amount of the fixed property taxes, city planning taxes and other public charges to be recorded as expenses related to rent business in the fiscal period ending March 2016 are assumed to be approximately 370 million yen. Furthermore, upon transactions of real estate and other properties, it is a general practice to calculate fixed property taxes, city planning taxes and other public charges based on the holding period with the previous owner and settle them at the time of acquisition. However, the settled amount is capitalized in the acquisition cost and is not recorded as expenses. The fixed property taxes, city planning taxes and other public charges that are expected to be capitalized in the acquisition cost of real estate and other properties in the fiscal period ending March 2016 are assumed to be approximately 1 million yen. • For the expenditures for repair and maintenance of buildings, the amounts expected to be required in the relevant fiscal periods have been recorded. However, the expenditures for repair and maintenance for the fiscal periods could differ significantly from the estimated amounts, as expenditures may arise due to unexpected factors, and because the variance in amounts generally tends to be large from year to year and repair maintenance expenses do not arise regularly. • Depreciation is calculated using the straight line method, including incidental expenses and additional future capital expenditures. Depreciation is assumed to be approximately 1,437 million yen.

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Item	Assumption
Non-operating Expenses	<ul style="list-style-type: none"> Interest expenses, interest expenses on investment corporation bonds and borrowing related expenses are assumed to be approximately 501 million yen (in total). The Investment Corporation assumes approximately 22 million yen (in total) as amortization for investment unit issuance costs and investment corporation bond issuance costs.
Interest-Bearing Debt Ratio	<ul style="list-style-type: none"> It is assumed, as indicated in the press release “Notice Concerning Repayment (Early Repayment) of Loan” announced separately today, that 8,200 million yen in loans maturing during the fiscal period ending March 2016 will be repaid in full as of December 7, 2015. After the early repayment above, the Investment Corporation will have a balance of interest-bearing debt of 93,609 million yen (1,200 million yen of short-term loans, 77,909 million yen of long-term loans (of which 2,800 million yen of long-term loans are scheduled to be repaid within one year) and 14,500 million yen of investment corporation bonds). It is assumed that no new borrowings, etc. will be made other than the above. As such, the interest-bearing debt ratio is expected to be 51.3%. The interest-bearing debt ratio is calculated by using the following formula, and is rounded to the nearest first decimal place. $\text{Interest-bearing debt ratio} = \frac{\text{Interest-bearing debt}}{\text{Interest-bearing debt} + \text{Total unitholders' equity}} \times 100$
Total Number of Investment Units issued	<ul style="list-style-type: none"> It is assumed that there are 1,018,110 investment units issued as of the date of this document and that there will be no additional issuance of investment units until the end of the fiscal period ending March 2016.
Distribution per Unit	<ul style="list-style-type: none"> Cash distribution (distribution per unit) is calculated on the assumption that the entire amount of net income is distributed in accordance with the monetary distribution policy stipulated in the Investment Corporation’s Articles of Incorporation. Distribution per unit may be subject to change due to various factors that include changes in assets under management, changes in rental income associated with changes in tenants or unexpected occurrences of repairs and other causes, etc.
Distribution per Unit in Excess of Earnings	<ul style="list-style-type: none"> At present, the Investment Corporation does not plan to make cash distribution in excess of earnings (distribution per unit in excess of earnings).
Others	<ul style="list-style-type: none"> The forecasts are based on the assumption that there are no revisions to laws and regulations, the tax system, accounting standards, the listing rules or the rules of the Investment Trusts Association, Japan, etc. which would have an impact on the forecast figures above. It is also assumed that there will be no unexpected material change in general economic trends and the real estate market conditions, etc.

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