

July 26, 2013

Real Estate Investment Trust Securities Issuer
Sekisui House SI Investment Corporation
2-12 Kojimachi, Chiyoda-ku, Tokyo
Representative: Junichi Inoue, Executive Director
(Securities Code: 8973)

Asset Management Company
Sekisui House SI Asset Management, Ltd.
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Notice Concerning Conclusion of Agreement Concerning Preferential Negotiation Rights, Etc.
with Sekiwa Real Estate Kanto

Sekisui House SI Investment Corporation (the “Investment Corporation”) hereby announces that, in light of a party to an Agreement Concerning Preferential Negotiation Rights, Etc.(Note) Sekiwa Real Estate, Ltd. (“Sekiwa Real Estate”) performing company split procedures on August 1, 2013 that will result in a two-company structure of Sekiwa Real Estate and Sekiwa Real Estate Kanto, Ltd. (“Sekiwa Real Estate Kanto”), the Investment Corporation and Sekisui House SI Asset Management, Ltd. to which the Investment Corporation entrusts the management of its assets (the “Asset Management Company”) today decided to newly conclude an “Agreement Concerning Preferential Negotiation Rights, Etc.” with Sekiwa Real Estate Kanto, as described below.

The “Agreement Concerning Preferential Negotiation Rights, Etc.” concluded between the Investment Corporation, the Asset Management Company and Sekiwa Real Estate will remain in effect with the same content as to date with Sekiwa Real Estate as the contracting party even after the concerned company split procedures.

(Note) With regard to the Agreement Concerning Preferential Negotiation Rights, Etc. with Sekiwa Real Estate, please refer to the press release entitled “Notice Concerning Conclusion of Pipeline Support Agreements with Sekiwa Real Estate, Sekiwa Real Estate Chubu, Sekiwa Real Estate Kansai and Sekiwa Real Estate Kyushu” dated January 11, 2012.

1. Background and Reason

The Investment Corporation has concluded an “Agreement Concerning Preferential Negotiation Rights, Etc.” between the Investment Corporation, the Asset Management Company and Sekiwa Real Estate on January 11, 2012, but as mentioned above, Sekiwa Real Estate has decided to perform procedures for a company split on August 1, 2013 that will involve business succession of the leasing business, brokerage business, and selling of real estate, etc. for certain areas (Saitama Prefecture, Chiba Prefecture, Gunma Prefecture, Tochigi Prefecture and Ibaraki Prefecture) to Sekiwa Real Estate Kanto.

In view of securing opportunities for stable property acquisitions, centering on high-quality rental housing developed/owned by the Sekisui House Group (Note), following the concerned company split procedures, the Investment Corporation decided to newly conclude an “Agreement Concerning Preferential Negotiation Rights, Etc.” between the Investment Corporation, the Asset Management Company and Sekiwa Real Estate Kanto.

(Note) “Sekisui House Group” represents a corporate group comprising Sekisui House, Ltd. and its 148 subsidiaries and 18 affiliates (as of January 31, 2013).

2. Overview of the Agreement Concerning Preferential Negotiation Rights, Etc.

(1) Contracting parties

Sekiwa Real Estate Kanto, the Investment Corporation and the Asset Management Company

(2) Planned date of conclusion of the agreement

August 1, 2013

(3) Main content of the agreement

① Preferential negotiation rights for owned properties, etc.

Of real estate that are primarily for residential use owned or developed by Sekiwa Real Estate Kanto (including land right of lease and superficies) and beneficiary interests in trust that have real estate as the principal trust assets (hereinafter, together with real estate, collectively referred to as “real estate, etc.” and real estate, etc. shall include real estate, etc. under development/construction; the same shall apply hereinafter), in the event of sale of real estate, etc. that Sekiwa Real Estate Kanto deems to meet the Investment Corporation’s investment criteria, except in the case of real estate, etc. that is co-owned or jointly ordered with third parties for which it is difficult to obtain the consent of the concerned third parties and certain other cases, Sekiwa Real Estate Kanto shall provide information related to the concerned sale to the Asset Management Company prior to provision to third parties. In addition, in the event that the Asset Management Company makes an offer of purchase on behalf of the Investment Corporation, Sekiwa Real Estate Kanto shall discuss transaction terms and conditions in good faith with the Asset Management Company and shall not hold negotiations concerning sale of the concerned real estate, etc. with third parties for a period of 20 business days from the concerned information provision date.

② Provision of information concerning properties owned by third parties

In the event that information to the effect that third parties owning or scheduled to develop/own real estate, etc. that are primarily for residential use on the sale of the concerned real estate, etc. is obtained by Sekiwa Real Estate Kanto from the concerned third parties or relevant parties, etc. and Sekiwa Real Estate Kanto deems that the concerned real estate, etc. meets the Investment Corporation’s investment criteria, except in the case where the buyer is designated or the scope of such is limited and certain other cases, Sekiwa Real Estate Kanto shall strive to provide the concerned sale related information to the Asset Management Company prior to provision to third parties.

③ Expenses

There will be no transaction of compensation for the provision of information concerning properties based on ① and ② above. However, concerning brokerage fees in the event that the Investment Corporation acquires real estate, etc. through the provision of information from Sekiwa Real Estate Kanto based on ②, the brokerage fees shall be determined by discussion between contracting parties in accordance with normal business practices.

3. Overview of Consignees

Name	Sekiwa Real Estate Kanto, Ltd.
Head office address	2-1-1 Yoyogi, Shibuya-ku, Tokyo
Representative	Akihisa Terasaki, President
Capital	480 million yen
Established	April 1, 2013
Shareholder	Sekisui House, Ltd.
Business activities	<ol style="list-style-type: none"> 1. Brokerage and agent of real estate transaction, exchange and leasing 2. Transaction, exchange, leasing, management and appraisal of real estate 3. Survey, planning, design, supervision and consulting services on real estate use etc. 4. Design, construction, contracting and supervision of general civil construction and landscaping 5. Non-life insurance agent business 6. Development and sale and leasing of computer software and information processing systems 7. Any and all businesses incidental to each of the above

[Reference] Overview of Pipeline Support Agreements of the Investment Corporation

Main Content of the Agreement		Granting of preferential negotiation rights for owned properties, etc.	Provision of information concerning properties owned by third parties	Preferential provision of information concerning sale of properties in connection with discretionary investment business and investment advisory business
Party to the Agreement (Name of the Agreement)				
Concluded on March 8, 2010	Sekisui House, Ltd. (Agreement Concerning Preferential Negotiation Rights, Etc.)			-
	Spring Investment Co., Ltd. (Agreement Concerning Preferential Provision of Property Information)	-		
Concluded on January 11, 2012	Sekiwa Real Estate, Ltd. (Agreement Concerning Preferential Negotiation Rights, Etc.)			-
	Sekiwa Real Estate Chubu, Ltd. Sekiwa Real Estate Kansai, Ltd. Sekiwa Real Estate Kyushu, Ltd. (Agreement Concerning Preferential Negotiation Rights)		-	-
Scheduled to be concluded on August 1, 2013	Sekiwa Real Estate Kanto, Ltd. (Agreement Concerning Preferential Negotiation Rights, Etc.)			-

Please note that the English versions of press releases up to the end of 2012 are not available.

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