

TRANSLATION

April 3, 2014

Real Estate Investment Trust Securities Issuer
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Notice Concerning Revisions to Management Status Forecast for the 17th Fiscal Period Ended March 2014 and Management Status Forecast for the 18th Fiscal Period Ending September 2014

Sekisui House SI 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 ended March 2014 (17th fiscal period) (October 1, 2013 to March 31, 2014) announced on November 14, 2013. The Investment Corporation also announces its decision on the management status forecast for the fiscal period ending September 2014 (18th fiscal period) (April 1, 2014 to September 30, 2014), as described below.

1. Revisions to Management Status Forecast for the Fiscal Period Ended March 2014 (17th Fiscal Period) (October 1, 2013 to March 31, 2014)

	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)	4,886 million yen	2,188 million yen	1,710 million yen	1,707 million yen	10,700 yen	0 yen
Revised Forecast (B)	4,946 million yen	2,242 million yen	1,767 million yen	1,765 million yen	11,060 yen	0 yen
Variation (B)-(A)	60 million yen	54 million yen	57 million yen	57 million yen	360 yen	0 yen
Rate of Variation	1.2%	2.5%	3.4%	3.4%	3.4%	0.0%

(Note 1) Number of investment units outstanding at the end of the fiscal period ended March 2014 (17th fiscal period): 159,605 units

(Note 2) For details of the previous management status forecast for the fiscal period ended March 2014 (17th fiscal period), please refer to the “Financial Report for the Fiscal Period ended September 30, 2013” announced on November 14, 2013.

(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.

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2. Management Status Forecast for the Fiscal Period Ending September 2014 (18th Fiscal Period) (April 1, 2014 to September 30, 2014)

	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 Ending September 2014 (18th Fiscal Period)	5,588 million yen	2,466 million yen	1,942 million yen	1,940 million yen	2,120 yen	0 yen

(Note 1) The Investment Corporation executed a five-for-one split of investment units on April 1, 2014.

(Note 2) Forecast number of investment units outstanding at the end of the fiscal period ending September 2014 (18th fiscal period): 915,240 units

* The figure represents the number of investment units comprising the total number of investment units outstanding as of today (798,025 units) plus the 111,600 units to be newly issued through primary offering and the 5,615 units (maximum number) to be issued by way of third-party allotment associated with the secondary offering through over-allotment, as was resolved at the Board of Directors' meeting held today. For details, please refer to the press release entitled "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" separately announced today.

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

<Reference> Results of the Management Status for the Fiscal Period Ended September 2013 (16th Fiscal Period) (April 1, 2013 to September 30, 2013)

	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 2013 (16th Fiscal Period)	4,688 million yen	2,179 million yen	1,684 million yen	1,681 million yen	10,537 yen	0 yen

(Note 1) Number of investment units outstanding at the end of the fiscal period ended September 2013 (16th fiscal period): 159,605 units

(Note 2) For details of the results of the management status for the fiscal period ended September 2013 (16th fiscal period), please refer to the "Financial Report for the Fiscal Period ended September 30, 2013" announced on November 14, 2013.

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

3. Reason for Announcement

The Investment Corporation reviewed its management status forecast for the fiscal period ended March 2014 (17th fiscal period) disclosed in the "Financial Report for the Fiscal Period ended September 30, 2013" that was announced on November 14, 2013, by strictly examining 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 more than 5%, between the forecast distribution per unit and the actual figure. However, the assumptions of the management status forecast have been changed since the announcement of the "Financial Report for the Fiscal Period ended September 30, 2013" to date, including the acquisition of three residential properties (Note 1) and the assignment of one residential property (Note 2). Primarily because of this and other factors, the Investment Corporation has come to anticipate an increase in the forecast distribution per unit for the fiscal period ended March 2014 (17th fiscal period.)

Moreover, to allocate the funds to be procured for the acquisition of new specified assets (as defined in Paragraph 1 of Article 2 of the Act on Investment Trusts and Investment Corporations; the same applies for below) (Note 3), with an aim of enhancing the stability of the portfolio through steady expansion of its asset size, the Investment Corporation resolved at the Board of Directors' meeting held today to issue new investment units and conduct a secondary offering (Note 4). Due to this, the Investment Corporation anticipates that the number of its investment units outstanding at the end of the fiscal period ending September 2014 (18th fiscal period) will increase.

Taking into account these developments, the Investment Corporation revises its management status forecast for the fiscal period ended March 2014 (17th fiscal period) and, at the same time, announce the management status forecast for the fiscal period ending September 2014 (18th fiscal period).

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- (Note 1) For details of the acquisition of the three residential properties, please refer to the press releases entitled “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate (MAST LIFE Akihabara and N. S. ZEAL AOI)” announced on January 21, 2014 and “Notice Concerning Acquisition of Trust Beneficiary Interest in Domestic Real Estate (Cistus Yakuin)” announced on March 7, 2014.
- (Note 2) For details of the assignment of the one residential property, please refer to the press releases entitled “Notice Concerning Assignment of Trust Beneficiary Interests in Domestic Real Estate (Esty Maison SENDAGAYA)” announced on February 25, 2014
- (Note 3) For details of the acquisition of the new specified assets, please refer to the press release entitled “Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate (Esty Maison KINSHICHO II and 3 Other Properties)” separately announced today.
- (Note 4) For details of the issuance of new investment units and the secondary offering of investment units, please refer to the press release entitled “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today.
- (Note 5) 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 Ended March 2014 (17th Fiscal Period) and for the Management Status Forecast for the Fiscal Period Ending September 2014 (18th 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, the number of new investment units and issue amount actually determined, 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 6) The forecasts may be subject to revision when a disparity beyond a certain degree is expected between the above forecasts and actual figures.

* Sekisui House SI 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 Ended March 2014 (17th Fiscal Period) and for the Management Status Forecast for the Fiscal Period Ending September 2014 (18th Fiscal Period)

Item	Assumptions
Calculation Period	<ul style="list-style-type: none"> Fiscal period ended March 2014 (17th fiscal period): October 1, 2013 – March 31, 2014 (182 days) Fiscal period ending September 2014 (18th fiscal period): April 1, 2014 – September 30, 2014 (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 September 2014 (18th fiscal period) to the 99 properties, comprising the 95 properties owned by the Investment Corporation as of today (the “already acquired properties”) plus the 4 properties to be acquired on May 1, 2014 (Esty Maison KINSHICHO II, Esty Maison OJIMA, Prime Maison FUIMIDAI and Esty Maison TSURUMAI) (Note) (the “properties to be acquired”). 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 acquisition of the properties to be acquired scheduled for May 1, 2014. Rent revenue – real estate has been calculated on the basis of the lease contracts effective as of the end of February 2014 or the date of acquisition for already acquired properties and of the information (such as leasing status) provided by the present owners for properties to be acquired, with considerations given to the competitiveness of the properties and taking into account the change in status of tenants anticipated as of today, 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 actual historical data, reflecting variable factors of expenses, and based on the information obtained as of the end of February 2014 or the date of acquisition for the already acquired properties and on the information provided by the present owners for the properties to be acquired. Administrative service fees are assumed to be approximately 455 million yen for the fiscal period ended March 2014 (17th fiscal period) and approximately 494 million yen for the fiscal period ending September 2014 (18th fiscal period). For the fixed property taxes, city planning taxes and other public charges related to the already acquired properties, 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 are assumed to be approximately 225 million yen for the fiscal period ended March 2014 (17th fiscal period) and approximately 287 million yen for the fiscal period ending September 2014 (18th fiscal period). Furthermore, upon transactions of real estate and other properties, it is a general practice to calculate 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,

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Item	Assumptions
	<p>city planning taxes and other public charges that are expected to be capitalized in the acquisition cost of real estate and other properties are assumed to be approximately 23 million yen for the fiscal period ended March 2014 (17th fiscal period) and approximately 52 million yen for the fiscal period ending September 2014 (18th fiscal period).</p> <ul style="list-style-type: none"> For the expenditures for repair and maintenance of buildings, the amounts expected to be required in the relevant fiscal periods has 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 grow 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 1,071 million yen for the fiscal period ended March 2014 (17th fiscal period) and approximately 1,249 million yen for the fiscal period ending September 2014 (18th fiscal period).
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 477 million yen for the fiscal period ended March 2014 (17th fiscal period) and approximately 509 million yen for the fiscal period ending September 2014 (18th fiscal period), respectively. It is assumed approximately 8 million yen for the fiscal period ending September 2014 (18th fiscal period) as amortization expense for expenses accompanying the issuance of new investment units and secondary offering of investment units that were resolved at the Board of Directors' meeting held today. The expense accompanying the issuance of new investment units is planned to be amortized by the straight-line method over 36 months.
Interest-bearing Debt Ratio	<ul style="list-style-type: none"> As of today, the Investment Corporation has a balance of 83,768 million yen in interest-bearing debt comprising 3,300 million yen in short-term loans payable, 68,968 million yen in long-term loans payable (of which, 16,159 million yen in current portion of long-term loans payable) and 11,500 million yen in investment corporation bonds, with LTV (the ratio of interest –bearing debt to total assets; the same applies below) estimated to be at 53.4%. Aside from the issuance of new investment units that was resolved at the Board of Directors' meeting held today, the Investment Corporation plans to conduct new borrowings in order to procure funds for purchasing properties to be acquired on May 1, 2014. It is assumed that 12,809 million yen in borrowings maturing in August 2014 will be refinanced for the same amount in the fiscal period ending September 2014 (18th fiscal period). Other than the above, the Investment Corporation plans to make no new borrowings, etc. as of today. Due to the issuance of new investment units and borrowings mentioned above, the LTV is anticipated to decrease to a certain degree after the acquisition of the properties to be acquired is conducted. The above LTV may change, however, depending on the number of investment units actually issued and the issue amount. The LTV is calculated by using the following formula, and is rounded to the nearest first decimal place. $LTV = \text{Balance of interest-bearing debt (estimate)} / \text{Total assets (estimate)} \times 100$
Issuance of New Investment Units	<ul style="list-style-type: none"> It is assumed that, in addition to the total number of investment units outstanding as of today (117,215 units), the entire 798,025 units (the sum of the 111,600 units to be newly issued through primary offering and the maximum number of investment units to be issued (up to 5,615 units) by way of third-party allotment associated with the secondary offering through over-allotment) will be issued, as was resolved at the Board of Directors' meeting held today. For details, please refer to the press release entitled

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Item	Assumptions
	<p>“Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” separately announced today.</p> <ul style="list-style-type: none"> It is assumed that, other than the above, there will be no issuance of new investment units through the end of the fiscal period ending September 2014 (18th fiscal period.)
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 other causes, unexpected occurrences of repair, changes in the real estate and other markets, fluctuations in interest rates, the number of new investment units and issue amount actually determined, and changes in any other conditions surrounding the Investment Corporation.
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, the real estate market conditions, etc.

(Note) The property names of Esty Maison KINSHICHO II, Esty Maison OJIMA and Esty Maison TSURUMAI are Lieto Court KINSHICHO, Lieto Court OJIMA and Solcher TSURUMAI, respectively, as of today. After the acquisitions, however, the Investment Corporation plans to change the property name brand to “Esty Maison” for each subsequent to a certain period of notification to residents. Accordingly, the indicated property names are those after the change.

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