



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

TRANSLATION

July 29, 2014

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.
3-1-31 Minami-Aoyama, Minato-ku, Tokyo
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Notice Concerning Conclusion of Agreements Concerning Preferential Negotiation Rights
with Sekiwa Real Estate Tohoku and Sekiwa Real Estate Chugoku

Sekisui House SI Residential Investment Corporation (the “Investment Corporation”) hereby announces that it 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” respectively with Sekiwa Real Estate Tohoku, Ltd. and Sekiwa Real Estate Chugoku, Ltd. (“Sekiwa Real Estate Tohoku” and “Sekiwa Real Estate Chugoku,” respectively), which are among Sekiwa Real Estate companies that belong to the Sekisui House Group, as described below.

(Note) The “Sekisui House Group” represents a corporate group comprising Sekisui House, Ltd. (“Sekisui House”) and its 174 subsidiaries and 19 affiliates (as of January 31, 2014). The “Sekiwa Real Estate companies” represent the seven companies (Sekiwa Real Estate, Ltd., Sekiwa Real Estate Kanto, Ltd., Sekiwa Real Estate Tohoku, Sekiwa Real Estate Chubu, Ltd., Sekiwa Real Estate Kansai, Ltd., Sekiwa Real Estate Chugoku and Sekiwa Real Estate Kyushu, Ltd.) that are fully-owned subsidiaries of Sekisui House and the core companies in the real estate segment of the Sekisui House Group. The same shall apply hereinafter.)

1. Background and Reason

As of the date of this document, the Investment Corporation has concluded an “Agreement Concerning Preferential Negotiation Rights, Etc.” or an “Agreement Concerning Preferential Negotiation Rights” (collectively referred to as “Pipeline Support Agreements” for the “Agreement Concerning Preferential Negotiation Rights, Etc.” and “Agreement Concerning Preferential Negotiation Rights”) respectively with five of the Sekiwa Real Estate companies (seven companies in total) except for Sekiwa Real Estate Tohoku and Sekiwa Real Estate Chugoku. By newly concluding an “Agreement Concerning Preferential Negotiation Rights” respectively with Sekiwa Real Estate Tohoku and Sekiwa Real Estate Chugoku, the Investment Corporation will have concluded the Pipeline Support Agreements with all of the Sekiwa Real Estate companies. The Investment Corporation believes this should allow it to utilize the nationwide network of the Sekisui House Group in order to comprehensively cover its entire investment target areas.

Moreover, the Investment Corporation has re-established its investment target areas other than the Greater Tokyo into wider regions through partial amendments to the asset management guidelines by the Asset Management Company, along with the partial amendments to the Articles of Incorporation that were resolved at its Sixth General Meeting of unitholders held in June 2014. In this regard, the Investment Corporation will utilize the new agreements in an effort to expand opportunities for obtaining property information in the expanded investment target areas.

2. Overview of the Agreements Concerning Preferential Negotiation Rights

(1) Contracting parties

Sekiwa Real Estate Tohoku or Sekiwa Real Estate Chugoku (collectively referred to as the “Sekiwa Real Estate Tohoku/Chugoku”), the Investment Corporation and the Asset Management Company (agreements are planned to be concluded separately with each company).

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.

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(2) Planned date of conclusion of the agreements

July 31, 2014

(3) Main content of the agreements

① Preferential negotiation rights for owned properties, etc.

Of real estate that are primarily for residential use owned or developed by Sekiwa Real Estate Tohoku/Chugoku (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 Tohoku/Chugoku 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 Tohoku/Chugoku 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 Tohoku/Chugoku shall discuss transaction terms and conditions in good faith with the Asset Management Company and shall not conduct 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 Expenses

There will be no payment or reception of compensation for the provision of information concerning properties based on ① above.

3. Overview of Consignees

<Sekiwa Real Estate Tohoku>

Name	Sekiwa Real Estate Tohoku, Ltd.
Head office address	2-16-10 Honcho, Aoba-ku, Sendai-shi, Miyagi
Representative	Yoshitada Nakajima, President
Capital	200 million yen
Established	August 1, 1983
Shareholder	Sekisui House, Ltd.
Business activities	<ol style="list-style-type: none"> 1. Brokerage, agent and mediation of real estate transaction and leasing 2. Transaction and leasing of real estate 3. Management and appraisal of real estate 4. Design, construction, contracting and supervision of general civil construction and landscaping 5. Non-life insurance agent business and life insurance sales business 6. Any and all businesses incidental to each of the above

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<Sekiwa Real Estate Chugoku>

Name	Sekiwa Real Estate Chugoku, Ltd.
Head office address	1-25 Komachi, Naka-ku, Hiroshima-shi, Hiroshima
Representative	Shuji Tonbe, President
Capital	379 million yen
Established	August 2, 1982
Shareholder	Sekisui House, Ltd.
Business activities	<ol style="list-style-type: none">1. Brokerage and agent of real estate transaction and leasing2. Transaction, leasing and management of real estate3. Design, construction, contracting and supervision of general civil construction and landscaping4. Non-life insurance agent business and life insurance sales business5. Information processing service business and production and sales of publication.6. Loan guarantee business and leasing of movables7. Any and all businesses incidental to each of the above

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[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)	●	-	-
Concluded on August 1, 2013	Sekiwa Real Estate Kanto, Ltd. (Agreement Concerning Preferential Negotiation Rights, Etc.)	●	●	-
Scheduled to be concluded on July 31, 2014	Sekiwa Real Estate Tohoku, Ltd. Sekiwa Real Estate Chugoku, Ltd. (Agreement Concerning Preferential Negotiation Rights)	●	-	-

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