

To Our Unitholders

Junichi Inoue
Executive Director
Sekisui House Reit, Inc.
4-15-1 Akasaka, Minato-ku, Tokyo

Notice Concerning the Fourth General Meeting of Unitholders

You are cordially invited to attend the Fourth General Meeting of Unitholders of Sekisui House Reit, Inc. (the “Investment Corporation”). The Meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing. Please review the “Reference Material for the General Meeting of Unitholders” mentioned below, vote on the proposals in the enclosed Voting Rights Exercise Form, and return the form by no later than Tuesday, January 28, 2020, at 6:00 pm.

In addition, the Investment Corporation established the provision of “deemed approval” in Article 17 of the current Articles of Incorporation pursuant to Article 93 Paragraph 1 of the Act on Investment Trusts and Investment Corporations.

Accordingly, if you are unable to attend the Meeting and are unable to vote using the Voting Rights Exercise Form, please be aware that you will be deemed as having attended and approved each proposal.

Respectfully yours.

(Excerpt from the Investment Corporation’s Current Articles of Incorporation)

Article 17 (Deemed Approval)

1. Unitholders who do not attend a general meeting of unitholders and do not exercise voting rights shall be deemed to approve the proposals for resolution submitted to the general meeting of unitholders (excluding any proposals with purposes that conflict with each other in the case that multiple proposals are submitted).
2. The number of voting rights of unitholders deemed to approve the proposals for resolution pursuant to the preceding paragraph shall be included in the number of voting rights of unitholders present.

1. Date and Time

Wednesday, January 29, 2020, 10:00 a.m.

2. Place

1-3-7 Yaesu, Chuo-ku, Tokyo

Yaesu First Financial Building

Bellesalle Yaesu 2F, Room A, B and C

3. Proposal of the Meeting**Resolution Agenda:**

Proposal No. 1: Partial amendment of the Articles of Incorporation

Proposal No. 2: Appointment of one executive director

Proposal No. 3: Appointment of one substitute executive director

Proposal No. 4: Appointment of two supervisory directors

Proposal No. 5: Appointment of one substitute supervisory director

4. Voting Rights Exercise**(1) Voting Rights Exercised by Attendance**

Please present the enclosed Voting Rights Exercise Form at the reception desk.

(2) Voting Rights Exercised in Writing

For those voting in writing, please return the enclosed Voting Rights Exercise Form by no later than Tuesday, January 28, 2020, at 6:00 pm.

(3) Voting Rights Exercised by Proxy

For those voting by proxy, a unitholder can vote by having another individual unitholder who holds voting rights attend the General Meeting of Unitholders and act as a proxy. In that case, please submit a Power of Representation Form and a Voting Rights Exercise Form at the reception desk.

(4) Method of Revising the Reference Materials of the General Meeting of Unitholders

When it is necessary to revise proposals contained in the Reference Materials of the General Meeting of Unitholders by the day prior to the meeting, we will post the revisions on the Investment Corporation's website (<http://www.sekisuihouse-reit.co.jp/en/>).

End

Following the General Meeting of Unitholders, Sekisui House Asset Management, Ltd., the Investment Corporation's asset management company, will hold an "Asset Management Briefing" at the same venue. Those attending the meeting are cordially invited to the briefing as well.

Reference Material for the General Meeting of Unitholders

Proposal and Reference Items

Proposal No. 1: Partial amendments of the Articles of Incorporation

1. Reasons for the amendments

- (1) For the purpose of increasing the linkage between the amount of management fees paid to the asset management company and the profit of unitholders, the Investment Corporation shall introduce the concept of "TSE REIT Index Performance-Linked Rate" to the calculation formula for Management Fee I (Ongoing Operational and Management Fee I). The TSE REIT Index Performance-Linked Rate will serve as an indicator to compare the degree of the increase and decrease in the investment unit price of the Investment Corporation and the TSE REIT Index, in order to increase or decrease the management fees depending on whether the extent of the changes in the investment unit price of the Investment Corporation were favorable compared to the extent of the changes in the TSE REIT Index. Thus, the Investment Corporation shall change the provision in the Articles of Incorporation to the effect that the amount of Management Fee I (Ongoing Operational and Management Fee I) shall be increased or decreased by increasing or decreasing the applied rate multiplied to total assets to a certain extent. In addition, provisions that provide for necessary adjustments to the calculation formula for Management Fee I (Ongoing Operational and Management Fee I) shall be added in order to make the impact on Management Fee I (Ongoing Operational and Management Fee I) neutral when the Investment Corporation conducts a split of the investment units or a Rights Offering (issuance of new investment units as a result of the exercise of investment unit acquisition rights related to an allotment without contribution to unitholders) (relating to Attachment of the current Articles of Incorporation).
- (2) The amendment to the Articles of Incorporation described in (1) above will be effective as of May 1, 2020, which is the first day of the 12th business term of the Investment Corporation, and a provision to that effect will be added as an appendix to the Articles of Incorporation (relating to Article 55 of the proposed amendments to the Articles of Incorporation).
- (3) In addition, wording corrections and other adjustments to the text shall be made in accordance with the addition of the provisions.

2. Overview of Amendments

The Amendments are as follows:

Proposed Amendments to the Articles of Incorporation

(Proposed amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
(added)	<u>Article 55 Effectuation of Amendment</u> <u>The amendments in the Attachment of Incorporation shall take effect on May 1, 2020. This Article shall be deleted after the amendments in these Articles of Incorporation take effect pursuant to this Article.</u>
Attachment Management Fee to Asset Management Company	Attachment Management Fee to Asset Management Company
(omitted) 1. Management Fee I (Ongoing Operational and Management Fee I) Management Fee I shall be calculated by multiplying (i) the total assets (less the amount equivalent to unamortized positive goodwill) of the Investment Corporation on the balance sheet (limited to those approved by the board of directors pursuant to Article 131, Paragraph 2 of the Investment Trusts Act) for the latest Accounting Settlement Day by (ii) a rate separately agreed by the Investment Corporation and the Asset Management Company (up to 0.5% per annum), on a per diem basis. In this calculation method, the actual number of days in the relevant business term shall be assumed to be 365 days in a year and any fraction less than one yen shall be rounded down.	(unchanged) 1. Management Fee I (Ongoing Operational and Management Fee I) Management Fee I shall be calculated by multiplying (i) the total assets (less the amount equivalent to unamortized positive goodwill) of the Investment Corporation on the balance sheet (limited to those approved by the board of directors pursuant to Article 131, Paragraph 2 of the Investment Trusts Act) for the latest Accounting Settlement Day by (ii) <u>the total annual rate of</u> a rate separately agreed by the Investment Corporation and the Asset Management Company (up to 0.5% per annum) <u>and the TSE REIT Index Performance-Linked Rate (as defined below)</u> , on a per diem basis. In this calculation method, the actual number of days in the relevant business term shall be assumed to be 365 days in a year and any fraction less than one yen shall be rounded down.
(added)	<u>In this paragraph (1)</u> <u>“TSE REIT Index Performance-Linked Rate” means a number to be calculated using the following formula for each relevant business term. The upper limit and lower limit of the TSE REIT Index Performance-Linked Rate shall be 0.02% and -0.02% respectively. However, even if the number calculated using the following formula for the relevant business term is positive, when the result of subtracting the closing price (or, if there is no closing price on that day, the closing price of the immediately preceding day; the same shall apply hereinafter) of the Investment Corporation’s investment unit for the business term preceding the previous business term from the closing price of the Investment Corporation’s investment unit for the previous business term is negative, the TSE REIT Index Performance-Linked Rate shall be deemed to be zero.</u> <u><Calculation Formula></u> <u>TSE REIT Index Performance-Linked Rate</u> <u>= (A – B)/1,000 (rounded to the fifth decimal place)</u> <u>A: (Closing price of the Investment Corporation’s investment unit on the last business day of the previous business term + distribution per unit for the previous business term - Closing price of the Investment Corporation’s investment unit on the last</u>

Current Articles of Incorporation	Proposed Amendments
<p>2. – 6. (omitted)</p> <p>7. Adjustment Provision (1) (omitted) (2) In the case of a split of the investment units of the Investment Corporation that increases the total number of issued and outstanding investment units, Management Fee II for a business term ending on or after the day on which such split of the investment units takes effect shall be calculated by making an adjustment in which the Distributable Amount per Unit is multiplied by the Split Ratio (as defined below) related to the total number of issued and outstanding investment units.</p> <p>In this paragraph (2), “Split Ratio” shall be calculated, in the case of any split of the investment units of the Investment Corporation that increases the total number of issued and outstanding investment units, by dividing (i) the total number of issued and outstanding investment units immediately after such split of the investment units takes effect by (ii) the total number of issued and outstanding investment units immediately before such split of the investment units takes effect.</p>	<p><u>business day of the business term preceding the previous business term)/ Closing price of the Investment Corporation’s investment unit on the last business day of the business term preceding the previous business term</u></p> <p><u>B: (Closing price of the TSE REIT Total Return Index on the last business day of the previous business term - Closing price of the TSE REIT Total Return Index on the last business day of the business term preceding the previous business term)/ Closing price of the TSE REIT Total Return Index on the last business day of the business term preceding the previous business term</u></p> <p><u>“TSE REIT Total Return Index” means the TSE REIT Index, including distribution announced by the Tokyo Stock Exchange, Inc. However, if it is not possible to obtain the closing price of the TSE REIT Total Return Index because the Tokyo Stock Exchange, Inc. does not announce the TSE REIT Total Return Index or for some other reason, a number calculated by the Investment Corporation based on the calculation method used for the TSE REIT Total Return Index that was announced for the most recent relevant business term shall be used.</u></p> <p>2. – 6. (unchanged)</p> <p>7. Adjustment Provision (1) (unchanged) (2) In the case of a split of the investment units of the Investment Corporation that increases the total number of issued and outstanding investment units, <u>the Investment Corporation shall act as follows:</u> <u>(i) Management Fee I for a business term in which such split of the investment units takes effect shall be calculated by making an adjustment in which both the closing price of the Investment Corporation’s investment unit for the previous business term of the relevant business term and the distribution per unit for the previous business term are multiplied by the Split Ratio (as defined below).</u> <u>(ii) Management Fee II for a business term ending on or after the day on which such split of the investment units takes effect shall be calculated by making an adjustment in which the Distributable Amount per Unit is multiplied by the Split Ratio related to the total number of issued and outstanding investment units.</u></p> <p>In this paragraph (2), “Split Ratio” shall be calculated, in the case of any split of the investment units of the Investment Corporation that increases the total number of issued and outstanding investment units, by dividing (i) the total number of issued and outstanding investment units immediately after such split of the investment units takes effect by (ii) the total number of issued and outstanding investment units immediately before such split of the investment units takes effect.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(3) In the case of a Rights Offering (as defined below) that increases the total number of issued and outstanding investment units, Management Fee II for a business term ending on or after the issue date of such Rights Offering shall be calculated by making an adjustment in which the Distributable Amount per Unit is multiplied by the Ratio of Allotment without Contribution (as defined below).</p> <p>In this paragraph (3), “Rights Offering” means issuance of new investment units as a result of the exercise of investment unit acquisition rights related to an allotment without contribution to unitholders. “Ratio of Allotment without Contribution” means a ratio to be calculated in the following formula in the case of a Rights Offering. < Calculation Formula > Ratio of Allotment without Contribution = A/B A: Number of the total number of issued and outstanding investment units immediately after such Rights Offering less the Number of Units Deemed to Be Issued at Market Price (as defined below) B: Total number of issued and outstanding investment units immediately before such Rights Offering “Number of Units Deemed to Be Issued at Market Price” shall be the Number of Incremental Units (as defined below) (any fraction less than one (1) unit shall be rounded down) multiplied by the ratio obtained by dividing (i) the amount to be paid per unit at the time of exercising investment unit acquisition rights allotted without contribution in such Rights Offering by (ii) a Market Price per Unit (as defined below), or by another ratio determined by the board of directors, in the case of Rights Offering. “Market Price per Unit” means the closing price of an ordinary market transaction of the investment units of the Investment Corporation on the Tokyo Stock Exchange, Inc. on the last day of the exercise period of the investment unit acquisition rights allotted without contribution in such Rights Offering (or, if there is no closing price on that day, the closing price of the immediately preceding day), in the case of Rights Offering. “Number of Incremental Units” means the number of units increased as a result of such Rights Offering in the case of Rights Offering.</p>	<p>(3) In the case of a Rights Offering (as defined below) that increases the total number of issued and outstanding investment units, <u>the Investment Corporation shall act as follows.</u></p> <p><u>(i) Management Fee I for a business term in which the issue date of such Rights Offering belongs shall be calculated by making an adjustment in which both the closing price of the Investment Corporation’s investment unit for the previous business term of the relevant business term and the distribution per unit for the previous business term are multiplied by the Ratio of Allotment without Contribution (as defined below).</u></p> <p><u>(ii) Management Fee II for a business term ending on or after the issue date of such Rights Offering shall be calculated by making an adjustment in which the Distributable Amount per Unit is multiplied by the Ratio of Allotment without Contribution.</u></p> <p>In this paragraph (3), “Rights Offering” means issuance of new investment units as a result of the exercise of investment unit acquisition rights related to an allotment without contribution to unitholders. “Ratio of Allotment without Contribution” means a ratio to be calculated in the following formula in the case of a Rights Offering. < Calculation Formula > Ratio of Allotment without Contribution = A/B A: Number of the total number of issued and outstanding investment units immediately after such Rights Offering less the Number of Units Deemed to Be Issued at Market Price (as defined below) B: Total number of issued and outstanding investment units immediately before such Rights Offering “Number of Units Deemed to Be Issued at Market Price” shall be the Number of Incremental Units (as defined below) (any fraction less than one (1) unit shall be rounded down) multiplied by the ratio obtained by dividing (i) the amount to be paid per unit at the time of exercising investment unit acquisition rights allotted without contribution in such Rights Offering by (ii) a Market Price per Unit (as defined below), or by another ratio determined by the board of directors, in the case of Rights Offering. “Market Price per Unit” means the closing price of an ordinary market transaction of the investment units of the Investment Corporation on the Tokyo Stock Exchange, Inc. on the last day of the exercise period of the investment unit acquisition rights allotted without contribution in such Rights Offering (or, if there is no closing price on that day, the closing price of the immediately preceding day), in the case of Rights Offering. “Number of Incremental Units” means the number of units increased as a result of such Rights Offering in the case of Rights Offering.</p>

Proposal No. 2: Appointment of one executive director

As Executive Director Junichi Inoue requested to be allowed to temporarily resign as of January 31, 2020 for the purpose of adjusting the term of office, we request that he again be appointed as executive director as of February 1, 2020.

Under this proposal, in accordance with Article 22, Paragraph 1 of the Investment Corporation's current Articles of Incorporation, the term of the office of the executive director is the two-year period starting from February 1, 2020.

This proposal was submitted at the board of directors meeting held on December 13, 2019 with the unanimous agreement of all supervisory directors of the Investment Corporation.

The candidate for executive director is as follows.

Name (date of birth)	Personal History	
Junichi Inoue (September 28, 1966)	April 1989	Sekisui House, Ltd., Tokyo-Tokken Building Projects Department
	August 1999	Sekisui House, Ltd., Tokyo-Tokken Building Projects Sales Office
	February 2002	Sekisui House, Ltd., Tokyo West Sha Maison Sales Office
	August 2002	Seconded to Sekiwa Real Estate, Ltd., Corporate Management Department, Corporate Management Planning Office
	February 2003	Transferred to Sekiwa Real Estate, Ltd., Corporate Management Department, Corporate Management Planning Office
	June 2005	Seconded to Sekisui House, Ltd., Development Department
	April 2006	Seconded to Sekisui House, Ltd., Real Investment Management Department
	August 2007	Transferred to Sekisui House, Ltd., Real Estate Investment Management Department
	February 2010	Sekisui House, Ltd., East Japan Development Planning Department
	March 2010	Seconded to Sekisui House SI Asset Management, Ltd. as Director
	May 2012	Transferred to Sekisui House SI Asset Management, Ltd. as President & Representative Director
	June 2012	Sekisui House SI Investment Corporation, Executive Director
	March 2014	Sekisui House Realty Co., Ltd., Advisor
	April 2014	Sekisui House Investment Advisors, Ltd. (currently Sekisui House Asset Management, Ltd.), President & Representative Director (currently held position)
September 2014	Sekisui House Reit, Inc., Executive Director (currently held position)	

- The above candidate for executive director possesses no Investment Units.
- The above candidate for executive director is President & Representative Director of Sekisui House Asset Management, Ltd., with which the Investment Corporation has concluded an asset management agreement.
- Excluding the abovementioned matters, there are no special interests between the above candidate for executive director and the Investment Corporation.
- The above candidate for executive director is currently executing the overall business of the Investment Corporation as its executive director.

Proposal No. 3: Appointment of one substitute executive director

To be prepared for the case in which the position of executive director becomes vacant or there is an insufficient number of executive directors as specified under applicable laws and regulations, we request that one substitute executive director be appointed as of February 1, 2020.

Under this proposal, this resolution for the appointment of a substitute executive director will be valid until the term of the office of the executive director under Proposal No. 2 expires in accordance with Article 22, Paragraph 2 of the current Articles of Incorporation.

Further, prior to assumption of office, the appointment of a substitute executive director can be revoked with a resolution of the board of directors meeting.

This proposal was submitted at the board of directors meeting held on December 13, 2019 with the unanimous agreement of all supervisory directors of the Investment Corporation.

The candidate for substitute executive director is as follows:

Name (date of birth)	Personal History	
Atsuhiko Kida (August 14, 1961)	April 1985	Sekisui House, Ltd., Accounting Department
	April 2001	Sekisui House, Ltd., Department for Administrative Control of Subsidiary & Affiliated Companies
	July 2005	Sekisui House, Ltd., Accounting Department
	August 2005	Seconded to Japan Excellent Asset Management Co., Ltd., Finance and Accounting Department
	August 2008	Sekisui House, Ltd., Accounting & Finance Department
	September 2010	Sekisui House SI Asset Management, Ltd., Director
	October 2013	SH Hotel Systems, Ltd., Audit & Supervisory Board Member
	April 2014	Seconded to Sekisui House Investment Advisors, Ltd. (currently Sekisui House Asset Management, Ltd.) as Director and General Manager of Management Division
	May 2018	Sekisui House Asset Management, Ltd., Director (currently held position)

- The above candidate for substitute executive director possesses no Investment Units.
- The above candidate for substitute executive director is Director of Sekisui House Asset Management, Ltd., with which the Investment Corporation has concluded an asset management agreement.
- Excluding the abovementioned matters, there are no special interests between the above candidate for substitute executive director and the Investment Corporation.

Proposal No. 4: Appointment of two supervisory directors

As Supervisory Directors Shigeru Nomura and Tatsushi Omiya requested to be allowed to resign temporarily as of January 31, 2020 for the purpose of adjusting their terms of office, we request that they again be appointed as supervisory directors as of February 1, 2020.

Under this proposal, in accordance with Article 22, Paragraph 1 of the Investment Corporation's current Articles of Incorporation, the term of the office of a supervisory director will be the two-year period from February 1, 2020.

The candidates for supervisory directors are as follows:

Candidate No.	Name (date of birth)	Personal History	
1	Shigeru Nomura (September 11, 1952)	November 1975	Ernst & Whinney, Tokyo Office, New York Office, and Dusseldorf Office
		February 1979	Registered as certified public accountant
		July 2002	Ernst & Young Shinnihon Tax, Representative Staff
		January 2003	EY Transaction Advisory Services Co., Ltd., Co-CEO
		July 2011	Established Shigeru Nomura Certified Public Accountant Office (current position)
		July 2011	EOS Inc., Director
		April 2012	Kawashima Gold Corporation, Auditor
		July 2012	View Communications, Inspector
		September 2014	Sekisui House Reit, Inc., Supervisory Director (currently held position)
		June 2015	Eiken Chemical Co., Ltd., Outside Director (currently held position)
		July 2017	The Resolution and Collection Corporation, Corporate Rehabilitation Committee, Committee Member (currently held position)

Candidate No.	Name (date of birth)	Personal History	
2	Tatsushi Omiya (September 14, 1973)	April 1998	The Industrial Bank of Japan, Limited
		April 2002	Legal Training and Research Institute, Supreme Court of Japan
		October 2003	Mori Hamada & Matsumoto
		July 2012	City Law Offices, Partner
		December 2013	QB Net Co., Ltd., Auditor
		September 2014	Sekisui House Reit, Inc., Supervisory Director (currently held position)
		September 2017	QB Net Holdings Co., Ltd., Outside Director (currently held position)
		October 2018	Established Lex Law Office, Partner (currently held position)

- The above candidates for supervisory directors possess no Investment Units.
- There are no special interests between the above candidates for supervisory directors and the Investment Corporation.
- The above candidates for supervisory directors are currently supervisory directors of the Investment Corporation who are supervising the general performance of duties by the executive director of the Investment Corporation.

Proposal No. 5: Appointment of one substitute supervisory director

To be prepared for the case in which the position of supervisory director becomes vacant or there is an insufficient number of supervisory directors as specified under applicable laws and regulations, we request that one substitute supervisory director be appointed as of February 1, 2020.

Under this proposal, this resolution for the appointment of a substitute supervisory director will be valid until the term of the office of the supervisory director under Proposal No. 4 expires in accordance with Article 22, Paragraph 2 of the current Articles of Incorporation.

Further, prior to assumption of office, the appointment of a substitute supervisory director can be revoked with a resolution of the board of directors meeting.

The candidate for substitute supervisory director is as follows:

Name (date of birth)	Personal History	
Yu Yada (May 15, 1980)	December 2007	Mori Hamada & Matsumoto
	July 2012	Seconded to Securities and Exchange Surveillance Commission
	March 2014	Seconded to Financial Services Agency, Supervision Bureau, Securities Business Division (appointed concurrently)
	July 2014	Return to Mori Hamada & Matsumoto
	February 2018	Established HIFUMI Law, Representative Partner (currently held position)
	October 2019	VIDA Corporation Co., Ltd., Outside Auditor (currently held position)

- The above candidate for substitute supervisory director possesses no Investment Units.
- There are no special interests between the above candidate for substitute supervisory director and the Investment Corporation.

Reference Matters

If there is any oppositional proposal in response to any of the proposals submitted to the general meeting of unitholders, the provisions of Article 93, Paragraph 1 of the Investment Trusts Act and the “deemed approval” provisions specified in Article 17 of the Investment Corporation’s current articles of incorporation will not apply. Proposal No. 1 through Proposal No. 5 set out above do not fall within an oppositional proposal.

End