

8973

**Sekisui House SI
Investment Corporation**



積水ハウス・SI 投資法人

Business Results

for the 12th Fiscal Period

From April 1, 2011 to September 30, 2011

November 15, 2011

1. Overview of the Twelfth Fiscal Period Ended September 30, 2011

• Progress Highlights	4
• [Reference] Growth Strategy for a New Stage	5
• Summary of Business Results for Twelfth Fiscal Period	6
• Occupancy Rates and NOI Yield	7
• Response to Damage from Great East Japan Earthquake	8

2. Business Results for the Twelfth Fiscal Period Ended September 30, 2011

• Portfolio Summary	10
• Changes in Asset Size and Financial Results	11
• External Growth Results	12
• Internal Growth Results	13
• Financial Results	16
• Asset Management Company's Management System	19
• Overview of Growth Strategy for a New Stage "Phase I"	20

3. Next Growth Strategy and Forecasts for the Thirteenth Fiscal Period Ending March 31, 2012

• Transition to Growth Strategy for a New Stage "Phase II"	22
• Growth Strategy for "Phase II"	23
• Forecasts for the Thirteenth Fiscal Period	26

4. Appendix

• Balance Sheets	28
• Statements of Income	30
• Statements of Cash Flows / Cash Distributions	31
• Summary of Selected Financial Data	32
• Outline of Portfolio	33
• Portfolio at a Glance	35
• Portfolio Development Policy	38
• Overview of Unitholders as of September 30, 2011	39
• Historical Investment Unit Price	40



1. Overview of the Twelfth Fiscal Period Ended September 30, 2011



Progress Highlights

Twelfth Fiscal Period (Ended September 30, 2011) Cash Distributions Per Unit

Forecast cash distribution

¥9,870



Actual cash distribution

¥10,045

Strategic goal of Phase I of Growth Strategy for a New Stage:
“6-month cash distributions to the 10,000 yen level” – Accomplished

Business Results for the Twelfth Fiscal Period (Ended September 30, 2011)

External growth results

Acquired 1 residential property

Acquisition price **¥2.26** billion

Internal growth results

Maintained and improved occupancy rate

Occupancy rate **97.3%**

Note: Figure is for the entire portfolio as of the fiscal period end.

Financial results

Promoted stability of financial standing

Ratio of fixed rate loans payable	Ratio of long-term liabilities	LTV
62.9%	78.6%	49.3%

Note: Figures represent interest-bearing debt and are as of the fiscal period end.

Progress in “Growth Strategy for a New Stage”

Forecast cash distribution per unit for the thirteenth fiscal period ending March 31, 2012 **¥10,150**

Projected that the strategic goal of Phase I **“6-month cash distributions to the 10,000 yen level” will be maintained**



Transition to Phase II
 Aiming for significant increase in asset size

[Reference] Growth Strategy for a New Stage

Announced in May 2010 with additions in November 2010

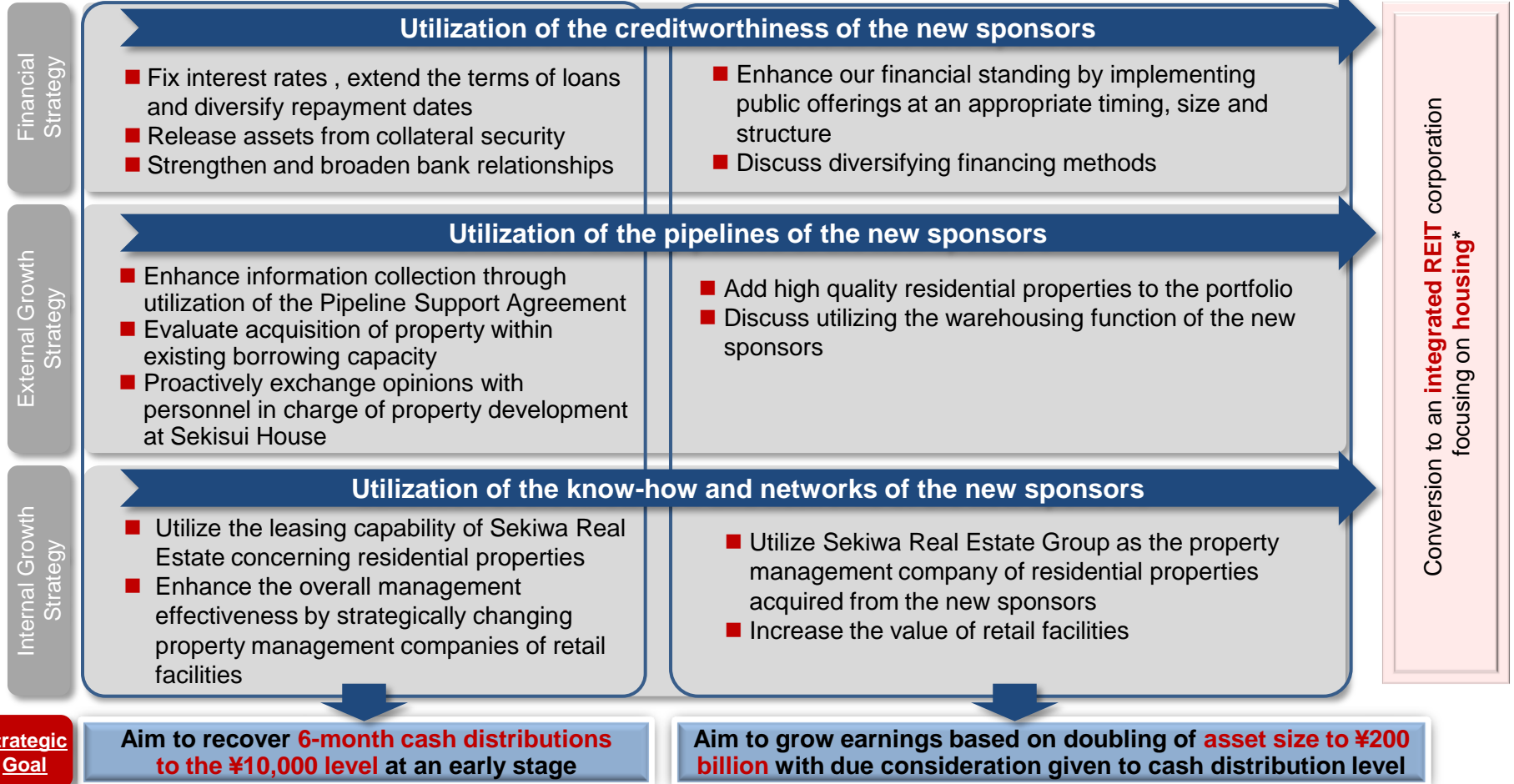
- Assuming implementation of 3 to 5 years -

Phase I (1 to 2 years)

Management Policy **Prioritize the promotion of stabilizing our financial standing**

Phase II (2 to 3 years)

Management Policy **Enhance profitability by significantly increasing asset size**



*Thinking on “conversion to an integrated REIT corporation focusing on housing”

Aim to develop into a REIT that has a strong financial standing through increase of asset size focused on maximizing unitholder returns by building a portfolio centering on high-quality residential properties.

Summary of Business Results for Twelfth Fiscal Period

Comparison with Forecasts

	Fiscal Period Ended Sep. 30, 2011 (Forecasts as of May 16, 2011)	Fiscal Period Ended Sep. 30, 2011 (183 days) (Actual)	Difference	
Operating revenue	¥3,529 million	¥3,533 million	¥3 million	0.1%
Operating income	¥1,588 million	¥1,622 million	¥33 million	2.1%
Ordinary income	¥1,136 million	¥1,156 million	¥19 million	1.8%
Net income	¥1,135 million	¥1,155 million	¥20 million	1.8%
Cash distributions per unit	¥9,870	¥10,045	¥175	1.8%

◆ Factors for differences between actual results and forecasts for the fiscal period ended September 30, 2011

- Operating income
 - Operating revenue
 - Decrease in rent revenue: -¥16 million
 - Increase in other lease business revenue: +¥20 million
 - Operating expenses
 - Decrease in expenses related to rent business: -¥16 million
 - Decrease in other business expenses: -¥13 million
- Ordinary income
 - Increase in non-operating income: +¥2 million
 - Increase in non-operating expenses: +¥16 million

Comparison with Previous Fiscal Period

	Fiscal Period Ended Mar. 31, 2011 (182 days) (Actual)	Fiscal Period Ended Sep. 30, 2011 (183 days) (Actual)	Change	
Operating revenue	¥3,462 million	¥3,533 million	¥70 million	2.0%
Operating income	¥1,655 million	¥1,622 million	-¥33 million	-2.0%
Ordinary income	¥1,144 million	¥1,156 million	¥12 million	1.1%
Net income	¥1,126 million	¥1,155 million	¥28 million	2.6%
Cash distributions per unit	¥9,793	¥10,045	¥252	2.6%

◆ Factors for period-on-period changes to actual results for the fiscal period ended September 30, 2011

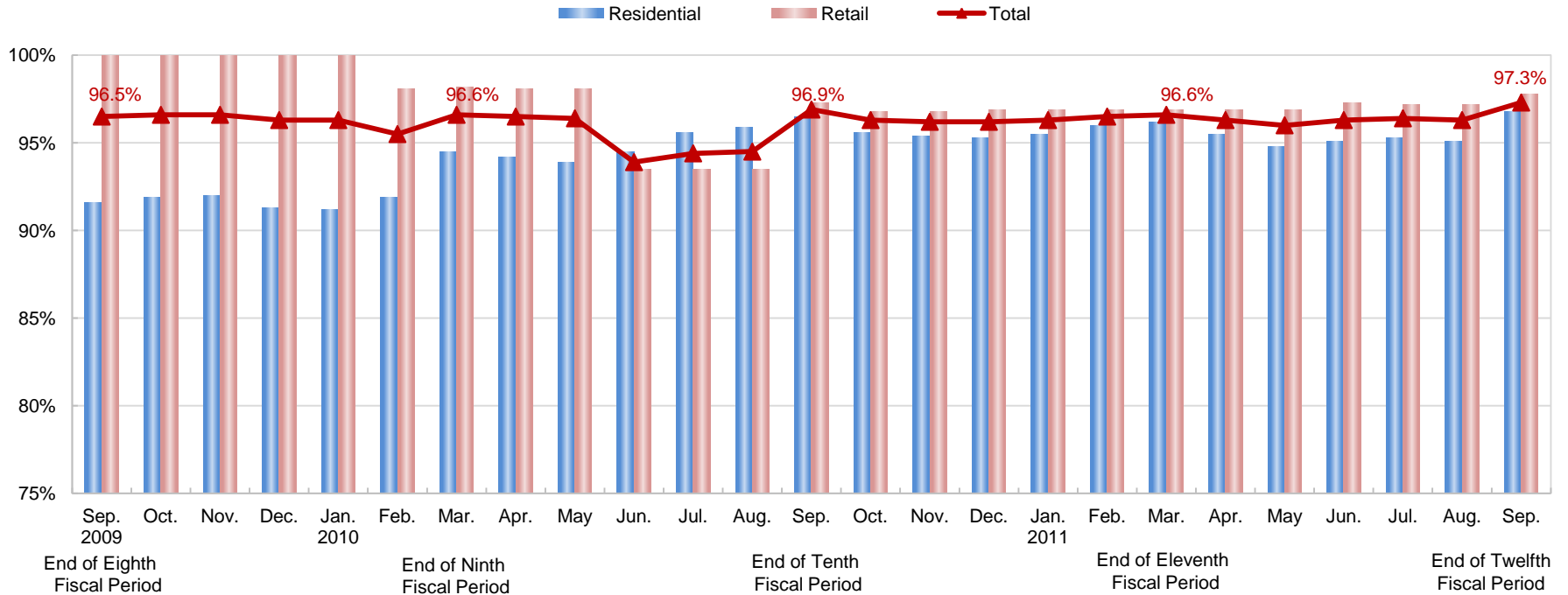
- Operating income
 - Operating revenue
 - Increase in rent revenue: +¥35 million
 - Increase in other lease business revenue: +¥35 million
 - Operating expenses
 - Increase in expenses related to rent business: +¥77 million
 - Increase in other business expenses: +¥27 million
- Ordinary income
 - Increase in non-operating income: +¥1 million
 - Decrease in non-operating expenses: -¥44 million
- Net income
 - Decrease in extraordinary losses: -¥16 million

Total assets	¥107,352 million	¥109,664 million	¥2,312 million
Interest-bearing debt	¥51,874 million	¥54,032 million	¥2,158 million
Net assets	¥51,650 million	¥51,679 million	¥28 million
Period-end investment unit price	¥377,500	¥286,400	
Number of investment units issued and outstanding	115,070 units	115,070 units	
Period-end market value	¥43,438 million	¥32,956 million	
Cash distributions	¥1,126 million	¥1,155 million	

Notes: 1. Amounts less than the indicated unit are rounded down. 2. Percentage figures are rounded to the nearest first decimal place.

Occupancy Rates and NOI Yield

Monthly Occupancy Rates at a Glance



	Occupancy Rates	
	Fiscal period ended September 30, 2011 (twelfth fiscal period)	
	As of September 30, 2011	Average for twelfth fiscal period (Apr. 1, 2011 through Sep. 30, 2011)
Residential	96.8%	95.4%
Retail	97.8%	97.2%
Total	97.3%	96.4%

NOI Yields	
Fiscal period ended September 30, 2011 (twelfth fiscal period)	
	4.9%
	5.3%
	5.0%

Notes: 1. "Occupancy Rates" indicated in the graph describe the rate of total leased space to the total leasable space for assets held by the Investment Corporation as of the end of each month from September 2009 to September 2011.
 2. The average occupancy rate for the twelfth fiscal period ended September 30, 2011 indicates the average of occupancy rates as of the end of each month for the fiscal period from Apr. 1, 2011 through Sep. 30, 2011.
 3. The NOI yield in the table is obtained by dividing the annualized NOI by the total acquisition price for the fiscal period from Apr. 1, 2011 through Sep. 30, 2011.
 4. Percentage figures are rounded to the nearest first decimal place.

Response to Damage from Great East Japan Earthquake

➤ Repair Work Related to the Great East Japan Earthquake

All repair work was completed in the twelfth fiscal period ended September 30, 2011 for properties at which repairs were recorded as allowance for disaster losses in the eleventh fiscal period ended March 31, 2011

Accounting Treatment of Cost of Repairs in the twelfth fiscal period ended September 30, 2011

Actual cost of repairs
 ¥15,538 thousand



Appropriated allowance for disaster losses recorded in the eleventh fiscal period

Difference between allowance for disaster losses of ¥16,694 thousand and actual cost of repairs above
 ¥1,155 thousand



Recorded as reversal of allowance for disaster losses (non-operating income) in the twelfth fiscal period

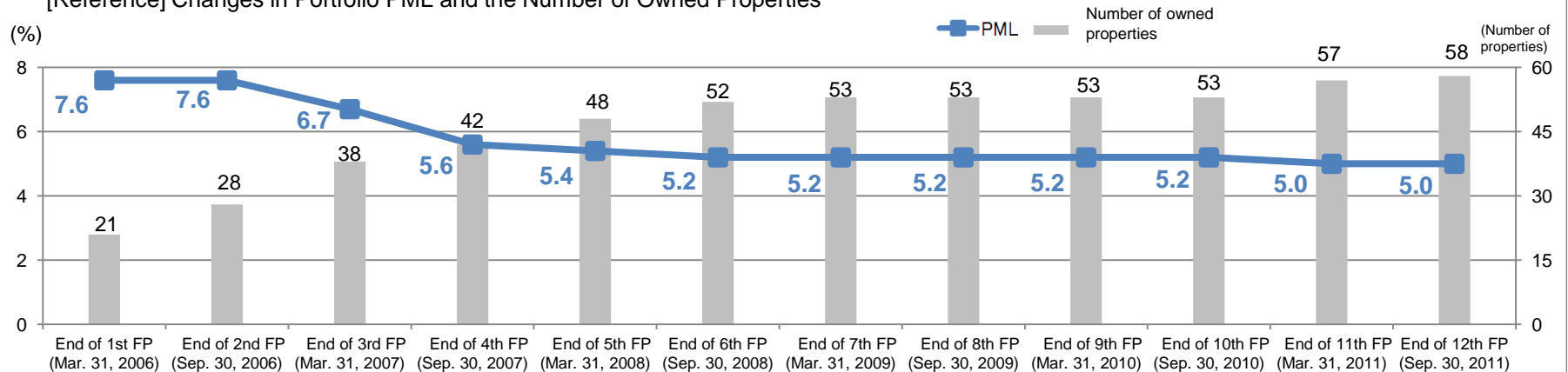
The impact on the Investment Corporation's status of operation was minor

Example of repair work

➤ J-FLATS ITABASHIKUYAKUSHOMAE
 Repair work of tile on outer wall of bicycle parking area



[Reference] Changes in Portfolio PML and the Number of Owned Properties



2. Business Results for the Twelfth Fiscal Period Ended September 30, 2011



Portfolio Summary

As of September 30, 2011 (End of Twelfth Fiscal Period)

Total Acquisition Price (Note 1)	Occupancy Rate	Average Property Age (Note 2)
¥106,234 million	97.3%	7.0 years

Total Number of Properties	PML (Entire Portfolio)	Average Property Age (Note 2) (Residential Properties Only)
58 properties	5.0%	5.5 years

Diversification by Asset Class (Note 3)

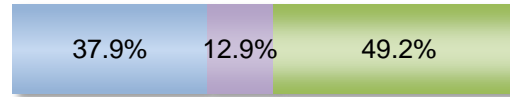
Residential Retail

As of IPO



Diversification by Region (Note 3)

Central Tokyo / Jonan Area
Greater Tokyo/ Adjoining Cities
Major Regional Cities

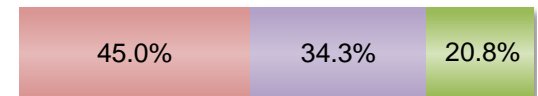
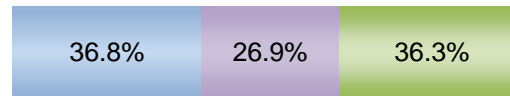
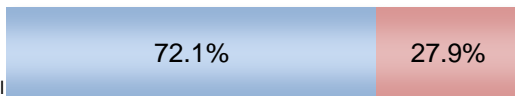


Diversification by Age (Note 3)

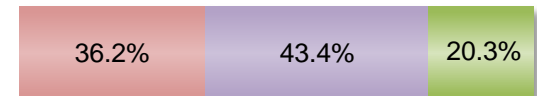
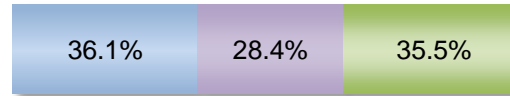
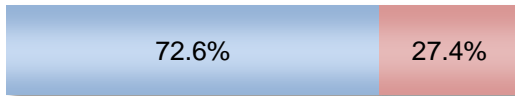
Less than 1 year
1 year to less than 5 years
5 years to less than 10 years
10 years or more



As of Mar. 31, 2011
(End of Eleventh Fiscal Period)

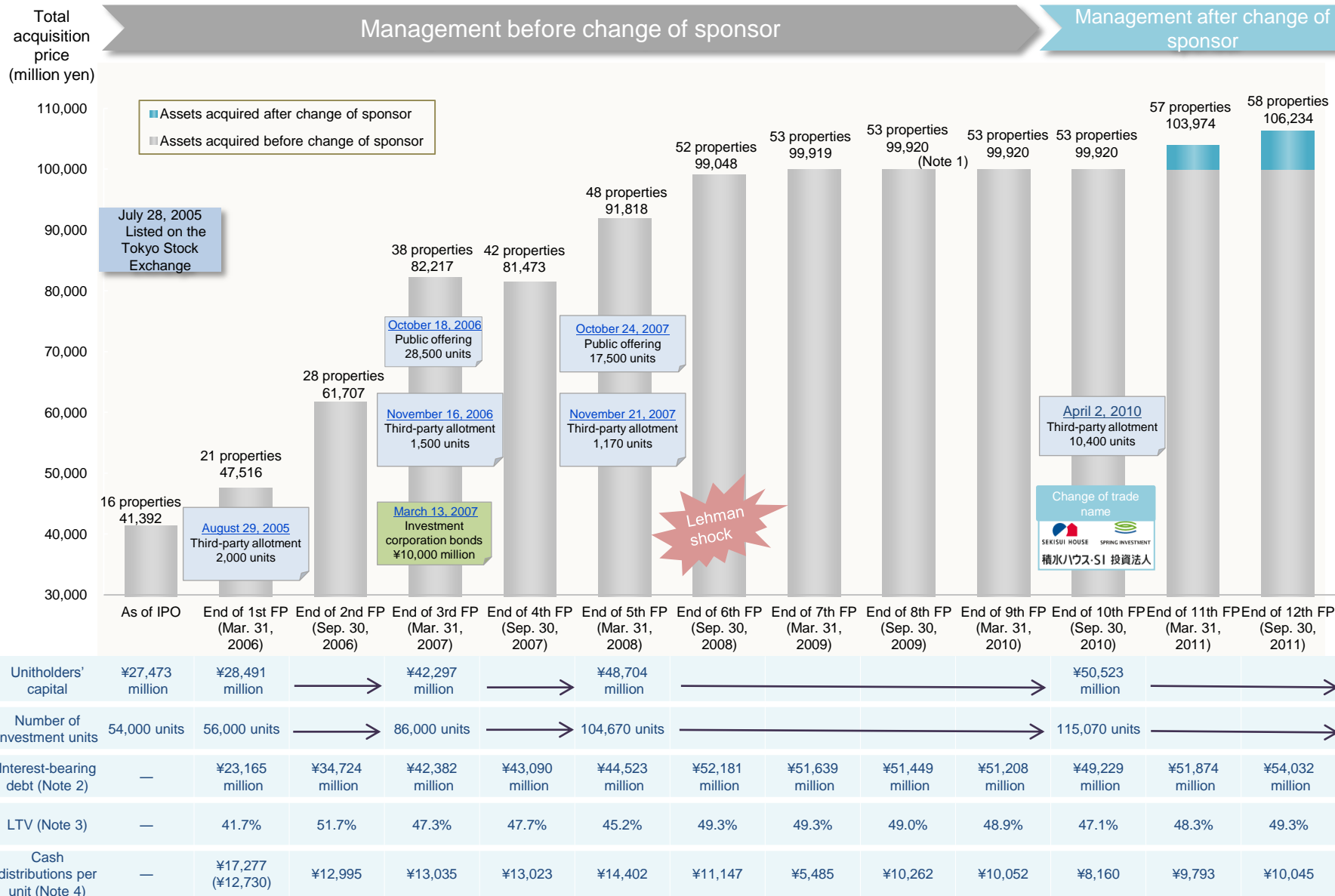


As of Sep. 30, 2011
(End of Twelfth Fiscal Period)



Notes: 1. Concerning total acquisition prices, amounts of less than one million yen are rounded down.
2. Average property ages are the result of calculating the weighted average using investment ratios based on acquisition prices and rounded down to the nearest first decimal place.
3. Investment ratios by each category are calculated based on the acquisition price of each investment asset and rounded to the nearest first decimal place. Accordingly, ratio totals may not add up to 100%.

Changes in Asset Size and Financial Results



Notes: 1. With regard to the Bell Plaza Shopping Center acquired in the fiscal period ended March 31, 2008, adjacent signboards, etc. were additionally acquired at a total of ¥1 million during the fiscal period ended September 30, 2009.
 2. Total interest-bearing debt = Borrowings + Investment corporation bonds + Interest-bearing tenant leasehold and security deposits
 3. LTV = Period-end interest-bearing debt / Period-end total assets
 4. The operating period for the first fiscal period was the 346 days between April 20, 2005 and March 31, 2006. The actual management period was the 247 days between July 28, 2005 and March 31, 2006. In order to compare with the successive fiscal periods, the figure calculated with the number of management days as 182 is indicated in parentheses.

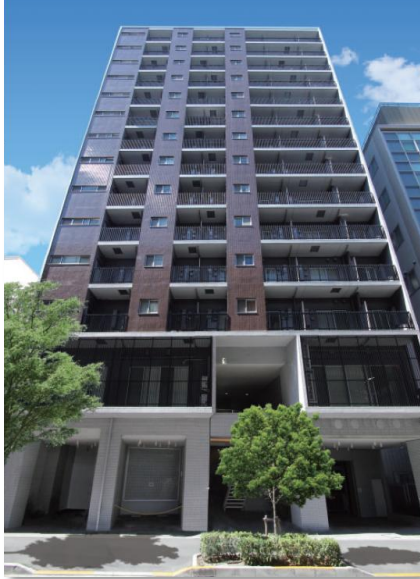
External Growth Results – Property Acquisition Utilizing the Unique Channels of the Asset Management Company 積水ハウス・SI 投資法人

➤ Properties Acquired in the Fiscal Period Ended September 30, 2011 (Twelfth Fiscal Period)

Utilizing the unique channels of asset management company, acquired **one residential property** in Greater Tokyo/ Adjoining Cities

Residence – 54

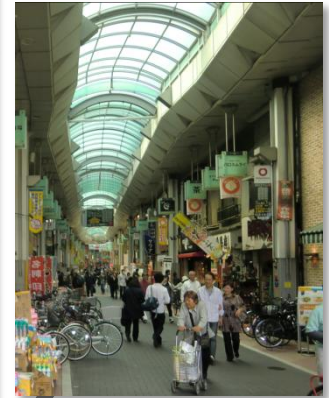
MITEZZA C6



【Property Overview】

A relatively new property mainly for single households which is close to the station. Equipped with bicycle maintenance space, pollen removal device and a bicycle parking in the common use area of each unit. Full-fledged shopping promenade. Good access to major city centers. Targets health-conscious singles and DINKS who value living convenience and access to transportation for commuting.

Location	Oyamahigashicho, Itabashi-ku, Tokyo	Completed	March 2008
Closest station	3-min. walk from Itabashi Kuyakusho-mae Station on the Subway Mita Line 10-min. walk from Oyama Station on the Tobu Tojo Line	Total leasable floor space	4,036.66㎡
Construction and number of floors	RC, 14F	Total number of leasable units	124 (including 4 offices)
Site area	773.48㎡	Acquisition date	June 10, 2011
Total floor area	5,249.34㎡	Acquisition price	2.26 billion yen
Main residential type	Single type	Appraisal value	2.3 billion yen* (as of April 1, 2011)



The nearby Happy Road Oyama Shopping Street

*The amount as found in a real estate price survey as of the end of the fiscal period ended September 30, 2011 (twelfth fiscal period) is the same amount.

Changed property manager / master lessee to **Sekiwa Real Estate, Ltd.** of the Sekisui House Group

Anticipation of improvement of occupancy rate and business efficiency through soliciting tenants utilizing the Sekisui House Group's know-how and network ⇒ Aiming to **enhance profitability**

Before change	
Property manager	Master lease company
BS Property Management Corporation	Tozai Mitezza Lease Godo Kaisha



(Changed on August 1, 2011)

After change	
Property manager	Master lessee
Sekiwa Real Estate, Ltd.	



Internal Growth Results (Residential) – Maintaining High Occupancy Rates and Continuing Stable Management –

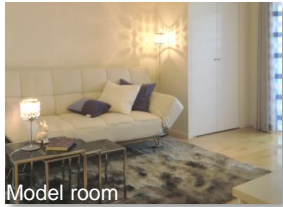
Strengthening Leasing

As a Result of Collaborating with the Property Manager and Implementing Various Measures, **the Overall Residential Occupancy Rate Rose to 96.8%** by the End of the Fiscal Period Ended September 30, 2011 (Twelfth Fiscal Period)

Example of Occupancy Rate Improvement

MITEZZA C6

- Changed property manager and master lessee to **Sekiwa Real Estate, Ltd.** on August 1, 2011
- Installed a **model room** as part of leasing promotion measures



Model room

Displaying image of how residents might use



End of June 2011
88.1%



End of period ended September 30, 2011
94.7%

Note: Acquisition date: June 10, 2011

ACT HILLS YACHIYO

- Concluded a **3-year lease agreement** with a corporate tenant (domestic life insurance company) at office compartment which had been vacant for a long time

[Contracted floor space] ⇒ **Contributed to 6.5% worth of leasable floor space**
313.23㎡

End of period ended March 31, 2011
88.3%



End of period ended September 30, 2011
96.9%



EL CIELO MEGUROHONCHO

- Conducted **leasing promotion campaign** such as with lump-sum payment reduction as part of flexible solicitation strategy

End of period ended March 31, 2011
86.4%



End of period ended September 30, 2011
96.9%



Maintaining the Contract Renewal Rate

As a Result of Making Early and Individual Approaches to Tenants with Planned Contract Renewal, as well as Conducting Measures for Enhanced Tenant Satisfaction by Promoting Cleaning and Beautification of Common-Use Areas and such, **the Contract Renewal Rate Successfully Maintained a Consistent Level (Reduction of Restoration and Leasing Fees, etc. After Tenants Vacate)**

Example of Promotion of Cleaning and Beautification

Spacia MEGURO



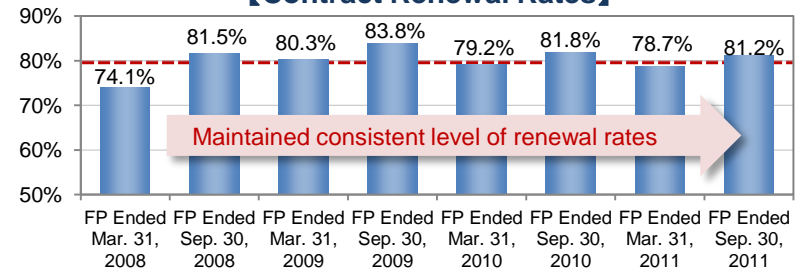
Conducted pruning and replanting of plants at the entrance

FITL OIZUMIGAKUEN



Placed stones in the courtyard and brightened up the image

[Contract Renewal Rates]



Note: Renewal rate: The ratio of the number of residential units for which contracts were renewed against the number of residential units due for contract renewal during the fiscal period

Internal Growth Results (Residential) – Occupancy Status and Rent Trends –

➤ Occupancy Status by Region (Residential)

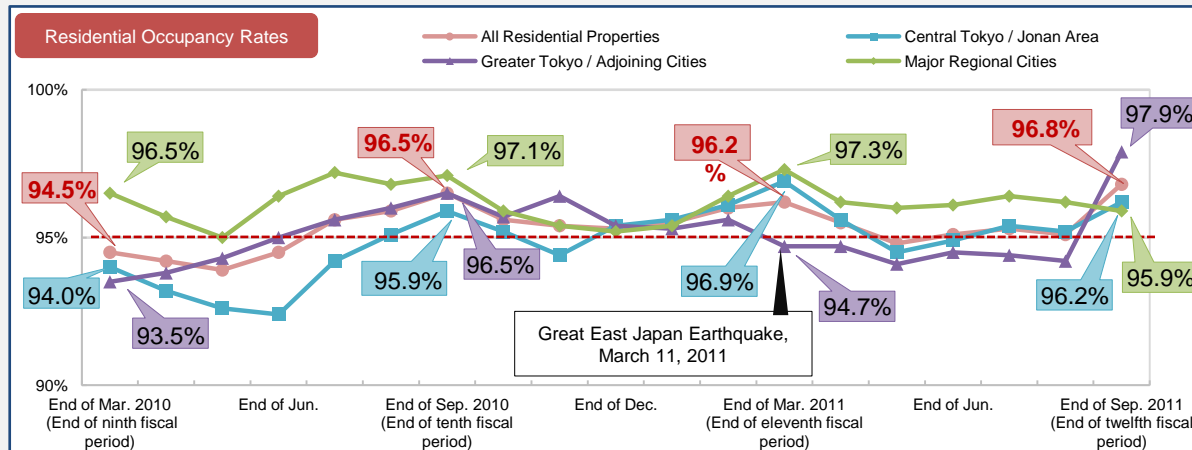
High Occupancy Rates Being Maintained in Each Area. Impact of Great East Japan Earthquake on Occupancy Status is Limited.

Occupancy Status of Twelfth Fiscal Period Ended September 30, 2011

- Though occupancy rates temporarily dropped in April and May after the Great East Japan Earthquake, it has been improving since then.

Average Occupancy Rates for Twelfth Fiscal Period

All Residential Properties	95.4%
Central Tokyo / Jonan Area	95.3%
Greater Tokyo / Adjoining Cities	95.0%
Major Regional Cities	96.1%



Note: The fiscal period end occupancy rates and the average occupancy rates for the period of residential properties by region include stores and offices in residential properties in the base of calculation. In addition, the average occupancy rates for the twelfth fiscal period are the averages of the occupancy rates at the end of each month of the fiscal period.

➤ Rent Trends of Residential Properties Owned by Investment Corporation

Margins of Rent Decrease are on a Shrinking Trend for Rent in Each Area. We are Continually Closely Watching Leasing Market Trends.

➤ Rate of Change of Rent Per Tsubo from End of Previous Period

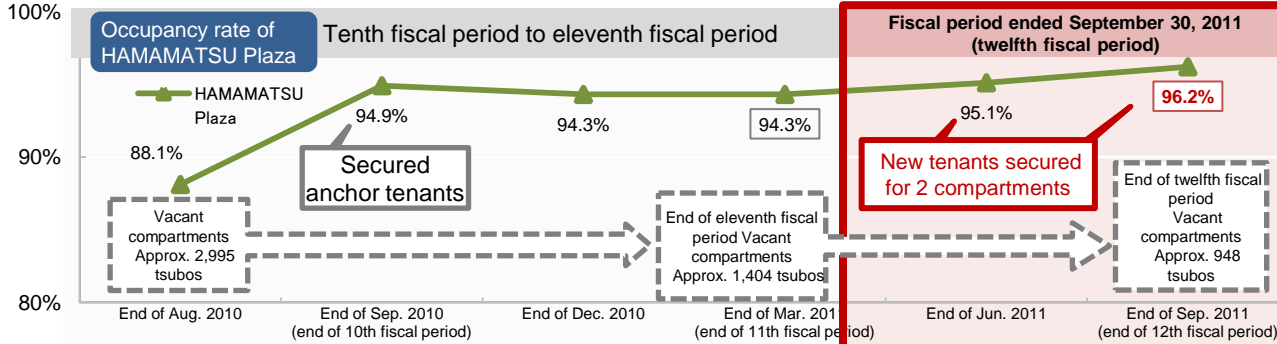
Area	End of fiscal period ended March 31, 2011 (eleventh fiscal period)		End of fiscal period ended September 30, 2011 (twelfth fiscal period)	
	Central Tokyo / Jonan Area	-0.8%	All Residential Properties -0.5% (Improved 0.9 points from previous fiscal period)	-0.5%
Greater Tokyo / Adjoining Cities	-0.5%	-0.2%		
Major Regional Cities	-0.2%	-0.2%		

Note: The above chart shows by area the rate of change of rent per tsubo of properties owned as of the end of the fiscal period as compared to the end of the previous period. Stores and offices in residential properties are not included in the base of calculation. The rate of change is rounded to the nearest first decimal place.

Internal Growth Results (Retail) – Status of HAMAMATSU Plaza and b-toss IKEBUKUO –

Occupancy Status of HAMAMATSU Plaza

Occupancy Rate Improved Through Securing of New Tenants



Opening of new tenant store

Hokuriku Toyama Kaitensushi Kaio Hamamatsu Plaza West Store opened on October 5, 2011

Secured contract with a tenant that attracts many customers and has potential to vitalize the facility

- Sep. 2010 Began large scale renewal work with intention of reviewing and transforming the facility concept
- Sep. 2010 Secured anchor tenants
Bowling alley "T.T BOWL Hamamatsu Plaza West"
- Nov. 2010 Completed the above major renewal work

- Jun. 2011 Secured new tenant "Hokuriku Toyama Kaitensushi Kaio Hamamatsu Plaza West Store"
Lease: Jun. 10, 2011 to Jun. 9, 2021 (10 years)
- Sep. 2011 Secured new tenant "Japan Pension Service"
Lease: Sep. 1, 2011 to Feb. 29, 2012 (6 months)
*Use as temporary office



The store's opening

Status of b-toss IKEBUKUO

Settlement reached in a lawsuit on rent decrease

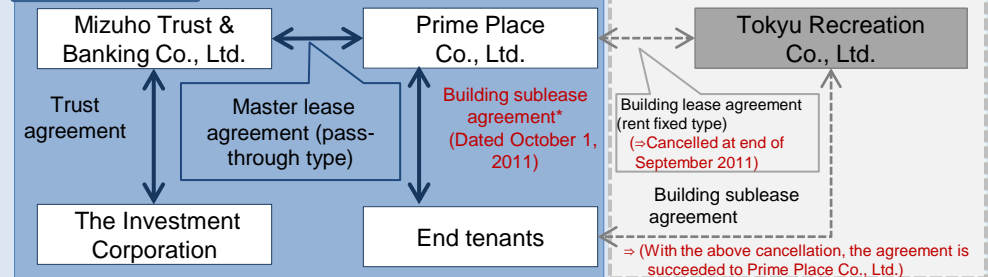
June 2011 A settlement was reached with Tokyu Recreation Co., Ltd., which was a sublease tenant, in a lawsuit on rent decrease

With Tokyu Recreation Co., Ltd.'s cancellation of the lease agreement, transitioned into a direct contract between the master lessee (Prime Place Co., Ltd.) and the end tenant from October 1, 2011

Content of settlement

- The Investment Corporation approved partial rent decrease from May 1, 2009 for Tokyu Recreation Co., Ltd., and **paid the difference in rents due to revision of 39.98 million yen** (paid in the twelfth fiscal period).
- As part of the settlement, it was agreed that the lease agreement between the master lessee and Tokyu Recreation Co., Ltd. would be **cancelled as of September 30, 2011.**
- The Investment Corporation **received a cancellation penalty fee of 45 million yen** from Tokyu Recreation Co., Ltd. based on the lease agreement (received in the twelfth fiscal period).

New Scheme



Financial Results – Initiatives to Promote Stabilizing of Financial Standing (1) –

Overview of Financing Activities

Continued to Conduct Steady Funding in this Period and **Increased Stability of Financial Standing**

	Loan Amount	Lender	Loan Term	Interest Rate / Spread	Collateral
Refinancing in May 2011	¥2.85 billion	Three existing lenders including Development Bank of Japan	Approx. 4 years 10 months	Fixed 0.8%	Unsecured
New borrowings In June 2011	¥2.3 billion	Six existing lenders including Bank of Tokyo-Mitsubishi UFJ	Approx. 2 years 3 months	Floating 0.7%	Unsecured
Refinancing in July 2011	¥3.45 billion	Four existing lenders including The Norinchukin Bank	Approx. 3 years 7 months	Fixed 0.7%	Unsecured

Rating Status

As of September 30, 2011

- **Rating agency**
Rating and Investment Information, Inc. (R&I)
- **Issuer rating**
A (Rating outlook: Stable)

Entering into interest rate swap agreement

Interest rate swap agreement entered into relating to the refinancing in July 2011

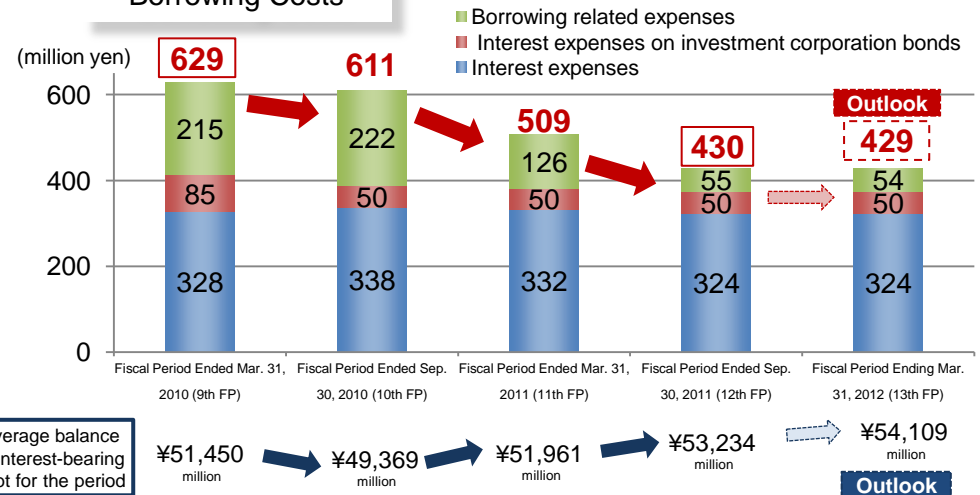
Virtually Fix Interest rates and avoid risk of increasing interest rates

Status of Borrowing Costs

Steadily Realized **Significant Reduction** of Borrowing Costs

- **Most of the costly borrowings** from before the change of sponsors have been **refinanced** during the twelfth fiscal period with the backdrop of the creditworthiness of Sekisui House
- Though **the average balance of interest-bearing debt for the period rose** with new borrowings in the twelfth fiscal period, borrowing costs in the thirteenth fiscal period are estimated to be **maintained at the same level** as that in the twelfth fiscal period

Borrowing Costs

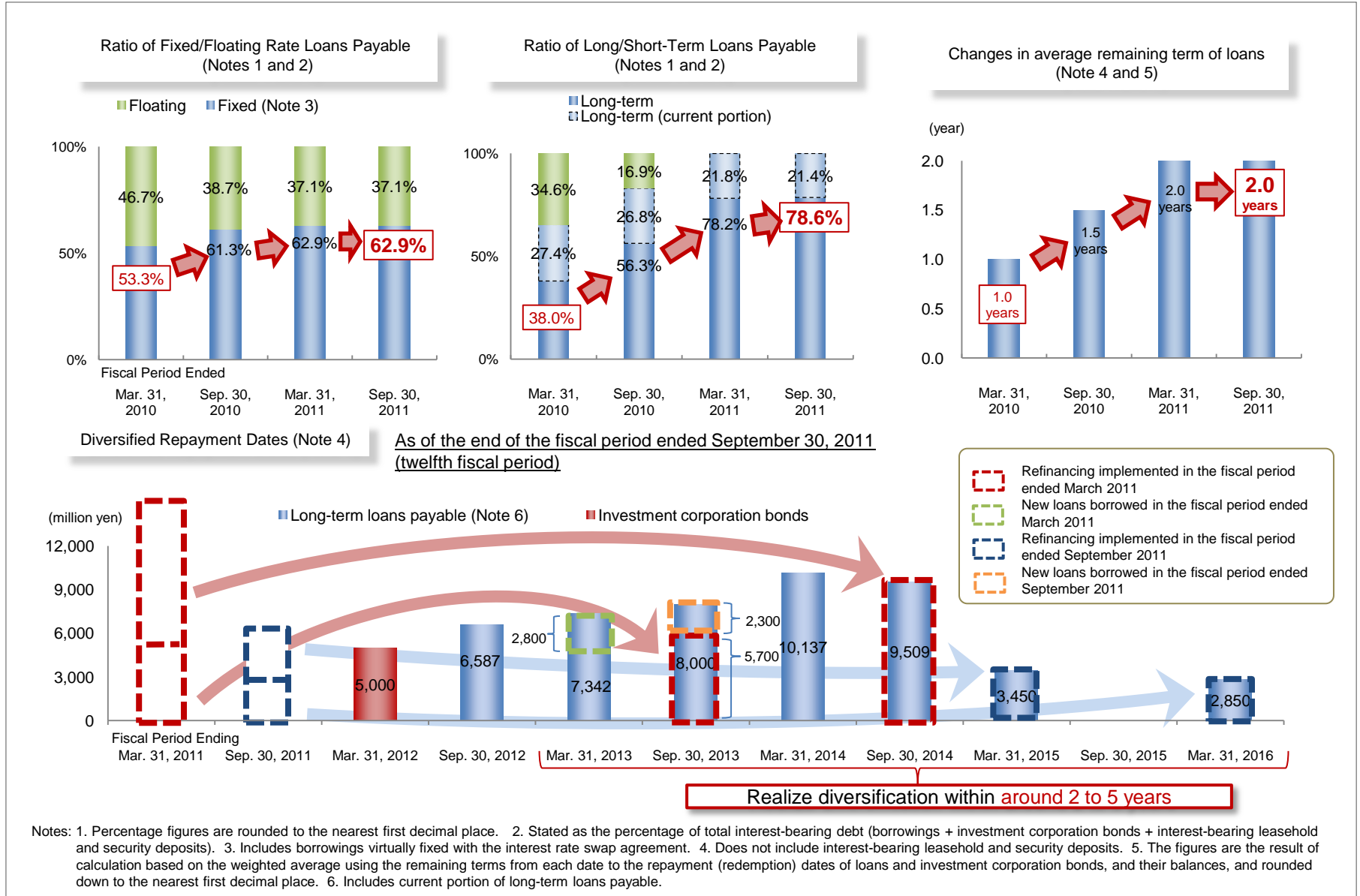


Notes: 1. Amounts are rounded down to the nearest million yen.

2. The fiscal period ending March 31, 2012 (thirteenth fiscal period) outlook figures are based on the assumption that all investment corporation bonds maturing during the fiscal period ending March 31, 2012 will be redeemed through the issuance of new investment corporation bonds and that there will be no new borrowings, etc. other than this.

Financial Results – Initiatives to Promote Stabilizing of Financial Standing (2) –

➤ Fix Interest Rates, Extend Loan Terms, and Diversify Repayment Dates



Financial Results – Overview of Interest-Bearing Debt as of September 30, 2011 –

Overview of Interest-Bearing Debt

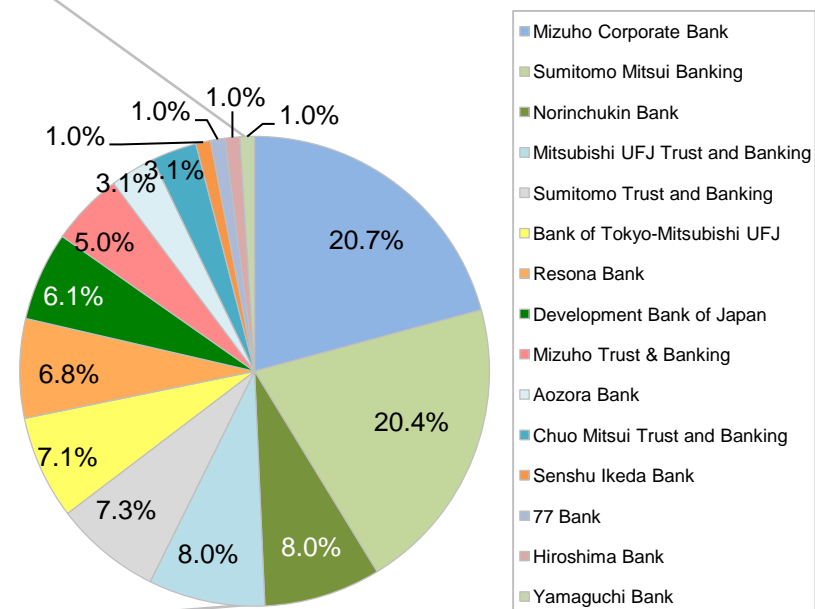
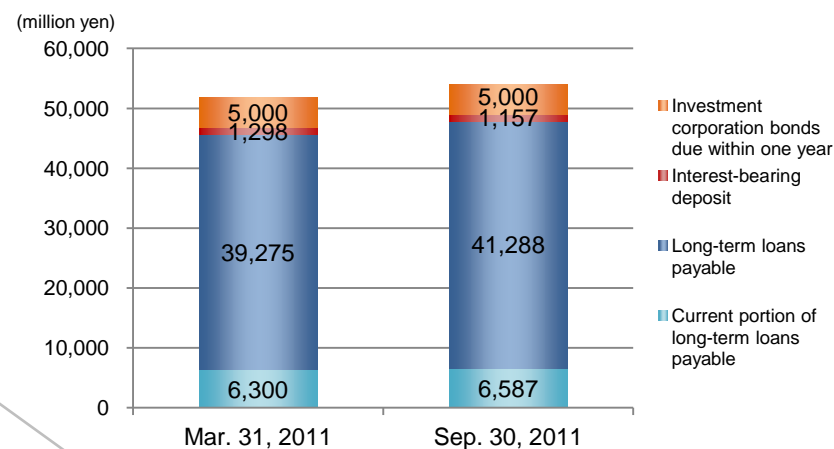
	Outstanding Balance	Average Interest Rate on Procurement (Note 2)
Short-term loans payable	- million	-%
Long-term loans payable (Note 3)	¥47,875 million	1.3%
Interest-bearing deposits	¥1,157 million	2.0%
Investment corporation bonds (Note 3)	¥5,000 million	2.0%
Total interest-bearing debt	¥54,032 million	1.4%

LTV (Note 4) 49.3%

Loans Payable Outstanding by Financial Institution

Financial Institution	Outstanding Balance	Share
Mizuho Corporate Bank, Ltd.	¥9,932 million	20.7%
Sumitomo Mitsui Banking Corporation	¥9,773 million	20.4%
The Norinchukin Bank	¥3,852 million	8.0%
Mitsubishi UFJ Trust and Banking Corporation	¥3,842 million	8.0%
The Sumitomo Trust and Banking Co., Ltd.	¥3,500 million	7.3%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	¥3,400 million	7.1%
Resona Bank, Ltd.	¥3,250 million	6.8%
Development Bank of Japan Inc.	¥2,941 million	6.1%
Mizuho Trust & Banking Co., Ltd.	¥2,384 million	5.0%
Aozora Bank, Ltd.	¥1,500 million	3.1%
The Chuo Mitsui Trust and Banking Company, Limited	¥1,500 million	3.1%
The Senshu Ikeda Bank, Ltd.	¥500 million	1.0%
The 77 Bank, Ltd.	¥500 million	1.0%
The Hiroshima Bank, Ltd.	¥500 million	1.0%
The Yamaguchi Bank, Ltd.	¥500 million	1.0%
Total Debt	¥47,875 million	100.0%

Period-on-Period Comparison of Interest-Bearing Debt



Notes: 1. Concerning figures in the graphs and tables above, amounts of less than one million yen are rounded down and percentage figures are rounded to the nearest first decimal place.
 2. The average interest rate on procurement is the weighted average of applied interest rates as of September 30, 2011, and the figures are rounded to the nearest first decimal place.
 3. Includes current portion of long-term loans payable and investment corporation bonds due within one year.
 4. LTV = Period-end total interest-bearing debt / Period-end total assets (Interest-bearing debt = Borrowings + Investment corporation bonds + Interest-bearing leasehold and security deposits)

Asset Management Company's Management System

Overview of the Asset Management Company

Trade name	Sekisui House SI Asset Management, Ltd. Financial Instruments Business Operator (Director of Kanto Local Finance Bureau (Kinsho) Number 337)
Capital	¥200 million
Established	July 28, 2004
Number of officers and employees	32 (excluding part-time officers)

Organization chart

```

graph TD
    GMS[General Meeting of Shareholders] --- Auditor[Auditor]
    GMS --- Board[Board of Directors]
    Board --- Investment[Investment Committee]
    Board --- Compliance[Compliance Committee]
    Board --- ComplianceOff[Compliance Officer]
    Board --- President[President]
    President --- Risk[Risk Management and Compliance Office]
    President --- RealEstate[Real Estate Investment Department]
    President --- AssetMgmt[Asset Management Department]
    President --- IR[IR & Financial Affairs Department]
    President --- Management[Management Department]
    
    RealEstate --- Acq[Acquisition Section]
    AssetMgmt --- AS[Asset Management Section]
    IR --- FA[Financial Affairs Section]
    IR --- IRSec[IR Section]
    Management --- Acc[Accounting Section]
    Management --- GA[General Affairs Section]
    
```

Note: Data is as of the end of September 2011.

Strengthening of Management Status

Personnel Reinforcement from Sekisui House: Six Seconded as of the End of September 2011

Breakdown of Seconded Staff

Full-time director (Real Estate Investment Department and Management Department) : 1
 Real Estate Investment Department: 2
 Asset Management Department : 1
 IR & Financial Affairs Department: 1
 Management Department : 1

5 employees are seconded from Sekisui House after the change of sponsor in March 2010

Strengthening communication and collaboration between each section of the Asset Management Company and each department of Sekisui House
Deepening the relationship from sponsor commitment and personnel affairs

Overview of Growth Strategy for a New Stage “Phase I”

Having Promoted Each Measure Under a Management Policy that Prioritizes the Promotion of Stabilizing our Financial Standing, **Achieved the Strategic Goal for Phase I**

	Measures for Phase I	Period ended September 30, 2010 (Tenth fiscal period)	Period ended March 31, 2011 (Eleventh fiscal period)	Period ended September 30, 2011 (Twelfth fiscal period)	Achievement status
Financial Strategy	<ul style="list-style-type: none"> Fix interest rates, extend the terms of loans and diversify repayment dates Release assets from collateral security Strengthen and broaden bank relationships 	<p>Utilization of the creditworthiness of the sponsors</p> <ul style="list-style-type: none"> Realized fixing of interest rates, extension of the terms of loans and diversifying of repayment dates → Fixed interest ratio: 62.9% Long-term ratio: 78.6% Realized releasing assets from collateral security for all borrowings in July 2010 → Continuation of zero collateral Borrowed from six new financial institutions in July and August of 2010 → Since then, maintained bank formation of 15 institutions 			<ul style="list-style-type: none"> Reached the target level set as the financial strategy Realized reduction of borrowing costs
External Growth Strategy	<ul style="list-style-type: none"> Enhance information collection through utilization of the Pipeline Support Agreement Evaluate acquisition of property within existing borrowing capacity Proactively exchange opinions with personnel in charge of property development at Sekisui House 	<p>Utilization of the pipeline of the sponsors</p> <ul style="list-style-type: none"> Proactively gathering property information from other sources in addition to the information from the sponsor → Information providers/property information on increasing trend <ul style="list-style-type: none"> October 2010: Acquired 3 properties March 2011: Acquired 1 property June 2011: Acquired 1 property Periodically holding planning meetings with Sekisui House's East Japan Development Department → Participated in Sekisui House's single and compact type rental condominium project for the Tokyo metropolitan area. 			<ul style="list-style-type: none"> Realized external growth of 5 residential properties (total acquisition price of 6.3 billion yen) Development of property acquisition channels for Phase II “significantly increasing asset size”
Internal Growth Strategy	<ul style="list-style-type: none"> Utilize the leasing capability of Sekiwa Real Estate concerning residential properties Enhance the overall management effectiveness by strategically changing property management companies of retail facilities 	<p>Utilization of the know-how and networks of the sponsors</p> <ul style="list-style-type: none"> Change of property managers at 6 retail facilities <ul style="list-style-type: none"> Assigning Sekiwa Real Estate Group as a property manager for the 3 properties acquired from Sekisui House Anchor tenant opened after renewal of HAMAMATSU West Building at HAMAMATSU Plaza completed Assigning Sekiwa Real Estate Group as property management company for the property acquired from outside Settlement reached in a lawsuit on rent decrease at b-toss IKEBUKURO 			<ul style="list-style-type: none"> Occupancy rate of entire portfolio has been maintained at high level Focusing on leasing, aiming for full occupancy of retail facilities
	<p>Strategic Goal Aim to recover 6-month cash distributions to the ¥10,000 level at an early stage</p>	Tenth fiscal period actual cash distribution 8,160 yen	Eleventh fiscal period actual cash distribution 9,793 yen	Twelfth fiscal period actual cash distribution 10,045 yen	Realized recovery of 6-month cash distributions to the 10,000 yen level

3. Next Growth Strategies and Forecasts for the Thirteenth Fiscal Period Ending March 31, 2012



Transition to Growth Strategy for a New Stage “Phase II”

From Formulation and Announcement of Growth Strategy to Phase I

May 2010

Formulation and Announcement of Growth Strategy (partial additions in November 2010)

Management Policy: Prioritize the promotion of stabilizing our financial standing
Strategic Goal: Aim to recover 6-month cash distributions to the 10,000 yen level at an early stage

Fiscal Period Ended September 30, 2011
(twelfth fiscal period)

As a result of management based on the management policy, achieved strategic goal “6-month cash distributions to the 10,000 yen level” within expected period

Transition to Phase II

Fiscal Period Ending March 31, 2012 (thirteenth fiscal period)

In order to maintain and increase the cash distribution level, transition to Phase II with succeeding most of the measures of Phase I

Management Policy: Enhance profitability by significantly increasing asset size
Strategic Goal: Aim to grow earnings based on doubling of asset size to 200 billion yen with due consideration given to cash distribution level

Implementation period

With regard to the initially assumed implementation period (2 to 3 years), flexible deliberations on extension will be made according to market conditions

Measures for Phase II

External Growth Strategy

- Add high quality **residential properties** to the portfolio
- Discuss utilizing the warehousing functions of the sponsors

Internal Growth Strategy

- Utilize **Sekisui Real Estate Group as the property management company** of residential properties acquired from the sponsors
- Increase the value of retail facilities

Financial Strategy

- Enhance our financial standing by implementing public offerings at an appropriate timing, size and structure
- Discuss **diversifying financing methods**

Further Strengthening of Collaboration with Sponsors

Aim to develop into a REIT that has a strong financial standing through increase of asset size focused on maximizing unitholder returns by building a **portfolio centering on high-quality residential properties.**

Growth Strategy for “Phase II” – External Growth Strategies –

External Growth Strategy

Add High Quality Residential Properties to the Portfolio

- Enhance profitability by increasing asset size centering on utilization of the supply capability of high-quality rental housing owned by Sekisui House
- Continue to discuss establishment of pipelines with Sekiwa Real Estate Group companies which are Sekisui House’s fully-owned subsidiaries
- Discuss replacement of properties for the improvement of the portfolio’s quality

Discuss Utilizing the Warehousing Functions of the Sponsors

- Multilaterally discuss means of adjustment of property acquisition timing including establishment of warehousing functions, according to needs

Raise investment ratio of residential properties which have cash flow with relatively high stability



Consider the submission of agenda for change of Articles of Incorporation (target of asset management) at the general meeting of unitholders (Review of core assets)

[Reference] Rental Housing Properties Owned by Sekisui House and Rental Housing Properties Under Development

Owned Rental Housing Properties (Note 1)



**Residencia
Ginza East**
Chuo-ku, Tokyo



**Prime Maison
GOKISO**
Nagoya-shi, Aichi



**Prime Maison
YUHIGAOKA**
Osaka-shi, Osaka



**Prime Maison
KITA TANABE**
Osaka-shi, Osaka



**Prime Maison
TERIHA**
Fukuoka-shi, Fukuoka

With its philosophy of “permanent residential quality” and “placing residents first,” leading residential property developer Sekisui House owns urban rental condominiums which are high-quality and score high in tenant satisfaction, starting with the Prime Maison Series that the company has either planned, developed or invested in with its know-how gained from years of working with for-sale condominiums.

Rental Housing Properties Under Development (Notes 1 and 2)



**(Tentative name) Prime
Maison HATCHOBORI**
Chuo-ku, Tokyo



**(Tentative name) Prime
Maison WASEDA**
Shinjuku-ku, Tokyo

Properties located in Central Tokyo for which the Asset Management Company is also participating in development meetings

Notes: 1. There are no specific plans to acquire these properties. 2. Images are renderings based on design documents and may differ from the actual buildings.

Growth Strategy for “Phase II” – Internal Growth Strategy –

Internal Growth Strategy

Utilize Sekiwa Real Estate Group as the Property Management Company of Residential Properties Acquired from the Sponsor

- In the case of an acquisition of a property developed by Sekisui House, the leading candidate for the property management company will be the Sekiwa Real Estate Group which would have a deeper understanding of the characteristics of such a property
⇒ The final decision will be made with rigorous evaluation according to the rules of the Asset Management Company
- Conduct tenant solicitation and effective central management utilizing the Sekiwa Real Estate Group’s nationwide network and know-how of property management

Increase the Value of Retail Facilities

- Considering on installing of new equipment and compartment renovation work, according to needs, for the realization of a full occupancy of retail facilities at an early stage
- An early and accurate understanding of the needs of tenants
⇒ Appropriate responses to requests for rent revision and contract renewals
- Proactively exchange opinions with Spring Investment concerning management of retail facilities

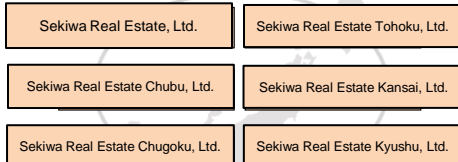
Establish the Sekisui House SI brand
Strengthen leasing by aiming to
enhance recognition in the market



Aim for enhancement in profitability of
existing portfolio

[Reference] Sekiwa Real Estate Group

- Fully funded by Sekisui House, the core is the 6 Sekiwa Real Estate companies conducting business nationwide
- Expand Sekisui House’s real estate department (real estate sale and real estate leasing business)
- The real estate leasing department has records of management of 480,000 units nationwide centering on rental housing (Note 1)
- Occupancy rate for properties leased as Sha-Maison (Note 2) : 95.7% (Note 1)



→ Promoting the
establishment of a
collaborative structure for
residential leasing

“MAST CLUB” promoted by the Sekiwa Real Estate Group

As part of its promotional measures for new residents, the Sekiwa Real Estate Group is promoting the “MAST CLUB” to residents of rental housing managed by Sekiwa Real Estate companies, which provides members with life support and other services



MAST Point Service (free membership, no annual fees)

A maximum of 3 months of free rent will be given when relocating to a property managed by the Sekiwa Real Estate Group by giving points back by turning rent into points. Furthermore, there are some services for purchasing real estate.

Notes: 1. Figure is as of the end of July 2011.

2. “Sha-Maison” refers to the rental housing brand where construction is undertaken by Sekisui House and management by the Sekiwa Real Estate Group.

Growth Strategy for “Phase II” – Financial Strategies –

➤ Financial Strategy

■ Enhance Our Financial Standing by Implementing Public Offerings at an Appropriate Timing, Size and Structure

- Consider implementing public offerings through comprehensive consideration of revenue outlook, NAV, LTV, etc.

Enhance profitability of portfolio
 Increase market value (liquidity) of investment units



Aim for maintaining and increasing cash distribution level

■ Discuss Diversifying Financing Methods

- Discuss setting a commitment line aiming for agile financing
- Further strengthening of bank formation (diversification of lenders)
- Discuss refinancing via issuance of investment corporation bonds and loans as redemption funds for the investment corporation bonds of March 2012 through comprehensive consideration of economic conditions, etc.



Re-registration is scheduled for the shelf registration of investment corporation bond which will expire during the fiscal period ending March 2012 (thirteenth fiscal period)

(Acquisition of new credit rating continues to be considered)

Secure flexible and stable financing methods according to market conditions
 Aim for reducing financing costs



Aim for further strengthening of our financial standing

➤ Basic Thinking on Financing Methods

Aim for implementing public offerings at appropriate timing from the point of view of maximizing unitholder returns, constantly preparing for and discussing the best financing methods, toward enhancing profitability by significantly increasing asset size

■ Our Understanding of Current Economic Environment

The Tokyo Stock Exchange REIT Index at the end of October 2011 was 902.22, down 14.5% compared to the end of March 2011. The global market is in turmoil with the backdrop of the European sovereign debt issues, etc.

We understand that in executing the growth strategy of “Phase II,” careful deliberation is required for equity financing

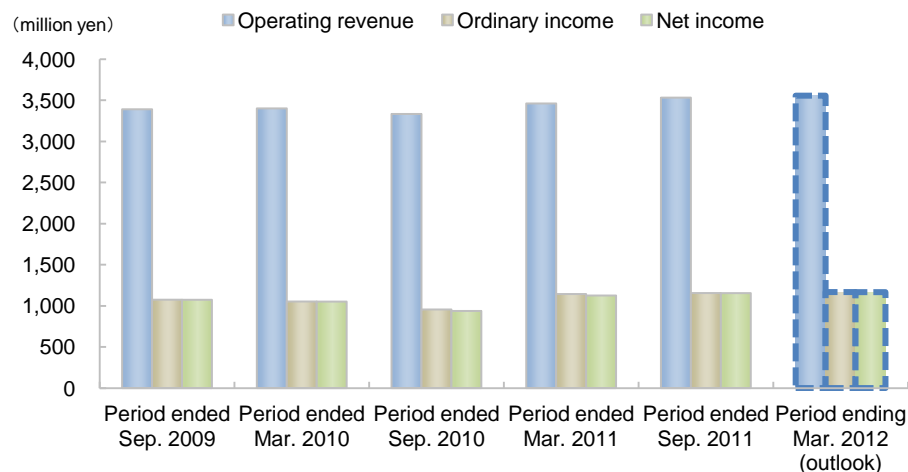
Issue of Top Priority in Public Offering

Maintaining and increasing cash distribution level

- Maintaining the current stance of focusing on existing unitholders -

Forecasts for the Thirteenth Fiscal Period

Operating Revenue, Ordinary Income and Net Income



Cash Distributions per Unit



	Fiscal Period Ended Sep. 30, 2009 (183 days)	Fiscal Period Ended Mar. 31, 2010 (182 days)	Fiscal Period Ended Sep. 30, 2010 (183 days)	Fiscal Period Ended Mar. 31, 2011 (182 days)	Fiscal Period Ended Sep. 30, 2011 (183 days)	Fiscal Period Ending Mar. 31, 2012 (183 days) (outlook)
Operating revenue (million yen)	3,391	3,402	3,334	3,462	3,533	3,557
Ordinary income (million yen)	1,075	1,053	956	1,144	1,156	1,168
Net income (million yen)	1,074	1,052	938	1,126	1,155	1,167
Cash distributions per unit (yen)	10,262	10,052	8,160	9,793	10,045	10,150

<Assumptions for forecast of fiscal period ending March 31, 2012>

- ◆ Assets under management: 58 properties owned as of the fiscal period ended September 30, 2011 (twelfth fiscal period)
- ◆ Management fees: Approx. ¥335 million
- ◆ Noncurrent asset tax, etc. that will be allocated as expenses related to rent business: Approx. ¥220 million
- ◆ Depreciation and amortization: Approx. ¥680 million
- ◆ Interest expenses, loan origination fees, etc.: Approx. ¥429 million
- ◆ Number of investment units issued and outstanding: 115,070 units

Notes: 1. Amounts less than the indicated unit are rounded down.

2. The above figures are calculated based upon specific assumptions as of November 14, 2011. Actual operating revenue, ordinary income, net income and cash distributions per unit may differ as a result of subsequent acquisitions or sales of real estate, trends in real estate markets, changes in the operating environment or other conditions affecting the Investment Corporation. The above forecasts are not intended to be guarantees of business results or cash distributions.



4. Appendix



Prime Maison HIGASHISAKURA

Balance Sheets (1)

	11th fiscal period (As of March 31, 2011)		12th fiscal period (As of September 30, 2011)		Change	
	Million yen	Percent of total	Million yen	Percent of total	Million yen	Period on period (%)
Assets						
Current assets						
Cash and deposits	1,731		2,184		452	
Cash and deposits in trust	3,348		3,408		60	
Operating accounts receivable	52		44		-8	
Prepaid expenses	103		170		66	
Deferred tax assets	0		-		-0	
Other	9		0		-9	
Allowance for doubtful accounts	-20		-2		18	
Total current assts	5,225	4.9	5,806	5.3	581	11.1
Noncurrent assets						
Property, plant and equipment						
Buildings in trust	43,402		44,781		1,378	
Accumulated depreciation	-5,389		-6,020		-630	
Buildings in trust, net	38,013		38,760		747	
Structures in trust	529		545		15	
Accumulated depreciation	-142		-158		-15	
Structures in trust, net	386		386		-0	
Machinery and equipment in trust	646		658		11	
Accumulated depreciation	-132		-154		-22	
Machinery and equipment in trust, net	513		503		-10	
Tools, furniture and fixtures in trust	38		45		7	
Accumulated depreciation	-11		-14		-3	
Tools, furniture and fixtures in trust, net	27		30		3	
Land in trust	62,963		63,945		982	
Total property, plant and equipment	101,904	94.9	103,627	94.5	1,723	1.7
Intangible assets						
Other	5		4		-0	
Total intangible assets	5	0.0	4	0.0	-0	-11.5
Investments and other assets						
Lease and guarantee deposits	10		10		-0	
Long-term prepaid expenses	118		125		6	
Other	84		87		3	
Total investments and other assets	213	0.2	224	0.2	10	4.9
Total noncurrent assets	102,123	95.1	103,856	94.7	1,733	1.7
Deferred assets						
Investment corporation bond issuance costs	3		1		-2	
Total deferred assets	3	0.0	1	0.0	-2	-52.6
Total Assets	107,352	100.0	109,664	100.0	2,312	2.2

Balance Sheets (2)

	11th fiscal period (As of March 31, 2011)		12th fiscal period (As of September 30, 2011)		Change	
	Million yen	Percent of total	Million yen	Percent of total	Million yen	Period on period (%)
Liabilities						
Current liabilities						
Operating accounts payable	155		218		63	
Investment corporation bond due within one year	5,000		5,000		-	
Current portion of long-term loans payable	6,300		6,587		287	
Accounts payable – other	284		288		4	
Accrued expenses	84		76		-7	
Income taxes payable	0		0		-	
Consumption taxes payable	-		16		16	
Advances received	420		432		11	
Allowance for disaster losses	16		-		-16	
Other	20		3		-17	
Total current liabilities	12,282	11.4	12,624	11.5	341	2.8
Noncurrent liabilities						
Long-term loans payable	39,275		41,288		2,013	
Tenant leasehold and security deposits in trust	4,143		4,072		-71	
Total noncurrent liabilities	43,419	40.5	45,361	41.4	1,941	4.5
Total Liabilities	55,702	51.9	57,985	52.9	2,283	4.1
Net Assets						
Unitholders' equity						
Unitholders' capital	50,523	47.1	50,523	46.1	-	-
Surplus						
Unappropriated retained earnings (undisposed loss)	1,126		1,155		28	
Total surplus	1,126	1.0	1,155	1.0	28	2.6
Total unitholders' equity	51,650	48.1	51,679	47.1	28	0.1
Total Net Assets	51,650	48.1	51,679	47.1	28	0.1
Total Liabilities and Net Assets	107,352	100.0	109,664	100.0	2,312	2.2

Statements of Income

	11 th fiscal period from October 1, 2010 to March 31, 2011		12 th fiscal period from April 1, 2011 to September 30, 2011		Change	
	Million yen	Percent of total	Million yen	Percent of total	Million yen	Period on period (%)
Operating revenue						
Rent revenue - real estate	3,462		3,533		70	
Total operating revenue	3,462	100.0	3,533	100.0	70	2.0
Operating expenses						
Expenses related to rent business	1,487		1,564		77	
Asset management fee	207		215		7	
Asset custody fee	10		10		0	
Administrative service fees	24		24		0	
Directors' compensations	3		3		-	
Provision of allowance for doubtful accounts	5		0		-5	
Other operating expenses	68		92		23	
Total operating expenses	1,806	52.2	1,911	54.1	104	5.8
Operating Income	1,655	47.8	1,622	45.9	-33	-2.0
Non-operating income						
Interest income	0		0		-0	
Reversal of distributions payable	0		0		0	
Reversal of allowance for disaster losses	-		1		1	
Other	0		0		0	
Total non-operating income	0	0.0	2	0.1	1	135.8
Non-operating expenses						
Interest expenses	332		324		-7	
Interest expenses on investment corporation bonds	50		50		-0	
Amortization of investment corporation bond issuance costs	2		2		0	
Borrowing related expenses	126		55		-71	
Other	0		35		34	
Total non-operating expenses	512	14.8	467	13.2	-44	-8.7
Ordinary Income	1,144	33.0	1,156	32.7	12	1.1
Extraordinary Losses						
Provision of allowance for disaster losses	16		-		-16	
Total extraordinary losses	16	0.4	-	-	-16	-100.0
Income before Income Taxes	1,127	32.6	1,156	32.7	29	2.6
Income taxes - current	0		0		-	
Income taxes - deferred	-		0		0	
Total income taxes	0	0.1	0	0.0	0	39.3
Net Income	1,126	32.5	1,155	32.7	28	2.6
Retained earnings brought forward	0		0		0	
Unappropriated Retained Earnings (undisposed loss)	1,126	32.5	1,155	32.7	28	2.6

Statements of Cash Flows / Cash Distributions

Statements of Cash Flows

	11 th fiscal period from October 1, 2010 to March 31, 2011	12 th fiscal period from April 1, 2011 to September 30, 2011
	Million yen	Million yen
Net cash provided by (used in) operating activities		
Income before income taxes	1,127	1,156
Depreciation and amortization	650	672
Amortization of investment corporation bond issuance costs	2	2
Increase (decrease) in allowance for doubtful accounts	-3	-18
Interest income	-0	-0
Interest expenses	383	375
Provision of allowance for disaster losses	16	-
Decrease (increase) in operating accounts receivable	2	8
Decrease (increase) in prepaid expenses	69	-53
Increase (decrease) in operating accounts payable	81	54
Increase (decrease) in accounts payable - other	7	12
Increase (decrease) in accrued expenses	-55	-
Increase (decrease) in consumption taxes payable	-18	16
Increase (decrease) in advances received	10	11
Decrease (increase) in long-term prepaid expenses	13	-19
Other, net	13	-9
Subtotal	2,300	2,207
Interest income received	0	0
Interest expenses paid	-375	-382
Disaster losses paid	-	-3
Income taxes paid	-11	-0
Net cash provided by (used in) operating activities	1,913	1,821
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment in trust	-4,432	-2,406
Proceeds from tenant leasehold and security deposits in trust received	121	179
Repayments of tenant leasehold and security deposits in trust received	-223	-251
Decrease (increase) in investments and other assets	-5	-3
Net cash provided by (used in) investment activities	-4,539	-2,481

	11 th fiscal period from October 1, 2010 to March 31, 2011	12 th fiscal period from April 1, 2011 to September 30, 2011
	Million yen	Million yen
Net cash provided by (used in) financing activities		
Repayments of short-term loans payable	-3,200	-
Proceeds from long-term loans payable	18,009	8,600
Repayments of long-term loans payable	-12,022	-6,300
Dividends paid	-939	-1,126
Net cash provided by (used in) financing activities	1,847	1,173
Net increase (decrease) in cash and cash equivalents	-778	513
Cash and cash equivalents at beginning of period	5,858	5,080
Cash and cash equivalents at end of period	5,080	5,593

Cash Distributions

	11 th fiscal period from October 1, 2010 to March 31, 2011	12 th fiscal period from April 1, 2011 to September 30, 2011
	Yen	Yen
I Unappropriated retained earnings	1,126,993,023	1,155,971,124
II Cash Distributions	1,126,880,510	1,155,878,150
(Cash distributions per unit)	(9,793)	(10,045)
III Retained earnings brought forward	112,513	92,974

Summary of Selected Financial Data

	11 th fiscal period from October 1, 2010 to March 31, 2011	12 th fiscal period from April 1, 2011 to September 30, 2011
Business days	182	183
Total assets	107,352 million yen	109,664 million yen
Net assets	51,650 million yen	51,679 million yen
Unitholders' capital	50,523 million yen	50,523 million yen
Investment units outstanding	115,070 units	115,070 units
Net assets per unit	448,860 yen	449,112 yen
Total cash distributions	1,126 million yen	1,155 million yen
Cash distributions per unit	9,793 yen	10,045 yen
Ordinary income to total assets ¹ (annualized)	2.2%	2.1%
Return on unitholders' equity ² (annualized)	4.4%	4.5%
Unitholders' equity ratio ³	48.1%	47.1%
Total number of properties	57	58
Total rentable floor area	272,273.12m ²	276,314.61m ²
Period-end occupancy rate	96.6%	97.3%
Depreciation expense	649 million yen	672 million yen
Capital expenditures	346 million yen	49 million yen
Leasing Net Operating Income ⁴ (NOI)	2,625 million yen	2,641 million yen
Funds from Operation ⁵ (FFO)	1,777 million yen	1,828 million yen
FFO per unit	15,445 yen	15,890 yen
Total interest-bearing debt	51,874 million yen	54,032 million yen
Loan to Value ⁶ (LTV)	48.3%	49.3%
Interest-bearing debt ratio ⁷	50.7%	51.7%
Debt Service Coverage Ratio ⁸ (DSCR)	4.3 times	4.5 times

- (1) Ordinary income to total assets = Ordinary income (annualized) / Average total assets
Average total assets = (Period-beginning total assets + Period-end total assets) / 2
- (2) Return on unitholders' equity = Net income (annualized) / Average net assets
Average net assets = (Period-beginning net assets + Period-end net assets) / 2
- (3) Unitholders' equity ratio = Period-end net assets / Period-end total assets
- (4) Leasing NOI = Leasing operating income (= Rent revenue-real estate - Expenses related to rent business) + Depreciation and amortization (Expenses related to rent business)
- (5) FFO = Net income + Depreciation and amortization
- (6) LTV = Period-end interest-bearing debt / Period-end total assets
Interest-bearing debt = Borrowings + Investment corporation bonds + Interest-bearing leasehold and security deposits
- (7) Interest-bearing debt ratio = Period-end interest-bearing debt / (Period-end interest-bearing debt + Unitholders' capital)
- (8) DSCR = (Net income + Repayment of interest-bearing debt + Interest expenses + Depreciation and amortization) / (Repayment of interest-bearing debt + Interest expenses)

Note: Ratios are rounded to the nearest first decimal place.

Outline of Portfolio ~Residential Properties~

Primary Properties Owned

Central Tokyo / Jonan Area

Spacia GINZA



Spacia GOTANDA



Spacia OISENDAIZAKA



Spacia AZABUJUBAN III



Greater Tokyo/ Adjoining Cities

J-FLATS YOKOHAMA



Prime Maison MUSASHINONOMORI



Major Regional Cities

S-RESIDENCE
KYOBASHI

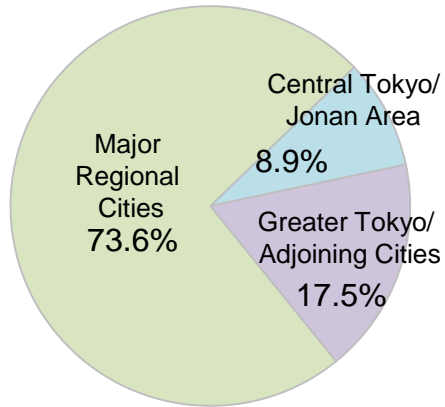


Prime Maison
HIGASHISAKURA



Outline of Portfolio ~Retail Properties~

Ratio by Region (Retail Properties)



As of Sep. 30, 2011

Properties Owned

Central Tokyo / Jonan Area

b-town JINGUMAE II



b-town MINAMIAOYAMA



Greater Tokyo/ Adjoining Cities

b-toss IKEBUKURO



KOJIMA NEW KAMIFUKUOKA



Joy Square YUGAWARA



Major Regional Cities

HAMAMATSU Plaza



RINKU HAGURAZAKI Plaza



Bell Plaza Shopping Center



Note: Ratios are calculated based on the acquisition price of each property (retail properties) and are rounded to the nearest first decimal place. Accordingly, ratio totals may not add up to 100 percent.

Portfolio at a Glance (1)

Properties Owned as of September 30, 2011

	Property No.	Property Name	Location	Site Area (m ²)	Total Floor Area (m ²)	Acquisition Price		Appraisal Value at End of Period (Million yen)	Occupancy Rate (%)		Completion Date
						Price (Million yen)	Ratio (%)		As of Mar. 31, 2011	As of Sep. 30, 2011	
Core Assets	Residence-1	Spacia GINZA	Ginza, Chuo-ku, Tokyo	636.36	7,836.57	5,290	5.0	5,210	96.8	96.2	February 7, 2005
	Residence-3	Spacia AZABUJUBAN II	Roppongi, Minato-ku, Tokyo	677.45	2,317.87	1,730	1.6	1,510	91.3	94.5	January 16, 2004
	Residence-4	Spacia EBISU II	Higashi, Shibuya-ku, Tokyo	561.58	2,452.69	1,960	1.8	1,740	100.0	100.0	June 13, 2003
	Residence-5	Spacia EBISU III	Hiroo, Shibuya-ku, Tokyo	169.00	871.90	700	0.7	740	100.0	96.8	October 20, 2004
	Residence-6	Spacia KANDA	Kandatacho, Chiyoda-ku, Tokyo	307.69	2,028.19	1,360	1.3	1,250	98.7	94.8	February 20, 2004
	Residence-7	Spacia SENDAGAYA	Daikyo-cho, Shinjuku-ku, Tokyo	340.49	844.13	576	0.5	514	94.7	93.7	August 31, 2004
	Residence-8	Spacia KITASHINJUKU	Kitashinjuku, Shinjuku-ku, Tokyo	504.41	2,204.07	1,290	1.2	1,340	100.0	100.0	August 6, 2004
	Residence-9	Spacia MEGUROFUDOMAE	Nishigotanda, Shinagawa-ku, Tokyo	217.38	1,044.37	766	0.7	767	97.8	97.8	January 12, 2005
	Residence-10	FITL KOMAGATA	Komagata, Taito-ku, Tokyo	663.54	3,406.10	1,870	1.8	1,840	95.3	100.0	July 28, 2004
	Residence-11	Spacia MACHIDA	Haramachida, Machida-shi, Tokyo	587.48	4,033.59	1,360	1.3	1,350	99.1	97.5	February 23, 2004
	Residence-12	Spacia KAWASAKI	Ogawa-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa	683.69	4,656.10	2,130	2.0	2,100	96.8	97.4	July 15, 2004
	Residence-13	IMAIKE IRIS NIBANKAN	Imaie, Chikusa-ku, Nagoya-shi, Aichi	360.54	1,375.76	300	0.3	195	98.5	100.0	October 15, 1991
	Residence-14	GRACIA FIS	Furuichiba, Saiwai-ku, Kawasaki-shi, Kanagawa	1,992.09	3,737.47	1,018	1.0	944	100.0	100.0	March 5, 1999
	Residence-15	J-FLATS YOKOHAMA	Tsuruya-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	611.41	3,076.45	2,090	2.0	1,890	100.0	100.0	January 23, 2007
	Residence-16	FITL KAMEIDO	Kameido, Koto-ku, Tokyo	438.43	2,899.67	1,650	1.6	1,420	97.0	97.9	November 30, 2005
	Residence-17	Spacia MEGURO	Mita, Meguro-ku, Tokyo	578.01	1,283.92	887	0.8	960	94.4	97.5	November 28, 2005
	Residence-18	ACT HILLS YACHIYO	Midorigaoka, Yachiyo-shi, Chiba	1,289.14	5,420.53	1,348	1.3	1,050	88.3	96.9	January 10, 1998
	Residence-19	J-FLATS SUGAMO	Sugamo, Toshima-ku, Tokyo	965.70	2,785.83	1,510	1.4	1,440	92.3	95.1	February 22, 2007
	Residence-20	S-RESIDENCE KYOBASHI	Higashinoda-cho, Miyakojima-ku, Osaka-shi, Osaka	799.68	5,995.82	2,774	2.6	2,550	100.0	98.1	March 2, 2006
	Residence-21	EL CIELO MEGUROHONCHO	Megurohoncho, Meguro-ku, Tokyo	865.22	1,975.84	1,220	1.1	945	86.4	96.9	February 22, 2006
	Residence-22	Spacia HAKURAKU	Rokkakubashi, Kanagawa-ku, Yokohama-shi, Kanagawa	457.54	1,593.68	844	0.8	778	98.2	100.0	February 2, 2006
	Residence-23	J-FLATS MINAMIHORIE	Minamihorie, Nishi-ku, Osaka-shi, Osaka	475.06	1,994.14	1,055	1.0	915	98.2	97.0	February 19, 2007
	Residence-24	Spacia GOTANDA ⁵	Nishigotanda, Shinagawa-ku, Tokyo	593.32	5,590.34	3,043	2.9	2,570	96.0	95.5	March 2, 2006
	Residence-25	Spacia OISENDAIZAKA	Higashioi, Shinagawa-ku, Tokyo	558.39	3,440.73	2,440	2.3	2,240	98.7	98.4	August 10, 2006
	Residence-26	FITL SHINAGAWA SEASIDE	Higashishinagawa, Shinagawa-ku, Tokyo	1,049.00	3,127.48	2,200	2.1	1,930	97.2	96.5	June 23, 2006

Portfolio at a Glance (2)

Property No.	Property Name	Location	Site Area (m ²)	Total Floor Area (m ²)	Acquisition Price		Appraisal Value at End of Period (Million yen)	Occupancy Rate (%)		Completion Date
					Price (Million yen)	Ratio (%)		As of Mar. 31, 2011	As of Sep. 30, 2011	
Residence-27	FITL MINAMIAZABU	Minamiazabu, Minato-ku, Tokyo	487.27	1,479.61	1,300	1.2	1,080	100.0	100.0	August 23, 2006
Residence-28	RARETE JYOUTOU	Noe, Jyoutou-ku, Osaka-shi, Osaka	740.49	2,232.26	1,075	1.0	912	98.5	95.1	August 31, 2006
Residence-29	Spacia TSUKAMOTO CROWN HEIM	Tsukamoto, Yodogawa-ku, Osaka-shi, Osaka	808.54	2,565.66	1,250	1.2	1,020	100.0	100.0	August 10, 2006
Residence-30	Spacia KAWASAKI II	Ogawa-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa	601.38	3,193.14	1,900	1.8	1,780	92.1	100.0	February 27, 2007
Residence-31	Spacia AZABUJUBAN III	Azabujuban, Minato-ku, Tokyo	380.26	2,097.45	2,700	2.5	2,200	100.0	98.8	February 22, 2007
Residence-33	FITL ITABASHIHONCHO	Yamato-cho, Itabashi-ku, Tokyo	220.85	1,446.78	1,000	0.9	842	90.7	100.0	February 27, 2007
Residence-34	FITL OIZUMIGAKUEN	Higashi-Oizumi, Nerima-ku, Tokyo	618.00	1,542.16	871	0.8	705	96.4	92.9	February 22, 2007
Residence-35	J-FLATS TENJINHIGASHI I	Susaki-machi, Hakata-ku, Fukuoka-shi, Fukuoka	239.18	1,158.70	445	0.4	352	97.2	100.0	January 31, 2007
Residence-36	J-FLATS TENJINHIGASHI II	Susaki-machi, Hakata-ku, Fukuoka-shi, Fukuoka	514.89	2,108.69	840	0.8	645	96.3	91.5	May 23, 2007
Residence-37	J-FLATS SHIJONISHINOTOIN	Myodeni-cho, Shijo-sagaru, Nishinotoin-dori, Shimogyo-ku, Kyoto-shi, Kyoto	400.59	3,374.74	1,420	1.3	1,020	93.2	94.3	April 08, 2008
Residence-39	J-FLATS HIGASHISHINAGAWA	Higashi-Shinagawa, Shinagawa-ku, Tokyo	1,028.92	3,338.12	2,610	2.5	2,130	96.7	93.1	May 23, 2008
Residence-40	J-FLATS HACHIOJIMINAMINO	Nishikatakura, Hachioji-shi, Tokyo	1,134.50	2,243.06	1,000	0.9	938	88.4	98.8	March 6, 2007
Residence-41	PREGIO NISHINAKAJIMA	Higashinakajima, Higashiyodogawa-ku, Osaka-shi, Osaka	969.02	3,947.24	2,250	2.1	1,840	99.1	94.4	April 18, 2007
Residence-42	J-FLATS ITABASHIKUYAKUSHOMAE	Itabashi, Itabashi-ku, Tokyo	731.71	4,322.19	2,700	2.5	2,280	91.1	100.0	April 22, 2007
Residence-43	J-FLATS MUSASHIKOYAMA ⁵	Ebara, Shinagawa-ku, Tokyo	512.62	1,616.87	1,012	1.0	894	98.3	95.8	November 5, 2007
Residence-44	J-FLATS SENDAGI ⁵	Sendagi, Bunkyo-ku, Tokyo	250.44	1,239.10	757	0.7	616	100.0	97.3	January 9, 2008
Residence-45	J-FLATS YOTSUYASAKAMACHI ⁵	Sakamachi, Shinjuku-ku, Tokyo	905.08	3,675.01	2,300	2.2	1,770	96.0	92.4	March 29, 2008
Residence-46	J-FLATS HAKATAHIGASHI	Yoshizuka, Hakata-ku, Fukuoka-shi, Fukuoka	4,590.91	9,465.09	2,250	2.1	2,110	97.3	98.2	November 21, 2007
Residence-47	J-FLATS KAMIGOFUKU	Kamigofukumachi, Hakata-ku, Fukuoka-shi, Fukuoka	593.55	2,523.71	900	0.8	726	94.2	95.5	March 14, 2008
Residence-48	J-FLATS SANGENJAYA	Sangenjaya, Setagaya-ku, Tokyo	153.83	954.94	871	0.8	728	97.2	89.0	January 22, 2008
Residence-50	Prime Maison MUSASHINONOMORI	Josuihoncho, Kodaira-shi, Tokyo	5,116.62	4,412.42	1,560	1.5	1,660	96.9	95.8	December 19, 2007
Residence-51	Prime Maison HIGASHISAKURA	Higashisakura, Higashi-ku, Nagoya-shi, Aichi	846.05	3,517.62	1,140	1.1	1,230	93.6	93.7	February 15, 2008
Residence-52	Prime Maison KAYABAKOEN	Kayaba, Chikusa-ku, Nagoya-shi, Aichi	1,129.02	2,301.42	640	0.6	668	96.1	85.0	November 7, 2006
Residence-53	Tre Di Casa SANGENJAYA	Shimouma, Setagaya-ku, Tokyo	473.85	1,006.89	714	0.7	738	97.0	97.0	January 28, 2008
Residence-54	Mitezza C6	Oyama-higashi-cho, Itabashi-ku, Tokyo	773.48	5,249.34	2,260	2.1	2,300	-	94.7	March 12, 2008
Residential Subtotal			40,603.65	147,005.45	77,176	72.6	69,372	96.2	96.8	

Portfolio at a Glance (3)

	Property No.	Property Name	Location	Site Area (m ²)	Total Floor Area (m ²)	Acquisition Price		Appraisal Value at End of Period (Million yen)	Occupancy Rate (%)		Completion Date
						Price (Million yen)	Ratio (%)		As of Mar. 31, 2011	As of Sep. 30, 2011	
Core Assets	Retail-1	HAMAMATSU Plaza	Kaminishi-cho, Higashi-ku, Hamamatsu-shi, Shizuoka, etc.	135,817.46	73,250.17	15,360	14.5	11,900	94.3	96.2	(Note 6)
	Retail-2	b-town JINGUMAE II	Jingumae, Shibuya-ku, Tokyo	283.83	499.67	1,043	1.0	895	100.0	100.0	May 20, 2005
	Retail-3	RINKU HAGURAZAKI Plaza	Tajiri-cho Oaza, Gashouji, Sennan-gun, Osaka, etc.	53,231.66	—	4,697	4.4	3,838	100.0	100.0	—
	Retail-4	b-town MINAMIAOYAMA	Minamiaoyama, Minato-ku, Tokyo	385.32	797.63	1,530	1.4	1,260	100.0	73.3	February 28, 2006
	Retail-5	KOJIMA NEW KAMIFUKUOKATEN	Kamifukuoka, Fujimino-shi, Saitama	4,877.90	3,413.40	1,300	1.2	1,120	100.0	100.0	October 14, 1996
	Retail-7	b-toss IKEBUKURO	Nishi-Ikebukuro, Toshima-ku, Tokyo	223.38	1,474.21	1,980	1.9	1,550	100.0	100.0	November 12, 2005
	Retail-8	Joy Square YUGAWARA	Chuo, Yugawaramachi, Ashigarashimo-gun, Kanagawa	5,425.13	6,326.53	1,810	1.7	1,500	100.0	100.0	September 22, 2006
	Retail-9	Bell Plaza Shopping Center	Nakamaruko, Ueda-shi, Nagano	23,304.57	6,203.26	1,337	1.3	1,110	100.0	100.0	(Note 7)
	Retail Subtotal				223,549.25	91,964.87	29,058	27.4	23,173	96.9	97.8
Portfolio Total				264,152.90	238,970.32	106,234	100.0	92,545	96.6	97.3	

Owned as of March 31, 2011

57 properties

103,974 million yen

Acquired in the period ended September 30, 2011

1 property

2,260 million yen

Owned as of September 30, 2011

58 properties

106,234 million yen

- Notes:
- Based on information as of September 30, 2011. Occupancy rates are rounded to the nearest first decimal place.
 - Concerning acquisition prices, amounts of less than one million yen are rounded down, and percentages indicate the portion of the portfolio's total acquisition price for properties owned and are rounded to the nearest first decimal place.
 - The listed site area, total floor area figures and completion dates are based on indications given in the register. As for Rinku Hagurazaki Plaza, its total floor area is not described because the Investment Corporation acquired only the land and leases it (the buildings on it are owned by the tenants).
 - The appraisal value at end of period is the amount appraised based on an appraisal by a real estate appraiser or the amount as found in a real estate price survey, rounded down to the nearest million yen.
 - The ratio of site rights (co-ownership rights) for Spacia GOTANDA, J-FLATS MUSASHIKOYAMA, J-FLATS SENDAGI and J-FLATS YOTSUYASAKAMACHI are 387,036/426,933, 117,678/127,609, 89,730/103,842 and 245,317/329,739, respectively. However, "Site Area" indicates the total land area of the real estate in trust, while "Total Floor Area" indicates the floor area of the entire building. The exclusive portions of the total floor area that the Investment Corporation has acquired are 3,637.18m², 1,148.58m², 867.27m² and 2,253.07m², respectively.
 - HAMAMATSU Plaza is a shopping-complex-type facility, with Hamamatsu West completed on October 20, 1979, the Ito-Yokado and administration buildings completed on November 7, 2000, and Akachanhonpo and Xebio buildings completed on November 9, 2000.
 - Bell-Plaza Shopping Center is a shopping-complex-type facility, with the Center building and Shop building completed on November 30, 1992 and the Restaurant building completed on July 12, 2006.

Portfolio Development Policy

Investment Diversification by Asset Class and Geographical Region

As of the date of this material

Asset Class of Real Estate Related Assets		Allocation Rate	Region	Allocation Rate	Specific Areas
Core Assets	Residences	70~85%	Central Tokyo/ Jonan Area	Approx. 50% (Note 2)	Central Tokyo: Chiyoda Ward, Chuo Ward, Minato Ward, Bunkyo Ward, Shibuya Ward and Shinjuku Ward Jonan area: Setagaya Ward, Meguro Ward, Shinagawa Ward and Ota Ward
			Greater Tokyo/ Adjoining Cities	Approx. 80% including Central Tokyo and the Jonan Area (Note 2)	Tokyo: Areas other than Central Tokyo and the Jonan Area (excluding islands) Kanagawa Prefecture: Kawasaki City, Yokohama City and others Chiba Prefecture: Ichikawa City, Urayasu City, Funabashi City, Matsudo City and others Saitama Prefecture: Kawaguchi City, Toda City, Saitama City and others Additional areas within commuting distance
			Major Regional Cities (Note 1)	Approx. 20% (Note 2)	Sapporo City, Sendai City, Nagoya City, Kyoto City, Osaka City, Kobe City, Hiroshima City, Fukuoka City, Kitakyushu City and others Additional areas within commuting distance
	Retail Properties	15~30%	Based on an assessment of the specific characteristics of each property, region and trade zone		
Balance Assets	Office, etc.	0~15%	Based on an assessment of the specific characteristics of each property and region		

Notes: 1. "Major Regional Cities" refers to cabinet-order designated cities and cities in major regional areas that, in principle, have a population exceeding 500,000, or a trade zone of equivalent standing.
2. "Approx." means $\pm 10\%$.

Overview of Unitholders as of September 30, 2011

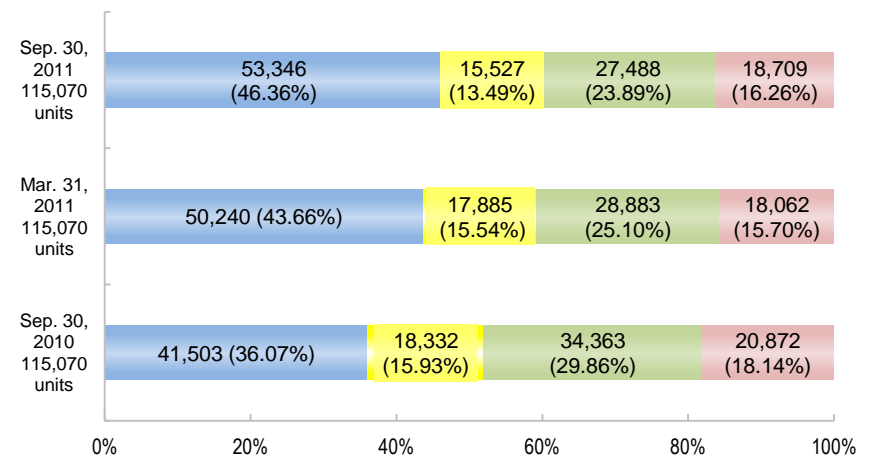
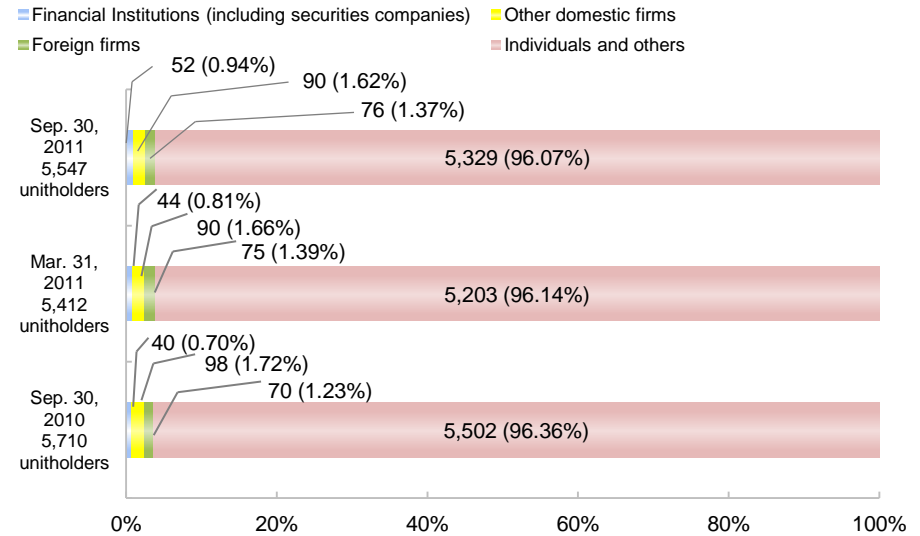
Major Unitholders

Name / Company Name	Investment Units Owned (units)	Ownership of Investment Units Outstanding (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	23,024	20.00
Goldman Sachs International	13,163	11.43
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	10,669	9.27
Sekisui House Ltd.	7,800	6.77
The Nomura Trust and Banking Co., Ltd. (Trust Account)	6,849	5.95
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,261	5.44
Deutsche Bank AG London-PB Non-Treaty Clients 613	3,627	3.15
JOINT CORPORATION	3,000	2.60
Spring Investors Co., Ltd.	2,600	2.25
Nomura Bank (Luxembourg) S.A.	2,215	1.92
Total	79,208	68.83

■ Note: The status of large holdings as determined by the large share holdings reports (including Reports of Changes) submitted by November 10, 2011 is as follows.

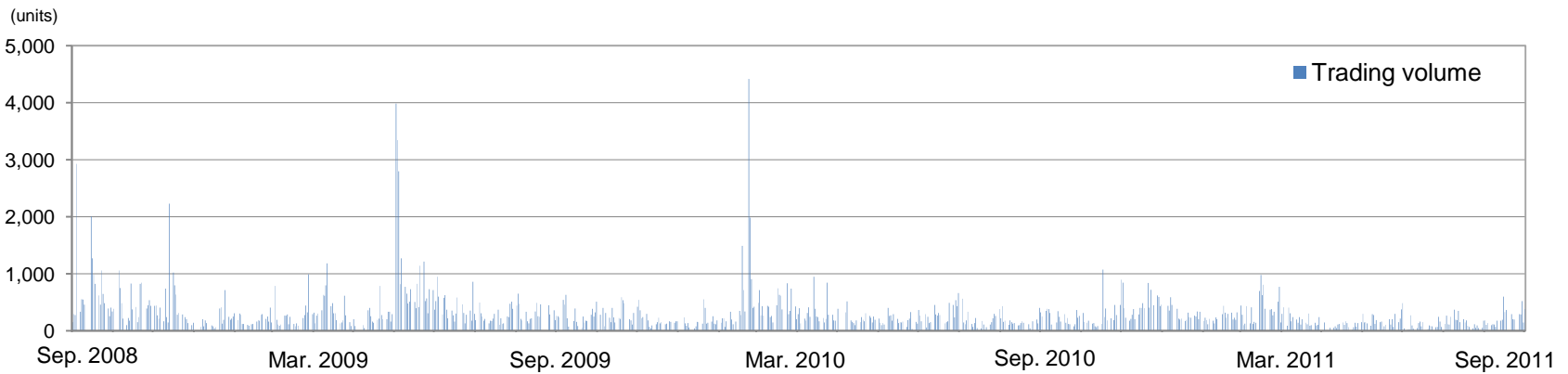
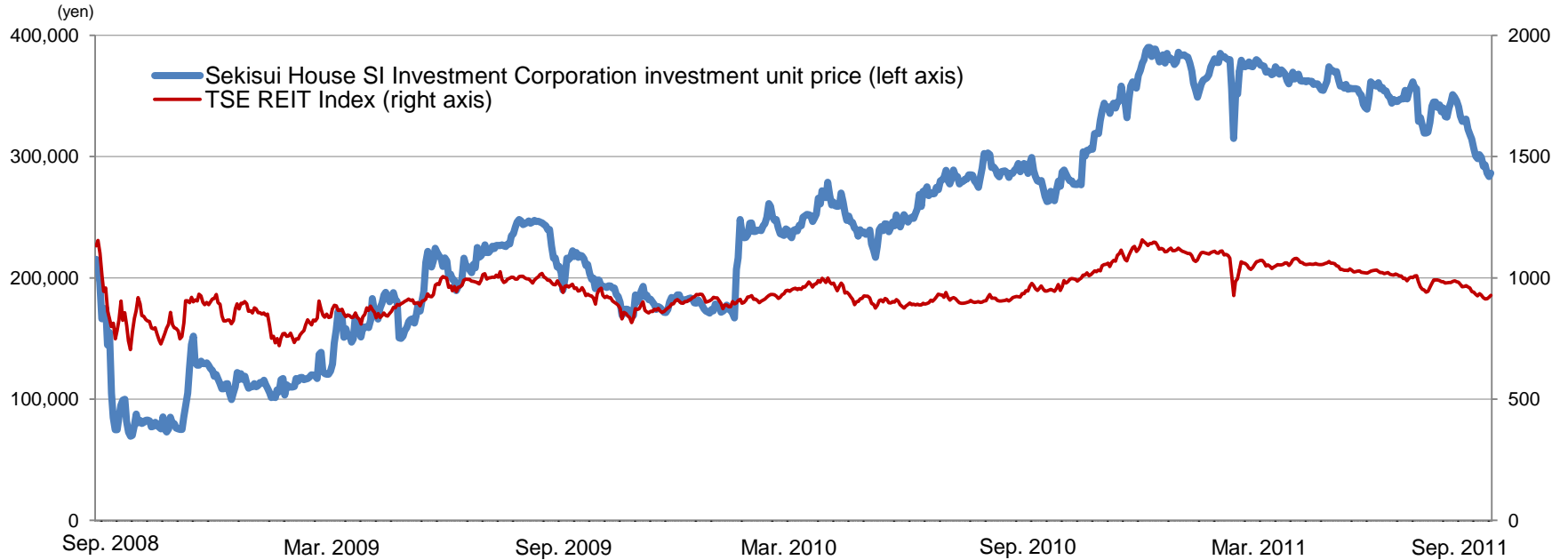
Name	Tower Investment Management Co., Ltd.	Mizuho Trust & Banking Co., Ltd.	DIAM Co., Ltd.
Total units held	17,278 units	12,965 units	15,439 units
Total percentage of ownership	15.02%	11.27%	13.42%
Submission date	Mar. 7, 2011	May 31, 2011	Oct. 13, 2011

Diversification of Unitholders



Historical Investment Unit Price

Sekisui House SI Investment Corporation Investment Unit Price Summary



- ◇ This document is provided for information purposes only and is not a solicitation for investment, nor a recommendation or invitation to make specific transactions. We caution readers to contact their securities companies with regard to the purchase of investment units in Sekisui House SI Investment Corporation and to undertake investment decisions of their own volition.
- ◇ This document is not a disclosure document or report based upon the Financial Instruments and Exchange Law, the Law Concerning Investment Trusts and Investment Corporations, public listing regulations of the Tokyo Stock Exchange or other related laws or regulations.
- ◇ Strategies, goals and forward-looking statements contained herein are based upon specific assumptions and judgments made as of the date of the document in accordance with information available to Sekisui House SI Investment Corporation at the time. Information herein is subject to impact from risks, uncertainties, assumptions and other factors. Accordingly, strategies, goals and forecasts regarding future dates do not guarantee the Investment Corporation's future performance, operating results or financial position. Actual results may differ significantly from explicit or implicit statements made herein regarding future performance, operating results, financial position or other conditions.
- ◇ While Sekisui House SI Investment Corporation takes reasonable care in the preparation of this document, it does not guarantee the accuracy and completeness of its content. Readers are also cautioned that the contents of this document may be changed or deleted without prior notice.
- ◇ Making a copy of, or appropriation of, the content contained herein without prior permission is prohibited.
- ◇ This English language document is an abridged translation of the Japanese language document issued on the same day and was prepared solely for the convenience of, and reference by, overseas investors. Sekisui House SI Investment Corporation gives no warranties as to its accuracy or completeness.



積水ハウス・SI 投資法人