

April 24, 2015

Real Estate Investment Trust Securities Issuer
 Sekisui House Reit, Inc.
 Representative: Junichi Inoue, Executive Director
 (Securities Code: 3309)

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Notice Concerning Issuance of New Investment Units and Secondary Distribution of Investment Units

Sekisui House Reit, Inc. ("SHR") announces that, at a meeting of the board of directors of SHR held on April 24, 2015, the following resolution was passed concerning issuance of new investment units and secondary distribution of investment units.

1. Issuance of new investment units through public offering (primary offering)

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| (1) Number of investment units to be offered: | 154,200 units |
| (2) Amount to be paid in (issue amount): | To be determined
The amount to be paid in (issue amount) shall be determined at a meeting of the board of directors of SHR to be held on a date between May 12, 2015 (Tuesday) and May 15, 2015 (Friday) (the "pricing date"). |
| (3) Total amount of amount to be paid in (issue amount): | To be determined |
| (4) Issue price (offering price): | To be determined
The issue price (offering price) shall provisionally be calculated by multiplying the closing price of the investment units of SHR (the "Investment Units") in a regular trading session at the Tokyo Stock Exchange, Inc. on the pricing date (if the closing price is not available on such date, the closing price on the immediately preceding date) by a factor of 0.90 to 1.00 (amounts less than one yen to be rounded down), and then be determined on the pricing date by taking into account the demand and other factors. |
| (5) Total amount of issue price (offering price): | To be determined |
| (6) Offering method: | The offering shall be a primary offering in which all investment units of the primary offering shall be purchased and underwritten by Nomura Securities Co., Ltd., SMBC Nikko Securities Inc. and Mizuho Securities Co., Ltd. (the three companies collectively referred to as the "joint lead managers"), as well as Daiwa Securities Co. Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and Goldman Sachs Japan Co., Ltd. (collectively referred to, together with the joint lead managers, as the "underwriters"). |

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| (7) Content of underwriting agreement: | The underwriters shall pay in the same amount as the total amount of amount to be paid in (issue amount) of the primary offering to SHR on the payment deadline stated in (10) below, and the difference with the total amount of issue price (offering price) of the primary offering shall be the proceeds of the underwriters. SHR shall not pay an underwriting fee to the underwriters. |
| (8) Unit of subscription: | 1 unit or more in multiples of 1 unit |
| (9) Subscription period: | From the business day immediately following the pricing date to the second business day following the pricing date |
| (10) Payment deadline: | A date between May 19, 2015 (Tuesday) and May 22, 2015 (Friday) which shall be five business days after the pricing date |
| (11) Delivery deadline: | The business day immediately following the payment date |
| (12) The amount to be paid in (issue amount), issue price (offering price) and other matters necessary for this issuance of new investment units shall be determined at a future meeting of the board of directors of SHR. However, any changes, etc. prior to the determination at the meeting of the board of directors will be left to the discretion of the executive director. | |
| (13) Each of the items above shall be subject to the condition that the notification under the Financial Instruments and Exchange Act takes effect. | |
| (14) Of the SHR investment units of the primary offering, the underwriters are scheduled to sell 3,100 units to the party that SHR has designated as the party to which investment units shall be sold, which is Sekisui House, Ltd. (the “designated party”), the shareholder of SHR’s asset management company. | |

2. Secondary distribution of investment units (secondary distribution via over-allotment)

(Please refer to <Reference> 1. below.)

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| (1) Number of investment units to be distributed: | 7,800 units
The number of investment units to be distributed shown is the maximum number. There are cases where the number may decrease, or the secondary distribution via over-allotment itself may not take place at all, depending on the status of demand and other factors of the primary offering. The number of investment units to be distributed shall be determined at a meeting of the board of directors of SHR to be held on the pricing date, taking into account the status of demand and other factors of the primary offering. |
| (2) Distributor: | Nomura Securities Co., Ltd. |
| (3) Secondary distribution price: | To be determined
The secondary distribution price shall be determined on the pricing date. Furthermore, the secondary distribution price shall be the same as the issue price (offering price) of the primary offering. |
| (4) Total amount of secondary distribution price: | To be determined |
| (5) Secondary distribution method: | The secondary distribution via over-allotment shall be a secondary distribution conducted by the bookrunner of the primary offering Nomura Securities Co., Ltd. of SHR investment units, which it shall borrow from the designated party in a number not to exceed 7,800 units upon the primary offering, taking into account the status of demand and other factors of the primary offering. |
| (6) Unit of subscription: | 1 unit or more in multiples of 1 unit |
| (7) Subscription period: | Same as the subscription period for the primary offering |
| (8) Delivery deadline: | Same as the delivery deadline for the primary offering |
| (9) The secondary distribution price and other matters necessary for this secondary distribution of investment units shall be determined at a future meeting of the board of directors of SHR. However, any changes, etc. prior to the determination at the meeting of the board of directors will be left to the discretion of the executive director. | |
| (10) Each of the items above shall be subject to the condition that the notification under the Financial Instruments and Exchange Act takes effect. | |

Disclaimer: This translation is for informational purposes only. If there is any discrepancy between the Japanese version and the English translation, the Japanese version shall prevail. This document is an English translation of a press release for public announcement concerning issuance of new investment units and secondary distribution of investment units of Sekisui House Reit, Inc., and has not been prepared for the purpose of solicitation of investment. We caution investors to refer to Sekisui House Reit, Inc.'s prospectus and notice of amendments thereto, if any, without fail and to undertake investment at their own decision and responsibility.

3. Issuance of new investment units by way of third-party allotment (Please refer to <Reference> 1. below.)
 - (1) Number of investment units to be offered: 7,800 units
 - (2) Amount to be paid in (issue amount): To be determined
The amount to be paid in (issue amount) shall be determined at a meeting of the board of directors of SHR to be held on the pricing date. Furthermore, the amount to be paid in (issue amount) shall be the same as the amount to be paid in (issue amount) of the primary offering.
 - (3) Total amount of amount to be paid in (issue amount): To be determined
 - (4) Allottee: Nomura Securities Co., Ltd.
 - (5) Unit of subscription: 1 unit or more in multiples of 1 unit
 - (6) Subscription period (subscription deadline): June 11, 2015 (Thursday)
 - (7) Payment deadline: June 12, 2015 (Friday)
 - (8) The investment units not subscribed for by the subscription period (subscription deadline) stated in (6) above shall not be issued.
 - (9) The amount to be paid in (issue amount) and other matters necessary for this issuance of new investment units shall be determined at a future meeting of the board of directors of SHR. However, any changes, etc. prior to the determination at the meeting of the board of directors will be left to the discretion of the executive director.
 - (10) Each of the items above shall be subject to the condition that the notification under the Financial Instruments and Exchange Act takes effect.

<Reference>

1. Secondary distribution via over-allotment, etc.

The secondary distribution via over-allotment shall be a secondary distribution conducted by the bookrunner of the primary offering Nomura Securities Co., Ltd. of SHR investment units, which it shall borrow from the designated party in a number not to exceed 7,800 units upon the primary offering, taking into account the status of demand and other factors of the primary offering. The number of investment units to be distributed in the secondary distribution via over-allotment is scheduled to be 7,800 units. The concerned number of investment units to be distributed is the maximum number of investment units to be distributed. There are cases where the number may decrease, or the secondary distribution via over-allotment itself may not take place at all, depending on the status of demand and other factors.

Furthermore, in connection with the secondary distribution via over-allotment, at a meeting of the board of directors of SHR held on April 24, 2015 (Friday), SHR passed a resolution to conduct an issuance of new investment units by way of third-party allotment for 7,800 units of SHR investment units to Nomura Securities Co., Ltd. as the allottee (the “third-party allotment”) with June 12, 2015 (Friday) as the payment deadline, in order for Nomura Securities Co., Ltd. to acquire the SHR investment units necessary for Nomura Securities Co., Ltd. to return the SHR investment units borrowed from the designated party (the “borrowed investment units”).

In addition, during the period from the day immediately following the subscription deadline of primary offering and secondary distribution via over-allotment to June 5, 2015 (Friday)(the “syndicate covering transaction period”), there are cases where Nomura Securities Co., Ltd. may purchase SHR investment units on Tokyo Stock Exchange, which shall be in a number not to exceed the number of investment units of the secondary distribution via over-allotment, in order to return the borrowed investment units (the “syndicate covering transaction”). All of the SHR investment units acquired by Nomura Securities Co., Ltd. in the syndicate covering transaction shall be used to return the borrowed investment units. Furthermore, during the syndicate covering transaction period, there are cases where Nomura Securities Co., Ltd. may decide to not engage in the

syndicate covering transaction at all, or end the syndicate covering transaction in a number not reaching the number of investment units of the secondary distribution via over-allotment.

Moreover, Nomura Securities Co., Ltd. may conduct stabilizing transactions in correlation with the primary offering and secondary distribution via over-allotment. The Investment Units purchased through such stabilizing transactions may be used, in whole or in part, to return the borrowed investment units.

Nomura Securities Co., Ltd. intends to agree to the third-party allotment to acquire the Investment Units for the number of the Investment Units obtained by subtracting the number of Investment Units that are purchased through the stabilizing transactions and the syndicated cover transaction and used to return the borrowed investment units from the number of the Investment Units for the secondary distribution via over-allotment. For this reason, there are cases where the number of investment units to be issued in the third-party allotment may not be subscribed for, in whole or in part. As a result, there are cases where the final number of investment units issued in the third-party allotment may decrease by that extent, or the issuance itself may not take place at all, due to forfeiture.

Furthermore, the above transaction shall be conducted by Nomura Securities Co., Ltd. in consultation with SMBC Nikko Securities Inc. and Mizuho Securities Co., Ltd.

2. Changes in number of investment units issued and outstanding due to this issuance of new investment units

Total number of investment units issued and outstanding at present	632,000 units
Increase in number of investment units	
due to issuance of new investment units through public offering	154,200 units
Total number of investment units issued and outstanding	
after issuance of new investment units through public offering	786,200 units
Increase in number of investment units due to the third-party allotment	7,800 units (Note)
Total number of investment units issued and outstanding after the third-party allotment	794,000 units (Note)

(Note) The number of investment units in the event that Nomura Securities Co., Ltd. subscribes for and issuance takes place for all of the number of investment units to be issued in the third-party allotment.

3. Reason for and Purpose of New Issuance

With an aim to expand asset size, to advance diversification of the portfolio and to strengthen the earnings base through the acquisition of the new specified asset (as defined in Paragraph 1 of Article 2 of the Act on Investment Trusts and Investment Corporations; the same applies hereafter), the issuance of new investment units was determined as a result of discussion with attention to the level of per-unit distribution, per-unit NAV, market trends, etc.

4. Amount, use and scheduled outlay of funds to be procured

(1) Amount of funds to be procured (estimated net proceeds)

21,477,960,000 yen (maximum)

(Note) The sum total amount of 20,443,836,000 yen in proceeds from the primary offering and 1,034,124,000 yen in maximum proceeds from the third-party allotment. The amount is an estimate calculated on the basis of the closing price of the Investment Unit in a regular trading session at the Tokyo Stock Exchange as of April 15, 2015 (Wednesday).

(2) Specific use and scheduled outlay of funds to be procured

The proceeds from the primary offering are scheduled to be used as part of funds for acquiring the new specified asset planned to be acquired by SHR as described in "Notice Concerning Acquisition of Trust

Beneficiary Interests in Domestic Real Estate and their Leases (HOMMACHI GARDEN CITY)” announced today. Furthermore, the proceeds from the third-party allotment for which resolution was passed on the same date as the primary offering are scheduled to be used for partial repayment of borrowings or as part of future acquisition fund of specified assets.

In addition, out of 3,184 million yen of proceeds from the issuance of new investment units by way of third-party allotment resolved on October 31, 2014 (Friday), as of today, 111 million yen has been used for partial repayment of borrowings. The remaining 3,073 million yen will be used, combined with the proceeds from the primary offering, as part of funds to acquire the to-be-acquired asset.

(Note 1) The amount of the proceeds from the issuance of new investment units by way of third-party allotment resolved on October 31, 2014 (Friday), the amount to be used for partial repayment of borrowings and the remaining amount after the repayment are rounded down to the nearest million yen.

(Note 2) SHR plans to deposit the funds to be procured at financial institutions until the expenditure.

5. Designation of party to be allocated investment units

Of the SHR investment units of the primary offering, the underwriters are scheduled to sell 3,100 units to the designated party that SHR has designated as the party to which investment units shall be sold.

6. Future outlook

Please refer to the “Notice Concerning Revisions of Forecast of Management Status and Distribution for Fiscal Period Ending April 2015 and Fiscal Period Ending October 2015 and Forecast of Management Status and Distribution for Fiscal Period Ending April 2016” announced today.

7. Operating Results of Past Three Fiscal Periods and Status of Equity Financing, Etc.

(1) Operating results of past three fiscal periods

The first fiscal period of SHR is from September 8, 2014, the establishment date, to April 30, 2015. The first fiscal period has not ended as of today, thus there are no applicable matters.

(2) Recent status of investment unit price

1) Status in the last three fiscal periods

None applicable as explained in the above “(1) Operating results of past three fiscal periods.”

2) Status in the last five months

	December 2014 (Note 1)	January 2015	February	March	April (Note 2)
Opening price	135,000 yen	139,800 yen	142,600 yen	135,500 yen	137,900 yen
Highest price	139,100 yen	149,000 yen	143,600 yen	139,800 yen	145,200 yen
Lowest price	131,000 yen	136,800 yen	133,700 yen	131,000 yen	136,200 yen
Closing price	138,700 yen	143,000 yen	134,700 yen	138,600 yen	142,000 yen

(Note 1) SHR was listed on the Tokyo Stock Exchange Real Estate Investment Trust Section on December 3, 2014 (Wednesday).

(Note 2) Investment unit price for April 2015 is the price on April 23, 2015 (Thursday).

③ Investment unit price on the business day preceding the resolution day of the issuance

	April 23, 2015
Opening price	143,100 yen
Highest price	143,900 yen
Lowest price	141,800 yen
Closing price	142,000 yen

(3) Status of equity financing conducted in the past three fiscal periods

• Public offering

Issue date	December 2, 2014
Total procured amount	63,690,000,000 yen
Issue price	106,150 yen
Number of Investment Units outstanding before the public offering	2,000 units
Number of Investment Units issued through the public offering	600,000 units
Number of Investment Units outstanding after the public offering	602,000 units
Initial use of funds at the time of issuance	The entire amount is used as part of acquisition fund for the specified asset to be acquired.
Schedule of expenditure at the time of issuance	December 2014
Status of expenditure to date	The entire amount was used on the date stated in the above schedule of expenditure

• Third-party allotment

Issue date	December 24, 2014
Total procured amount	3,184,500,000 yen
Issue price	106,150 yen
Number of Investment Units outstanding before the public offering	602,000 units
Number of Investment Units issued through the public offering	30,000 units
Number of Investment Units outstanding after the public offering	632,000 units
Third party allottee	Nomura Securities Co., Ltd.
Initial use of funds at the time of issuance	The entire amount is used for partial repayment of borrowings made in line with the acquisition of the specified asset to be acquired
Schedule of expenditure at the time of issuance	December 2014 or after
Status of expenditure to date	111 million yen has been used for partial repayment of borrowings as of today

8. Lock-up

- (1) In connection with the primary offering, plans are to have the designated party reach an agreement with the joint lead managers to the effect that, without the prior written consent of the joint lead managers, no sale, etc. of SHR investment units (provided, however, that exceptions shall apply, including the lending of SHR investment units accompanying the secondary distribution via over-allotment) shall be conducted during the period from the pricing date to the 180th day after the delivery deadline of the primary offering.

The joint lead managers are scheduled to have the authority to cancel the content of the concerned

agreement, in whole or in part, at their discretion even during the period above.

In connection with the primary offering resolved on October 31, 2014 (Friday) (the “previous primary offering”), the designated party has reached an agreement with the joint lead managers of the previous primary offering (including Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. (the “previous joint lead managers”)) to the effect that, without the prior written consent of the previous joint lead managers, no sale, etc. of SHR investment units (provided, however, that exceptions shall apply, including the lending of SHR investment units accompanying the secondary distribution via over-allotment) shall be conducted during the period from November 21, 2014 (Friday) to November 27, 2015 (Friday).

The previous joint lead managers have the authority to cancel the content of the concerned agreement, in whole or in part, at their discretion even during the period above.

- (2) In connection with the primary offering, SHR has reached an agreement with the joint lead managers to the effect that, without the prior written consent of the joint lead managers, no issuance, etc. of SHR investment units (provided, however, that exceptions shall apply, including the issuance of new investment units through the primary offering and by way of the third-party allotment and issuance of new investment units accompanying split of investment units) shall be conducted during the period from the pricing date to the 90th day after the delivery deadline of the primary offering.

The joint lead managers have the authority to cancel the content of the concerned agreement, in whole or in part, at their discretion even during the period above.

- (3) Moreover, separate from the restrictions stated in (1) above, with SHR investment units to be listed on Tokyo Stock Exchange, the designated party has made a commitment with SHR pertaining to continued holding that the 2,000 investment units issued on September 5, 2014 (Friday) shall be held until the date on which one year has elapsed from September 5, 2014 (Friday) (inclusive) pursuant to Tokyo Stock Exchange rules.

*This material is distributed to the press club of the Tokyo Stock Exchange (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism, and the press club for construction trade publications of the Ministry of Land, Infrastructure, Transport and Tourism.

*Sekisui House Reit, Inc. website: <http://www.sekisuihouse-reit.co.jp/en/>