

April 24, 2015

Real Estate Investment Trust Securities Issuer
 Sekisui House Reit, Inc.
 Representative: Junichi Inoue, Executive Director
 (Securities Code: 3309)
 Asset Management Company
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Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate and its Lease
(Hommachi Garden City)

Sekisui House Reit, Inc. ("SHR") hereby announces that Sekisui House Investment Advisors, Ltd., to which SHR entrusts management of its assets (the "Asset Management Company") decided today for SHR to acquire and lease the asset (the "Property" or the "Property to be Acquired") as described below. Since the acquisition of the asset and the lessee fall under the category of interested persons, etc. as provided in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including amendments thereto) (the "Investment Trusts Act"), the Asset Management Company has obtained, in accordance with the Investment Trusts Act, an approval from SHR based on the approval of its Board of Directors meeting held on April 24, 2015.

1. Summary of Acquisition

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| (1) Property name | : Hommachi Garden City |
| (2) Type of property to be acquired | : Trust beneficiary interest, trust assets of which are comprised of real estate |
| (3) Planned acquisition price | : 38,600 million yen |
| (4) Date of conclusion of sales contract | : April 24, 2015 |
| (5) Planned date of acquisition | : May 19, 2015 (Note 1) |
| (6) Seller | : Sekisui House, Ltd. |
| (7) Acquisition financing | : Proceeds from the issuance of new investment units through public offering (Note 2) for which resolution was passed at a meeting of the board of directors of SHR held on April 24, 2015, loans (Note 3), and cash on hand |
| (8) Settlement method | : Payment of entire amount at time of deliver |
- (Note 1) The planned date of acquisition may change in accordance with the change of the pricing date (one of the dates between May 12 (Tuesday), 2015 and May 15 (Friday), 2015) for the issuance of new investment units through public offering announced in "Notice Concerning Issuance of New Investment Units and Secondary Distribution of Investment Units" dated today.
- (Note 2) Please refer to "Notice Concerning Issuance of New Investment Units and Secondary Distribution of Investment Units" announced today for details.
- (Note 3) The Investment Corporation will announce the overview of the borrowings when it is finalized.

2. Reason for Acquisition and Leasing

Based on SHR's basic policy to provide high-quality social capital and maximize unitholder value by conducting asset management that pursues stable earnings over the medium to long term and steady growth of its investment assets and on investment target and investment policy stipulated in its Articles of Incorporation, SHR will acquire the Property to further reinforce the earning base of the portfolio. The characteristics of the Property taken into consideration upon deciding the acquisition are as follows.

① Location characteristics (situated in strategic location)

The Property features typical strategic location as it is located in the center of Osaka's business area (economic bloc) and boasts convenience for using main transportation facilities and excellent access to the airports (convenience), while showing characteristics of a landmark by standing on the corner lot at a commercial center of Osaka, where the Midosuji street and the Hommachi street intersect (brand).

② Property characteristics (high quality property with high functionality)

The Property offers, in addition to basic specifications of over 1,900m² of standard floor and 2,800mm of ceiling height, high functionality by providing security systems in which entry/exit from common space is controlled at the disaster control center (functionality), incorporating structure with high seismic performance using vibration control parts such as concrete filled steel tube, aseismic brace and oil damper (BCP), and by conducting greening on the rooftop (environmental friendliness).

Regarding the lessee of the Property to be Acquired, SHR has judged it as complying with the tenant screening standards stated in "Report on the Management Structure, Etc. of the Issuer of Real Estate Investment Trust Units" which was submitted on December 3, 2014.

3. Description of Property to be Acquired and Lease

The following tables present an overview of the Property to be Acquired and its lease. Please refer below for a glossary of the terms used in the tables. Furthermore, unless otherwise noted, etc., the entries in the tables are each those based on information as of the end of March 2015.

- "Planned acquisition date" indicates the date planned as of today. However, it will be postponed as below in accordance with the pricing date. This is subject to change if an agreement is made between SHR and the present owner.
 - a. When the pricing date is May 12 (Tuesday), 2015,
the planned acquisition date will be May 19 (Tuesday), 2015
 - b. When the pricing date is May 13 (Wednesday), 2015,
the planned acquisition date will be May 20 (Wednesday), 2015
 - c. When the pricing date is May 14 (Thursday), 2015,
the planned acquisition date will be May 21 (Thursday), 2015
 - d. When the pricing date is May 15 (Friday), 2015,
the planned acquisition date will be May 22 (Friday), 2015
- "Type of specified asset" is the type of right to be acquired by SHR.
- The "Trustee" column indicates a planned trustee to accept a trust in respect of the property to be acquired.
- "Date of trust establishment" indicates the planned date of trust establishment since a trust is scheduled to be established simultaneously with the acquisition by SHR. The acquisition date may be changed. Please see the above "Planned acquisition date" for details.
- "Trust expiration date" indicates the planned date of expiration of the trust period after the acquisition by SHR.
- "Planned acquisition price" is the sale and purchase price stated in the sale and purchase agreement for the

Property to be Acquired (excluding consumption tax and local consumption tax, as well as commission and other various expenses; rounded down to the nearest million yen).

- “Appraisal value (Date of value)” is the appraisal value and date of value stated in the real estate appraisal report prepared by the real estate appraisal firm that SHR and the Asset Management Company has entrusted with appraisal of investment real estate, where the appraisal value is rounded down to the nearest million yen.
- “Location (indication of residential address)” is the indication of residential address based on that stated in the written property outline or written explanation of important matters. Furthermore, if there is no implementation of indication of residential address or otherwise no indication of residential address in the written property outline and written explanation of important matters, “Location (indication of residential address)” is the parcel number based on that stated in the registry or the indication method used in practice as the location.
- “Lot” of “Land” is based on that stated in the registry (when there is more than 1, one of them is indicated) and “Site area” is the sum total of parcel area based on that stated in the registry. Furthermore, even if the Property is part of the site of a building under sectional ownership or co-ownership interest in land, “Site area” is the parcel area for the entire site or land.
- The “Zoning” column of land indicates the type of zoning district classified in accordance with Article 8, Paragraph 1, Item 1 of the City Planning Act.
- For “Land,” “Building coverage ratio,” which is the ratio of the building area of the building to the site area as provided in Article 53 of the Building Standards Act, is the percentage figure provided in accordance with the Building Standards Act, the City Planning Act and other related laws and regulations.
- The “Floor-area ratio” column of land is the ratio of the total floor area of the building to the site area as stipulated in Article 52 of the Building Standards Act. Those figures stipulated by applicable laws and regulations such as the Building Standards Act the City Planning Act are presented as percentage figures.
- For “Land,” “Type of ownership” is the type of right held by SHR for real estate in the case of real estate directly to be held by SHR, and is the type of right held by the trustee of the real estate trust for real estate in trust in the case of a trust beneficiary right is to be held by SHR.
- For “Building,” “Use” is the major type indicated in the registry. Furthermore, in the case of a building under sectional ownership, “Use” is the use of the concerned exclusively-owned portions.
- For “Building,” “Construction completion” is the date of new construction of principal buildings in the registry. In cases where there are several principal buildings, “Construction completion” is the earliest date of new construction in the registry.
- For “Building,” “Structure / Floors” is based on that stated in the registry. Furthermore, in cases where the building or building in trust is exclusively-owned portions of a building under sectional ownership, “Structure / Floors” is the structure and number of floors for the entire building and not the exclusively-owned portions to be acquired.
Furthermore, the following abbreviations are used in “Structure / Floors.”
SRC: Steel reinforced concrete structure; S: Steel-framed structure
- For “Building,” “Total floor area” is the sum total of floor area of the building or building in trust (excluding annex buildings, etc.) indicated in the registry. In addition, in cases where the building or building in trust is exclusively-owned portions of a building under sectional ownership, “Total floor area” is the floor area for the entire building.
- For “Building,” “Type of ownership” is the classification of the type of ownership, such as ownership right and sectional ownership right. Sectional ownership right refers to the ownership right to the exclusively-owned portions of a building under sectional ownership.
- “Collateral” outlines the collateral to be borne by SHR, if any, after acquisition by SHR of trust beneficiary interest.

- “Property management company” is the company to be entrusted with property management services for the Property after acquisition by SHR.
- “Master lease company” is the planned master lease company for the Property after acquisition by SHR.
- “Master lease type” is the type of master lease planned to be effective for the Property acquisition by SHR, where it is “Fixed-rent type” in cases where the master lease company is to pay a fixed amount of rent.
- For “Status of leasing,” “Total leasable area” refers to the floor area available for leasing at the building of the Property to be Acquired, rounded to two decimal places. In cases where the property is co-ownership interest in ownership right, “Total leasable area” is the figure arrived at when the leasable area for the co-owned real estate is multiplied by the ratio of interest acquired by SHR or the trustee.
- For “Status of leasing,” “Occupancy rate” indicates the ratio of total leased area to total leasable area of the Property to be Acquired that is valid at the time of acquisition by SHR, and is rounded to one decimal place.
- For “Status of leasing,” “Total leased area” is the sum total of the leased area indicated in the lease agreement for the acquired asset that is valid at the time of acquisition by SHR.
- For “Status of leasing,” “Number of tenants” is the sum total of the number of tenants under the lease agreement for property indicated in the lease agreement for the Property to be Acquired that is valid at the time of acquisition by SHR. Furthermore, in cases where a fixed-rent-type master lease agreement, based on which a fixed amount of rent is received regardless of fluctuations in rent from end-tenants, has been executed for the concerned Property to be Acquired, the number of lessees under the master lease agreement is stated as the number of tenants.
- For “Status of leasing,” “Annual (fixed) rent” is the monthly rent (including common area maintenance charges) for the building indicated in the lease agreement for the acquired asset that is valid at the time of acquisition by SHR, multiplied by 12 to calculate the annualized amount (in cases where several lease agreements have been executed, the sum total amount thereof), rounded down to the nearest million yen.
- For “Status of leasing,” “Leasehold and security deposits” is the sum total amount of the balance of leasehold and security deposits provided in the lease agreement for the acquired asset that is valid at the time of acquisition by SHR, rounded down to the nearest million yen.
- “Matters of special note” is the matters considered important in relation to the rights of the Property to be Acquired, use, etc. and the matters considered important in consideration of the degree of impact on the valuation of the Property to be Acquired, profitability and appropriation, including the following matters. Furthermore, the matters of special note are prepared by conducting an investigation with February 26, 2015 as the date of investigation and, in principle, presented to the extent that could be investigated by that date.
 - a. Key limitations or restrictions by laws and regulations
 - b. Key burdens or limitations pertaining to rights, etc. (including establishment of security interest)
 - c. Key structures, etc. crossing the boundary between the real estate or real estate in trust and the adjacent land or issues with boundary confirmation, etc., as well as agreements, etc. thereof, if any
 - d. Key matters agreed upon or agreements, etc. with co-owners or sectional owners

Property name		Hommachi Garden City
Planned acquisition date		May 19, 2015
Type of specified asset		Trust beneficiary right (planned)
Trustee		Mizuho Trust & Banking Co., Ltd. (planned)
Date of trust establishment		May 19, 2015 (planned)
Trust expiration date		May 31, 2025 (planned)
Planned acquisition price		38,600 million yen
Appraisal value (Date of value)		40,000 million yen (March 31, 2015)
Location (indication of residential address)		3-6-4, Hommachi, Chuo-ku, Osaka-shi, Osaka
Land	Lot	3-46-1 Hommachi, Chuo-ku, Osaka-shi, Osaka (and other)
	Site area	4,145.71m ²
	Use district	Commercial district
	Building coverage ratio	80 %
	Floor area ratio	1,000 % (Note 1)
	Type of ownership	Right of site (co-ownership interest)
Building	Use	Office (Note 2)
	Construction completion	May 2010
	Structure / Floors	S/SRC/B2F/27F (Note 3)
	Total floor area	49,163.16m ² (Note 3)
	Type of ownership	Sectional ownership right (Note 3)
Collateral		None
Property management company		Sekisui House, Ltd. (planned)
Master lease company (Master lease type)		Sekisui House, Ltd. (planned) (Fixed-rent type)
Status of leasing	Total leasable area	17,006.94m ²
	Total leased area	17,006.94m ²
	Occupancy rate	100.0%
	Number of tenants	1
	Annual fixed rent	1,807 million yen
	Leasehold and security deposits	1,660 million yen (amount equivalent to leasehold and security deposits and other deposits received from end-tenants by the lessee)
	Other	A fixed-rent-type master lease agreement that has acquisition by SHR as a condition precedent has been executed. It contains provisions that, if revenue earned by the master lessee (the lessee) exceeds a certain amount, rent based on a percentage of the master lessee's revenue (overage rent) shall be paid. Furthermore, rent may possibly be revised upon renewal of the Agreement.
Matters of special note		<p>The Property is independently owned by the present owner, Sekisui House, Ltd. as of today. Under the sale and purchase agreement with SHR, it has been agreed that part of the exclusively-owned portions of the Property, as well as the accompanying right of site be placed in the trust of and transferred to the trustee by Sekisui House on the date of acquisition by SHR, followed by transfer of the trust beneficiary interest to SHR on the same day. Furthermore, it has been agreed that, after the transfer, Sekisui House, the trustee and SHR execute a written sectional owners agreement with suspensive conditions of acquiring the trust beneficiary right by SHR, and grant mutual right of first negotiation, etc.</p> <p>The following outlines the Agreement.</p> <p>(a) In the event that Sekisui House or the trustee seeks to transfer the sectional ownership right in whole or in part (hereinafter</p>

	<p>referred to as the “subject sectional ownership right” in this section) to a third party or in the event that SHR seeks to transfer the trust beneficiary right (the concerned trust beneficiary right and the subject sectional ownership right hereinafter individually or collectively referred to as the “transfer property” in this section) to a third party, the party seeking to transfer (hereinafter referred to as the “offeror” in this section) must notify any other party to the Agreement (hereinafter referred to as the “counterparty” in this section) of the transfer terms and conditions and other information related to the concerned transfer before any transfer negotiations take place with a third party and, if any counterparty requests consultations concerning purchase of the transfer property, the offeror shall hold consultations on the transfer terms and conditions in good faith with the counterparty and no negotiations concerning transfer of the transfer property shall take place with a third party during the prescribed consultation period. Furthermore, only if an acceptance of the offer to purchase is not received by the offeror from the counterparty within the prescribed consultation period or if consultations fail to reach an agreement may the offeror be entitled to transfer the transfer property to a third party; provided, however, that the terms and conditions of the concerned transfer shall not be of more advantageous content to the transferee than the transfer terms and conditions notified to the counterparty above.</p> <p>(b) In the event of failure to perform the obligations provided in the Agreement, Sekisui House or SHR shall be entitled to notify the other party that the obligations be performed and, if the concerned obligations are not performed within the prescribed period, to request that the sectional ownership right held by the other party be transferred with compensation.</p> <p>(c) In the event that Sekisui House or the trustee is to transfer part of the sectional ownership right in the subject property not to other parties to the Agreement but to a third party, the third party shall succeed the status under the Agreement to the extent of the concerned transfer. In this case, the parties to the Agreement shall cooperate in making necessary amendments to the Agreement upon the succession by the concerned third party.</p>
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(Note 1) The designated floor area ratio is essentially 1,000%. However due to the mitigation for being designated as special urban renaissance districts, it is set at 1,300%.

(Note 2) Use for the entire building is office and store.

(Note 3) The sections to be acquired by SHR are the sectional ownership right to all of exclusively-owned portions used as office building and retail property of the building and the accompanying right of site. The ratio of exclusive area of the sections acquired is approximately 52.7% of the exclusive areas of the entire building. Furthermore, the ratio of site is 68,645/100,000 for the office portion and 1,104/100,000 for the retail portion, totaling 69,749/100,000 (approximately 69.7%). Although the sections to be acquired by SHR include co-ownership interest for the agreed common space (parking, management office, etc.), there is no accompanying ratio of site. As for the annexed building, since it is attached to the sectional ownership right to all of exclusively-owned portions that are used as a hotel, which is not included in the planned acquisition by SHR, the annexed building is not included in the portion planned to be acquired by SHR.

4. Seller Profile

① Name	Sekisui House, Ltd.
② Location	1-1-88 Oyodonaka, Kita-ku, Osaka-shi, Osaka
③ Name and title of representative	Isami Wada, Chairman, Representative Director & CEO Toshinori Abe, President, Representative Director & COO
④ Business description	Design, construction and contracting of industrialized housing, and sale, purchase, brokerage, leasing and management of real estate; and businesses related to the foregoing
⑤ Capital	198,571 million yen (as of last day of March 2015)
⑥ Date of establishment	August 1960
⑦ Net assets	1,079,064 million yen (consolidated) (as of last day of January 2015)
⑧ Total assets	1,929,409 million yen (consolidated) (as of last day of January 2015)
⑨ Large shareholder (Shareholding ratio)	Sekisui Chemical Co., Ltd. (8.88%) The Master Trust Bank of Japan, Ltd. (trust account) (5.44%) Japan Trustee Services Bank, Ltd. (trust account) (4.80%) (each as of last day of January 2015)
⑩ Relationship between SHR or the Asset Management Company and the concerned company	
Capital relationship	As of today, the concerned company holds 9.53% of the total number of investment units issued and outstanding of SHR. In addition, the concerned company holds 100% of the total number of shares issued and outstanding of the Asset Management Company and thus falls under the category of interested persons, etc. as provided in the Investment Trusts Act.
Personnel relationship	As of today, the concerned company dispatches one part-time director and one part-time corporate auditor to the Asset Management Company. In addition, 15 of the officers and employees of the Asset Management Company are seconded from the concerned company.
Business relationship	The concerned company has executed a pipeline support agreement, sponsor support agreement, letter of intent on sale of overseas properties and memorandum regarding ownership of investment units, as well as a memorandum regarding use of trademarks, with SHR and the Asset Management Company. In addition, the Company is the seller of the acquired asset and has executed a master lease and property management agreement for the acquired asset.
Related-party status	The concerned company is the parent company of the Asset Management Company and thus falls under the category of related parties. In addition, as stated above, the concerned company falls under the category of interested persons, etc. of the asset management company as provided in the Investment Trusts Act.

5. Status of Property Buyers, Etc.

	Previous owner / trust beneficiary	Previous, previous owner / trust beneficiary
Company name	Sekisui House, Ltd.	Party other than a party having special vested interest
Relationship with party having special vested interest	Please refer to “4. Seller Profile; ⑩ Relationship between SHR or the Asset Management Company and the concerned company” above.	—
Acquisition background/reason, etc.	Acquired for development purposes	—
Acquisition price	Omitted because ownership exceeds one year	—
Acquisition timing	(Land) September 17, 2004 or March 31, 2006 (Building) August 5, 2010 Registration of preservation of ownership	—

6. Overview of Brokerage

Not applicable.

7. Transaction with Interested Persons, Etc.

The seller of the acquired asset Sekisui House, Ltd. is the parent company of the Asset Management Company, and thus falls under the category of interested persons, etc. as provided in the Investment Trusts Act and also falls under the category of interested parties under the rules on transactions with interested parties that are internal rules of the asset management company. Accordingly, the asset management company has performed the decision-making procedures set forth in the concerned rules on transactions with interested parties (including an approval from SHR based on the approval of its Board of Directors meeting held on April 24, 2015) upon conducting the asset acquisition transaction with Sekisui House, Ltd.

In addition, the Asset Management Company has performed the decision-making procedures set forth in the above mentioned rules on transactions with interested parties (including an approval from SHR based on the approval of its Board of Directors meeting held on April 24, 2015) upon executing the master lease and property management agreement with Sekisui House, Ltd.

8. Future Outlook

Please refer to “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” dated today.

9. Summary of Appraisal Report

Appraisal value	40,000 million yen
Name of appraisal firm	Japan Real Estate Institute
Date of value	March 31, 2015

(million yen) (Note)

Item	Details	Description, etc.
Indicated value by income approach	40,000	Calculated by linking indicated values obtained using direct capitalization method and DCF method as they are judged to possess the same normative level
Indicated value by direct capitalization method	40,500	
Operating revenue	1,807	
Gross potential income	1,807	Recorded the rental income (including common area maintenance charges) based the master lease agreement
Vacancy loss, etc.	0	Not recorded as it is a master lease agreement for a lease in its entirety
Operating expenses	202	
Maintenance and management fee	0	Not recorded as paid by the lessee
Utilities expenses	0	Not recorded as paid by the lessee
Repair expenses	7	Recorded by taking into consideration the future management and operation plans, the level for similar properties and the annual average repair and renewal expenses in the engineering report, with reference to historical data.
Property management fee	12	Recorded by taking into consideration the PM fees for similar properties and factors specific to the subject property, etc., with reference to PM fees, etc. based on the planned PM agreement.
Tenant leasing cost, etc.	0	Not recorded by judging that tenant leasing cost, etc. will not arise in accordance with the master lease agreement.
Property taxes	179	Recorded based on the tax base amount for fiscal 2014.
Insurance premium	3	Recorded by taking into consideration the insurance premium based on the planned insurance contract and insurance premiums, etc. for similar buildings.
Other expenses	0	Recorded neighborhood association fee, etc.
Net operating income (NOI)	1,605	
Financial interests on refundable deposits	33	Appraised by appraising stable amount of deposit over a medium to long term and by multiplying the amount by the occupancy rate, then multiplying the obtained amount by the investment return. The investment return is appraised as 2% considering interest rates, etc. of fund management and fund procurement.
Capital expenditures	17	Appraised by taking into account the level of capital expenditures of similar properties, building age and the annual average repair and renewal expenses in the engineering report.
Net cash flow (NCF)	1,621	
Capitalization rate	4.0%	Appraised by taking into account the future uncertainties and market capitalization rates of similar properties, etc., while adding to/subtracting from the base capitalization rate in the area spreads attributable to location of the target property, building conditions and other conditions.
Indicated value by DCF method	39,500	
Discount rate	3.7%	Appraised by comprehensively taking into account property-specific factors, etc. of the target property, with reference to investment returns, etc. of transactions of similar properties.
Terminal capitalization rate	4.2%	Appraised by comprehensively taking into account such factors as future trends in the investment capitalization rate, risks of the

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			subject property as an investment target, general projection of the future economic growth rate, trends in property prices and rents, etc., with reference to the market capitalization rates of similar properties, etc.
Indicated value by cost approach	29,600		
Ratio of land	61.4%		
Ratio of building	38.6%		
Items considered upon determining appraisal value	None		

(Note) Amounts are rounded down to the nearest million yen. Accordingly, the amounts may not add up to the figures for operating revenue, operating expenses and other items.

*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/>

<Attachments>

- Reference Material 1: Summary of Engineering Report of the Property to be Acquired
- Reference Material 2: Summary of Seismic Risk Analysis after the Acquisition of the Property to be Acquired
- Reference Material 3: Map of the Surrounding Area of the Property to be Acquired
- Reference Material 4: Photograph of Exterior of the Property to be Acquired
- Reference Material 5: Portfolio List after the Acquisition of the Property to be Acquired

Reference Material 1: Summary of Engineering Report of the Property to be Acquired

Property no.	Property name	Replacement cost (million yen) (Note 1)	Repair expenses at time of investigation (thousand yen) (Note 2)			Investigator	Date of report (Note 3)
			Emergency	Short-term	Long-term		
J-4	Hommachi Garden City	8,408	0	0	25,034 (Note 4)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	April 2015

(Note 1) "Replacement cost" is the replacement cost stated in the engineering report rounded down to the nearest million yen.

(Note 2) "Repair expenses" is rounded down to the nearest thousand yen. "Short-term" is the investigator's estimate of the repair and renewal expenses required within one year at the time of investigation. "Long-term" is the investigator's estimate of the repair and renewal expenses for 12 years (varies depending on the investigator) at the time of investigation, converted into an annual average amount by the Asset Management Company.

(Note 3) "Date of report" is the date of preparation stated in the engineering report.

(Note 4) The replacement cost and repair expenses at the time of investigation are the figures corresponding to the ownership ratio for planned acquisition by SHR.

Reference Material 2: Summary of Seismic Risk Analysis after the Acquisition of the Property to be Acquired

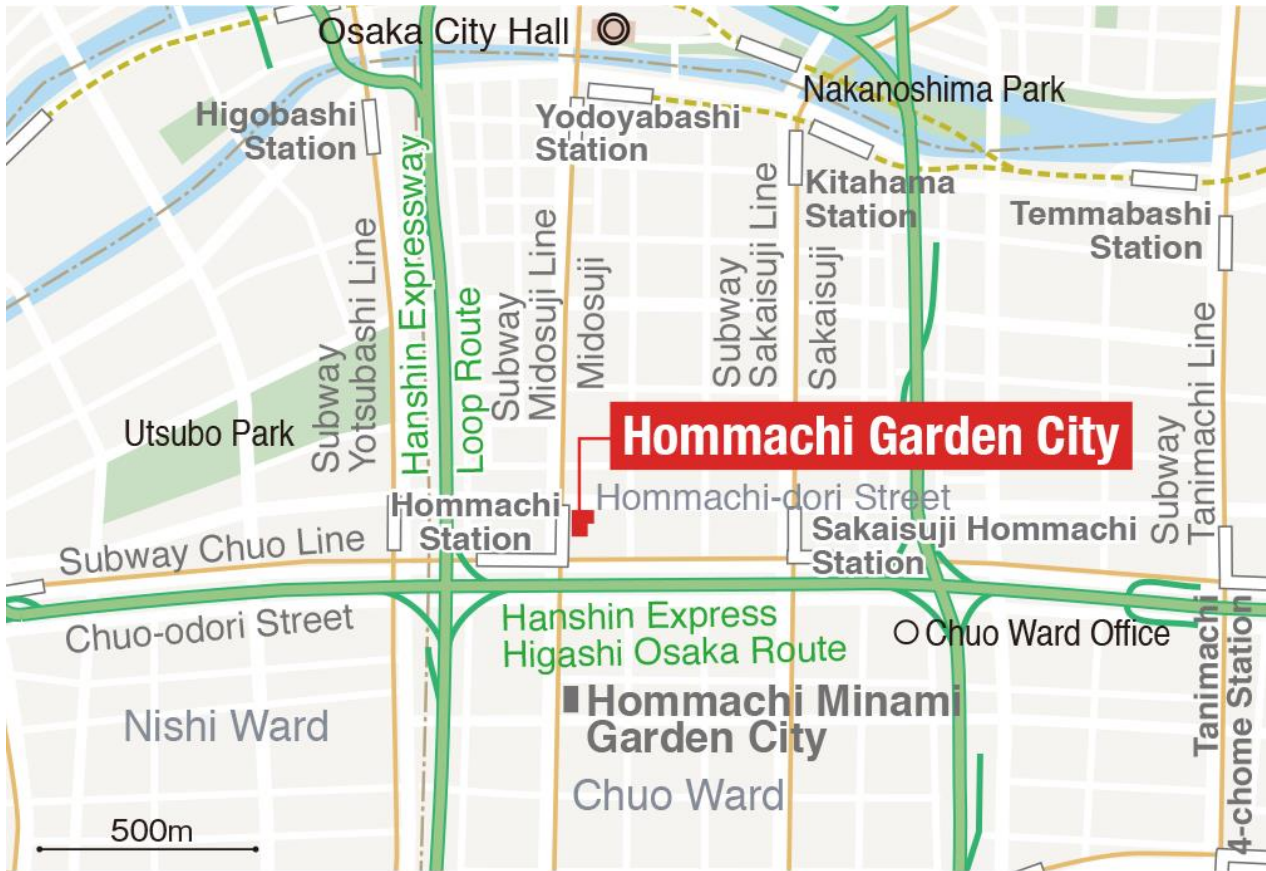
Property no.	Property name	PML value (Probable Maximum Loss) (%) (Note 1)
J-1	Garden City Shinagawa Gotenyama	0.5
J-2	Gotenyama SH Building	1.9
J-3	Hommachi Minami Garden City	4.5
J-4	Hommachi Garden City	4.2
Entire portfolio (Note 2)		2.0

(Note 1) "PML value" is based on the statement in the seismic risk evaluation report prepared for each property by Tokio Marine & Nichido Risk Consulting Co., Ltd. The concerned statement is no more than an indication of the opinion of the reporting party, and SHR does not guarantee the accuracy of the content thereof.

Furthermore, "PML value" refers to the extent of damage that may be suffered due to a largest scale earthquake in the assumed scheduled use period (the biggest earthquake which happens once every 475 years, with a 10% chance of happening once every 50 years; expected duration of service of a general building is 50 years) expressed as a percentage (%) of the replacement cost for the amount of probable loss corresponding to a non-exceedance probability. However, the amount of probable loss is limited to that for direct loss on the building (structure, finishing and building equipment) only that are caused by earthquake ground motion, and does not include damage to tools, furniture, fixtures, etc., loss caused by post-earthquake water or fire disasters, compensation for disaster victims, operating loss due to interruption of business operations and other secondary damages.

(Note 2) "Entire portfolio" PML value is the portfolio PML value based on the "4 Properties' Building Seismic Risk Evaluation Portfolio Analysis Report" dated March 2015.

Reference Material 3: Map of the Surrounding Area of the Property to be Acquired



Reference Material 4: Photograph of Exterior of the Property to be Acquired



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Reference Material 5: Portfolio List after the Acquisition of the Property to be Acquired

Property no.	Property name	Location	Acquisition date (planned)	Acquisition price (planned) (million yen) (Note 1)	Share of portfolio (%) (Note 2)
J-1	Garden City Shinagawa Gotenyama	Shinagawa-ku, Tokyo	December 3, 2014	39,700	26.0
J-2	Gotenyama SH Building	Shinagawa-ku, Tokyo	December 3, 2014	51,500	33.7
J-3	Hommachi Minami Garden City	Chuo-ku, Osaka-shi, Osaka	December 3, 2014	23,100	15.1
J-4	Hommachi Garden City	Chuo-ku, Osaka-shi, Osaka	May 19, 2015	38,600	25.2
Total		—	—	152,900	100.0

(Note 1) "Acquisition price (planned)" is the sale and purchase price stated in the sale and purchase agreement for each property (excluding consumption tax and local consumption tax, as well as commission and other various expenses; rounded down to the nearest million yen).

(Note 2) "Share of portfolio" is the property's acquisition price (planned) expressed as a percentage of the sum total of the (planned) acquisition prices, rounded to one decimal place. Accordingly, the sum total of each property's share of the portfolio may differ from the figure stated in the total column.