



Notice regarding an Acquisition of All Shares in Joint Capital Partners Co., Ltd. and an Acquisition of Units in Joint REIT Investment Corporation through a Third-Party Allocation

February 19, 2010 – We are pleased to announce Sekisui House, Ltd. (“Sekisui House”) and Spring Investment Co., Ltd. (“Spring”) have as joint sponsors decided by resolution of the two companies’ board meetings today to acquire all shares in Joint Capital Partners Co., Ltd. (“JCP”), the asset management firm of Joint REIT Investment Corporation (“Joint REIT”) from Joint Corporation (“JOI”) that is in the need of reorganization, and acquire units in Joint REIT through a third-party allocation as well.

To commemorate our 50th anniversary since inception, on January 20, 2010, Sekisui House announced the Sekisui House Group FY2010 Mid-Term Management Plan, which positions this year as a year to make a leap forward to develop our business through the expansion of our business portfolio.

In 2005, Sekisui House took a joint stake in Japan Excellent Asset Management Co., Ltd. as a core sponsor. Japan Excellent Asset Management is responsible for managing the assets held by Japan Excellent, Inc., a real estate investment trust (REIT). In 2006, Japan Excellent, Inc. listed on the Real Estate Investment Trust Section (J-REIT market) of the Tokyo Stock Exchange. Since then, Sekisui House has supplied Japan Excellent, Inc. with office buildings under a property information and other services provision agreement. We have also contributed to the growth of Japan Excellent, Inc. by contracting property management services for assets under management. As a leading company in the housing industry, Sekisui House has independently developed its Prime Maison series luxury rental apartments and acquired prime rental apartment properties, both managed by affiliated Sekiwa Real Estate subsidiaries, and plans an entry into the residential real estate investment trust business.

Meanwhile, Spring has been in the business of managing real estate investments in Japan since 1998. Its main responsibilities entail the management and operation of real estate and real estate trust beneficial interests located within Japan and owned by Astro Japan Property Trust (“AJA”), which has been listed on Australia’s stock exchange since 2005. Moving forward, Spring plans to further expand its business. Spring has sought to apply its real estate management expertise developed through the management of real estate located in Japan and owned by AJA to the J-REIT business.

Sekisui House and Spring believe they can complement each other as joint sponsors to make a move into J-REIT business, effectively expand their respective business portfolios and drive a



new strategy aimed at achieving sustainable growth, and have decided to take the following series of approaches to contribute to further development of J-REIT market.

(1) The J-REIT Business Moving Forward

The financial uncertainties originating in the United States as a result of the subprime loan problem and the simultaneous slowdowns seen in global economies as a result of the Lehman Shock have greatly impacted Japan's economy, and the business environment surrounding J-REITs has changed dramatically.

By jointly participating in asset management of Joint REIT, Sekisui House, which has a stake in Japan Excellent Asset Management Co., Ltd., and Spring, which has a track record managing real estate in Japan owned by AJA (an Australian-listed REIT) and possesses talent with expertise in real estate funds and asset management in Japan, the US, Europe and Australia, can demonstrate their respective asset management capabilities and funding safety backed by Sekisui House's creditworthiness to win the confidence of investors; we believe this will contribute to greater activity in the J-REIT industry.

(2) Strategies of Joint REIT

This January, Sekisui House reached a cumulative two million homes sold. Leveraging the expertise we have developed, we look forward to offering capabilities of providing Sekisui House's quality rental apartments to the market and, over the mid- to long-term, offering the excellent property management capabilities possessed by Sekiwa Real Estate subsidiaries based on a track record of more than 450,000 rental units under management (as of January 2010) to Joint REIT, coupled with Spring's access to a global network of investors, IR expertise and financial knowledge.

Furthermore, backed by Sekisui House's creditworthiness, we look forward to operating a business capable of generating stable profits and aiming to maximize the business value of Joint REIT and profits for unit-holders by leveraging favorable funding terms to strengthen cash flow, building up a safe REIT business and establishing a sound financial structure.

For the time being, the current portfolio will be maintained until immediate funding concerns are resolved and forward-looking support is ensured in terms of capitalization and financing. We look forward to keeping the pulse of market trends and directions to return the REIT business to its intrinsic growth trajectory.

[Growth Strategy]

(a) External Growth

- In the future, we will implement a shift from a diversified REIT focused on residential and retail properties to a diversified REIT focused primarily on residential properties by



providing a stable supply of quality rental residential assets, including Prime Maison series properties owned by Sekisui House, based on a pipeline support agreement planned to be concluded by Joint REIT and the new sponsor.

- By becoming sponsor, Sekisui House will work to stabilize financial standing and enhance access to funding for Joint REIT. By doing so, we plan to build capabilities to support nimble acquisitions of properties.
- We will study portfolio turnover as necessary based on the condition of the market and the individual properties. However, we assume commercial facilities will in principle be kept under ownership for the time being.

(b) Internal Growth

(Maintaining stable revenue)

- We will strive to increase occupancy rates and raise or maintain rents by recruiting potential tenants leveraging the network of the Sekisui House Group.
- Regarding commercial facilities, we will strive to enhance profitability by enhancing value of individual properties as circumstances merit.

(Cost reductions)

- By becoming sponsor, Sekisui House will work to strengthen cooperative relationships with financial institutions, reduce funding costs and increase distributions per unit.

(Efficient management)

- Sekiwa Real Estate subsidiaries in the Sekisui House Group and Spring will leverage their operations expertise to further reduce costs through efficient property management.
- We believe Spring's experience as an international fund manager and wealth of financial knowledge can contribute to the pursuit of internal growth. Because many of AJA units outstanding are owned by investors outside of Australia, Spring has expertise and knowledge about IR activities targeting a broad range of investors including overseas investors and will strive to apply that know-how and experience the benefit of Joint REIT through an expanded investor base and diversified means of fund-raising.

(3) Description of the Acquisition of JCP Shares

Effective today we concluded a stock acquisition agreement with JOI, under which Sekisui House and Spring agree to jointly acquire all JCP shares outstanding (4,000 shares).

The share acquisition will be implemented on March 8, 2010.

After the share acquisition, JCP's ownership structure will be as follows:

Name	Number of shares owned	Percentage of shares
Sekisui House, Ltd.	3,000	75.0%
Spring Investment Co., Ltd.	1,000	25.0%
Total	4,000	100.0%



(4) Description of the Third-Party Allocation

The new 10,400 units issued by Joint REIT shall be allocated to Sekisui House and Godo Kaisha Spring Investors, wholly owned subsidiary of Spring.

Name	Number of units to be allocated
Sekisui House, Ltd.	7,800
Godo Kaisha Spring Investors	2,600
Total	10,400

(5) Future Outlook

Measures including the acquisition of shares of JCP and acquisition of units of Joint REIT described above are expected to have only a slight impact on the consolidated financial performance of Sekisui House.

【Reference】

Profile of Sekisui House, Ltd.

Main activities	Design, construction and contracting of prefabricated housing; sale, acquisition, brokerage, leasing and management of real estate; and related businesses
Capital	186,554 million yen
Established	August 1960
Representative directors	Isami Wada, Chairman and Chief Executive Officer Toshinori Abe, President and Chief Operating Officer
Consolidated net income	11,516 million yen (for the year ended January 2009)
Employees(Consolidated)	21,951 (as of October 31, 2009)
Licenses / Registrations	Construction Business: Minister of Land, Infrastructure, Transport and Tourism (Special/Ordinary-17, Ordinary-21) No. 5295 Building Lots and Building Transactions Business: Minister of Land, Infrastructure, Transport and Tourism (13) No. 540 Type II Financial Instruments Business: Minister of Kinki Finance Bureau (Financial Instruments) No. 162 First Class Architect Office Registration: Osaka Prefecture Governor Registration (J) No. 3208 Others

Profile of Spring Investment Co., Ltd.

Main activities	Real Estate Investment & Asset Management
Capital	50 million yen
Established	June 1998



Representative directors	Eric Lucas, Chief Executive Officer Naoto Ichiki, Chief Operating Officer
Consolidated net income	1.3 billion yen (for the year ended December 2008)
Staff	29 (as of December 31, 2009)
Licenses / Registrations	Financial Instruments Business; Investment Management Business / Investment Advisory and Agency Business Type II Financial Instruments Business: Director General of the Kanto Local Finance Bureau (Kinsho) No. 2009 Investment Advisory / Agency Business No. 61 Registered Money Lender: Tokyo Governor (1) No. 31143 Real Estate Agent: Tokyo Governor (3) No. 78187 Real Estate Appraisal: Tokyo Governor (2) 1796

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