

## Notice Regarding the Establishment of a Subsidiary

**May 19, 2011** – Sekisui House, Ltd. (“the Company”) announces that it has decided to establish a subsidiary in China in accordance with the resolution reached at the meeting of the Board of Directors held on May 19, 2011.

Details are as follows:

### 1. Purpose of establishing a subsidiary

In each country, the Company has been furthering the international business development initiatives set out in the 2010 Medium-Term Management Plan. In China, the Company plans to launch large-scale urban development projects to build houses (town houses) and condominiums in Suzhou and Shenyang, totaling 7,000 units with sales of around 200 billion yen. Construction is set to begin in the summer of 2011. With respect to the plan for jointly developing condominiums (around 2,000 units in total) in Xiangcheng district, Suzhou, with the local developer Suzhou Changcheng Property Co., Ltd. the Company and Suzhou Changcheng Property Co., Ltd. have decided to jointly establish a subsidiary to lead the project.

### 2. Outline of the subsidiary to be established

(1)	Company name	SekisuiHouse, Changcheng (Suzhou) Real Estate Development Co., Ltd.	
(2)	Address	959 Jiayuan Road, Xiangcheng district, Suzhou	
(3)	Representative	Sumio Wada, chairman of the board (Executive Vice President & Director of Sekisui House, Ltd)	
(4)	Business description	Housing sales	
(5)	Registered capital	USD 259,750,000 (equivalent to JPY approximately 21.1 billion)	
(6)	Date of establishment	June 2011 (planned)	
(7)	Major shareholder and its equity ratio	Sekisui House, Ltd. 97.85%	
(8)	Relationship between the listed companies and the subsidiary	Capital ties	Sekisui House, Ltd. 97.85%, Suzhou Changcheng Property Co., Ltd. 2.15%
		Management team members	The positions of four board members of the subsidiary (chairman of the board, vice chairman of the board, director) will be concurrently assumed by the board of directors and employees of Sekisui House. The position of one of the auditors of the subsidiary will be concurrently assumed by an employee of Sekisui House.
		Trade	No transactions as of the end of the previous fiscal year



### **3. Impact on business results**

The impact of the establishment of the subsidiary on the Company's current consolidated business results will be minor, however it is expected to help us achieved increased profits in the medium term.

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#### **For further information, please contact:**

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