

Kobe Rokko Island (Subsidiary) to Be Dissolved

April 27, 2005 --The board of directors of Sekisui House, Ltd. ("Sekisui House") passed a resolution today authorizing the company to dissolve its subsidiary, Kobe Rokko Island Co., Ltd. ("Kobe Rokko Island")

1. Background

Kobe Rokko Island was jointly established and funded by Sekisui House and its partners in the development of Rokko Island City in Kobe, Hyogo, to handle specific tasks related to the project. It has subsequently been decided that Sekisui House will take over all aspects of the undertaking, including the tasks currently handled by Kobe Rokko Island. The decision to dissolve Kobe Rokko Island is based on the fact that the company will cease to have any role in the project following this change.

2. Profile of Company

Trading name: Kobe Rokko Island Co., Ltd.

Headquarters address: 1-14 Kohyo-cho naka, Higashinada-ku Kobe-shi Hyogo

Representative: President Isami Wada

Capitalization: 1,000 million yen

Principal shareholders: Sekisui House, Ltd. (percentage: 61.75%), Urban Life Co., Ltd. (8.55%), Sumitomo Mitsui Banking Corp. (5.00%), JFE Urban Development Corp. (4.75%), Kobe Steel, Ltd. (4.75%), Suntory Kosan Co., Ltd. (4.75%), Mitsui & Co., Ltd. (4.75%), Kawasaki Heavy Industries, Ltd. (2.85%), West Japan Railway Co. (1.90%), and Kobe Tochi Tatemono Corp. (0.95%)

3. Implications and plans

This move forms part of the final phase of the urban development project in Rokko Island City, and will have no impact on Sekisui House's business results or consolidated financial position.

Sekisui House intends to start procedures for the dissolution of Kobe Rokko Island upon receiving approval from all of the project partners. One of the terms of the dissolution is that all creditors write off any Kobe Rokko Island debts. Sekisui House plans to begin ordinary liquidation procedures once those write-offs have been made.

The company hopes to hold an extraordinary shareholders' meeting to approve the dissolution at the end of May and apply for a registration of completion of liquidation around the end of January 2006.

* * *

For further information, please contact:

Mr. Hidehiro Yamaguchi

Head of Public Relations Department

Sekisui House, Ltd.

Tel: 06-6440-3021 Fax: 06-6440-3331

Email: info-ir@qz.sekisuihouse.co.jp