

Sekisui House Writes Off Debt of Kobe Rokko Island (Subsidiary)

April 27, 2005 -- The board of directors of Sekisui House, Ltd. ("Sekisui House") voted today to authorize the company to write off all loans to its subsidiary, Kobe Rokko Island Co., Ltd. ("Kobe Rokko Island")

The loss resulting from this write-off will be charged against the Sekisui House loan-loss provision and, consequently, will have no impact on the company's financial position.

1. 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

Primary activities: Management and sale of residential land parcels in Kobe Rokko Island Kobe, Hyogo, to purchasers of homes to be built by Sekisui House and other companies involved in the Kobe Rokko Island development project.

2. Amount and type of debt of Kobe Rokko Island to Sekisui House

Loans: Approximately 11,970 million yen

3. Background and implications

Companies involved in the Kobe Rokko Island development project in Kobe, Hyogo, have agreed to allow Sekisui House to take over all aspects of the undertaking, including the tasks currently handled by Kobe Rokko Island. Sekisui House has decided to dissolve Kobe Rokko Island and cancel the debt owed to it by the latter as part of the liquidation process. The amount involved is covered by Sekisui House's loan-loss provision, and, consequently, the move will have no impact on the company's financial position.

Sekisui House plans to write off the debt as soon as all the other participants agree to the arrangement.

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