

Notice of Disposal of Treasury Stock and Sale of Shares

March 1, 2006 - Sekisui House, Ltd. (“Company”) announces that the meeting of the Board of Directors held on March 1, 2006, approved disposal of treasury stock and sale of shares as follows.

I. Secondary Offering Resulting from the Disposal of the Treasury Stock (offering by way of underwriting)

1. Number of shares to be sold	38,000,000 shares of common stock
2. Disposal Price	Disposal Price is to be determined on any day between Tuesday, March 14, 2006 and Friday, March 17, 2006, according to the method prescribed in Paragraph 2, Article 14-7 of the Fair Custom Rule No. 14 set forth by the Japan Securities Dealers Association (“the Offer Price Determination Date”).
3. Selling method	Mizuho Securities Co., Ltd., Nomura Securities Co, Ltd., Nikko Citigroup Limited, Daiwa Securities SMBC Co., Ltd., and Mitsubishi UFJ Securities Co., Ltd (“underwriters”) will underwrite the sale of all shares. Offer Price is to be determined on the Offer Price Determination Date, preliminarily based on the closing share price of the Company at the Tokyo Stock Exchange on the Offer Price Determination Date (if the closing price is not available on such day, the closing price of the nearest preceding day will apply) multiplied by a number between 0.90 to 1.00, with any fraction less than one yen being truncated), taking into consideration various factors including market demand, according to the method prescribed in Paragraph 2, Article 14-7 of the Fair Custom Rule No. 14 set forth by the Japan Securities Dealers Association. Proceeds to the underwriters to the sale of shares shall be the difference between the offer price and the amount paid to seller by the underwriters.
4. Subscription period	The application period begins on the business day immediately following the Offer Price Determination Date, and ends on the third business day following the Offer Price Determination Date.
5. Date of remittance	Between March 23, 2006 and March 28, 2006, provided that it is the sixth business day following the Offer Price Determination Date.
6. Transfer date	Between March 24, 2006 and March 29, 2006, provided that it is the seventh business day following the Offer Price Determination Date.
7. Minimum block unit for subscription	1,000 shares
8. The Company authorizes the Company’s President to approve the Disposal Price, Offer Price, and other important matters concerning the sales of shares.	
9. The Company filed a Securities Registration Notice, effective today, in connection with this offering pursuant to the Securities and Exchange Law of Japan.	



II. Secondary Offering of Shares (offering by way of over-allotment) (See 2 in For Reference)

1. Number of shares to be sold	5,000,000 shares of common stock This figure is the maximum number of shares to be sold. Depending on the degree of demand in public offering, it is possible that less than that number of shares, or no shares, will be sold by way of over-allotment. In consideration of market demand, the decision on number of shares to be sold is to be made on Offer Price Determination Date.
2. Seller and number of shares to be sold	Mizuho Securities Co., Ltd. 5,000,000 shares
3. Price per share	Undetermined. Offer Price is to be determined on Offer Price Determination Date and will be the same as that for the offering by way of underwriting.
4. Selling method	Taking into account market demand for the offering by way of underwriting, Mizuho Securities Co., Ltd. will offer the Company's common stock to be borrowed from certain shareholder(s).
5. Subscription period	The application period will be the same as that for the offering by way of underwriting.
6. Transfer date	The application date will be the same as that for the offering by way of underwriting.
7. Minimum block unit for subscription	1,000 shares
8. The Company authorizes the Company's President to approve the selling price and other important matters concerning the sales of shares.	
9. The Company filed a Securities Registration Notice, effective today, in connection with this offering pursuant to the Securities and Exchange Law of Japan.	

III. Disposal of Treasury Stock through Third-Party Allocation (See 2 in For Reference)

1. Number of shares to be sold	5,000,000 shares of common stock
2. Price per share	Offer price is to be determined on Offer Price Determination Date and will be the same as that for the offering by way of underwriting.
3. Allotted party and number of shares	Mizuho Securities Co., Ltd. 5,000,000 shares
4. Subscription date	Between Wednesday, April 19, 2006 and Wednesday, April 26, 2006 provided that it is the third business day following the thirtieth day as counted from the day immediately following the last date of the application period for the offering by way of underwriting and over-allotment.
5. Subscription period	Any day between Wednesday, April 19, 2006 and Wednesday, April 26, 2006. Same as the application period (application date) described in 4 above.
6. Transfer date	Any day between Thursday, April 20, 2006, and Thursday, April 27, 2006. The business day immediately following the payment date described in 5) above.
7. Minimum block unit for subscription	1,000 shares
8. Issuance of shares will be cancelled for shares not subscribed for by the subscription date noted in 4 above.	
9. The Company authorizes the Company's President to approve the Disposal Price, Offer Price, and other important matters concerning the sales of shares.	



<For Reference>

1. Purpose of the offerings

The purpose of the above offerings is to use the proceeds for investments in real estate development.

2. The secondary offering, etc. by way of over-allotment

For this secondary offering, in addition to the offering by way of underwriting described in "I. Secondary Offering Resulting from the Disposal of the Treasury Stock (offering by way of underwriting)" above, the secondary offering by way of over-allotment described in "II. Secondary Offering of Shares (offering by way of over-allotment)" above is being planned.

The secondary offering by way of over-allotment will be made separate from, and taking into account market demand for, the offering by way of underwriting with respect to up to 5,000,000 shares of common stock of the Company that are planned to be borrowed by Mizuho Securities Co., Ltd. (lead manager of the offering by way of underwriting) from certain shareholder(s) of the Company. The number of shares indicated in the secondary offering by way of over-allotment is the maximum number of shares to be sold, and this may decrease or the offering by way of over-allotment may be cancelled altogether depending on demand.

The common stock to be borrowed by Mizuho Securities Co., Ltd. from certain shareholder(s) of the Company ("borrowed shares") will be offered by way of over-allotment. Relating to the above, the Company's board of directors passed a resolution on March 1, 2006 to perform the disposal of 5,000,000 shares of treasury common stock to be allocated to Mizuho Securities Co., Ltd. ("disposal of the treasury stock by way of a private placement") with the payment date being the third business day following the thirtieth day (or the immediately prior business day, if the thirtieth day is not a business day) as counted from the day immediately following the last date of the application period for the offering by way of underwriting and over-allotment ("payment date of disposal of the treasury stock by way of a private placement").

The Company plans to grant Mizuho Securities Co., Ltd. the option to purchase treasury stock of the Company by way of a private placement up to the number of shares to be offered by way of over-allotment (the "Greenshoe Option"). Such an option would be effective up to the thirtieth day (or the immediately prior business day, if the thirtieth day is not a business day) as counted from the day immediately following the last date of the application period for the offering by way of underwriting and over-allotment.

Mizuho Securities Co., Ltd. may also purchase common stock of the Company ("Syndicate Cover Transaction") on the Tokyo Stock Exchange, Inc., up to the number of shares to be offered by way of over-allotment, with the purpose of returning borrowed shares. Such a purchase would be made between the day immediately following the last date of the application period for the offerings by way of underwriting and over-allotment, and the sixth business day immediately prior to the payment date for the disposal of the treasury stock by way of a private placement ("Syndicate Cover Transaction Period").

All of the shares Mizuho Securities Co., Ltd. purchases through the Syndicate Cover Transaction will be used to return borrowed shares. During the Syndicate Cover Transaction Period, Mizuho Securities Co., Ltd. may decide to not conduct any Syndicate Cover Transaction or to terminate the Syndicate Cover Transaction at a number of shares below that of the shares offered by way of over-allotment.

Mizuho Securities Co., Ltd. may conduct stabilizing transactions along with the offering by way of underwriting and over-allotment. The Company's common stock purchased through such stabilizing transactions may be used in part or in whole to return borrowed shares.

Any borrowed shares that remain after using shares purchased through the Syndicate Cover Transaction and stabilizing transactions to return them will be returned with Mizuho Securities Co., Ltd. exercising the Greenshoe Option. As a result of exercising the Greenshoe Option above, a part or the whole number of treasury shares to be disposed of by way of a private placement may not be



applied for, which may result in a decrease in the number of treasury shares to be disposed of by way of a private placement to that number, or cancellation of the disposal due to forfeiture.

3. Change in total number of treasury stock resulting from disposal of treasury stock

Current total number of treasury stock	43,097,146 shares	(as of January 31, 2006)
Number of shares to be sold	43,000,000 share	(*)
Number of treasury stock following disposal of treasury stock	97,146 shares	(*)

Note: * This assumes that the number of treasury shares described in "I. Secondary Offering Resulting from the Disposal of the Treasury Stock (offering by way of underwriting)" above is disposed of, and that Mizuho Securities Co., Ltd. applies for all of the allotted shares described in "III. Disposal of the Treasury Stock through a Private Placement," and they are disposed of accordingly.

4 Use of proceeds raised by the disposal of the treasury stock

Up to a total of approximately 66,663 million yen raised by the disposal of the treasury stock, which combines approximately 58,913 million yen raised by "I. Secondary Offering Resulting from the Disposal of the Treasury Stock (offering by way of underwriting)" and approximately 7,750 million yen raised by "III. Disposal of the Treasury Stock through a Private Placement" above, will be used for investments in real estate development.

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Cautionary Statement

These materials were prepared for the public disclosure of information regarding Sekisui House's planned disposal of treasury stock and sale of shares. This release is not to be construed as an offer to buy or sell securities referred to herein. All prospective investors are advised to read the Company's prospectus for disposal of treasury stock and sale of shares before making investment decisions.