

# 2001

## SEMI-ANNUAL FINANCIAL STATEMENTS

February - July 2001



SEKISUI HOUSE

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## Our Corporate Profile

*Sekisui House, Ltd. is Japan's leading home builder, with profitability and dividends that well exceed the average for the industry. Our base of business is the construction, sale, purchase and administration of residential properties; the design, execution, contracting and supervision of construc-*

*tion projects; real estate brokerage, and landscaping.*

*Since our establishment in 1960, we at Sekisui House have achieved steady growth, becoming an ever-increasingly active participant in the Japanese construction industry.*



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# Financial Highlights

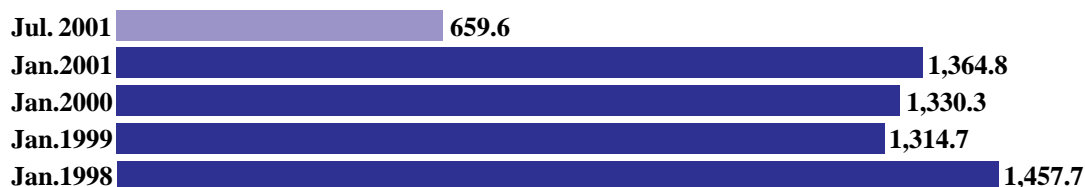
Sekisui House, Ltd. and Consolidated Subsidiaries  
As of July 31, 2001 and January 31, 2001

	Millions of yen		Thousands of U.S. dollars
	July 31 2001	January 31 2001	July 31 2001
Net sales.....	¥ 659,571	¥ 1,364,801	\$ 5,274,458
Operating income.....	39,046	96,086	312,243
Net (loss) income.....	(20,763)	25,167	(166,037)
Total assets.....	1,445,346	1,459,491	11,558,145
Shareholders' equity.....	721,051	741,216	5,766,102
	Yen		U.S. dollars
	July 31 2001	January 31 2001	July 31 2001
<b>Per share:</b>			
Net (loss) income.....	¥ (28.40)	¥ 35.03	\$ (0.23)
Cash dividends applicable to the year.....	18.00	20.00	0.14

Note: U.S. dollar amounts above and elsewhere in this report represent translations of Japanese yen, for convenience only, at the approximate exchange rate of ¥ 125.05 = U.S. \$1, effective at July 31, 2001.

## Net sales

Billions of yen



## Operating income

Billions of yen



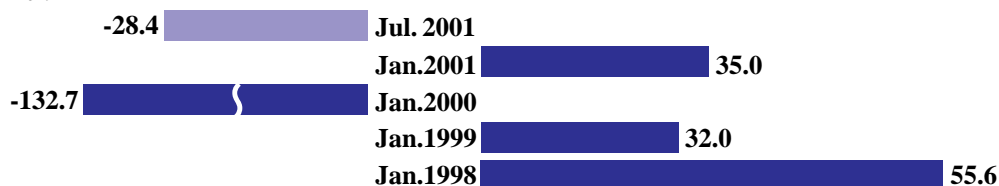
## Net income

Billions of yen



## Net income per share

Yen



## A Message From The President

Corporate profits and capital investment continued to stall across Japan and jobless rates were at a high level all through the period under review. The nation's economy started to worsen gradually from the state of doldrums. The housing market is now heading for severer situations. The condominium market has so far been doing well in its starts of construction, but is beginning to show signs of fatigue. This year's new housing starts are also showing signs of a decline from last year's. Applications are getting fewer for a housing loan from the Government Housing Loan Corporation. These phenomena present anxiety for the future.

Markets of newly built condominiums and built-for-sale houses have been growing steadily if anything, but prices of existing houses have been dropping. Thus, the real estate market too underwent severe situations on the whole.

Under the said circumstances, we have gone a step further to specialization in the middle- and high-class product category to separate ourselves from the market of mere price competition. We have established the practice whereby our architects accompany salespeople in sales activity so that they could offer proposals for every fine need homebuyers may have. The system of training both architects and salespeople has been reinforced to increase their advising ability to address many a lifestyle of homebuyers. In the category of rental housing or our "Sha Maison" business, tenants these days tend to live longer in rental housing. In response to the trend, we worked in greater collaboration with our realtor subsidiaries/affiliates and provided the market with higher quality rentals. In the field of gardening and other exterior works, we set up three firms ("Green Techno Sekiwa") specializing in the said works, and increased our designing and construction capacity in that field.

Our recently established "Net-Owners-Club" a membership organization on the internet, through which we are providing useful tidbits on daily life, has enabled us to efficiently offer active proposals on housing remodeling. The housing remodeling market is expected to grow in the future. We believe that these activities will increase homebuyers' satisfaction, contribute to growth of our remodeling and exterior decoration businesses, and in the end lead to an increase in sales by referrals.

We have been engaged in campaigns to protect the environment including one of "zero-emission" of industrial wastes from our factories. These campaigns resulted in March this year in the acquisition of the ISO 14001 certificate by all our factories.

We put on the market "CENTRAGE CRESSE" in March this year. As a new model of "CENTRAGE" series or our core products, this model is capable of realizing a variety of plans for enriched hobbies. In April this year newly added to the lineup of our products was "M'Gravis Bellsa" one of the highest-class models of "SHAWOOD" (our collective brand name for wood-frame houses) incorporating the newly developed ceramic exterior panel, intended for those who prefer conventional authenticity. "BIENA" a high-class three-story model was renewed, and marketed was "DIAS ONE'S" an upgraded model from "DIAS", a good seller in the two-story rental category. In July "CENTRAGE J&K" was put on the market. At an affordable price this quality model is available within a range of the choicest appearances and interior/exterior decorations with flexibility maintained in planning.



In order to increase the circulation of our stock on the U.S. market we in March this year changed the type of issuance of our already issued American Depositary Receipts, from "Unsponsored" to "Sponsored - Level 1" which gives investors greater access to our information, responding to a call from the security market.

The deteriorating economy overwhelmed our managerial efforts - reinforcement of sales capacity and of the whole corporate body. Our consolidated sales were ¥659,571 million (\$5,274,458 thousand) during the first half of fiscal 2001. Consolidated operating income was ¥39,046 million (\$312,243 thousand) respectively after a decline in the profit rate due to decreased sales. Meanwhile, we have decided to write off the shortfall arising from a change in the accounting standard as to retirement benefits of employees, en masse in the first half under review. Expecting severe economic situations to continue for some more time we judged that we should be better prepared for the coming years by strengthening ourselves as early as possible. The said operation resulted in a consolidated net loss of ¥20,763 million (\$166,037 thousand) to us for the half-year period under review.

Please be advised that the Company decided at its board-of-directors meeting on September 4, 2001 to buy back up to 40 million shares for up to ¥50 billion for retirement of our common stock, with additional paid-in capital.

Housing starts are expected to slow down on a middle-and long-term basis as Japan is faced with a declining birthrate. The economy is expected to further deteriorate. The structural reform now under consideration should result in changes in various aspects. Thus, the environment around us will get harsher. However, we will never let this difficulty get the better of us. We will go on slashing costs and return the profit to homebuyers. We will increase our capacity to offer prospective customers proposals with "advisory sales activity" as the key phrase. We will do all we can to achieve our goal in good collaboration with our subsidiaries and affiliates including Sekiwa Real Estate realtors.

We are pleased to add that we have decided to pay ¥9(\$0.072) a share for the interim dividend, the same per-share amount as last year.

A handwritten signature in dark ink that reads "I. Wada". The signature is written in a cursive, slightly slanted style.

Isami Wada  
President & Representative Director

# Management's Discussion and Analysis

## Results of Operations

Six months ended July 31, 2001 and Year ended January 31, 2001 and 2000

	Millions of yen (percentage change)		
	July 31 2001	Jan.31 2001	Jan.31 2000
Net sales.....	¥ 659,571 (-)	1,364,801 (2.6)	1,330,284 (1.2)
Cost of sales.....	¥ 520,604 (-)	1,071,009 (-0.1)	1,072,196 (0.1)
Operating income.....	¥ 39,046 (-)	96,086 (26.2)	76,138 (28.5)
Net income.....	¥ -20,763	25,167	-94,811
	Yen (percentage change)		
Net income per share.....	¥ -28.40	35.03	-132.65

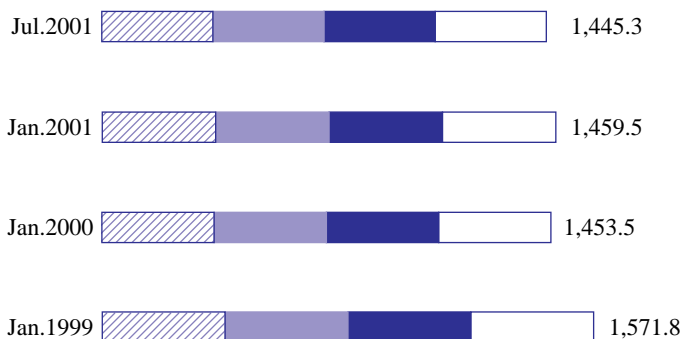
## Financial Position

As of July 31, 2001 and January 31, 2001 and 2000

	Millions of yen (percentage change)		
	July 31 2001	Jan.31 2001	Jan.31 2000
Current assets.....	63.7	65.2	65.1
Inventories.....	24.3	24.1	25.2
Investments and other assets.....	15.5	13.9	14.4
Property, plant and equipment.....	20.8	20.9	20.5
Current liabilities.....	27.9	27.1	27.8
Short-term loans.....	-	-	2.6
Long-term liabilities.....	21.4	20.9	22.0
Long-term debt.....	12.3	15.6	19.2
Total shareholders' equity.....	49.9	50.8	49.8

### Total Assets

Billions of yen



Property, plant and equipment     Inventories  
 Investments and other assets     Other current assets

## Summary

Sekisui House, Ltd. and Consolidated Subsidiaries

Six months ended July 31, 2001 and Year ended January 31, 2001, 2000, 1999 and 1998

	Millions of yen and Thousands of U.S. dollars					
	July 31 2001	July 31 2001	January 31 2001	January 31 2000	January 31 1999	January 31 1998
Net sales.....	¥ 659,571	\$ 5,274,458	1,364,801	1,330,284	1,314,696	1,457,719
Construction.....	¥ 506,842	\$ 4,053,115	1,081,057	1,088,228	1,072,813	1,232,378
Real estate.....	¥ 152,729	\$ 1,221,343	283,744	242,056	241,883	225,341
Operating income.....	¥ 39,046	\$ 312,243	96,086	76,138	59,250	87,635
Net income.....	¥ - 20,763	\$ - 166,037	25,167	- 94,811	22,855	39,706
Total assets.....	¥ 1,445,346	\$ 11,558,145	1,459,491	1,453,547	1,571,784	1,635,201
Shareholders' equity.....	¥ 721,051	\$ 5,766,102	741,216	723,860	826,033	815,315

	Yen and U.S. dollars					
	July 31 2001	July 31 2001	January 31 2001	January 31 2000	January 31 1999	January 31 1998
<b>Amounts per share:</b>						
Net income Basic.....	¥ - 28.40	\$ - 0.23	35.03	- 132.65	31.99	55.62
Diluted.....	-	-	31.07	-	27.96	47.49
Net assets.....	¥ 986.26	\$ 7.89	1,027.71	1,012.78	1,155.74	1,141.97
Dividends.....	¥ 18.00	\$ 0.14	20.00	18.00	18.00	18.00

# Consolidated Balance Sheets

Sekisui House, Ltd. and Consolidated Subsidiaries  
As of July 31, 2001 and January 31, 2001

	Millions of yen		Thousands of U.S. dollars
	July 31 2001	January 31 2001	July 31 2001
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents.....	¥ 311,390	¥ 311,022	\$ 2,490,124
Short-term investments.....	40,361	27,835	322,759
Notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates.....	3	2,491	24
Trade.....	93,947	124,527	751,276
Other.....	17,385	18,671	139,024
Less allowance for doubtful accounts.....	(2,320)	(2,995)	(18,553)
	109,015	142,694	871,771
Inventories.....	351,226	351,843	2,808,685
Deferred income taxes.....	70,118	75,266	560,720
Other current assets.....	38,720	43,171	309,636
<b>Total current assets</b>	<b>920,830</b>	<b>951,831</b>	<b>7,363,695</b>
<b>Property, plant and equipment:</b>			
Land.....	149,884	151,678	1,198,592
Buildings and structures.....	205,289	204,117	1,641,655
Machinery and equipment.....	81,104	80,557	648,573
Construction in progress.....	945	859	7,557
	437,222	437,211	3,496,377
Less accumulated depreciation.....	(136,870)	(132,500)	(1,094,522)
<b>Property, plant and equipment, net</b>	<b>300,352</b>	<b>304,711</b>	<b>2,401,855</b>
<b>Investments and other assets:</b>			
Long-term loans receivable.....	69,343	71,059	554,522
Less allowance for doubtful accounts.....	(1,275)	(1,067)	(10,196)
	68,068	69,992	544,326
Investments in securities.....	64,933	67,187	519,256
Investments in and advances to unconsolidated subsidiaries and affiliate.....	6,720	11,355	53,739
Deferred income taxes.....	39,714	9,584	317,585
Other assets.....	44,729	44,831	357,689
<b>Total investments and other assets</b>	<b>224,164</b>	<b>202,949</b>	<b>1,792,595</b>
	¥ 1,445,346	¥ 1,459,491	\$ 11,558,145

	Millions of yen		Thousands of U.S. dollars
	July 31 2001	January 31 2001	July 31 2001
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities:</b>			
Current portion of long-term debt.....	¥ 60,983	¥ 51,206	\$ 487,669
Notes and accounts payable:			
Unconsolidated subsidiaries and affiliates.....	–	75	–
Trade.....	196,362	208,070	1,570,268
Accrued income taxes.....	8,897	2,767	71,148
Advances received.....	85,652	78,737	684,942
Other current liabilities.....	51,104	54,931	408,668
Total current liabilities	402,998	395,786	3,222,695
Long-term debt, less current portion.....	177,503	227,415	1,419,456
Accrued retirement benefits.....	82,982	30,650	663,591
Other liabilities.....	49,080	47,665	392,483
Total liabilities	712,563	701,516	5,698,225
Minority interests	11,732	16,759	93,818
Contingent liabilities (Note 3)			
<b>Shareholders' equity :</b>			
<b>Common stock, ¥50 par value:</b>			
Authorized - 2,000,000,000 shares			
Issued:			
July 31, 2001 - 731,098,922 shares.....	186,552	–	1,491,819
January 31, 2001 - 721,235,443 shares.....	–	186,058	–
Additional paid-in capital.....	259,015	241,145	2,071,292
Retained earnings.....	278,763	314,576	2,229,213
Unrealized holding loss on securities.....	(2,869)	–	(22,943)
Translation adjustment.....	(405)	(561)	(3,239)
Less treasury stock, at cost.....	(5)	(2)	(40)
Total shareholders' equity	721,051	741,216	5,766,102
	¥ 1,445,346	¥ 1,459,491	\$11,558,145

See notes to consolidated financial statements

# Consolidated Statements of Operations

Sekisui House, Ltd. and Consolidated Subsidiaries  
Six months ended July 31, 2001 and Year ended January 31, 2001

	Millions of yen		Thousands of U.S. dollars
	July 31 2001	January 31 2001	July 31 2001
Net sales.....	¥ 659,571	¥ 1,364,801	\$ 5,274,458
Cost of sales.....	520,604	1,071,009	4,163,167
Gross profit	138,967	293,792	1,111,291
Selling, general and administrative expenses.....	99,921	197,706	799,048
Operating income	39,046	96,086	312,243
<b>Other income (expenses):</b>			
Interest and dividend income.....	2,049	4,445	16,385
Interest expense.....	(1,837)	(3,330)	(14,690)
Loss on revaluation of land held for sale.....	(12,455)	–	(99,600)
Loss on revaluation of securities.....	–	(8,756)	–
Amortization of net retirement benefit obligation at transition.....	(56,888)	–	(454,922)
Provision with respect to change in accounting for employees' severance indemnities.....	–	(17,078)	–
Special contributions to pension fund.....	–	(14,281)	–
Other, net.....	(4,533)	(8,064)	(36,249)
(Loss) income before income taxes and minority interests	(34,618)	49,022	(276,833)
<b>Income taxes :</b>			
Current.....	8,970	8,530	71,731
Deferred.....	(22,770)	13,787	(182,087)
	(13,800)	22,317	(110,356)
(Loss) income before minority interests	(20,818)	26,705	(166,477)
Minority interests in losses (income) of consolidated subsidiaries.....	55	(1,538)	440
Net (loss) income	¥ (20,763)	¥ 25,167	\$ (166,037)

See notes to consolidated financial statements

# Consolidated Statements of Shareholders' Equity

Sekisui House, Ltd. and Consolidated Subsidiaries  
Six months ended July 31, 2001 and Year ended January 31, 2001

	Thousands	Millions of yen					
	Number of shares in issue	Common stock	Additional paid-in capital	Retained earnings	Unrealized holding loss on securities	Translation adjustment	Treasury stock
<b>Balance at January 31, 2000</b>	<b>714,737</b>	<b>¥182,905</b>	<b>¥237,999</b>	<b>¥302,966</b>	–	–	<b>¥(10)</b>
Decrease in retained earnings resulting from addition of consolidated subsidiaries and affiliates accounted for by the equity method.....		–	–	(195)	–	–	–
Net income for the year.....		–	–	25,167	–	–	–
Conversion of convertible bonds.....	6,498	3,153	3,146	–	–	–	–
Cash dividends.....		–	–	(12,924)	–	–	–
Bonuses to directors and corporate auditors.....		–	–	(386)	–	–	–
Due to shareholders of merged subsidiaries.....	–	–	–	(52)	–	–	–
Translation adjustment.....	–	–	–	–	–	¥(561)	–
Decrease in treasury stock.....	–	–	–	–	–	–	8
<b>Balance at January 31, 2001</b>	<b>721,235</b>	<b>186,058</b>	<b>241,145</b>	<b>314,576</b>	–	<b>¥(561)</b>	<b>(2)</b>
Decrease in retained earnings resulting from merger of consolidated subsidiaries and affiliates accounted for by the equity method.....		–	–	(6,656)	–	–	–
Net loss for six months.....		–	–	(20,763)	–	–	–
New issuance of common stock and increase in additional paid-in capital resulting from merger of consolidated subsidiaries and affiliates accounted for by the equity method. ....	9,862	493	17,869	–	–	–	–
Conversion of convertible bonds.....	2	1	1	–	–	–	–
Cash dividends.....	–	–	–	(7,934)	–	–	–
Bonuses to directors and corporate auditors.....	–	–	–	(460)	–	–	–
Unrealized holding loss on securities.....	–	–	–	–	¥(2,869)	–	–
Translation adjustment.....	–	–	–	–	–	156	–
Increase in treasury stock.....	–	–	–	–	–	–	(3)
<b>Balance at July 31, 2001</b>	<b>731,099</b>	<b>¥186,552</b>	<b>¥259,015</b>	<b>¥278,763</b>	<b>¥(2,869)</b>	<b>¥(405)</b>	<b>¥(5)</b>

	Thousands of U.S. dollars						
	Common stock	Additional paid-in capital	Retained earnings	Unrealized holding loss on securities	Translation adjustment	Treasury stock	
<b>Balance at January 31, 2001</b>	<b>\$1,487,869</b>	<b>\$1,928,389</b>	<b>\$2,515,602</b>	–	<b>\$(4,486)</b>	<b>\$(16)</b>	
Decrease in retained earnings resulting from merger of consolidated subsidiaries and affiliates accounted for by the equity method.....	–	–	(53,227)	–	–	–	–
Net loss for six months.....	–	–	(166,037)	–	–	–	–
New issuance of common stock and increase in additional paid-in capital resulting from merger of consolidated subsidiaries and affiliates accounted for by the equity method. ....	3,942	142,895	–	–	–	–	–
Conversion of convertible bonds.....	8	8	–	–	–	–	–
Cash dividends.....	–	–	(63,446)	–	–	–	–
Bonuses to directors and corporate auditors.....	–	–	(3,679)	–	–	–	–
Unrealized holding loss on securities.....	–	–	–	\$(22,943)	–	–	–
Translation adjustment.....	–	–	–	–	1,247	–	–
Increase in treasury stock.....	–	–	–	–	–	–	(24)
<b>Balance at July 31, 2001</b>	<b>\$1,491,819</b>	<b>\$2,071,292</b>	<b>\$2,229,213</b>	<b>\$(22,943)</b>	<b>\$(3,239)</b>	<b>\$(40)</b>	

See notes to consolidated financial statements

# Consolidated Statements of Cash Flows

Sekisui House, Ltd. and Consolidated Subsidiaries  
Six months ended July 31, 2001 and Year ended January 31, 2001

	Millions of yen		Thousands of U.S. dollars
	July 31 2001	January 31 2001	July 31 2001
<b>Cash flows from operating activities</b>			
(Loss) income before income taxes and minority interests	¥(34,618)	¥ 49,022	\$(276,833)
<b>Adjustments for:</b>			
Depreciation and amortization.....	6,322	13,693	50,556
Provision for retirement benefits.....	51,833	18,125	414,498
Equity in loss (earnings) of affiliates.....	160	(401)	1,279
Interest and dividend income.....	(2,049)	(4,445)	(16,385)
Interest expense.....	1,837	3,330	14,690
Loss on revaluation of land held for sale.....	12,455	–	99,600
Loss on revaluation of securities.....	–	8,756	–
Decrease (increase) in notes and accounts receivable.....	31,738	(13,274)	253,803
(Increase) decrease in inventories and advance payments.....	(9,385)	18,899	(75,050)
(Decrease) increase in notes and accounts payable.....	(13,691)	2,688	(109,484)
Increase (decrease) in advances received.....	5,222	(3,792)	41,759
Other.....	7,487	1,169	59,872
Subtotal	57,311	93,770	458,305
Interest and dividends received.....	2,191	4,564	17,521
Interest paid.....	(1,888)	(3,323)	(15,098)
Income taxes paid.....	(2,978)	(28,160)	(23,815)
Net cash provided by operating activities	54,636	66,851	436,913
<b>Cash flows from investing activities</b>			
Proceeds from sales of short-term investments.....	22,775	42,244	182,127
Payments for purchases of short-term investments.....	(38,954)	(34,047)	(311,507)
Proceeds from sales of property, plant and equipment.....	857	3,095	6,853
Payments for purchases of property, plant and equipment.....	(4,395)	(11,105)	(35,146)
Proceeds from sales of investments in securities.....	1,662	1,179	13,291
Payments for purchase of investments in securities.....	(458)	(527)	(3,663)
Decrease in loans receivable.....	2,703	5,200	21,616
Payment for purchase of an insurance policy.....	–	(10,000)	–
Other.....	(102)	(1,047)	(816)
Net cash used in investing activities	(15,912)	(5,008)	(127,245)
<b>Cash flows from financing activities</b>			
Decrease in short-term loans.....	–	(37,300)	–
Repayment of long-term debt.....	(40,132)	(1,377)	(320,927)
Cash dividends paid.....	(7,934)	(12,924)	(63,447)
Other.....	(401)	(253)	(3,207)
Net cash used in financing activities	(48,467)	(51,854)	(387,581)
Effect of exchange rate changes on cash and cash equivalents.....	156	36	1,248
Net (decrease) increase in cash and cash equivalents	(9,587)	10,025	(76,665)
Cash and cash equivalents at beginning of the year.....	311,022	283,840	2,487,181
Increase in cash and cash equivalents resulting from initial consolidation of subsidiaries.....	–	17,157	–
Increase in cash and cash equivalents resulting from merger of consolidated subsidiaries and affiliates accounted for by equity method.....	9,955	–	79,608
Cash and cash equivalents at end of the year.....	¥311,390	¥311,022	\$2,490,124
<b>Supplemental schedule of non-cash financing activities</b>			
Conversion of convertible bonds.....	¥ 2	¥ 6,299	\$ 16

See notes to consolidated financial statements

# Notes to Consolidated Financial Statements

Sekisui House, Ltd. and Consolidated Subsidiaries  
July 31, 2001

## 1. Basis of Consolidated Financial Statements

Sekisui House, Ltd. (the "Company") and its domestic subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Commercial Code of Japan and the Securities and Exchange Law of Japan and in conformity with accounting principles and practices generally accepted and applied in Japan, which may differ in certain material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan. The Company's overseas subsidiary maintains its accounts and records in conformity with the accounting principles generally accepted and the practices prevailing in its country of domicile. The accompanying consolidated financial statements are prepared based on the consolidated financial statements of the Company and its consolidated subsidiaries which were filed with the Director of the Kanto Local Finance Bureau as required by the Securities and Exchange Law.

Certain reclassifications of previously reported amounts have been made to the financial statements for the year ended July 31, 2000 to conform these to the 2001 presentation. These reclassifications had no effect on consolidated net income or shareholders' equity.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader at ¥125.05=U.S.\$1.00, the approximate exchange rate in effect on July 31, 2001. This translations should not be construed as representation that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollar amounts at the above or any other rate of exchange.

## 2. Adoption of New Accounting Standards

### (a) Accounting for Financial Instruments

Effective February 1, 2001, the Company and the domestic consolidated subsidiaries adopted "Accounting Standard for Financial Instruments" which was issued by the Business Accounting Deliberation Council of Japan. The new standard requires that securities be classified into three categories: trading securities, held-to-maturity debt securities and other securities. Under the new standard, trade securities, consisting of debt and marketable equity securities, are stated at fair value. Gain and loss, both realized and unrealized, are charged to income. Held-to-maturity debt securities are stated at their amortized cost. Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, reported as a separate component of shareholders' equity. Non-marketable securities classified as other securities are carried at cost determined by the moving average method.

As of February 1, 2001, the Company and the domestic consolidated subsidiaries assessed their intent to hold their marketable securities and investments in securities and classified their securities as "held-to-maturity debt securities" and "other securities" and accounted for the securities at July 31, 2001 in accordance with the new standard referred to above. As a result, marketable securities of ¥3,827million (\$30,604

thousand), which had been included in marketable securities at January 31, 2001, were reclassified to investments in securities.

### (b) Accounting for Retirement Benefits

Effective February 1, 2001, the Company and the domestic consolidated subsidiaries adopted "Accounting Standard for Retirement Benefits" which was issued by the Business Accounting Deliberation Council of Japan. In accordance with the new standard, accrued retirement benefits have been provided based on the amount of the projected benefit obligation reduced by the pension plan assets at fair value at the end of the year. The net retirement benefit obligation at transition of ¥56,888million (\$454,922thousand) has been fully charged to income for the six months ended July 31, 2001.

## 3. Contingent Liabilities

The Company and its consolidated subsidiaries had the contingent liabilities at July 31, 2001:

	Millions of yen	Thousands of U.S. dollars
Guarantees of housing loans to customers.....	¥ 89,001	\$ 711,723
Guarantees of bank loans of third parties and other.....	2,932	23,447
	¥ 91,933	\$ 735,170

# Corporate Data

## **DIRECTORS AND CORPORATE AUDITORS**

(As of July 31, 2001)

### **Chairman & Representative Director**

Isao Okui

### **President & Representative Director**

Isami Wada

### **Senior Managing Directors**

Kazutoshi Sugimura

Hideyuki Tonomura

Mikio Yamada

### **Managing Directors**

Hiroyuki Ikeda

Shichiro Iwane

Isao Bando

Hiroshi Itawaki

Akira Morimoto

### **Directors**

Hiroshi Watanabe

Kazuya Sunahara

Keiichi Oe

Takahiko Ashibe

Tadashi Iwasaki

Chojiro Yamamoto

Yasuaki Yamamoto

Yukio Fujisawa

Kazuji Yamazaki

Sumio Wada

Saburo Matsuyoshi

Yoshiro Kubota

Tetsuhiro Kamae

Kunitada Suzuki

Masanori Noritomi

Masahiko Watanabe

Yuzo Matsumoto

Kenichi Moriuchi

### **Standing Corporate Auditors**

Hiroshi Tada

Yusei Kataoka

### **Corporate Auditors**

Kazuhiko Mishina

Shigeru Muranaka

## **OUTLINE OF THE COMPANY**

(As of July 31, 2001)

### **Established**

August 1, 1960

### **Capital Stock Issued**

¥186,551,696,069

### **Employees**

15,296

### **Head Office**

Tower East Umeda Sky Building

1-88 Oyodonaka 1-chome Kita-ku Osaka

531-0076, Japan

Phone: 81-6-6440-3111

Facsimile: 81-6-6440-3331

### **Factories**

Shiga, Ibaraki, Shizuoka, Yamaguchi, Miyagi  
and Hyogo

### **Laboratory**

Kyoto

### **Overseas Subsidiaries**

Sekisui Deutschland Bau G.m.b.H.

### **Domestic Subsidiaries and Affiliates**

Sekiwa Real Estate Tohoku, Ltd.

Sekiwa Real Estate, Ltd.

Sekiwa Real Estate Chubu, Ltd.

Sekiwa Real Estate Kansai, Ltd.

Sekiwa Real Estate Chugoku, Ltd.

Sekiwa Real Estate Kyushu, Ltd.

Kobe Rokko Island Co., Ltd.

Nishinomiya Marina City Development Co., Ltd.

Sekisui House Umeda Operation Co., Ltd.

SGM Operation Co., Ltd. and 96 other subsidiaries.

### **Stock Listing**

Tokyo Stock Exchange

Osaka Securities Exchange

Nagoya Stock Exchange

Frankfurt Stock Exchange

(Global Bearer Certificate)

Euronext Amsterdam

### **American Depositary Receipts**

Depositary:

The Bank of New York



Tower East Umeda Sky Building  
1-88 Oyodonaka 1-chome,  
Kita-ku Osaka 531-0076 Japan  
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