

SEMIANNUAL

REPORT

2015

February 1 to July 31, 2015



SEKISUI HOUSE

The Mid-Term Management Plan is progressing steadily.

Sekisui House is aiming to accelerate its progress and develop a new business model.

The residential-related business is expanding further, and presenting solutions to social issues will drive the growth of Sekisui House.

The FY2014 Mid-Term Management Plan is steadily progressing in terms of both performance and business strategies. We will continue to accelerate this steady progress and aim to achieve further business expansion and profit advancement in the future.

The residential-related business, which is also specified in the basic direction of the plan, is a business sector with room for significant growth. In other words, society overall has significant expectations for the evolution of the living environment that will provide new functions and roles. Under the basic premise that Sekisui House will grow based on its core business, housing construction—in a sense, to meet society's needs—it will be committed to developing a new business model with the aspiration and determination to change the shape of the housing industry.

Ensuring the efficient circulation of quality houses is one of Sekisui House's commitments. If existing houses are correctly valued, customers will decide to acquire quality houses even if certain additional costs are incurred when the houses are built. And such quality houses will then start to circulate as existing houses. Continually using superior houses as social capital, rather than destroying them, is also an important challenge from the perspective of developing a sustainable society. Sekisui House is resolved to actively contribute to ensuring the activities of the Provision of Quality Housing Stock Association (SumStock) to enable it to accelerate to the full extent.

Moreover, the handling of the existing houses that make up the overwhelming majority of the housing market has a greater impact on global warming and measures for dealing with energy issues. By promptly adopting measures for newly built houses, Sekisui House has been striving to promote the more widespread use of eco-friendly houses. Society now expects us to aim to promote eco-friendly housing systems for existing houses in the future. Sekisui House believes that, in addition to existing activities such as the promotion of solar power generation, the promotion of compact household fuel cells that are able to be easily installed will become key activities in the future. It requires the support of administrative policies to promote the wider use of fuel cells. And there is no

question that it will be housing builders that will lead this promotion.

Based on the perspectives outlined above, when focusing on existing and used houses, it becomes clear that the possibility of the development of new businesses, such as remodeling and large-scale renovations, expands in a multidirectional manner. In policies to address the diverse challenges faced by society, we are able to find a number of roads that will lead us to growth. In other words, we will change society through housing.

Enhance the company's competitive edge through new world-leading products and approaches, and through human resources development

In the Built-to-Order Business, by introducing new products and technologies, Sekisui House has been continually pursuing the development of housing that is always comfortable. This year marked the 20th anniversary since the creation of the wood-framed SHAWOOD-HOME, and a 20th Anniversary Edition was launched in August this year. This is a product for which there are great expectations regarding achieving an open, comfortable and relaxing living style, even on land with limited space in the suburbs of main cities, by providing greater freedom in setting the ceiling heights.

Sekisui House is also taking an initiative to enhance the price competitiveness and market share of three- and four-story houses, whose sales have been strong.

Moreover, for the mainstay IS SERIES, steel-framed housing, which celebrated the 30th anniversary of its launch last year, Sekisui House has developed a new surface design for DYNE CONCRETE, an original external wall. The new design expresses light and shadow, emphasizing the depth of carving and a heavy appearance. The IS SERIES will maintain its presence as community assets with a value that will not decline in the future.

In the Supplied Housing Business, there is news of the birth of "Re:QUEST," a new remodeling brand of Sekiwa Construction, group companies. Needless to say, remodeling and renovations are the core businesses of the residential-related business. Sekisui House plans to increase of orders received by emphasizing that "Re:QUEST" is able to deal with all houses, not only those developed by Sekisui House. The key sales point is the reliability and construction capabilities that are backed by the comprehensive strength of the Sekisui House Group. By taking advantage of collaboration in the Sekisui House Group, Sekisui House has developed a structure under which it is able to offer a wide range of proposals for

renovations, and then proceed with precision, including large-scale renovations utilizing traditional building technologies that are used in the restoration of old farmhouses and other buildings and cutting edge technologies.

The Development Business promotes so-called CRE (Corporate Real Estate) strategies in an effort to maximize real estate investment efficiency by mobilizing the strength of the Sekisui House Group to the maximum extent. For example, Sekisui House is engaged in the joint community development of the Tokyo Ekoda 3-chome District with Urban Renaissance Agency. This is a compact city where different generations, the child-rearing generation, elderly people and students, live together and communicate with each other. Sekisui House provided advanced proposals to address contemporary issues, such as disaster prevention, medical care and green mobilization. Sekisui House is resolved to continue to present successful examples of the “changes in housing will change society” to the public in the future.

In all the Built-to-Order, Supplied Housing Business and Development Businesses, the development of human resources will be an important topic for strengthening competitiveness in the future. In particular, employees’ skills in the technology field will become the driving force of growth strategies and the backbone of management. Today, Sekisui House employs approximately 2,500 first-class registered architects, the largest number in the industry. While the expert skills of these employees are fully utilized on the business front, Sekisui House certifies a variety of new internal qualifications and endeavors to establish a structure in which the skills and motivation of individuals are further enhanced.

Amid high expectations, an initiative to change society though housing is being implemented to the full extent.

Sekisui House has been selected as one of 18 enterprises, the only company in the industry, for the Competitive IT Strategy Company Stock Selection that was established jointly this year by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. The main evaluation points were given to the “Integrated Housing Information System” that can help improve production efficiency and the operating profit margin. Big data developed by Sekisui House, including houses handed over, have become the foundations of cooperation within the Group, and are used for expanding new businesses.

The roles played by housing companies have been expanding, and their quality has been improving every year. The establishment of a quality living environment is also

closely related to policy challenges, such as regional revitalization. Discussions about issues related to the living environment cannot be avoided when looking at the Japanese-style CCRC (Continuing Care Retirement Community) project, in which healthy longevity is examined in cases where elderly people live in a new environment after moving to regional areas from urban areas, such as the Tokyo area, in accordance with their wishes. The same issues are applicable to a policy for encouraging young people to live in regional areas. Responding to these developments as a leading company in the housing industry, Sekisui House provides proposals from an expert perspective, and takes the initiative to create new demand that is socially meaningful.

Sekisui House is also a top company in the built-to-order detached housing and remodeling businesses. Sekisui House, as a leader, is required to continue to take responsibility for the stable expansion of the market in the housing industry. Sekisui House will focus on building a strong, flexible corporate structure in the future by adopting diversified approaches in creating a living environment so that it will not be susceptible to the adverse impacts of the times, such as a consumption tax hike. In this way, Sekisui House will continue to aim to achieve growth that meets the expectations of society and its shareholders.

Sekisui House reaffirms its commitment to continue to aim to secure a total shareholder return ratio of 60%, the same as in the previous term, and maintain a return on equity (ROE) of 10% or more by improving capital efficiency.

The role of housing in changing society will be fully recognized from now on. Sekisui House has a range of effective capabilities and potentials, including technological capabilities and proposal capabilities, to be a leader in such a role. It always carries out businesses in a flexible and steady manner by effectively forging short- and medium-to-long-term strategies and utilizing the cooperative power of the Group.

We invite you to watch Sekisui House materialize its potential and pioneering growth spirit in the future.

Financial analysis

During the first six months of the consolidated fiscal year ending January 31, 2016, the Japanese economy saw recovery in consumer confidence backed by improved income and an increase in corporate capital spending, which was attributable to the mild recovery trend in corporate earnings and the robust stock market.

In the housing market, interest in purchasing housing increased, thanks to government measures supporting home purchasing, such as an expansion in tax exemptions for gifts for the purpose of purchasing residential housing, a broader application of preferential interest rates for the Flat 35S, and the implementation of the point program for energy-saving homes, in addition to an improved employment rate and income environment as a result of the economic recovery. Demand remained strong in the rental housing market, mainly in urban areas, reflecting asset utilization in response to the revision of inheritance taxes enforced in January 2015.

In the first six months of the consolidated fiscal year ending January 31, 2016, net sales amounted to ¥931,572 million (\$7,510,255 thousand), up 2.4% year-on-year. Operating income amounted to ¥81,714 million (\$658,771 thousand), up 14.0% year-on-year, and net income to ¥52,055 million (\$419,663 thousand), up 23.4% year-on-year.

In the Custom Detached Houses Business, net sales amounted to ¥196,098 million, down 13.9% year-on-year, and operating income to ¥23,339 million, down 15.4% year-on-year. Sales fell due to the effect of a decrease in orders in last year, however, the gross margin improved by enhancing the profit-making structure using the Group's comprehensive capabilities in production, logistics, and construction. Orders were up 2.9% year-on-year.

In the Rental Housing Business, net sales decreased 3.4% year-on-year to ¥194,607 million, while operating income increased 6.0% year-on-year to ¥23,949 million. Despite sales decline, gross margin improved as in the Custom Detached Houses Business. Orders increased 10.1% year-on-year, given strong demand derived from the need to minimize rising inheritance taxes, in addition to the positive effects of sales strategies for three- and four-story houses.

In the Remodeling Business, net sales declined 2.4% year-on-year to ¥68,540 million, and operating income to ¥7,697 million, down 11.7% year-on-year, mainly owing to the lingering effects of the last-minute demand before the consumption tax hike in the previous fiscal year.

In the Real Estate Management Fees Business, net sales amounted to ¥223,267 million, up 4.9% year-on-year, and operating income to ¥14,247 million, up 19.0% year-on-year. This was primarily attributable to the maintenance of high occupancy rates, in addition to a rise in the number of apartments for block leasing as a result of an increase in the number of properties provided from the Rental Housing

Business.

In the Houses for Sale Business, net sales increased 26.0% year-on-year to ¥73,769 million, and operating income to ¥6,373 million, up 26.6% year-on-year. Both sales and income exceeded the plan, reflecting aggressive sales initiatives using subdivision lots.

In the Condominium Business, net sales expanded to ¥41,931 million, up 30.3% year-on-year, and operating income to ¥3,687 million, up 43.0% year-on-year, as a result of the delivery of large-sized properties. Sales and orders remained steady in comparison with the plan.

In the Urban Redevelopment Business, net sales increased significantly to ¥64,252 million, up 132.8% year-on-year, and operating income to ¥17,659 million, up 190.6% year-on-year, given sales of properties mainly to Sekisui House Reit, Inc., in addition to rental income.

In the Overseas Business, net sales decreased 8.8% year-on-year to ¥27,418 million, and operating loss amounted to ¥345 million. Sales of subdivisions in North America were strong, whereas, the delivery of condominium units showed seasonal weakness in Australia.

In the Other Businesses, net sales amounted to ¥41,690 million, down 16.0% year-on-year, and operating income to ¥1,468 million, down 38.0% year-on-year. Exterior business declined in accordance with the decreases in sales for the Custom Detached Houses Business.

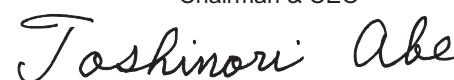
For the financial position, total assets grew ¥82,694 million to ¥2,012,104 million (\$16,221,412 thousand) at the end of the second quarter of the consolidated fiscal year under review, primarily attributable to increases in real estate for sale. Liabilities increased mainly due to an increase in short-term loans payable and the issue of short-term bonds payable. Net assets also increased primarily owing to the posting of net income and increases in capital stock and capital surplus, reflecting the issuing of new shares associated with the exercise of subscription rights to shares attached to bonds with subscription rights to shares, and equity ratio amounted to 53.8%.

The dividend for the interim period under review will be ¥27.00 (\$0.22) per share.

September 2015



Isami Wada
Chairman & CEO



Toshinori Abe
President & COO

CONSOLIDATED BALANCE SHEETS

As of July 31 and January 31, 2015 and July 31, 2014

Assets	Millions of yen			Thousands of U.S. dollars
	July 31 2015	January 31 2015	July 31 2014	July 31 2015
Current assets:				
Cash and cash equivalents.....	¥ 186,657	¥ 195,008	¥ 141,843	\$ 1,504,813
Short-term investments.....	4,832	1,421	1,788	38,955
Notes and accounts receivable:				
Affiliates.....	994	908	494	8,014
Trade.....	48,646	53,944	53,074	392,180
Other.....	33,630	25,725	25,467	271,122
Less allowance for doubtful accounts.....	(1,240)	(1,258)	(1,253)	(9,997)
	82,030	79,319	77,782	661,319
Inventories.....	873,514	787,354	769,060	7,042,196
Deferred income taxes.....	29,911	35,272	41,513	241,140
Other current assets.....	31,780	30,893	42,310	256,208
Total current assets	1,208,724	1,129,267	1,074,296	9,744,631
Property, plant and equipment, at cost:				
Land.....	320,543	301,089	305,494	2,584,190
Buildings and structures.....	354,230	355,501	355,048	2,855,772
Machinery, equipment and other.....	98,144	98,939	98,696	791,229
Construction in progress.....	10,413	7,808	5,970	83,949
	783,330	763,337	765,208	6,315,140
Less accumulated depreciation.....	(225,300)	(219,625)	(211,744)	(1,816,350)
Property, plant and equipment, net	558,030	543,712	553,464	4,498,790
Investments and other assets:				
Long-term loans receivable.....	57,314	57,578	46,291	462,060
Less allowance for doubtful accounts.....	(505)	(591)	(585)	(4,071)
	56,809	56,987	45,706	457,989
Investments in securities.....	95,464	92,031	98,380	769,623
Investments in affiliates.....	20,025	17,398	13,159	161,440
Goodwill.....	219	337	512	1,766
Intangible assets.....	15,524	15,787	15,597	125,153
Deferred income taxes.....	3,028	2,328	12,828	24,412
Prepaid pension costs.....	-	-	1,266	-
Asset for retirement benefits.....	9,164	28,780	-	73,879
Other assets.....	45,117	42,783	39,402	363,729
Total investments and other assets	245,350	256,431	226,850	1,977,991
	¥ 2,012,104	¥ 1,929,410	¥ 1,854,610	\$ 16,221,412

Liabilities and net assets

Millions of yen

 Thousands of
U.S. dollars

	July 31 2015	January 31 2015	July 31 2014	July 31 2015
Current liabilities:				
Short-term loans	¥ 135,413	¥ 67,975	¥ 175,532	\$ 1,091,688
Short-term bonds.....	65,000	20,000	-	524,025
Current portion of long-term debt and lease obligations.....	48,940	81,273	108,540	394,550
Notes and accounts payable:				
Affiliates.....	3,171	2,786	2,919	25,564
Trade.....	153,361	158,044	151,403	1,236,383
Accrued income taxes.....	23,266	23,391	19,452	187,569
Advances received on construction projects in progress.....	118,651	102,324	98,282	956,554
Allowance for employees' bonuses	17,772	25,461	17,741	143,277
Allowance for directors' and corporate auditors' bonuses.....	-	1,055	-	-
Allowance for warranties for completed construction	2,844	3,244	3,366	22,928
Other current liabilities	62,858	76,682	57,101	506,756
Total current liabilities	<u>631,276</u>	<u>562,235</u>	<u>634,336</u>	<u>5,089,294</u>
Long-term liabilities:				
Long-term debt and lease obligation.....	180,207	182,483	139,590	1,452,814
Guarantee deposits received.....	60,779	59,909	57,860	489,995
Accrued retirement benefits for employees.....	-	-	51,374	-
Accrued retirement benefits for directors and corporate auditors.....	1,056	1,057	962	8,513
Liability for retirement benefits.....	18,919	17,550	-	152,524
Deferred income taxes.....	6,543	12,916	-	52,749
Other liabilities	19,541	14,195	7,921	157,538
Total long-term liabilities	<u>287,045</u>	<u>288,110</u>	<u>257,707</u>	<u>2,314,133</u>
Contingent liabilities (<i>Note 2</i>)				
Net assets:				
Shareholders' equity				
Common stock:				
Authorized:1,978,281,000 shares				
Issued:709,683,466 shares in July 2015				
and 699,845,934 shares in January 2015, and				
693,827,653 shares in July 2014.....	202,591	197,716	195,009	1,633,272
Capital surplus.....	253,559	248,684	246,665	2,044,171
Retained earnings.....	486,020	466,950	439,867	3,918,252
Less treasury stock, at cost.....	(20,019)	(500)	(1,361)	(161,392)
Total shareholders' equity	<u>922,151</u>	<u>912,850</u>	<u>880,180</u>	<u>7,434,303</u>
Accumulated other comprehensive income:				
Net unrealized holding gain on securities.....	33,630	28,203	27,903	271,122
Deferred (loss) gain on hedges.....	(23)	0	10	(186)
Translation adjustments.....	93,041	91,168	45,602	750,089
Retirement benefits liability adjustments.....	34,080	36,202	-	274,750
Total accumulated other comprehensive income.....	<u>160,728</u>	<u>155,573</u>	<u>73,515</u>	<u>1,295,775</u>
Stock subscription rights	582	537	494	4,692
Minority interests	10,322	10,105	8,378	83,215
Total net assets	<u>1,093,783</u>	<u>1,079,065</u>	<u>962,567</u>	<u>8,817,985</u>
	<u>¥ 2,012,104</u>	<u>¥ 1,929,410</u>	<u>¥ 1,854,610</u>	<u>\$ 16,221,412</u>

* See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Six months ended July 31, 2015 and 2014, and year ended January 31, 2015

	Millions of yen			Thousands of U.S. dollars
	July 31 2015	July 31 2014	January 31 2015	July 31 2015
Net sales	¥ 931,572	¥ 910,146	¥ 1,912,722	\$ 7,510,255
Cost of sales.....	739,125	728,334	1,544,275	5,958,764
Gross profit.....	192,447	181,812	368,447	1,551,491
Selling, general and administrative expenses	110,733	110,108	221,851	892,720
Operating income	81,714	71,704	146,596	658,771
Other income (expenses):				
Interest and dividend income.....	2,096	1,627	3,444	16,898
Interest expense.....	(383)	(528)	(1,108)	(3,088)
Loss on sales or disposal of fixed assets.....	(302)	(381)	(1,275)	(2,435)
Gain on sales of investments in securities.....	4,228	307	6,155	34,086
Equity in earnings of affiliates.....	2,640	1,991	5,307	21,284
Foreign exchange gains, net.....	1,752	950	3,478	14,125
Loss on impairment of fixed assets.....	(3,683)	(28)	(1,913)	(29,692)
Loss on revaluation of investments in securities.....	(1)	(3,376)	(7,186)	(8)
Other, net.....	(493)	(539)	(1,290)	(3,975)
Income before income taxes and minority interests.....	87,568	71,727	152,208	705,966
Income taxes:				
Current.....	26,310	21,809	43,759	212,109
Deferred.....	8,811	6,945	16,131	71,034
Income before minority interests.....	52,447	42,973	92,318	422,823
Minority interests in earnings of subsidiaries.....	(392)	(793)	(2,093)	(3,160)
Net income	¥ 52,055	¥ 42,180	¥ 90,225	\$ 419,663

* See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended July 31, 2015 and 2014, and year ended January 31, 2015

	Millions of yen			Thousands of U.S. dollars
	July 31 2015	July 31 2014	January 31 2015	July 31 2015
Income before minority interests.....	¥ 52,447	¥ 42,973	¥ 92,318	\$ 422,823
Other comprehensive income:				
Net unrealized holding gain on securities.....	5,416	291	588	43,663
Deferred loss on hedges.....	(22)	(36)	(46)	(177)
Translation adjustments.....	1,861	(10,814)	34,182	15,003
Remeasurements of defined benefit plans.....	(2,123)	-	-	(17,115)
Share of other comprehensive income of affiliates accounted for by the equity method.....	43	(119)	719	347
Total other comprehensive income.....	5,175	(10,678)	35,443	41,721
Comprehensive income.....	¥ 57,622	¥ 32,295	¥ 127,761	\$ 464,544
Total comprehensive income attributable to:				
Shareholders of Sekisui House, Ltd.	¥ 57,211	¥ 31,594	¥ 125,495	\$ 461,230
Minority interests.....	411	701	2,266	3,314

CONSOLIDATED STATEMENTS OF CASH FLOWS

Six months ended July 31, 2015 and 2014, and year ended January 31, 2015

	Millions of yen			Thousands of U.S. dollars
	July 31 2015	July 31 2014	January 31 2015	July 31 2015
Cash flows from operating activities				
Income before income taxes and minority interests.....	¥ 87,568	¥ 71,727	¥ 152,208	\$ 705,966
Adjustments for:				
Depreciation and amortization.....	11,993	12,502	25,692	96,687
Loss on impairment of fixed assets.....	3,683	28	1,913	29,692
Decrease (increase) in asset for retirement benefits.....	39	-	(462)	314
Decrease in liability for retirement benefits.....	(7,335)	-	(8,589)	(59,134)
Decrease in accrued retirement benefits.....	-	(3,664)	-	-
Interest and dividend income.....	(2,096)	(1,627)	(3,444)	(16,898)
Interest expense.....	383	528	1,108	3,088
Equity in earnings of affiliates.....	(2,640)	(1,991)	(5,307)	(21,284)
Gain on sales of investments in securities.....	(4,228)	(307)	(6,155)	(34,086)
Loss on revaluation of investment in securities.....	1	3,376	7,186	8
Increase in notes and accounts receivable.....	5,212	(6,914)	(7,464)	42,019
(Increase) decrease in inventories.....	(53,955)	(22,874)	28,970	(434,981)
Decrease in notes and accounts payable.....	(9,247)	(19,040)	(10,794)	(74,548)
Increase (decrease) in advances received on construction projects in progress.....	16,157	(17,912)	(14,580)	130,257
Other.....	(25,269)	(30,966)	7,313	(203,717)
Subtotal.....	20,266	(17,134)	167,595	163,383
Interest and dividends received.....	2,284	1,590	3,355	18,414
Interest paid.....	(753)	(1,473)	(2,233)	(6,071)
Income taxes paid.....	(26,516)	(33,349)	(51,358)	(213,770)
Net cash (used in) provided by operating activities.....	(4,719)	(50,366)	117,359	(38,044)
Cash flows from investing activities				
Proceeds from sales of short-term investments.....	410	600	1,045	3,306
Proceeds from sales of property, plant and equipment.....	79	108	247	637
Purchases of property, plant and equipment.....	(55,441)	(106,710)	(119,997)	(446,961)
Proceeds from sales of investment in securities.....	6,060	375	16,699	48,855
Purchases of investments in securities.....	(1,503)	(8,148)	(15,249)	(12,117)
Increase in loans receivable.....	(170)	(320)	(12,165)	(1,370)
Collection of loans receivable.....	2,940	1,507	3,404	23,702
Other.....	(4,079)	(1,207)	(2,513)	(32,885)
Net cash used in investing activities.....	(51,704)	(113,795)	(128,529)	(416,833)
Cash flows from financing activities				
Proceeds from issuance of short-term bonds.....	45,000	95,000	20,000	362,786
Increase in short-term loans, net.....	65,785	44,007	21,643	530,353
Proceeds from issuance of bonds.....	30,000	-	40,000	241,857
Proceeds from long-term debt.....	30,763	19,299	46,680	248,009
Repayment of long-term debt.....	(15,784)	(15,215)	(57,626)	(127,249)
Redemption of bonds.....	(70,000)	-	-	(564,334)
Cash dividends paid.....	(17,491)	(15,764)	(33,073)	(141,011)
Purchases of treasury stock.....	(20,019)	(8)	(15,266)	(161,392)
Other.....	26	(1,515)	(2,747)	210
Net cash provided by financing activities.....	48,280	125,804	19,611	389,229
Effect of exchange rate changes on cash and cash equivalents.....	(208)	(1,124)	5,243	(1,677)
Net (decrease) increase in cash and cash equivalents.....	(8,351)	(39,481)	13,684	(67,325)
Cash and cash equivalents at beginning of period.....	195,008	181,324	181,324	1,572,138
Cash and cash equivalents at end of period.....	¥ 186,657	¥ 141,843	¥ 195,008	\$ 1,504,813

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2015 and 2014

1. Basis of Consolidated Financial Statements

The accompanying consolidated financial statements of Sekisui House, Ltd. (the "Company") and subsidiaries have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan. In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to present them in a form which is familiar to readers outside Japan. In addition, the notes to the accompanying consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Certain reclassifications of previously reported amounts have been made to conform the accompanying consolidated financial statements for the six months ended July 31, 2014 to the 2015 presentation. Such reclassifications had no effect on consolidated net income or net assets.

The translation of Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader and has been made at ¥124.04= U.S. \$1.00, the approximate rate of exchange in effect on July 31, 2015. This translation should not be construed as a 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.

2. Contingent Liabilities

The Company and its subsidiaries had the following contingent liabilities at July 31, 2015.

	Millions of yen	Thousands of U.S. dollars
Guarantees of housing loans to customers.....	¥ 82,950	\$ 668,736
Guarantees of bank loans of a third party.....	282	2,273
	¥ 83,232	\$ 671,009

3. Amounts per Share

	Yen		U.S. dollars	
	July 31 2015	July 31 2014	January 31 2015	July 31 2015
Net income :				
Basic	¥ 74.09	¥ 61.46	¥ 130.91	\$ 0.60
Diluted	73.44	58.40	125.22	0.59
Net assets.....	1,547.36	1,377.81	1,527.52	12.47
Cash dividends.....	27.00	25.00	50.00	0.22

Corporate Data

Outline of the Company

(As of July 31, 2015)

Established

August 1, 1960

Capital Stock Issued

¥202,591 million

Employees

23,302 (Consolidated)

Head Office

Tower East Umeda Sky Building
1-88 Oyodonaka 1-chome Kita-ku Osaka
531-0076 Japan
Phone: 81-6-6440-3111
Facsimile: 81-6-6440-3369

Factories

Ibaraki, Shizuoka, Yamaguchi, Miyagi and Hyogo

Laboratory

Comprehensive Housing R & D Institute (Kyoto)

Major Subsidiaries and Affiliates

Sekiwa Real Estate, Ltd.
Sekisui House Remodeling, Ltd.
Sekiwa Construction Higashi-Tokyo, Ltd.
Sekisui House Investment Advisors, Ltd.
Sekisui House SI Asset Management, Ltd.
Sekisui House Australia Holdings Pty Limited
North America Sekisui House, LLC
Sekisui House Changcheng (Suzhou) Real Estate
Development Co. Ltd.

Stock Information

(As of July 31, 2015)

Stock Listing

Tokyo, Nagoya

American Depositary Receipts

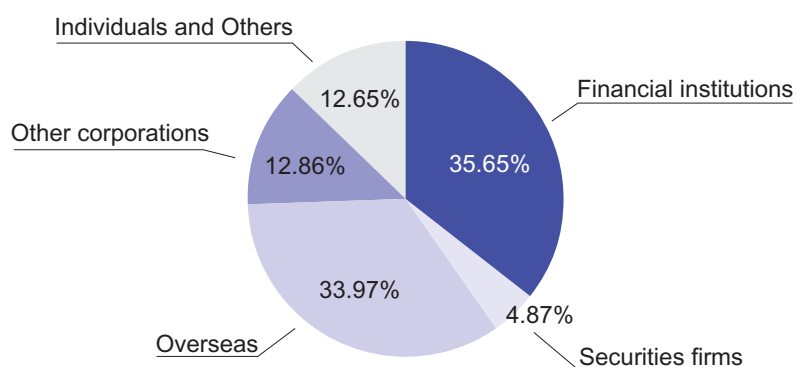
Symbol: SKHSY
CUSIP: 816078307
Ratio: 1:1
Exchange: OTC (Over-The-Counter)
Depository: The Bank of New York Mellon
BNY Mellon Shareowner Services
PO Box 358516
Pittsburgh, PA 15252-8516 U.S.A.
U.S. toll free: (888)269-2377 (888-BNY-ADRS)
International Callers: +1(201)680-6825
<http://www.adrbnymellon.com>

Major Shareholders

	Name	Number of shares	Shareholding ratio (%)
1	Sekisui Chemical Co., Ltd.	52,168,727	7.35
2	The Master Trust Bank of Japan, Ltd. (Trust account)	44,008,900	6.20
3	Japan Trustee Services Bank, Ltd. (Trust account)	32,042,000	4.51
4	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,624,515	1.92
5	The Dai-ichi Life Insurance Company, Limited	12,158,730	1.71
6	Employees' Stockholding	12,029,015	1.69
7	THE BANK OF NEW YORK MELLON SA/NV 10	11,431,901	1.61
8	STATE STREET BANK AND TRUST COMPANY 505225	10,541,431	1.49
9	Japan Trustee Services Bank, Ltd. (Trust account 9)	8,633,500	1.22
10	STATE STREET BANK WEST CLIENT-TREATY 505234	7,961,186	1.12

Note: 9,681,647 shares of treasury stock are not listed above.

Stock Composition



Directors and Corporate Auditors

(As of July 31, 2015)

Chairman, Representative Director & CEO

Isami Wada

President, Representative Director & COO

Toshinori Abe

Executive Vice President & Director

Sumio Wada

Executive Vice President & Director & CFO

Shiro Inagaki

Directors

Teruyuki Saegusa

Shiro Wakui

Fumiaki Hirabayashi

Tetsuo Iku

Takashi Uchida

Fumiyasu Suguro

Kunpei Nishida

Standing Corporate Auditors

Tadashi Iwasaki

Kengo Yoshida

Corporate Auditors

Takaharu Dohi

Yoshinori Shinohara

Koichi Kunisada

Executive Officers

(As of July 31, 2015)

Executive Vice President

Sumio Wada

Shiro Inagaki

Senior Managing Officers

Fumiaki Hirabayashi

Tetsuo Iku

Takashi Uchida

Managing Officers

Fumiyasu Suguro

Kunpei Nishida

Motohiko Fujiwara

Koji Nakata

Noboru Ashida

Hiroyuki Sato

Yosuke Horiuchi

Executive Officers

Michio Yoshizaki

Hisao Yamada

Yuichi Matsushima

Kazushi Mitani

Haruyuki Iwata

Daisuke Akamatsu

Akira Kuroda

Kenichi Ishida

Osamu Minagawa

Osamu Otani

Noriaki Ogata

Toshikazu Shimanuki

Futoshi Teramura

Kazuchika Uchiyama

Hideyuki Kamijyo

Toshiharu Miura

Yoshihiro Nakai

Toru Ishii



SEKISUI HOUSE

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