

Notice regarding Posting Loss on Revaluation of Inventories, Revisions to Full-year Business Results Forecast and Year-end Cash Dividend Forecast, and the Next Fiscal Year's Dividend Plan

January 20, 2010 – Sekisui House, Ltd. (the “Company”) hereby announces that it expects to report loss on revaluation of inventories for the year ending January 31, 2010, as explained below.

Accordingly, the Company has revised its earlier forecasts of business results for the corresponding year and year-end cash dividends, which were announced on September 1, 2009 and March 2, 2009, respectively.

We intend to release an official statement on cash dividends for the next fiscal year in early March, together with announcements on our business results for the year ending January 31, 2010; however, since we are planning to pay a commemorative dividend for the fiftieth anniversary of our incorporation, we hereby announce our policy on cash dividends.

We also wish to announce that we have designed our forthcoming business plans in accordance with the Sekisui House Group FY2010 Med-term Management Plan, which was announced today (January 20, 2010).

1. Posting Loss on Revaluation of Inventories

Falling land prices amid the recent stagnancy of the real estate market are having a major impact on our real estate for sale, including the land for urban redevelopment and condominium businesses. As a result, with application of the “Accounting Standard for Measurement of Inventories” we now expect approximately ¥65 billion of loss on revaluation of inventories, which will be reported under cost of sales.

2. Revision of Business Results Forecast

(1) Revised consolidated results forecast for the year ending January 31, 2010

(from February 1, 2009 to January 31, 2010)

(Millions of yen)

	Net sales	Operating income	Recurring income	Net income	Net income per share
					Yen
Previous forecast (A)	1,380,000	21,500	21,000	6,000	8.88
Revised forecast (B)	1,370,000	(41,000)	(41,000)	(31,500)	-
Amount of change (B) - (A)	(10,000)	(62,500)	(62,000)	(37,500)	-
Rate of change (%)	(0.7)	-	-	-	-
Actual results for FY2008	1,514,172	73,960	77,072	11,516	17.04

(2) Revised non-consolidated results forecast for the year ending January 31, 2010

(from February 1, 2009 to January 31, 2010)

(Millions of yen)

	Net sales	Operating income	Recurring income	Net income	Net income per share
					Yen
Previous forecast (A)	940,000	4,000	5,000	(1,300)	(1.92)
Revised forecast (B)	930,000	(60,000)	(59,000)	(40,000)	-
Amount of change (B) - (A)	(10,000)	(64,000)	(64,000)	(38,700)	-
Rate of change (%)	(1.1)	-	-	-	-
Actual results for FY2008	1,100,500	53,286	58,071	1,780	2.63

(3) Reasons for the revision

Net sales have trended almost in line with the original plan, but profits have suffered a major decline as they were materially affected by loss from revaluation of inventories reported at the fiscal year end.

3. Revision of Year-end Dividend Forecast for FY2009 and Dividend Forecast for FY2010

(1) Reason for the revision

In order to realize a high level of profit sharing while maintaining sound management over the medium- and long-term, we will basically aim at an average dividend payout ratio of 40% or higher over the medium-term.

However, as detailed in the reasons for revision of business results forecasts above, we now expect to report loss on a full-year basis, owing to the recent rapid deterioration and



slowdown of the real estate market. Accordingly, we have decided to omit year-end cash dividends.

(2) Details of the revision

Standard date	Dividend per share		
	End of second quarter	Year-end	Annual
	Yen	Yen	Yen
Previous forecast	-	10.00	20.00
Revised forecast	-	0.00	10.00
Actual dividend for FY2009	10.00	-	-
Actual dividend for FY2008	12.00	12.00	24.00
Dividend forecast for FY2010	13.00 (includes commemorative dividend of 5.00)	8.00	21.00

(3) Dividend forecast for the fiscal year ending January 2011

Concerning cash dividends for the fiscal year ending January 2011, as stated in the Sekisui House Group FY2010 Med-term Management Plan announced today, we are planning to pay a commemorative dividend to mark the fiftieth anniversary of our incorporation, on top of those that are to be paid in accordance with our profit plan for the medium-term period. We propose to pay an annual dividend of ¥21, which comprises an interim dividend of ¥8, a commemorative dividend of ¥5, and a year-end dividend of ¥8.

(Note) The results forecasts included in this document have been calculated based on information available at the time of the announcement. Actual results and cash dividends for FY2010 may differ from the results forecasts due to a variety of factors.

* * *

For further information, please contact:

Mr. Hidehiro Yamaguchi
 Head of Corporate Communications Department
 Sekisui House, Ltd.
 Tel: 06-6440-3445 Fax: 06-6440-3369
 Email: info-ir@qz.sekisuihouse.co.jp