

Sekisui House, Ltd.

FY2010 (ended Jan. 31, 2011) Financial Results Summary

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(Percentage-of-Completion Method)
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March 7, 2011

1-1 FY2010 Consolidated Statement of Income



(¥ millions)

	FY2009 Results	FY2010	
		Results	YOY (%)
Net sales	1,353,186	1,488,369	10.0
Cost of sales	1,196,849	1,231,161	2.9
Gross profit	156,336	257,208	64.5
SG&A	195,091	200,853	3.0
Operating income (loss)	(38,754)	56,354	—
Ordinary income (loss)	(38,758)	56,271	—
Net income (loss)	(29,277)	30,421	—

1-2 FY2010 Consolidated Statement of Income (Percentage-of-Completion Method)

(¥ millions)

	FY2009 Results	FY2010 Results			YOY (%)
		(A)	(B)	Results (A)+(B)	
Net sales	1,353,186	1,415,380	72,989	1,488,369	10.0
Cost of sales	1,196,849	1,173,809	57,352	1,231,161	2.9
Gross profit	156,336	241,572	15,636	257,208	64.5
SG&A	195,091	200,164	689	200,853	3.0
Operating income (loss)	(38,754)	41,408	14,946	56,354	-
Ordinary income (loss)	(38,758)	41,325	14,946	56,271	-
Net income (loss)	(29,277)	-	-	30,421	-

(A): Completed-Contract method

(B): Amounts of effect of application of Percentage-of-Completion method

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2-1 FY2010 Segment Breakdown

(¥ millions)

<Net sales>	FY2009 Results	FY2010		<Gross profit to sales>	FY2009 Results	FY2010 Results
		Results	YOY (%)			
Built to Order Housing	590,376	697,388	18.1	Built to Order Housing	22.1	22.6
Real Estate for sale	253,572	229,483	(9.5)	Real Estate for sale	(16.1)	10.0
Real Estate for Leasing	364,217	377,667	3.7	Real Estate for Leasing	10.3	10.2
Other Business	145,019	183,831	26.8	Other Business	20.4	21.3
Total	1,353,186	1,488,369	10.0	Total	11.6	17.3

(¥ millions)

<Operating income>	FY2009		FY2010		
	Results	OP margin (%)	Results	OP margin (%)	YOY(%)
Built to Order Housing	48,564	8.1	70,817	10.1	45.8
Real Estate for sale	(73,103)	(28.8)	(3,165)	(1.4)	-
Real Estate for Leasing	14,180	3.9	14,124	3.7	(0.4)
Other Business	6,218	4.1	9,454	5.1	52.0
Eliminations and back office	(34,615)		(34,876)	-	-
Total	(38,754)	(2.9)	56,354	3.8	-

(¥ millions)

<Orders>	FY2009 Results	FY2010	
		Results	YOY (%)
Built to Order Housing	611,551	710,103	16.1
Real Estate for sale	233,713	253,947	8.7
Real Estate for Leasing	364,217	377,667	3.7
Other Business	152,266	186,644	22.6
Total	1,361,750	1,528,362	12.2

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2-2 Segment Breakdown (Built-to-Order Housing)

Built-to-order detached houses

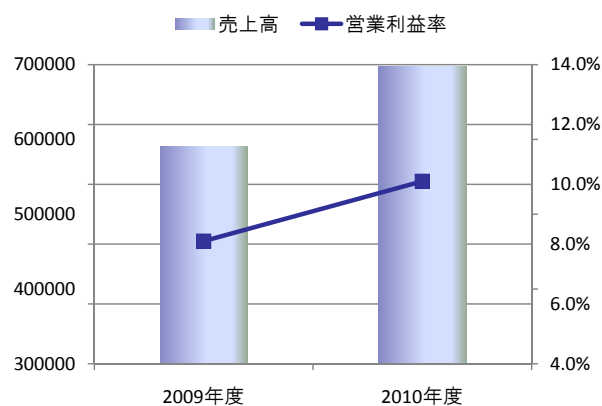
	FY2010 Results	YOY (%)
Non-consolidated sales	456.9 bn yen	20.0
No. of units sold	13,079 units	8.8
Sales per unit	31.72 mil yen	1.8
Non-consolidated orders	468.1 bn yen	18.0

Low-rise apartments (Sha-Maison)

	FY2010 Results	YOY (%)
Non-consolidated sales	242.7 bn yen	13.7
No. of units sold	22,922 units	(3.5)
Sales per building	51.38 mil yen	0.4
Non-consolidated orders	242.9 bn yen	11.3

Consolidated net sales (YOY)

18.1%



	FY2009	FY2010
OP margin	8.1%	10.1%
GP margin	22.1%	22.6%

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2-3 Segment Breakdown (Real Estate for Sale)

Detached houses for sale

	FY2010 Results	YOY (%)
Non-consolidated sales	136.1 bn yen	(20.2)
No. of units sold	2,942 units	(21.9)
Sales per unit	25.78 mil yen	4.8
Non-consolidated orders	135.6 bn yen	(19.5)

Condominiums for sale

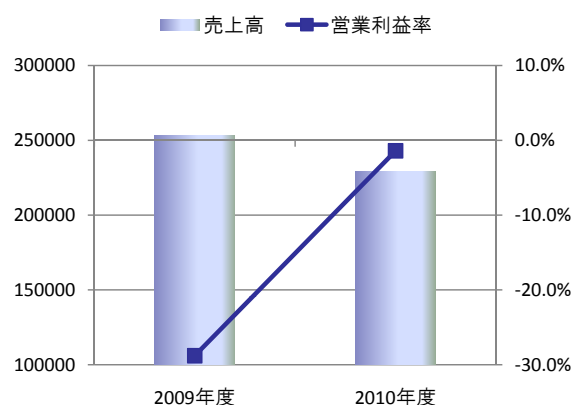
	FY2010 Results	YOY (%)
Non-consolidated sales	74.9 bn yen	43.3
No. of units sold	2,009 units	60.2
Non-consolidated orders	66.5 bn yen	52.8

Real estate development project

	FY2010 Results	YOY (%)
Non-consolidated sales	5.2 bn yen	203.8

Consolidated net sales (YOY)

-9.5%



	FY2009	FY2010
OP margin	-28.8%	-1.4%
GP margin	-16.1%	10.0%

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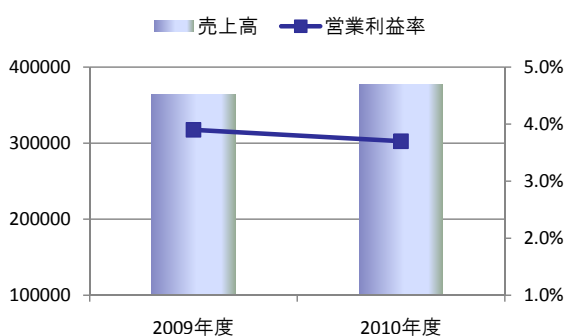
2-4 Segment Breakdown (Real Estate for Leasing / Other Businesses)

Real estate for leasing

	FY2010 Results	YOY (%)
Apartment units under master lease	436,938 units	4.1
Occupancy rate	95.0 %	0.5%P
Total sales of Sekiwa Real Estate Group companies	403.9 bn yen	(0.1)

Consolidated net sales (YOY)

3.7%



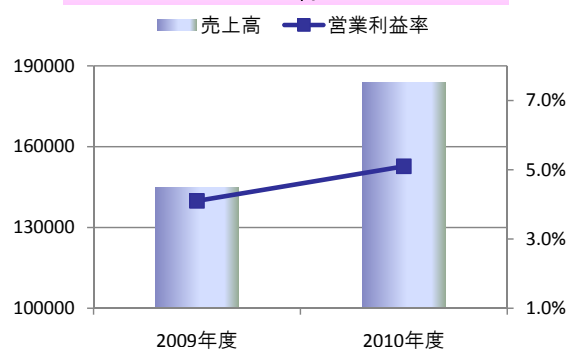
	FY2009	FY2010
OP margin	3.9%	3.7%
GP margin	10.3%	10.2%

Other businesses

	FY2010 Results	YOY (%)
Sekisui House Remodeling Sales	54.3 bn yen	14.3
RC contracts	46.7 bn yen	39.2
Exteriors	46.3 bn yen	8.4

Consolidated net sales (YOY)

26.8%



	FY2009	FY2010
OP margin	4.1%	5.1%
GP margin	20.4%	21.3%

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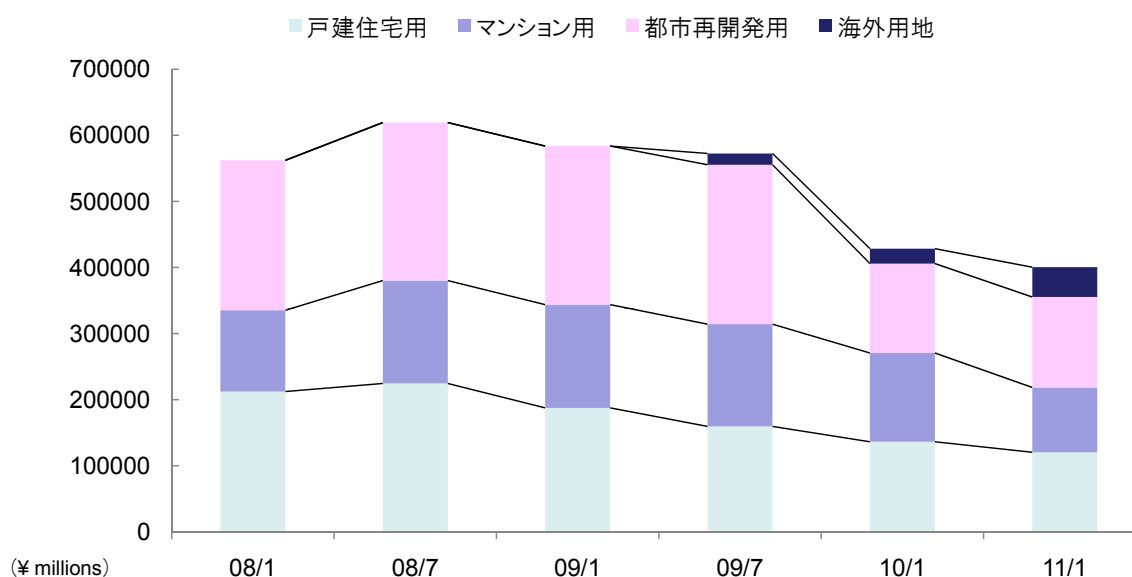
3-1 Consolidated Balance Sheet (Assets)

(¥ millions)

Assets	FY2009 Results	FY2010 Results	YOY Changes	
			Amount	%
■ Current assets				
Cash and deposits	149,330	151,983	2,653	1.8
Notes receivable, accounts receivable from completed construction contracts	11,391	35,545	24,154	212.0
Costs on uncompleted construction contracts	47,540	12,212	(35,328)	(74.3)
Buildings for sale	115,643	131,737	16,094	13.9
Underdeveloped land and Land for sale in lots	428,411	400,323	(28,087)	(6.6)
Other	98,617	90,728	(7,890)	(8.0)
Total current assets	850,933	822,530	△28,403	△3.3
■ Noncurrent assets				
Property, plant and equipment				
Buildings and structures	131,828	131,540	(288)	(0.2)
Land	189,361	193,249	3,888	2.1
Other	21,042	27,342	6,299	29.9
Total property, plant and equipment	342,233	352,131	9,898	2.9
Intangible assets	9,070	9,809	739	8.1
Investments and other assets	151,708	156,837	5,128	3.4
Total noncurrent assets	503,012	518,778	15,766	3.1
Total assets	1,353,946	1,341,308	(12,637)	(0.9)

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Details of land for sale in lots and undeveloped land for sale by use



	08/1	08/7	09/1	09/7	10/1	11/1
For overseas projects	-	-	-	17,006	22,549	44,975
For urban redevelopment	226,737	239,073	239,983	241,159	135,206	136,939
For condominiums	123,097	155,615	156,237	154,685	134,323	98,042
For detached houses	212,233	224,517	187,483	159,553	136,332	120,365

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3-2 Consolidated Balance Sheets (liabilities / net assets)

	FY2009 Results	FY2010 Results	YOY Changes	
			Amount	%
(¥ millions)				
■ Liabilities				
Current liabilities				
Notespayable, accounts payable for construction contracts	135,658	149,714	14,056	10.4
Advances received on uncompleted construction contracts	90,425	75,539	(14,886)	(16.5)
Current portion of long-term loans payable	172,901	27,454	(145,447)	(84.1)
Other	61,480	71,380	9,900	16.1
Total current liabilities	460,466	324,088	(136,378)	(29.6)
Noncurrent liabilities				
Bonds payable	59,986	129,990	70,004	116.7
Long-term loans payable	28,778	54,560	25,781	89.6
Other	88,419	94,639	6,220	7.0
Total noncurrent liabilities	177,184	279,190	102,006	57.6
Total liabilities	637,650	603,279	(34,371)	(5.4)
■ Net assets				
Shareholders' equity	710,429	732,021	21,592	3.0
Valuation and translation adjustments	5,308	4,940	(368)	(6.9)
Subscription rights to shares	232	292	60	25.9
Minority interests	325	774	449	138.2
Total Net Assets	716,295	738,029	21,734	3.0
Total liabilities and net assets	1,353,946	1,341,308	(12,637)	(0.9)
■ Interest bearing debts	261,665	212,030	(49,661)	(19.0)

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(¥ millions)

	FY2009 Results	FY2010 Results
Net cash provided by (used in) operating activities	55,402	85,061
Net cash provided by (used in) investing activities	(26,472)	(20,989)
Free cash flow	28,930	64,072
Net cash provided by (used in) financing activities	(6,969)	(60,132)
Net increase (decrease) in cash and cash equivalents	24,112	3,352
Cash and cash equivalents at beginning of period	124,517	148,630
Cash and cash equivalents at end of period	148,630	151,983

	FY2009 Results	FY2010 Results
Capital expenditures	82,145	32,690
Depreciation and amortization	16,579	16,383

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5-1 New Segment Breakdown

Change
4 segments → new 8 segments

Built to Order Housing

- Custom homes for individuals
- Built to order rental housing

Real Estate for sale

- Houses for sale to individuals
- Condominiums for sale
- Urban redevelopment etc.

Real Estate for leasing

Other businesses

- RC contracts
- Exteriors
- Remodeling
- Others

Custom detached houses

Custom homes for individuals
Custom homebuilding business of Sekiwa Construction

Real estate management fees

Sekiwa Real Estate leasing business
SGM leasing business
Brokerage business
AM business

Rental housing

Built to order rental housing
Built to order reinforced concrete buildings

Remodeling

Sekisui House Remodeling
Sekiwa Construction remodeling
Remodeling of rental housing
Fee-based maintenance to existing buildings

Houses for sale

Built for sale houses with land
Sale of land lots
Custom made houses with land
MAST brand

Urban redevelopment

Urban redevelopment
Sekisui House leasing business
Sekiwa Real Estate leasing business

Condominiums

Condominiums for sale

Other businesses

Overseas business
Exteriors
Others

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5-2 FY2010 Results based on New Segment Breakdown

Former segments	Net sales	Operating income	OP margin	GP margin
Built to Order Housing	697,388	70,817	10.1	22.6
Real Estate for sale	229,483	(3,165)	(1.4)	10.0
Real Estate for Leasing	377,667	14,124	3.7	10.2
Other Business	183,831	9,454	5.1	21.3
Total	1,488,369	56,354	3.8	17.3

New segments	Net sales	Operating income	OP margin	GP margin
Custom detached houses	455,239	45,772	10.1	22.9
Rental housing	277,659	26,195	9.3	21.3
Houses for sale	146,470	516	0.4	12.0
Condominiums	77,185	(1,009)	(1.3)	6.8
Urban redevelopment	22,208	4,812	21.6	28.6
Remodeling	91,443	8,530	9.3	22.8
Real estate management fees	361,988	12,429	3.4	11.0
Other businesses	56,173	(6,016)	(9.9)	9.4
Total	1,488,369	56,354	3.8	17.3

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Business Performance Forecasts

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6-1 Forecast based on New Segment Breakdown (Sales / Orders)

<Sales>	FY2010 Results	FY2011		<Orders>	FY2010 Results	FY2011	
		Forecasts	vs FY2010 (%)			Forecasts	vs FY2010 (%)
Custom detached houses	455,239	467,500	2.7	Custom detached houses	469,232	500,000	6.6
Rental housing	277,659	257,500	(7.3)	Rental housing	267,202	268,000	0.3
Houses for sale	146,470	152,500	4.1	Houses for sale	145,974	154,000	5.5
Condominiums	77,185	45,300	(41.3)	Condominiums	68,579	49,200	(28.3)
Urban redevelopment	22,208	35,000	57.6	Urban redevelopment	35,408	21,800	(38.4)
Remodeling	91,443	101,000	10.5	Remodeling	95,094	103,000	8.3
Real estate management fees	361,988	371,200	2.5	Real estate management fees	361,988	371,200	2.5
Other businesses	56,173	80,000	42.4	Other businesses	84,881	87,800	3.4
Total	1,488,369	1,510,000	1.5	Total	1,528,362	1,555,000	1.7

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6-2 Business Performance Forecasts Breakdown (Operating income / GP margin / OP margin)

	Operating income			GP margin (%)		OP margin (%)	
	FY2010 Results	FY2011		FY2010	FY2011 Forecasts	FY2010 Results	FY2011 Forecasts
		Forecasts	vs FY2011 (%)				
Custom detached houses	45,772	49,000	7.1	22.9	23.3	10.1	10.5
Rental housing	26,195	24,600	(6.1)	21.3	22.1	9.3	9.6
Houses for sale	516	2,000	287.6	12.0	13.1	0.4	1.3
Condominiums	(1,009)	(4,000)	-	6.8	5.7	(1.3)	(8.8)
Urban redevelopment	4,812	8,600	78.7	28.6	29.1	21.6	24.6
Remodeling	8,530	9,800	14.9	22.8	23.0	9.3	9.7
Real estate management fees	12,429	13,100	5.4	11.0	11.2	3.4	3.5
Other businesses	(6,016)	(5,100)	-	9.4	9.9	(9.9)	(6.4)
Eliminations and back office	(34,876)	(35,000)	-	-	-	-	-
Total	56,354	63,000	11.8	17.3	18.0	3.8	4.2

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(¥ millions)

	FY2010 Results	FY2011		FY2012
		Forecasts	YOY (%)	Forecasts
Net sales	1,488,369	1,510,000	1.5	1,600,000
Operating income (loss)	56,354	63,000	11.8	75,000
Ordinary income (loss)	56,271	63,000	12.0	75,000
Net income (loss)	30,421	34,000	11.8	42,000
EPS (yen)	45.02	50.32	1.1	62.15
ROA (%)	4.34	4.76	9.7	4.96
ROE (%)	4.19	4.54	8.4	5.46
Dividend per share (yen)	21.00	20.00	(4.8)	-
Payout ratio (%)	46.65	39.74	(14.8)	-

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