

SUMMARY TRANSLATION FOR REFERENCE PURPOSES ONLY

This notice is a summary translation of the original Japanese text of the timely disclosure statement dated June 16, 2011, and is for reference purposes only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.

CAUTIONS REGARDING FORWARD-LOOKING STATEMENTS

Statements in this document with respect to the Sekisui House's plans, strategies, projected financial figures, expectations and beliefs as well as other statements that are not historical facts are forward-looking statements involving risks and uncertainties. The important factors that could cause actual results to differ materially from such statements include, but are not limited to: the impact of general economic, political and business conditions in the Sekisui House's markets, price and market conditions of the supplies which the Sekisui House procures, the Sekisui House's ability to comply with various governmental regulations in the domestic market and overseas markets in which the Sekisui House is active, and the Sekisui House's ability to adapt to market, industry and world economic conditions.

News Release

Announcement regarding the Issuance of Zero Coupon Convertible Bonds due 2016

June 16, 2011 – Sekisui House (the "Company") hereby notifies the following issuance of Zero Coupon Convertible Bonds due 2016 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*, hereinafter referred to as the "Bonds") resolved at the meeting of the Board of Directors held on June 16, 2011. Approval in-principle has been received for the listing of the Bonds on the Singapore Exchange Securities Trading Limited.

Use of Proceeds

The net proceeds from the issue of the Bonds will be approximately ¥49,930 million after deducting expenses. The Company intends to issue the Bonds in order to finance the Group's operations in the PRC (approximately ¥30.0 billion), the Group's capital expenditure in the PRC and Japan (approximately ¥10.0 billion), and the repayment of its long-term debt. More precisely, the net proceeds will be applied principally as follows: (1) approximately ¥30.0 billion to repayment of short-term corporate bonds previously issued as an interim measure pending the issuance of the Bonds, to finance the Group's operations in the PRC, to be applied by 31 July 2011; (2) approximately ¥7.2 billion to repayment of short-term corporate bonds previously issued as an interim measure pending the issuance of the Bonds to finance the Group's capital expenditure in the PRC and Japan, to be applied by 31 July 2011; (3) approximately ¥2.8 billion towards the Group's capital expenditure in the PRC and Japan, to be applied by 30 April 2012; and (4) the balance to the repayment of its long-term debt by the end of October 2011.

Overview of the Bonds

Securities Offered ¥50,000,000,000 Zero Coupon Convertible Bonds due 2016 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*).

Note: This announcement is intended as general information regarding Sekisui House, Ltd.'s issuance of convertible bonds. This announcement does not constitute an offer of, or the solicitation of an offer to buy or subscribe for the Bonds or the Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Bonds and the Shares issuable upon exercise of, or upon acquisition by the Company of, the Stock Acquisition Rights (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account of, U.S. persons (as defined in Regulation S of the Securities Act ("Regulation S")). The Securities may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Issue Prices	100.0 per cent.
Offer Prices	102.5 per cent.
Coupon	Zero per cent.
Exercise of Stock Acquisition Rights	<p>Subject to and upon compliance with the provisions of the conditions of the Bonds, each holder of a Bond is entitled to exercise the Stock Acquisition Rights incorporated therein at any time during the period from, and including 19 July 2011 up to, and including, the close of business on 21 June 2016 (but in no event thereafter) (unless the Bonds have been previously redeemed, acquired or purchased and cancelled or become due and repayable, and except in certain other limited circumstances), to acquire fully-paid and non-assessable shares of the Company.</p> <p>However, prior to (but not including) 6 July 2015, the Stock Acquisition Rights may be exercised during any particular fiscal quarter of the Company (or, in the case of the fiscal quarter of the Company commencing on 1 May 2015 until 3 July 2015) only if the Closing Price (as defined in the conditions of the Bonds) of the Shares for any 20 Trading Days (as defined in the conditions of the Bonds) in a period of 30 consecutive Trading Days ending on the last Trading Day of the immediately preceding fiscal quarter of the Company is more than 120 per cent. of the Conversion Price on the last Trading Day of such immediately preceding fiscal quarter of the Company, provided that this condition to the exercise of the Stock Acquisition Rights shall not be applicable (1) if a notice of redemption is given to the Bondholders, or (2) if specified corporate transactions occur with respect to the Company, or (3) during any period in which any rating assigned by a specified rating agency to the Company's long-term senior debt or the Bonds is below a specified level, or certain other ratings events occur.</p>
Early Redemption at the option of the Bondholders	<p>– The holder of any Bond is entitled, at its option, to require the Company to redeem such Bond on (i) 7 July 2014, and (ii) on the date which is five Tokyo Business Days (as defined in the conditions of the Bonds) prior to a Corporate Event Effective Date (as defined in the conditions of the Bonds), in each case at 100 per cent. of its principal amount, together with all Additional Amounts (as defined in the conditions of the Bonds) due on such Bond.</p>

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