



ANNUAL REPORT 2000

For the year ended January 31, 2000

Sekisui House, Ltd.

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

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
For the year:			
Net sales	¥ 1,330,284	¥ 1,314,696	\$ 12,432,561
Net income	(94,811)	22,855	(886,084)
At year-ended:			
Total assets	1,453,547	1,571,784	13,584,551
Shareholders' equity	723,860	826,033	6,765,047
	Yen		U.S. dollars
	2000	1999	2000
Per share:			
Net income	¥ (132.65)	¥ 31.99	\$ (1.24)
Cash dividends applicable to the year	18.00	18.00	0.17

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 ¥ 107.00 = U.S. \$1, effective at January 31, 2000.

Net sales

Billions of yen



Net income

Billions of yen



Net income per share

Yen



A Message From The President

Our fiscal 1999 saw a slump in economy in Japan with more workers out of work, capital investment weaker and personal consumption sluggish, though the first half of the year saw a faint recovery after the government implemented various pump-priming measures.

The housing industry suffered from a slow market as the growth of the nation's new housing starts stalled, strongly affected by the poor rental housing behavior in the latter half of our fiscal 1999 due mainly to hikes in the interest rates on loans from the state Housing loan Corporation and to anxiety over future economy, though owner-occupancy homes performed well in the first half thanks to the low interest rates and tax-cutting measures taken by the government.

We organized a task force to cut down on costs all the way in our activities from purchase to production, logistics, designing and to construction, and to reorganize commodity items for reduction of the number of components per home. We made efforts to allocate our expenditure budget among fields of our activities in the most effective way. We started to market upgraded models equipped with higher energy saving function to meet possible demand from the generations to come. We introduced to the market a new system – “ U-trus ” as we call it – in which we issue a new guarantee after inspection to our existing home owners so that their homes can have higher market values. And we waged a campaign for higher customers' satisfaction across the board.

As for our technical aspect we developed a self-moving tower crane and an overhead traveling crane operated on the scaffolding installed beforehand for greater efficiency in narrow lots. We also systematized piping to minimize plumbing trouble and costs.

New models we put on the market in our fiscal 1999 included four models of high class detached home as our mainstay products, “ Centrage Glanz EX, GX, CX and DX ”. For the three-story market we marketed “ Biena ” a high class home incorporating an exterior wall of a new material (CERTEQ CONCRETE Exterior Wall) as a fire-resistance structure home in fire-prevention designated urban areas. “ M'Chantoa•RX ” a deluxe wooden frame home was put on the market as a home that is armed with next-generation energy-conservation specifications. We put “ GRANVERIE GT ” and “ ditto GR ” on the rental housing market. These two models feature quality livability with much upgraded fixtures and far larger floor spaces than conventional rental housing. And then, we incorporated next-generation energy-conservation property into the standard specifications of all our GRENIER series homes, so that we could have a competitive edge.

Renewal was continued of our production facilities for greater efficiency and labor saving.



Our sales totaled ¥1,330,284 million (\$12,432,561 thousand), 1.2% increase, broken down into ¥1,088,228 million (\$10,170,355 thousand) of sales from construction contracts, up 1.4% and ¥242,056 million (\$2,262,206 thousand) of for-sale realty sales, up 0.1%. The rate of gross profit on sales from construction increased as costs were slashed in production and construction, and as overhead expenses also decreased. Those factors made up for the loss incurred from for-sale realty projects bargained away to cut back on realty inventory, to register ¥76,138 million (\$711,570 thousand) of operating profit (up 28.5%). The burst of the bubble economy drastically sent down land prices across Japan. We devalued by ¥216,533 million, down to their market prices those lots of land in our possession that had a considerably big gap between book and market values. That devaluation dealt us a heavy blow and we suffered a net loss of ¥94,811 million (\$886,084 thousand). It is a pity that this may have caused concern to our shareholders but we can say that such writing-off will put us upon a very sound financial basis in the future.

The housing industry will continue to suffer from a yet slow market in parallel with the slow economy, and undergo fierce competition on the market. We have decided to incorporate heat-insulation windows into all our homes beginning in February this year and to take other appropriate measures ahead of the time, so that we can be more competitive.

Last November we worked out a master plan based on our main theme of the “harmony of people, towns and the globe”, to minimize burdens on the environment at various stages of our activities from production to discharge of wastes. That plan aims to help preserve the environment by setting goals for effective use of energy and resources and reduction in energy consumption and discharge of industrial wastes, and by organizing an across-the-board environment care system. We will always remain friendly to people, towns and the globe.

A handwritten signature in black ink that reads "I. Wada". The signature is written in a cursive, flowing style.

Isami Wada
President & Representative Director

Sekisui House Topics

Sekisui House Declaration on the Future of the Environment Toward a Harmonious Future between People, Urban Communities, and the Environment 1999 Environmental Future Plan

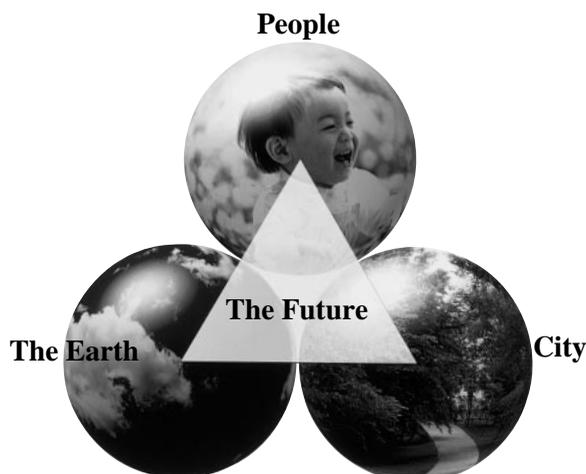
In the year 2000 Sekisui House will be excited to celebrate the 40th anniversary of its establishment. In preparation for this landmark event, the Company proudly announces its 1999 Environmental Future Plan for the field of housing and better living operations. This plan represents Sekisui House's Company-wide vision for responding to today's urgent environmental concerns.

The energy used in people's homes accounts for 20% of all of the energy consumed in Japan. In the ongoing effort to preserve the environment through more efficient use of energy and other resources, this high energy use makes housing construction a critical battlefield. Moreover, by treating the improved quality of individual houses as community assets, we can enable residents to stay longer in their homes, thereby reducing the generation of additional waste. Sekisui House is also committed to making the home environment more pleasant and enjoyable. With a breadth of vision that embraces cities and people as well as the environment, Sekisui House sets forth its policy for environmental action.

Environmental Declaration

Environmental Charter

Sekisui House's cherished desire is to preserve the Earth and its irreplaceable natural environment, so that people can continue to live in health and comfort, and to pass on to our children a world that is as clean and healthy as possible. As part of our responsibility to society, Sekisui House promises to build residences that are friendly to the environment and that provide long-term comfort for residents, and to contribute to the sustainable coexistence of people, urban communities, and the environment of the Earth.



Moving boldly into the future

Basic Environmental Policy

Committed to preserving the natural environment

1. Sekisui House will set targets for the reduction of energy consumption, more efficient use of energy, and the reduction of waste. The Company will establish an environmental management system to supervise environmental issues and will strive to achieve international environmental standards for these issues.
2. In all of its corporate activities, Sekisui House will strictly abide by all applicable laws and regulations, and will work tirelessly to prevent air, soil, and water pollution. In particular, the Company pledges to handle waste materials responsibly.

Dedicated to improving the residential environment

1. In residential development, Sekisui House will do its utmost to improve the durability of its housing materials and improve the function of each residential space to make it a safe, reliable, comfortable, healthy, and energy-saving environment.
2. In the individual design phase, Sekisui House will provide the most appropriate features and space for the needs of each family and for the available land, while enhancing the Company's design systems to create community assets that make positive contributions to the local environment.
3. After residential construction is completed, Sekisui House will provide excellent renovation systems and house replacement support systems that will respond flexibly to the changing needs of the family, centered on a framework of consistent and dependable maintenance of the building constructed. The Company will also offer a solid array of lifestyle support services to ensure a high level of comfort specially tailored for residents.

Contributing to the communities in which we do business

Sekisui House is dedicated to providing the general public with the information and support it needs and deserves. This commitment extends not only to every phase of its regular housing business operations but also to its duties as a corporate citizen, as Sekisui House strives to provide the community with excellent living spaces that help preserve the natural environment.

Each fiscal year Sekisui House will publish an Environmental Report on each of the above objectives, so that its stakeholders can evaluate our progress and performance.

Organizational Framework

On the occasion of this Environmental Declaration, Sekisui House has established an Environmental Conference, chaired by Company President, Isami Wada, as well as Environmental Committees. A new Environment Improving Department has been formed within the Company's head office organization to ensure that environmental activities are optimized for each division.

Major Environmental Activities to Date

To reduce energy consumption and improve comfort in daily residential life, Sekisui House has standardized the specifications for high-performance, multi-layer glass. The Company incorporates this glass in over 90% of detached homes. Sekisui House is also developing a steady stream of innovative residential products that emphasize the importance of the environment. Sekisui House was the first in the industry to deliver solar power generation systems as standard features, and developed a system to use recycled bath/shower water for non-drinking household use.

In 1992 the Company computerized its processing of manifest slips (used in the tracking and management of waste materials), enabling more efficient and effective control of industrial waste.

In consideration of the health of the community, Sekisui House uses housing materials that generate very low quantities of airborne pollutants, and has standardized the use of air circulation systems. The Company is also committed to the consistent implementation of "well-balanced design", a comprehensive approach in which the surrounding environment is taken into account during residential design work.

Sekisui House does much more than ensure excellent durability in its buildings. Through its customer centers, which provide residents with comprehensive maintenance services, and its renovation centers, which assist customers in the renovation and extension of their homes, the Company has launched a unique service for the assessment, inspection, repair, and transfer of pre-owned (secondhand) homes. Called "U-trus", this service began in October 1999, offering a 10-year guarantee for the main structures of pre-owned homes at the time of sale, significantly extending the social durability of the houses the Company has built.

Major Future Initiatives

1. To reduce energy consumption in the home, Sekisui House was an early adopter of next-generation energy-saving standards at the regional in its Grenier Dyne Series and M'shantoa RX (implemented October 1999). Beginning in 2000, insulated sashes will be standard in all Sekisui House products.
2. By the end of 2000, the Company will halve waste generation at its production facilities, currently 2.05% of the volume of purchased materials. Sekisui House intends to reach zero emission by 2005.
3. To enable residents to stay in their homes longer than ever before, Sekisui House will not only offer material support in the form of maintenance and home improvement services, but will provide valuable information and home care support as well.
4. Sekisui House encourages its customers and the general public to incorporate energy-saving, resource-saving habits into their daily lives. The Company publishes an information pamphlet entitled "Tips on Better Environmental Living", which offers advice for promoting changes in the energy consumption and garbage generation patterns of residents, and acquainting readers with the latest in energy-saving devices and techniques.

With the establishment of the Environmental Conference, chaired by Company President, Isami Wada, and Environmental Committees, Sekisui House will develop a steady stream of proposals to fulfill the letter and spirit of this Environmental Declaration through environmental activities in every division.

Management's Discussion and Analysis

Results of Operations

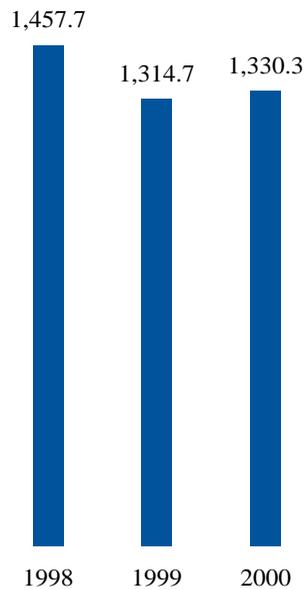
Years ended January 31, 2000, 1999, and 1998

	Millions of yen (percentage change)					
	2000		1999		1998	
Net sales	¥ 1,330,284	(1.2)	1,314,696	(-9.8)	1,457,719	(1.9)
Cost of sales	¥ 1,072,196	(0.1)	1,071,408	(-8.8)	1,174,618	(2.9)
Operating income	¥ 76,138	(28.5)	59,250	(-32.4)	87,635	(-7.8)
Net income	¥ -94,811		22,855	(-42.4)	39,706	(-6.8)

	Yen (percentage change)		
	2000	1999	1998
Net income per share	¥ -132.65	31.99	(-42.5)
		55.62	(-7.7)

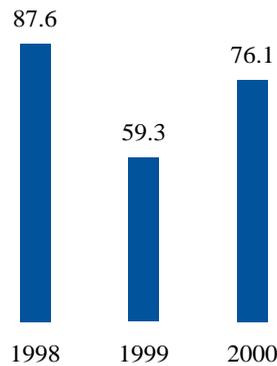
Consolidated Net Sales

billions of yen



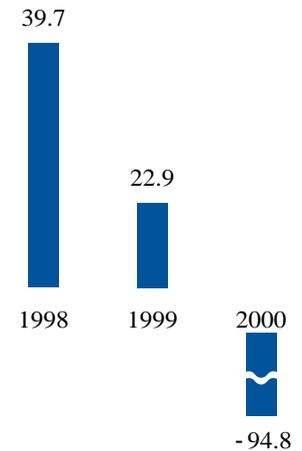
Operating Income

billions of yen



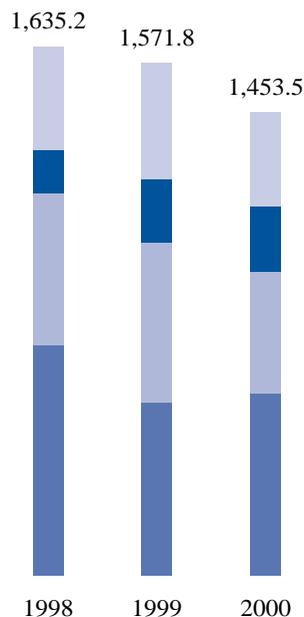
Net Income

billions of yen



Total Assets

billions of yen



Financial Position

For the year ended January 31

	% of total assets		
	2000	1999	1998
Current assets	65.1	62.2	69.0
Inventories	25.2	33.6	38.3
Investments and other assets	14.4	13.5	9.4
Property, plant and equipment	20.5	24.3	21.6
Current liabilities	27.8	26.4	30.9
Short-term loans	2.6	2.3	2.4
Long-term liabilities	22.0	20.7	18.9
Long-term debt	19.2	18.2	16.5
Total shareholders' equity	49.8	52.6	49.9

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

Five-year Summary

Sekisui House, Ltd. and Consolidated Subsidiaries
For the year ended January 31

	Millions of yen and Thousands of U.S. dollars				
	2000	1999	1998	1997	1996
Net sales.....	¥ 1,330,284	1,314,696	1,457,719	1,430,211	1,309,456
	\$ 12,432,561				
Construction	¥ 1,088,228	1,072,813	1,232,378	1,193,821	1,099,048
	\$ 10,170,355				
Real estate	¥ 242,056	241,883	225,341	236,390	210,408
	\$ 2,262,206				
Operating income.....	¥ 76,138	59,250	87,635	95,079	80,878
	\$ 711,570				
Net income.....	¥ -94,811	22,855	39,706	42,613	40,938
	\$ -886,084				
Total assets	¥ 1,453,547	1,571,784	1,635,201	1,789,499	1,713,402
	\$ 13,584,551				
Shareholders' equity	¥ 723,860	826,033	815,315	788,788	746,472
	\$ 6,765,047				

	Yen and U.S. dollars				
	2000	1999	1998	1997	1996
Amounts per share:					
Net income Basic	¥ -132.65	31.99	55.62	60.23	59.95
	\$ -1.24				
Diluted	¥ -	27.96	47.49	51.60	
	\$ -				
Net assets	¥ 1,012.78	1,155.74	1,141.97	1,104.98	1,065.21
	\$ 9.47				
Dividends	¥ 18.00	18.00	18.00	18.00	18.00
	\$ 0.17				

Consolidated Balance Sheets

Sekisui House, Ltd. and Consolidated Subsidiaries
January 31, 2000 and 1999

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2000	1999	2000
Assets			
Current assets:			
Cash and time deposits	¥ 277,666	¥ 219,878	\$ 2,595,009
Marketable securities (Note 4)	37,409	7,116	349,617
Notes and accounts receivable:			
Unconsolidated subsidiaries and affiliates	5,008	4,125	46,804
Trade	110,018	112,242	1,028,205
Other	19,761	19,878	184,682
Less allowance for doubtful accounts	(3,789)	(4,777)	(35,411)
	130,998	131,468	1,224,280
Inventories (Note 3)	365,986	528,343	3,420,430
Deferred income taxes (Note 8)	95,263	251	890,308
Other current assets	39,143	90,635	365,823
Total current assets	946,465	977,691	8,845,467
Property, plant and equipment:			
Land (Note 7)	147,868	226,157	1,381,944
Buildings and structures (Note 7)	191,552	189,737	1,790,205
Machinery and equipment	77,786	75,672	726,972
Construction in progress	731	840	6,832
	417,937	492,406	3,905,953
Less accumulated depreciation	(120,207)	(110,131)	(1,123,430)
Property, plant and equipment, net	297,730	382,275	2,782,523
Investments and other assets:			
Long-term loans receivable	76,047	81,464	710,720
Less allowance for doubtful accounts	(1,006)	(1,458)	(9,402)
	75,041	80,006	701,318
Investments in securities (Note 4 and 7)	75,277	74,043	703,523
Investments in and advances to unconsolidated subsidiaries and affiliates (Note 5)	26,041	25,898	243,374
Deferred income taxes (Note 8)	3,209	424	29,991
Other assets	29,784	31,447	278,355
Total investments and other assets	209,352	211,818	1,956,561
	¥ 1,453,547	¥ 1,571,784	\$ 13,584,551

	Millions of yen		Thousands of U.S. dollars
	2000	1999	(Note 1) 2000
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans (Note 6)	¥ 37,300	¥ 36,900	\$ 348,598
Current portion of long-term debt (Note 6)	7,053	42,407	65,916
Notes and accounts payable:			
Unconsolidated subsidiaries and affiliates	405	361	3,785
Trade	203,510	192,949	1,901,963
Accrued income taxes (Note 8)	21,507	12,979	201,000
Advances received	77,672	73,399	725,906
Other current liabilities (Note 7)	56,390	55,364	527,009
Total current liabilities	403,837	414,359	3,774,177
Long-term liabilities:			
Long-term debt, less current portion (Note 6)	279,131	286,698	2,608,701
Severance indemnities (Note 11)	12,189	11,375	113,916
Other long-term liabilities (Note 7)	27,816	27,148	259,962
Total long-term liabilities	319,136	325,221	2,982,579
Minority interests in consolidated subsidiaries	6,714	6,171	62,748
Contingent liabilities (Note 12)			
Shareholders' equity (Note 9):			
Common stock, ¥ 50 par value:			
Authorized - 2,000,000,000 shares			
Issued:2000 - 714,736,667 shares	182,905	-	1,709,393
1999 - 714,731,512 shares	-	182,902	-
Additional paid-in capital	237,999	237,997	2,224,290
Retained earnings (Note 17)	302,966	405,142	2,831,458
Less treasury common stock, at cost	(10)	(8)	(94)
Total shareholders' equity	723,860	826,033	6,765,047
	¥ 1,453,547	¥ 1,571,784	\$ 13,584,551

See notes to consolidated financial statements.

Consolidated Statements of Operations

Sekisui House, Ltd. and Consolidated Subsidiaries
 Years ended January 31, 2000 and 1999

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2000	1999	2000
Net sales (Note 16)	¥ 1,330,284	¥ 1,314,696	\$ 12,432,561
Cost of sales	1,072,196	1,071,408	10,020,524
Gross profit	258,088	243,288	2,412,037
Selling, general and administrative expenses	181,950	178,520	1,700,467
Operating income (Note 16)	76,138	64,768	711,570
Other income (expenses):			
Interest and dividend income	5,545	7,032	51,822
Interest expense	(5,265)	(7,265)	(49,205)
Loss on revaluation of land held for sale (Note 13)	(216,533)	-	(2,023,673)
Loss on revaluation of securities	(3,621)	(9,343)	(33,841)
Other, net	(8,350)	(5,276)	(78,037)
(Loss) income before income taxes and minority interests	(152,086)	49,916	(1,421,364)
Income taxes (Note 8):			
Current	34,187	26,288	319,505
Deferred	(92,140)	161	(861,121)
	(57,953)	26,449	(541,616)
(Loss) income before minority interests	(94,133)	23,467	(879,748)
Minority interests in earnings of consolidated subsidiaries	(678)	(612)	(6,336)
Net (loss) income	¥ (94,811)	¥ 22,855	\$ (886,084)

See notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

Sekisui House, Ltd. and Consolidated Subsidiaries
Years ended January 31, 2000 and 1999

	Number of shares of common stock	Millions of yen			
		Common stock	Additional paid-in capital	Retained earnings	Treasury common stock
Balance at January 31, 1998	713,961,210	¥ 182,459	¥ 237,408	¥ 395,456	¥ (8)
Net income for the year	-	-	-	22,855	-
Conversion of convertible bonds	2,063	1	1	-	-
Exercise of warrants	768,239	442	588	-	-
Cash dividends	-	-	-	(12,858)	-
Bonuses to directors and corporate auditors	-	-	-	(311)	-
Decrease in treasury common stock	-	-	-	-	0
Balance at January 31, 1999	714,731,512	182,902	237,997	405,142	(8)
Net loss for the year	-	-	-	(94,811)	-
Prior year s adjustment for deferred income taxes	-	-	-	5,821	-
Conversion of convertible bonds	5,155	3	2	-	-
Cash dividends	-	-	-	(12,865)	-
Bonuses to directors and corporate auditors	-	-	-	(321)	-
Increase in treasury common stock	-	-	-	-	(2)
Balance at January 31, 2000	714,736,667	¥ 182,905	¥ 237,999	¥ 302,966	¥ (10)

	Thousands of U.S. dollars(Note 1)			
	Common stock	Additional paid-in capital	Retained earnings	Treasury common stock
Balance at January 31, 1999	\$ 1,709,365	\$ 2,224,271	\$ 3,786,374	\$ (75)
Net loss for the year	-	-	(886,084)	-
Prior year s adjustment for deferred income taxes	-	-	54,402	-
Conversion of convertible bonds	28	19	-	-
Cash dividends	-	-	(120,234)	-
Bonuses to directors and corporate auditors	-	-	(3,000)	-
Increase in treasury common stock	-	-	-	(19)
Balance at January 31, 2000	\$ 1,709,393	\$ 2,224,290	\$ 2,831,458	\$ (94)

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Sekisui House, Ltd. and Consolidated Subsidiaries
Years ended January 31, 2000 and 1999

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2000	1999	2000
Cash flows from operating activities			
Net (loss) income	¥ (94,811)	¥ 22,855	\$ (886,084)
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	13,350	14,330	124,766
(Reversal of) provision for doubtful accounts	(1,439)	284	(13,448)
Equity in earnings of affiliates and other	(126)	(978)	(1,177)
Deferred income taxes	(92,191)	178	(861,598)
Loss on revaluation of land held for sale	216,533	-	2,023,673
Other	9,533	12,311	89,093
Changes in operating assets and liabilities:			
Notes and accounts receivable	3,486	(11,526)	32,579
Inventories and advance payments	71,084	63,788	664,336
Other current assets	1,772	13,251	16,561
Notes and accounts payable	11,554	(38,364)	107,981
Accrued income taxes	8,768	(5,800)	81,944
Advances received	4,240	(31,328)	39,626
Other current liabilities	(1,434)	7,936	(13,402)
Net cash provided by operating activities	150,319	46,937	1,404,850
Cash flows from investing activities			
Proceeds from sales of property, plant and equipment	659	214	6,159
Purchases of property, plant and equipment	(9,076)	(12,116)	(84,822)
Proceeds from sales of marketable securities and investments in securities ..	6,449	39,781	60,271
Purchases of marketable securities and investments in securities	(40,812)	(44,871)	(381,421)
Proceeds from investments in and advances to unconsolidated subsidiaries and affiliates	1,500	5,526	14,019
Investments in and advances to unconsolidated subsidiaries and affiliates	(656)	(4,833)	(6,131)
Receipts from long-term loans receivable	12,312	9,588	115,065
Disbursements for long-term loans receivable	(7,046)	(5,699)	(65,850)
Increase in other assets	(1,299)	(502)	(12,140)
Increase (decrease) in other long-term liabilities	822	(1,096)	7,682
Net cash used in investing activities	(37,147)	(14,008)	(347,168)
Cash flows from financing activities			
Increase (decrease) in short-term loans	400	(1,600)	3,739
Proceeds from long-term debt	500	60,357	4,673
Repayment of long-term debt	(43,417)	(62,590)	(405,766)
Proceeds from exercise of warrants	-	886	-
(Increase) decrease in treasury common stock	(2)	0	(19)
Cash dividends paid	(12,865)	(12,858)	(120,234)
Net cash used in financing activities	(55,384)	(15,805)	(517,607)
Increase in cash and time deposits	57,788	17,124	540,075
Cash and time deposits at beginning of the year	219,878	202,754	2,054,934
Cash and time deposits at end of the year	¥ 277,666	¥ 219,878	\$ 2,595,009
Supplemental disclosures of cash flow information			
Cash paid during the year for:			
Interest	¥ 5,840	¥ 8,492	\$ 54,579
Income taxes	25,419	32,334	237,561
Supplemental schedule of noncash financing activities			
Conversion of convertible bonds	¥ 5	¥ 2	\$ 47

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Sekisui House, Ltd. and Consolidated Subsidiaries
January 31, 2000 and 1999

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

Sekisui House, Ltd. (the "Company") and its consolidated subsidiaries maintain their accounts and records in accordance with accounting principles and practices generally accepted in Japan. The accompanying consolidated financial statements have been compiled from the consolidated financial statements filed with the Ministry of Finance as required by the Securities and Exchange Law of Japan and include certain additional financial information for the convenience of readers outside Japan. Accordingly, the accompanying consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

The financial statements presented herein are expressed in yen and, solely for the convenience of readers outside Japan, have been translated into U.S. dollars at ¥107.00 = U.S.\$1.00, the approximate exchange rate in effect on January 31, 2000. This translation should not be construed as a representation that yen actually have been or could be converted into U.S. dollars at that or any other rate.

Certain reclassifications of previously reported amounts have been made to the financial statements for the year ended January 31, 1999 to conform these to the 2000 presentation, under a revision to the regulations concerning consolidated financial statements. These reclassifications had no effect on consolidated net income or shareholders' equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The accompanying consolidated financial statements include the accounts of the Company and its significant subsidiaries. All significant intercompany transactions and accounts have been eliminated in consolidation.

Investments in significant affiliates (owned 20% to 50%) are reflected by the equity method.

The difference, not significant in amount, between the cost of investments in subsidiaries and affiliates and the equity in their net assets at their respective dates of acquisition is being amortized over a period of five years.

(b) Foreign currency translation

Foreign currency amounts are translated into yen based on the rates of exchange in effect at the balance sheet date for current monetary assets and liabilities, and at historical rates for other assets and liabilities.

All revenues and expenses associated with foreign currencies are translated at the rates of exchange prevailing when such transactions were made.

Gains or losses arising from the translation of foreign currency

transactions are credited or charged to income as incurred.

(c) Inventories

The individual cost method is applied to land held for sale, construction for sale and contracts in process.

Other inventories are stated at cost determined by the moving average method.

The interest on funding for particularly large-scale development projects has been capitalized.

(d) Marketable securities and investments in securities

Securities quoted on securities exchanges are stated at the lower of cost or market, cost being determined by the moving average method. Securities for which price quotations are unavailable are stated at cost determined by the moving average method. Specified money trusts and fund trusts are stated in accordance with "Specified Money Trust Accounting Policies of the JICPA." Accordingly, marketable securities and investments in securities in the portfolios of these trusts are stated at the lower of aggregate cost or market, cost being determined by the moving average method.

(e) Property, plant and equipment

Property, plant and equipment is stated on the basis of cost. Depreciation is computed by the declining-balance method at rates based on the estimated useful lives of the respective assets, except that the straight-line method is applied to buildings (except for the structures attached to the buildings). Effective February 1, 1999, the Company and its consolidated subsidiaries shortened the useful lives of buildings (except for the lives of the structures attached to the buildings) in accordance with a recent revision to the Corporation Tax Law. The effect of this change in useful lives for the year ended January 31, 2000 increased depreciation expense by ¥666 million (\$6,224 thousand) and loss before income taxes and minority interests by ¥649 million (\$6,065 thousand) from the amounts which would have been recorded if the useful lives applied in the previous year had been used.

Accounting changes

Effective February 1, 1999, the Company and its consolidated subsidiaries changed their method of accounting for depreciation of buildings (except for the structures attached to the buildings) acquired prior to April 1, 1998 from the declining-balance method, to the straight-line method. They also changed their method of accounting for depreciation of certain rental properties from the straight-line method, to the declining-balance method. These changes were made in order to provide a more accurate allocation of the costs of the Company and its consolidated subsidiaries. The effect of these changes were to decrease depreciation by ¥746 million (\$6,972 thousand) and to decrease loss before income taxes and minority interests by ¥674 million (\$6,299 thousand) for the year ended January 31, 2000.

(f) Leases

Noncancelable lease transactions are accounted for as operating leases (whether such leases are classified as operating or finance leases) except that lease agreements which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases.

(g) Allowance for doubtful accounts

The allowance for doubtful accounts is determined at the maximum amount permitted under the Corporation Tax Law of Japan plus additional special provisions estimated by the Company for certain doubtful accounts.

(h) Income taxes

Current income taxes are based upon taxable income determined in accordance with the applicable tax laws. Effective February 1, 1999, the Company and its consolidated subsidiaries initially recognized the tax effect of temporary differences between assets and liabilities recognized for financial reporting purposes and for income tax purposes. Through January 31, 1999, the tax effect of temporary differences was recognized insofar as they related to the elimination of unrealized intercompany gains and losses, and adjustments to the allowance for doubtful accounts arising as a result of consolidation. The cumulative effect of this change up to the beginning of the current year has been reflected as prior year's adjustment for deferred income taxes in the consolidated statements of shareholders' equity.

(i) Severance indemnities

Employees of the Company and certain of its consolidated subsidiaries are covered by an employees' retirement allowances plan and an employees' pension plan. The employees' retirement allowances plan provides for a lump-sum payment determined by reference to the rate of pay, length of service and conditions under which the termination occurs. The employees' pension plan, which is a funded contributory plan, covers approximately 75% of the benefits under the employees' retirement allowances plan for employees retiring after twenty or more years of service.

The liability for severance indemnities is stated at 40% of the amount which would be required to be paid if all employees covered by the retirement allowances plan voluntarily terminated their employment at the balance sheet date, less the benefits to be covered by the pension plan.

In addition, directors and corporate auditors are customarily entitled to lump-sum payments under the unfunded retirement allowances plan. The provision for retirement allowances for these officers has been made at estimated amounts based on the Company's rules.

(j) Research and development expenses

Research and development expenses are charged to income as incurred.

(k) Accounting for warranty expenses

The Company provides a ten-year warranty against structural defects on single-family homes and small apartments and, with certain limited exceptions, a two-year warranty on other buildings.

Expenses in connection with such warranties are charged to manufacturing overhead as incurred and have not had a material effect on net income (loss).

3. INVENTORIES

Inventories at January 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Land held for sale, including land held for development	¥ 254,076	¥ 394,815	\$ 2,374,542
Construction for sale, including projects under construction	34,402	50,924	321,514
Contracts in process	72,992	77,482	682,168
Other	4,516	5,122	42,206
	¥ 365,986	¥ 528,343	\$ 3,420,430

4. MARKETABLE SECURITIES AND INVESTMENTS IN SECURITIES

Marketable securities and investments in securities at January 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Marketable securities:			
Marketable equity securities	¥ 4,066	¥ 4,247	\$ 38,000
Bonds and other securities	33,343	2,869	311,617
	¥ 37,409	¥ 7,116	\$ 349,617

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Investments in securities:			
Marketable equity securities	¥ 61,074	¥ 61,829	\$ 570,785
Nonmarketable equity securities and other securities	14,203	12,214	132,738
	¥ 75,277	¥ 74,043	\$ 703,523

The carrying and market values of marketable equity securities at January 31, 2000 and 1999 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Marketable securities:			
Carrying value	¥ 4,066	¥ 4,247	\$ 38,000
Acquisition cost	7,680	8,307	71,776
Market value	12,629	7,750	118,028

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Investments in securities:			
Carrying value	¥ 61,074	¥ 61,829	\$ 570,785
Acquisition cost	83,460	81,075	780,000
Market value	75,528	70,876	705,869

5. INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED SUBSIDIARIES AND AFFILIATES

Investments in and advances to unconsolidated subsidiaries and affiliates at January 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Investments in capital stock, at cost	¥ 9,059	¥ 8,102	\$ 84,663
Equity in undistributed earnings since acquisition, net	14,441	14,176	134,963
Advances	2,541	3,620	23,748
	¥ 26,041	¥ 25,898	\$ 243,374

6. SHORT-TERM LOANS AND LONG-TERM DEBT

(a) Short-term loans

Short-term loans outstanding generally represent unsecured one-year notes issued by the Company to banks at annual interest rates ranging from 0.39% to 1.38% and from 1.01% to 1.5% at January 31, 2000 and 1999, respectively. Customarily, these notes are renewed at maturity subject to the renegotiation of interest rates and certain other conditions.

(b) Long-term debt

Long-term debt less the current portion thereof at January 31, 2000 and 1999 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Manufacturing industries, financing institutions and others	¥ 35,828	¥ 37,045	\$ 334,841
Notes and bonds	40,000	40,000	373,832
Convertible bonds	203,303	209,653	1,900,028
	¥ 279,131	¥ 286,698	\$ 2,608,701

A breakdown of selected items from the above table of long-term debt is as follows:

(1) Loans from manufacturing industries, financing institutions and others at January 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
1.9% to 4.9% unsecured loans from Japanese banks, due 1999	-	¥ 300	-
1.68% to 4.5% unsecured loans from insurance companies, due 2000 - 2004	¥ 20,700	20,900	\$ 193,458
1.4% unsecured loan from an agricultural financing institution, due 2002	500	-	4,673
0% to 7.3% unsecured loans from manufacturing industries and others, due 2000 - 2007	15,336	16,316	143,327
2.38% secured loan from a Japanese bank, due 1999	-	46	-
	36,536	37,562	341,458
Less current portion	(708)	(517)	(6,617)
	¥ 35,828	¥ 37,045	\$ 334,841

(2) Notes and bonds

Notes and bonds outstanding at January 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
5.95% yen unsecured bonds, due 1999	-	¥ 30,000	-
2.4% yen unsecured notes, due 2005	¥ 10,000	10,000	\$ 93,458
1.92% yen unsecured notes, due 2005	10,000	10,000	93,458
1.76% yen unsecured notes, due 2004	10,000	10,000	93,458
1.79% yen unsecured notes, due 2005	10,000	10,000	93,458
	40,000	70,000	373,832
Less current portion	-	(30,000)	-
	¥ 40,000	¥ 40,000	\$ 373,832

(3) Convertible bonds

Convertible bonds outstanding at January 31, 2000 and 1999 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
1.7% unsecured bonds for ¥ 50,000,000,000, due 2002	¥ 49,283	¥ 49,283	\$ 460,589
1.6% unsecured bonds for ¥ 30,000,000,000, due 2003	12,820	12,820	119,813
1.6% unsecured bonds for ¥ 30,000,000,000, due 2000	-	11,890	-
2.5% unsecured bonds for ¥ 20,000,000,000, due 2002	11,201	11,203	104,682
2.4% unsecured bonds for ¥ 20,000,000,000, due 2000	6,345	6,348	59,299
0.9% unsecured bonds for ¥ 50,000,000,000, due 2003	39,999	39,999	373,822
0.8% unsecured bonds for ¥ 50,000,000,000, due 2001	40,000	40,000	373,832
0.3% unsecured bonds for ¥ 50,000,000,000, due 2003	50,000	50,000	467,290
	209,648	221,543	1,959,327
Less current portion	(6,345)	(11,890)	(59,299)
	¥ 203,303	¥ 209,653	\$ 1,900,028

Conversion prices and periods of convertible bonds at January 31, 2000 were as follows:

	Conversion price per share	Conversion period up to
1.7% unsecured bonds for ¥ 50,000,000,000, due 2002	¥ 2,124.20	July 30, 2002
1.6% unsecured bonds for ¥ 30,000,000,000, due 2003	1,729.60	January 30, 2003
2.5% unsecured bonds for ¥ 20,000,000,000, due 2002	969.00	January 30, 2002
2.4% unsecured bonds for ¥ 20,000,000,000, due 2000	969.00	July 28, 2000
0.9% unsecured bonds for ¥ 50,000,000,000, due 2003	1,507.00	July 30, 2003
0.8% unsecured bonds for ¥ 50,000,000,000, due 2001	1,507.00	July 30, 2001
0.3% unsecured bonds for ¥ 50,000,000,000, due 2003	1,312.00	July 30, 2003

The total number of shares issuable upon conversion of all outstanding convertible bonds as of January 31, 2000 was 139,914,870 shares.

The conversion prices are subject to adjustment under certain circumstances including stock splits.

The aggregate annual maturities of long-term debt subsequent to January 31, 2000 are summarized as follows:

Year ending January 31,	Millions of yen	Thousands of U.S. dollars
2001	¥ 7,053	\$ 65,916
2002	51,207	478,570
2003	62,608	585,121
2004	90,002	841,140
2005	30,002	280,393
2006 and thereafter	45,312	423,477
	¥ 286,184	\$ 2,674,617

7. MORTGAGED AND PLEDGED ASSETS

The following assets, shown at net book value at January 31, 2000 and 1999, were either mortgaged or were pledged for guarantees of bank loans and long-term deposits received and other totaling ¥4,071 million (\$38,047 thousand) and ¥3,916 million, respectively:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
Land	¥ 26,604	¥ 24,136	\$ 248,635
Buildings	-	28	-
Investments in securities	190	140	1,776
	¥ 26,794	¥ 24,304	\$ 250,411

8. INCOME TAXES

Japanese income taxes applicable to the Company and its consolidated subsidiaries comprise corporation, inhabitants' and enterprise taxes, which, in the aggregate, resulted in statutory tax rates of approximately 47.3% and 51.0% for the years ended January 31, 2000 and 1999, respectively.

The difference between income tax expense for the year ended January 31, 2000 and the amount calculated by applying the statutory income tax rate to loss before income taxes is summarized as follows:

	January 31, 2000
Statutory tax rate	47.3%
Change in statutory tax rate	(8.1)
Entertainment expenses, not deductible	(1.1)
Dividend income, not taxable	0.4
Inhabitants' per capita taxes	(0.3)
Other	(0.1)
	38.1%

The significant components of the Company's and its consolidated subsidiaries' deferred tax assets at January 31, 2000 are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
Loss on revaluation of land held for sale	¥ 90,293	\$ 843,860
Accrued enterprise tax	1,880	17,570
Loss on revaluation of investments in unconsolidated subsidiaries	1,688	15,776
Allowance for doubtful accounts	1,566	14,636
Accrued bonuses	1,187	11,093
Other	1,858	17,364
	¥ 98,472	\$ 920,299

9. SHAREHOLDERS' EQUITY

The Commercial Code of Japan provides that an amount equivalent to at least 10% of all cash appropriations of retained earnings be appropriated to the legal reserve until such reserve equals 25% of the common stock. This reserve is not available for dividends but may be used to eliminate or reduce a deficit by approval at a meeting of the shareholders or may be transferred to common stock by resolution of the Board of Directors. Retained earnings include the legal reserves provided in accordance with the provisions of the Commercial Code of Japan. The legal reserves included in retained earnings at January 31, 2000 and 1999 amounted to ¥20,346 million (\$190,150 thousand) and ¥19,042 million, respectively. Under the Commercial Code, upon the sale of additional common stock, the entire amount of the issue price is required to be accounted for as common stock, although a company may, by resolution of the Board of Directors, account for an amount not exceeding one-half of the issue price of the new shares as additional paid-in capital.

An interim cash dividend may be paid subject to a resolution of the Board of Directors. The Commercial Code imposes a limit on the amount which may be paid as an interim dividend. An interim dividend of ¥9.0 (\$0.08) per share totaling ¥6,433 million (\$60,121 thousand) was paid on September 30, 1999.

10. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses for the years ended January 31, 2000 and 1999 were as follows:

Millions of yen		Thousands of U.S. dollars
2000	1999	2000
¥ 7,488	¥ 8,045	\$ 69,981

11. SEVERANCE INDEMNITIES

Amounts charged to income with respect to the retirement allowances plan and the pension plan included in selling, general and administrative expenses for the years ended January 31, 2000 and 1999 were as follows:

Millions of yen		Thousands of U.S. dollars
2000	1999	2000
¥ 4,508	¥ 4,344	\$ 42,131

The assets of the pension fund at March 31, 1999, the most recent valuation date, amounted to ¥105,158 million (\$982,785 thousand).

12. CONTINGENT LIABILITIES

The Company and its consolidated subsidiaries had the following contingent liabilities at January 31, 2000:

	Millions of yen	Thousands of U.S. dollars
Guarantees of housing loans to customers	¥ 143,062	\$ 1,337,028
Guarantees of bank loans of third parties	982	9,178
	¥ 144,044	\$ 1,346,206

13. LOSS ON REVALUATION OF LAND HELD FOR SALE

Land held for sale at January 31, 2000, the market value of which has declined significantly from its carrying value, has been written down to fair market value.

14. LEASES

The following pro forma amounts present the acquisition costs, accumulated depreciation and net book value of property leased to the Company and its consolidated subsidiaries at January 31, 2000, which would have been reflected in the consolidated balance sheet if finance leases other than those which transfer the ownership of the leased property (which are currently accounted for as operating leases) were capitalized.

	Millions of yen			Thousands of U.S. dollars		
	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Buildings and structures	¥ 54,707	¥ 32,632	¥ 22,075	\$ 511,280	\$ 304,972	\$ 206,308
Machinery and equipment	10,167	6,553	3,614	95,019	61,243	33,776
Other	1,377	791	586	12,869	7,392	5,477
	¥ 66,251	¥ 39,976	¥ 26,275	\$ 619,168	\$ 373,607	\$ 245,561

Lease payments relating to finance leases other than those which transfer the ownership of the leased property for the years ended January 31, 2000 and 1999 were as follows:

Millions of yen		Thousands of U.S. dollars
2000	1999	2000
¥ 9,957	¥ 10,148	\$ 93,056

Future minimum lease payments (including the interest position thereon) subsequent to January 31, 2000 for finance leases other than those which transfer the ownership of the leased property were as follows:

Year ending January 31,	Millions of yen	Thousands of U.S. dollars
2001	¥ 9,345	\$ 87,337
2002 and thereafter	16,930	158,224
	¥ 26,275	\$ 245,561

15. AMOUNTS PER SHARE

	yen		U.S. dollars
	2000	1999	2000
Net (loss) income:			
Basic	¥ (132.65)	¥ 31.99	\$ (1.24)
Diluted	-	27.96	-
Net assets	1,012.78	1,155.74	9.47
Cash dividends	18.00	18.00	0.17

The computation of basic net (loss) income per share is based on the weighted average number of shares of common stock outstanding during each year. Diluted net income per share is computed based on the weighted average number of shares of common stock outstanding each year after giving effect to the dilutive potential of the common stock to be issued upon the conversion of convertible bonds. No diluted net loss per share for the year ended January 31, 2000 has been presented because a net loss was recorded.

Net assets per share are based on the number of outstanding shares of common stock at the year end.

Cash dividends per share of the Company represent the cash dividends declared as applicable to the respective years together with the interim cash dividends paid.

16. SEGMENT INFORMATION

The Company and its consolidated subsidiaries are primarily engaged in the construction, purchase, administration and sales of residential properties; the design, contracting, execution, and supervision of construction projects; real estate brokerage; and landscaping.

The business segment information of the Company and its consolidated subsidiaries for the years ended January 31, 2000 and 1999 is outlined as follows:

	Millions of yen				
	2000				
	Construction	Real estate	Total	Eliminations and other	Consolidated
Sales to third parties	¥ 1,088,228	¥ 242,056	¥ 1,330,284	-	¥ 1,330,284
Inter-group sales and transfers	531	-	531	¥ (531)	-
Total sales	1,088,759	242,056	1,330,815	(531)	1,330,284
Operating expenses	955,287	275,107	1,230,394	23,752	1,254,146
Operating income (loss)	¥ 133,472	¥ (33,051)	¥ 100,421	¥ (24,283)	¥ 76,138
Assets	¥ 311,545	¥ 679,794	¥ 991,339	¥ 462,208	¥ 1,453,547
Depreciation and amortization	¥ 7,138	¥ 4,705	¥ 11,843	¥ 1,507	¥ 13,350
Capital expenditure	¥ 7,636	¥ 5,251	¥ 12,887	¥ 682	¥ 13,569
	1999				
	Construction	Real estate	Total	Eliminations and other	Consolidated
Sales to third parties	¥ 1,072,813	¥ 241,883	¥ 1,314,696	-	¥ 1,314,696
Inter-group sales and transfers	680	-	680	¥ (680)	-
Total sales	1,073,493	241,883	1,315,376	(680)	1,314,696
Operating expenses	978,222	250,252	1,228,474	21,454	1,249,928
Operating income (loss)	¥ 95,271	¥ (8,369)	¥ 86,902	¥ (22,134)	¥ 64,768
Assets	¥ 317,198	¥ 852,679	¥ 1,169,877	¥ 401,907	¥ 1,571,784
Depreciation and amortization	¥ 8,409	¥ 4,182	¥ 12,591	¥ 1,739	¥ 14,330
Capital expenditure	¥ 9,017	¥ 38,576	¥ 47,593	¥ 887	¥ 48,480

	Thousands of U.S. dollars				
	2000				
	Construction	Real estate	Total	Eliminations and other	Consolidated
Sales to third parties	\$ 10,170,355	\$ 2,262,206	\$ 12,432,561	-	\$ 12,432,561
Inter-group sales and transfers	4,963	-	4,963	¥ (4,963)	-
Total sales	10,175,318	2,262,206	12,437,524	(4,963)	12,432,561
Operating expenses	8,927,916	2,571,094	11,499,010	221,981	11,720,991
Operating income (loss)	\$ 1,247,402	\$ (308,888)	\$ 938,514	\$ (226,944)	\$ 711,570
Assets	\$ 2,911,635	\$ 6,353,215	\$ 9,264,850	\$ 4,319,701	\$ 13,584,551
Depreciation and amortization	\$ 66,710	\$ 43,972	\$ 110,682	\$ 14,084	\$ 124,766
Capital expenditure	\$ 71,364	\$ 49,075	\$ 120,439	\$ 6,374	\$ 126,813

As mentioned in Note 2(e), the Company and its consolidated subsidiaries have shortened the useful lives of buildings and changed their method of accounting for depreciation. The effect of these changes decreased operating expenses in the construction business segment by ¥520 million (\$4,860 thousand) and increased operating expenses in the real estate business segment by ¥656 million (\$6,131 thousand) for the year ended January 31, 2000 from the amounts which would have been recorded under the useful lives and method of depreciation applied and followed in the previous year. Geographical segment information has not been disclosed as none of the Company's consolidated subsidiaries are located outside Japan and no overseas sales were recorded for the years ended January 31, 2000 and 1999.

17. SUBSEQUENT EVENT

The following appropriations of retained earnings of the Company, which have not been reflected in the accompanying consolidated financial statements for the year ended January 31, 2000, were approved at a shareholders' meeting held on April 27, 2000:

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividend of ¥ 9.0 (\$0.08) per share	¥ 6,433	\$ 60,121
Transfer to legal reserve	658	6,150
Bonuses to directors and corporate auditors	150	1,402

Report of Independent Certified Public Accountants

The Board of Directors
Sekisui House, Ltd.

We have examined the consolidated balance sheets of Sekisui House, Ltd. and its consolidated subsidiaries as of January 31, 2000 and 1999, and the related consolidated statements of operations, shareholders' equity, and cash flows for the years then ended, all expressed in yen. Our examinations were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements, expressed in yen, present fairly the financial position of Sekisui House, Ltd. and its consolidated subsidiaries at January 31, 2000 and 1999, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles, and practices generally accepted in Japan consistently applied during the period except for the change, with which we concur, in the method of accounting for depreciation of buildings as described in Note 2 (e) to the consolidated financial statements.

The U.S. dollar amounts in the accompanying consolidated financial statements are presented solely for convenience. Our examination also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Osaka, Japan
April 27, 2000

Century Ota Showa & Co.

Century Ota Showa & Co.
Certified Public Accountants

Corporate Data

DIRECTORS AND CORPORATE AUDITORS

(As of May 31, 2000)

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 May 31, 2000)

Established

August 1, 1960

Capital Stock Issued

¥182,909,403,869

Employees

15,026

(As of April 1, 2000)

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

Sekisui House Hokuriku, Ltd.

Sekisui House Shikoku, Ltd.

Sekisui House Yamanashi, Ltd.

Sekisui House Sanin, Ltd.

Tohoku Sekiwa Real Estate, Ltd.

Sekiwa Real Estate, Ltd.

Chubu Sekiwa Real Estate, Ltd.

Kansai Sekiwa Real Estate, Ltd.

Chugoku Sekiwa Real Estate, Ltd.

Kyushu Sekiwa Real Estate, Ltd.

Kobe Rokko Island Co., Ltd.

RIC Operation Co., Ltd.

Sekisui House Umeda Operation Co., Ltd.

Nishinomiya Marina City Development Co., Ltd.

Stock Listing

Tokyo Stock Exchange

Osaka Securities Exchange

Nagoya Stock Exchange

Amsterdam Stock Exchange

(Amsterdam Security Account System)

Frankfurt Stock Exchange

(Global Bearer Certificate)

ANNUAL REPORT 2000



SEKISUI HOUSE

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