

# Sekisui House, Ltd.

First Quarter of FY2012 (ending Jan. 31, 2013)

– Summary of Consolidated Financial Results –

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June 7, 2012

## 1. Topics in the First Quarter

### 1: Orders, sales move favorably compared to plan

- Detached housing business fared well thanks to Green First Strategy and an order increase in Tohoku area.
- Rental housing business enjoyed order growth reflecting contribution of Sha-Maison Festa, a sales promotion event which pulled in more customers.
- Stock businesses also contributed to sales growth. (Sale of remodeling business increased ¥3 billion and real estate management fees, ¥4.1 billion.)

### 2: Penetration of “Green First Strategy” progresses

- Consistent performance led by our environment strategy since the announcement of the Environment Future Plan in 1999.

- Green First adoption rate for FY2012 1Q: 82 % (2,936 homes with solar power generation system and 1,967 homes equipped with fuel cell system)
- “Green First Remodeling” gets underway. Corporate structure organized, toward even further sales expansion  
Orders for remodeling for solar power generation system for FY2012 1Q: 1,329 buildings (Actual results for FY2011: 2,569 buildings)

### 3: Progress in Overseas Business also favorable

- First sales recorded for U.S. project (¥4 billion)  
As a whole, the Overseas business reported operating income of approximately ¥500 million.
- Investment balances total ¥208.9 billion, and accumulated orders total ¥75.9 billion (Australia and U.S.).  
The contract rate for Singapore business is 94.8% to the total units on sale.

## 2. Performance Summary

(¥ millions)

	FY2011 1Q	FY2012		FY2012(Full-Year)	
		1Q	YoY	Forecasts	YoY
Net sales	328,768	<b>333,347</b>	1.4%	1,650,000	7.8%
Cost of sales	272,197	<b>275,879</b>	1.4%	1,350,000	7.5%
Gross profit	56,571	<b>57,468</b>	1.6%	300,000	9.0%
SG&A	48,420	<b>50,572</b>	4.4%	220,000	7.6%
Operating income	8,150	<b>6,896</b>	(15.4%)	80,000	12.8%
Ordinary income	8,434	<b>7,897</b>	(6.4%)	79,500	13.4%
Extraordinary loss	2,123	<b>701</b>	(67.0%)	2,000	(74.6%)
Net income	3,008	<b>2,885</b>	(4.1%)	42,000	45.0%

Sheet 2

## 3. Segment Information —1 Sales and Orders

(¥ millions)

(¥ millions)

	Sales				Orders		
	FY2011 1Q	FY2012			FY2011 1Q	FY2012	
		1Q	YoY			1Q	YoY
Custom detached houses	91,702	<b>90,714</b>	(1.1%)	Custom detached houses	116,967	<b>125,542</b>	7.3%
Rental housing	52,737	<b>54,928</b>	4.2%	Rental housing	65,886	<b>72,051</b>	9.4%
Houses for sale	23,971	<b>20,897</b>	(12.8%)	Houses for sale	31,757	<b>29,478</b>	(7.2%)
Condominiums	9,609	<b>12,394</b>	29.0%	Condominiums	10,296	<b>19,787</b>	92.2%
Urban redevelopment	19,907	<b>12,755</b>	(35.9%)	Urban redevelopment	6,707	<b>12,755</b>	90.2%
Remodeling	20,362	<b>23,458</b>	15.2%	Remodeling	24,165	<b>27,753</b>	14.8%
Real estate management fees	94,285	<b>98,451</b>	4.4%	Real estate management fees	94,285	<b>98,451</b>	4.4%
Overseas business	4,331	<b>7,421</b>	71.3%	Overseas business	10,959	<b>18,844</b>	71.9%
Other Businesses	11,861	<b>12,325</b>	3.9%	Other Businesses	12,527	<b>13,753</b>	9.8%
Total	328,768	<b>333,347</b>	1.4%	Total	373,552	<b>418,418</b>	12.0%

Sheet 3

### 3. Segment Information

#### — 2 Operating income, OP margin and Gross margin

(¥ millions)

	Operating income Results			OP margin Results		Gross margin Results	
	FY2011 1Q	FY2012 1Q	YoY	FY2011 1Q	FY2012 1Q	FY2011 1Q	FY2012 1Q
Custom detached houses	5,145	<b>4,023</b>	(21.8%)	5.6%	<b>4.4%</b>	20.7%	<b>20.6%</b>
Rental housing	1,634	<b>1,041</b>	(36.3%)	3.0%	<b>1.9%</b>	18.7%	<b>18.0%</b>
Houses for sale	(795)	<b>(246)</b>	-	(3.3%)	<b>(1.2%)</b>	13.7%	<b>14.5%</b>
Condominiums	(134)	<b>881</b>	-	(1.4%)	<b>7.1%</b>	8.9%	<b>14.8%</b>
Urban redevelopment	5,460	<b>2,328</b>	(57.4%)	27.4%	<b>18.3%</b>	29.3%	<b>20.9%</b>
Remodeling	1,570	<b>1,981</b>	26.2%	7.7%	<b>8.4%</b>	23.5%	<b>22.8%</b>
Real estate management fees	4,373	<b>4,749</b>	8.6%	4.6%	<b>4.8%</b>	12.1%	<b>12.7%</b>
Overseas business	(699)	<b>554</b>	-	(16.1%)	<b>7.5%</b>	17.8%	<b>34.1%</b>
Other Businesses	(972)	<b>(738)</b>	-	(8.2%)	<b>(6.0%)</b>	12.5%	<b>14.4%</b>
Eliminations and back office	(7,432)	<b>(7,678)</b>	-	-	-	-	-
Total	8,150	<b>6,896</b>	(15.4%)	2.5%	<b>2.1%</b>	17.2%	<b>17.2%</b>

Sheet 4

### 4. Consolidated Balance Sheets — 1 Assets

(¥ millions)

	As of Jan. 31, 2012	As of Apr. 30, 2012	Change	
			Amounts	%
<b>■ Current assets</b>				
Cash and deposits	169,524	<b>106,110</b>	(63,413)	(37.4%)
Notes receivable, accounts receivable from completed construction contracts	36,530	<b>36,841</b>	310	0.8%
Costs on uncompleted construction contracts	8,344	<b>11,941</b>	3,596	43.1%
Buildings for sale	135,541	<b>142,991</b>	7,450	5.5%
Underdeveloped land and Land for sale in lots	465,635	<b>486,765</b>	21,130	4.5%
Other	100,497	<b>95,380</b>	(5,117)	(5.1%)
<b>Total current assets</b>	<b>916,074</b>	<b>880,030</b>	<b>(36,043)</b>	<b>(3.9%)</b>
<b>■ Noncurrent assets</b>				
<b>Property, plant and equipment</b>				
Buildings and structures	131,326	<b>138,038</b>	6,712	5.1%
Land	191,355	<b>199,627</b>	8,271	4.3%
Other	31,453	<b>34,592</b>	3,139	10.0%
<b>Total property, plant and equipment</b>	<b>354,135</b>	<b>372,258</b>	<b>18,123</b>	<b>5.1%</b>
<b>Intangible assets</b>	<b>14,331</b>	<b>15,150</b>	<b>819</b>	<b>5.7%</b>
<b>Investments and other assets</b>	<b>161,287</b>	<b>167,696</b>	<b>6,409</b>	<b>4.0%</b>
<b>Total noncurrent assets</b>	<b>529,754</b>	<b>555,106</b>	<b>25,351</b>	<b>4.8%</b>
<b>Total assets</b>	<b>1,445,828</b>	<b>1,435,136</b>	<b>(10,692)</b>	<b>(0.7%)</b>

Sheet 5

## 4. Consolidated Balance Sheets — 2 Liabilities and Net Assets

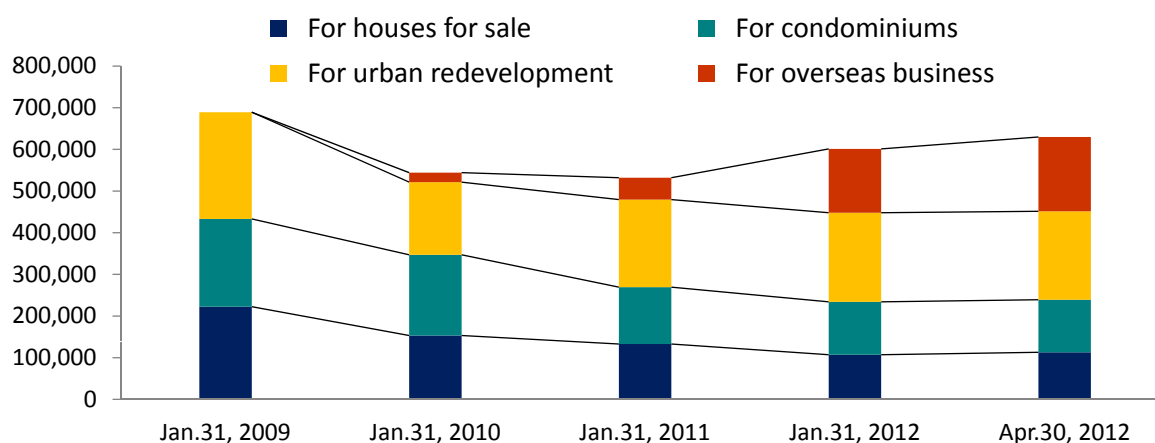
(¥ millions)

	As of	As of	Change	
	Jan. 31, 2012	Apr. 30, 2012	Amounts	%
<b>■ Liabilities</b>				
<b>Current Liabilities</b>				
Notes receivable, accounts payable for construction contracts	138,538	<b>114,509</b>	(24,028)	(17.3%)
Advances received on uncompleted construction contracts	76,272	<b>84,550</b>	8,278	10.9%
Short-term bonds payable and current portion of bonds	59,995	<b>84,996</b>	25,001	41.7%
Loans payable (short-term & current portion of long-term)	21,079	<b>23,452</b>	2,373	11.3%
Other	112,366	<b>73,838</b>	(38,527)	(34.3%)
<b>Total current liabilities</b>	<b>408,251</b>	<b>381,348</b>	<b>(26,903)</b>	<b>(6.6%)</b>
<b>Noncurrent liabilities</b>				
Bonds payable	120,000	<b>120,000</b>	-	-
Long-term loans payable	62,660	<b>66,623</b>	3,963	6.3%
Other	104,542	<b>109,687</b>	5,145	4.9%
<b>Total noncurrent liabilities</b>	<b>287,202</b>	<b>296,311</b>	<b>9,108</b>	<b>3.2%</b>
<b>Total liabilities</b>	<b>695,454</b>	<b>677,660</b>	<b>(17,794)</b>	<b>(2.6%)</b>
<b>■ Net assets</b>				
Shareholders' equity	746,028	742,192	(3,836)	(0.5%)
Accumulated other comprehensive income	(2,198)	8,617	10,816	—
Subscription rights to shares	365	380	15	4.2%
Minority interests	6,178	6,286	107	1.7%
<b>Total Net Assets</b>	<b>750,374</b>	<b>757,476</b>	<b>7,102</b>	<b>0.9%</b>
<b>Total liabilities and net assets</b>	<b>1,445,828</b>	<b>1,435,136</b>	<b>(10,692)</b>	<b>(0.7%)</b>
<b>■ Interest bearing debts</b>	<b>265,331</b>	<b>296,690</b>	<b>31,359</b>	<b>11.8%</b>

Sheet 6

## 4. Consolidated Balance Sheets

### — 3 Details of Real Estate (Buildings and Land) for Sale by Segments



(¥ millions)

	Jan. 31, 2009	Jan. 31, 2010	Jan. 31, 2011	Jan. 31, 2012	<b>Apr. 30, 2012</b>
For overseas business	-	22,549	52,566	153,323	<b>178,412</b>
For urban redevelopment	256,004	174,428	210,056	213,893	<b>212,315</b>
For condominiums	210,725	193,908	136,535	126,945	<b>126,108</b>
For houses for sale	222,530	153,168	132,902	107,014	<b>112,920</b>
<b>Total</b>	<b>689,259</b>	<b>544,054</b>	<b>532,060</b>	<b>601,177</b>	<b>629,757</b>

Sheet 7

## 5. Consolidated Statements of Cash Flow

(¥ millions)

	FY2011 1Q	FY2012 1Q	Change
Net cash provided by (used in) operating activities	(79,530)	<b>(65,644)</b>	13,886
Net cash provided by (used in) investing activities	(10,039)	<b>(21,580)</b>	(11,541)
Free cash flow	(89,569)	<b>(87,224)</b>	2,345
Net cash provided by (used in) financing activities	47,579	<b>23,159</b>	(24,420)
Net increase (decrease) in cash and cash equivalents	(41,317)	<b>(63,413)</b>	(22,096)
Cash and cash equivalents at beginning of period	151,983	<b>169,524</b>	
Cash and cash equivalents at end of period	110,665	<b>106,110</b>	

	FY2011 1Q	FY2012 1Q	Change
Capital expenditures	10,270	<b>23,930</b>	13,659
Depreciation and amortization	4,189	<b>4,307</b>	117

Sheet 8

Although the document is prepared on the information believed to be credible, Sekisui House does not guarantee the accuracy or the completeness of such information. Also the information herein contains forward-looking statements regarding the company's plan, outlook, strategies and results for the future. The Company undertakes no obligation to publicly update any forward-looking statements. All the forward-looking statements are based on judgments derived from information available to the Company at the time for this release. Certain risks and uncertainties could cause the company's actual results to differ materially from any projections presented here.

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