

Sekisui House, Ltd.

Third Quarter of FY2015

(February 1, 2015 through October 31, 2015)

- Summary of Consolidated Financial Results -

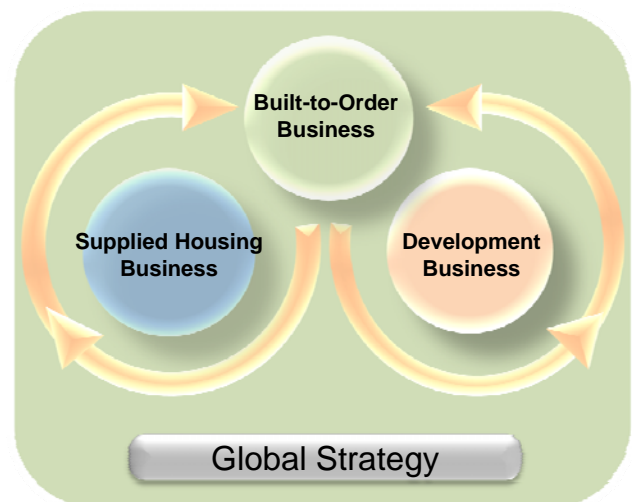
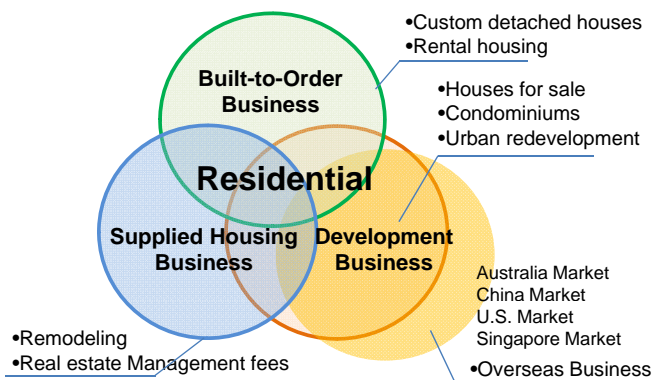
1. Overview
2. Financial Position
3. Segment Information
 - Built-to-Order Business
 - Supplied Housing Business
 - Development Business

<Reference> Full-Year Forecasts for FY2015

December 10, 2015

Basic Direction of FY2014 Mid-term Management Plan

Strengthening synergies in the Group and taking on
New challenges in the “residential”-related business



Management Direction

Deployment of growth strategies focused on
the “residential” business domain

1. Overview

The Company posted record sales and income for the third quarter.
Making steady progress in comparison with the full-year plan.

(¥ billion)

	FY2014 (14/2-14/10)		FY2015 (15/2-15/10)		
	Results	Margin	Results	Margin	YoY
Net sales	1,304.0		1,364.4		4.6%
Cost of sales	1,047.6		1,085.9		3.7%
Gross profit	256.4	19.7%	278.5	20.4%	8.6%
Selling, general and administrative expenses	165.5		166.8		0.8%
Operating income	90.8	7.0%	111.6	8.2%	22.9%
Non-operating income/loss	6.5		5.5		(14.1%)
Ordinary income	97.3	7.5%	117.2	8.6%	20.4%
Extraordinary income	0.3		4.2		-
Extraordinary loss	4.0		4.6		16.6%
Minority interests in income	1.2		0.7		(44.1%)
Net income	56.1	4.3%	71.1	5.2%	26.8%
Consolidated orders	1,428.7		1,439.8		0.8%

Sheet 2

1. Overview

- Gross margin continued to rise, primarily attributable to a focus on the sale of high value-added houses, improved production efficiency through the active usage of IT, and continuous cost reductions.
- The Houses for Sale Business and Condominiums Business remained strong owing to aggressive marketing initiatives for the sale of subdivision lots as well as an increase in the number of first-time home buyers as a result of expanded tax exemptions for living inheritances for the purpose of purchasing residential housing.
- Net sales of ¥3.5 billion were posted in China for the first time. Accumulated orders in the Overseas Business increased to ¥116.6 billion, as orders in the United States and Australia also remained steady.

1. Net sales

(1) Net sales rose, driven by the Development Business (up ¥93.3 billion year-on-year), including the Houses for Sale Business, Condominiums Business, and Urban Redevelopment Business.

(2) Sales in the Built-to-Order Business declined due to the effect of a decrease in orders in last year, in the meantime, orders both in the Built-to-Order Business and the Supplied Housing Business grew.

2. Operating income

(1) The Urban Redevelopment Business largely grew thanks to sale of properties. (up ¥11.0 billion year-on-year)

(2) The OP margin improved 1.2 points to 8.2%, reflecting the improved gross margin in all business models and the effects of cost cutting.

3. Ordinary income

(1) Profits of ¥3.5 billion of Singapore Business were posted.

4. Extraordinary income/loss

(1) Gain on sales of investment securities of ¥4.2 billion and an extraordinary loss of ¥4.6 billion were posted mainly due to an impairment loss.

5. Net income

(1) The reversal of deferred tax assets occurred as a result of the change in corporate tax rates. (¥3.4 billion)

(2) Net income amounted to ¥71.1 billion (up 26.8% year-on-year). EPS was ¥101.43.

Sheet 3

2. Financial Position

Total assets increased ¥86.9 billion from the end of the previous fiscal year.

- Assets increased due to increases in real estate for sale.
- Liabilities increased mainly due to an increase in short-term loans payable and the issue of bonds payable.
- Net assets decreased, primarily owing to the payment of dividends, the acquisition of treasury stock and a decrease in foreign currency translation adjustment. (Equity ratio was 52.5%)

(¥ billion)				(¥ billion)			
Assets	As of Jan. 31, 2015	As of Oct. 31, 2015	Amount changed		FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	Amount changed
Total current assets	1,129.2	1,225.5	96.3	Net cash provided by (used in) operating activities	(88.1)	(15.4)	72.7
Total noncurrent assets	800.1	790.7	(9.3)	Net cash provided by (used in) investing activities	(115.5)	(64.2)	51.2
Total assets	1,929.4	2,016.3	86.9	Free cash flow	(203.6)	(79.7)	123.9
				Net cash provided by (used in) financing activities	163.8	55.1	(108.6)
Liabilities and net assets	As of Jan. 31, 2015	As of Oct. 31, 2015	Amount changed	Net increase (decrease) in cash and cash equivalents	(38.1)	(28.3)	9.8
Total current liabilities	562.2	662.0	99.7	Cash and cash equivalents at beginning of period	181.3	195.0	
Total noncurrent liabilities	288.1	285.0	(3.0)	Cash and cash equivalents at end of period	143.1	166.6	
Total liabilities	850.3	947.0	96.6		FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	Amount changed
Total net assets	1,079.0	1,069.3	(9.7)	Capital expenditures	114.6	70.8	(43.7)
				Depreciation and amortization	19.0	18.1	(0.9)
Total liabilities and net assets	1,929.4	2,016.3	86.9		As of Jan. 31, 2015	As of Oct. 31, 2015	Change
				Interest bearing debts	351.7	447.8	Amounts %
							96.1 27.3%

Sheet 4

3. Segment Information

(¥ billion)

		FY2014 (14/2-14/10)					FY2015 (15/2-15/10)				
		Net sales	Operating income	OP margin	Gross margin	Orders	Net sales	Operating income	OP margin	Gross margin	Orders
Built-to-Order Business	Custom Detached Houses	320.1	34.6	10.8%	24.4%	291.2	285.1	32.2	11.3%	24.7%	291.7
	Rental Housing	285.0	29.6	10.4%	21.2%	303.2	282.0	32.5	11.5%	22.9%	321.0
	Subtotal	605.2	64.3	10.6%	22.9%	594.4	567.1	64.7	11.4%	23.8%	612.8
Supplied Housing Business	Remodeling	94.5	9.6	10.2%	23.4%	94.4	93.9	9.5	10.2%	23.5%	102.5
	Real Estate Management Fees	319.8	17.9	5.6%	13.5%	319.8	335.6	21.1	6.3%	14.1%	335.6
	Subtotal	414.4	27.5	6.6%	15.8%	414.3	429.6	30.7	7.2%	16.2%	438.2
Development Business	Houses for Sale	81.8	6.2	7.6%	18.7%	88.6	99.6	7.7	7.8%	18.2%	100.3
	Condominiums	41.5	3.3	8.1%	17.2%	50.0	74.6	7.8	10.5%	16.1%	55.4
	Urban Redevelopment	37.9	9.2	24.3%	27.6%	164.8	76.4	20.2	26.5%	28.4%	76.4
	Overseas Business	56.0	2.6	4.7%	22.2%	58.2	59.9	3.7	6.3%	25.6%	100.7
	Subtotal	217.3	21.4	9.9%	20.9%	361.9	310.7	39.6	12.8%	21.6%	333.1
	Other Businesses	67.0	2.1	3.2%	14.8%	58.0	56.8	1.3	2.4%	16.2%	55.6
	Eliminations and corporate expenses	-	(24.6)	-	-	-	-	(24.9)	-	-	-
	Consolidated	1,304.0	90.8	7.0%	19.7%	1,428.7	1,364.4	111.6	8.2%	20.4%	1,439.8

Sheet 5

3. Segment Information Built-to-Order Business

	(¥ billion) Net sales				(¥ billion) Orders			
	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	Amount changed	YOY	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	Amount changed	YOY
	Custom Detached Houses	320.1	285.1	(35.0)	(10.9%)	291.2	291.7	0.4
Rental Housing	285.0	282.0	(3.0)	(1.1%)	303.2	321.0	17.8	5.9%
Total	605.2	567.1	(38.0)	(6.3%)	594.4	612.8	18.3	3.1%

	Operating income				OP margin		Gross margin	
	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	Amount changed	YOY	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)
	Custom Detached Houses	34.6	32.2	(2.4)	(7.0%)	10.8%	11.3%	24.4%
Rental Housing	29.6	32.5	2.8	9.5%	10.4%	11.5%	21.2%	22.9%
Total	64.3	64.7	0.4	0.6%	10.6%	11.4%	22.9%	23.8%

1. Custom Detached Houses Business

- Sales fell, but the gross margin improved by enhancing the profit-making structure using the Group's comprehensive capabilities in production, logistics, and construction.
- Having expanded the IS SERIES and launched a 20th anniversary model of the wood-framed SHAWOOD-HOME house in August, and with the adoption rate of Green First Zero of 70% and higher, and the Company intends to expand orders further going forward.

2. Rental Housing Business

- The Rental Housing Business remained favorable given area marketing strategies, strong sales of three- and four-story rental housing and high awareness of the stronger levy of inheritance tax.
- Sales per building amounted to ¥75.60 million. (FY2014: ¥68.54 million). Profitability also largely jumped.

3. Segment Information Supplied Housing Business

	(¥ billion) Net sales				(¥ billion) Orders			
	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	Amount changed	YOY	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	Amount changed	YOY
	Remodeling	94.5	93.9	(0.6)	(0.7%)	94.4	102.5	8.0
Real Estate Management Fees	319.8	335.6	15.8	4.9%	319.8	335.6	15.8	4.9%
Total	414.4	429.6	15.1	3.7%	414.3	438.2	23.8	5.8%

	Operating income				OP margin		Gross margin	
	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	Amount changed	YOY	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)
	Remodeling	9.6	9.5	(0.0)	(0.5%)	10.2%	10.2%	23.4%
Real Estate Management Fees	17.9	21.1	3.2	18.1%	5.6%	6.3%	13.5%	14.1%
Total	27.5	30.7	3.2	11.6%	6.6%	7.2%	15.8%	16.2%

3. Remodeling Business

- Sales declined 0.7% year-on-year due to the lingering effects of the last-minute demand before the consumption tax hike in the previous fiscal year.
- Orders improved, reflecting strong demand for large-scale renovation and the remodeling of rental houses, the supply of which is climbing, in addition to the introduction of the government's point program for energy-saving homes.
- Under the common brand of Re:Quest, the Company promoted its remodeling business for conventional wooden houses and condominiums.

4. Real Estate Management Fees Business

- Sales rose 4.9% year-on-year, the number of units under management was 561 thousand, and the occupancy rate was 96.5% (96.4% at the end of the previous fiscal year).
- The OP margin grew 0.7 point to 6.3% due mainly to maintaining high occupancy rate.

3. Segment Information Development Business

(¥ billion)

(¥ billion)

	Net sales				Orders			
	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	Amount changed	YOY	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	Amount changed	YOY
Houses for Sale	81.8	99.6	17.8	21.8%	88.6	100.3	11.6	13.2%
Condominiums	41.5	74.6	33.1	79.8%	50.0	55.4	5.3	10.7%
Urban Redevelopment	37.9	76.4	38.5	101.7%	164.8	76.4	(88.3)	(53.6%)
Overseas Business	56.0	59.9	3.8	6.8%	58.2	100.7	42.4	72.9%
Total	217.3	310.7	93.3	42.9%	361.9	333.1	(28.8)	(8.0%)

	Operating income				OP margin		Gross margin	
	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	Amount changed	YOY	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)	FY2014 (14/2-14/10)	FY2015 (15/2-15/10)
Houses for Sale	6.2	7.7	1.5	24.9%	7.6%	7.8%	18.7%	18.2%
Condominiums	3.3	7.8	4.4	131.6%	8.1%	10.5%	17.2%	16.1%
Urban Redevelopment	9.2	20.2	11.0	120.5%	24.3%	26.5%	27.6%	28.4%
Overseas Business	2.6	3.7	1.1	42.5%	4.7%	6.3%	22.2%	25.6%
Total	21.4	39.6	18.2	84.8%	9.9%	12.8%	20.9%	21.6%

Sheet 8

3. Segment Information Development Business

5. Houses for Sale Business

(1) Sales and orders were firm in comparison with the plan, reflecting aggressive sales initiatives using subdivision lots.

6. Condominiums Business

(1) Both sales and income largely grew, owing to the delivery of large-sized properties, including the Grande Maison Shirokane no Mori The Tower and Tomihisa Cross.

(2) Sales and orders remained steady in comparison with the plan. OP margin grew 2.4 points to 10.5%.

7. Urban Redevelopment Business

(1) The Company pursued exit strategies, selling the office part of the Hommachi Garden City to Sekisui House Reit, Inc. Sales of ¥44.9 billion and operating income of ¥14.0 billion were posted due to the sale of properties, in addition to rental income.

8. Overseas Business

<FY2015 Third Quarter>

(¥ billion)

Country	Sales	Operating income	Ordinary income	Investment balance	Orders	Accumulated orders
Australia	24.3	1.6	1.4	78.8	51.6	74.5
China	3.5	(2.6)	(1.7)	268.4	3.6	5.0
USA	32.0	5.4	5.7	205.8	45.5	37.0
Singapore *	-	-	3.5	42.3	-	-
Other administrative expense	-	(0.7)	(0.7)	-	-	-
Total	59.9	3.7	8.2	595.4	100.7	116.6

* Accounted for by the equity method

Sales status of major projects

Country	Projects	Units for sale	Of which, contracted units
Australia	Total 4 projects	1,928	1,779
China	Total 5 projects	550	128
Singapore	Total 6 projects	3,775	3,624

Sheet 9

<Reference> Full-Year Forecasts

(¥ billion)

	FY2014 (14/2-15/1) Results	FY2015 (15/2-16/1)	
		Forecasts	YoY
Net sales	1,912.7	1,920.0	0.4%
Operating income	146.5	160.0	9.1%
Ordinary income	156.4	167.0	6.8%
Net income	90.2	98.0	8.6%
EPS (yen)	130.91	140.04	7.0%
ROA	8.4%	8.5%	-
ROE	9.0%	9.0%	-
Dividend per share (yen)	50.00	54.00	4.00
Payout ratio	38.2%	38.6%	-

Sheet 10

<Reference> Full-Year Forecasts

Sales

(¥ billion)

	FY2014 (14/2-15/1) Results	FY2015 (Full-Year) (15/2-16/1)			
		Forecasts	Change	YoY	
Built-to-Order Business	Custom Detached Houses	427.0	400.0	(27.0)	(6.3%)
	Rental Housing	398.4	420.0	21.5	5.4%
	Subtotal	825.5	820.0	(5.5)	(0.7%)
Supplied Housing Business	Remodeling	134.1	142.0	7.8	5.8%
	Real Estate Management Fees	428.2	449.0	20.7	4.9%
	Subtotal	562.3	591.0	28.6	5.1%
Development Business	Houses for Sale	118.7	140.0	21.2	17.9%
	Condominiums	56.6	84.0	27.3	48.2%
	Urban Redevelopment	178.3	91.0	(87.3)	(49.0%)
	Overseas Business	79.8	110.0	30.1	37.8%
	Subtotal	433.6	425.0	(8.6)	(2.0%)
Other Businesses	91.1	84.0	(7.1)	(7.9%)	
Consolidated	1,912.7	1,920.0	7.2	0.4%	

Orders

(¥ billion)

	FY2014 (14/2-15/1) Results	FY2015 (Full-Year) (15/2-16/1)		
		Forecasts	Change	YoY
	388.6	408.0	19.3	5.0%
	408.5	447.0	38.4	9.4%
	797.1	855.0	57.8	7.3%
	125.6	142.0	16.3	13.0%
	428.2	449.0	20.7	4.9%
	553.8	591.0	37.1	6.7%
	122.2	140.0	17.7	14.5%
	65.7	77.0	11.2	17.1%
	176.1	91.0	(85.1)	(48.3%)
	94.5	150.0	55.4	58.7%
	458.6	458.0	(0.6)	(0.1%)
	82.8	86.0	3.1	3.8%
	1,892.6	1,990.0	97.3	5.1%

Sheet 11

<Reference> Full-Year Forecasts

(¥ billion)

		Operating income				OP margin		Gross margin	
		FY2014 (14/2-15/1) Results	FY2015 (Full-Year) (15/2-16/1)			FY2014 (14/2-15/1) Results	FY2015 (15/2-16/1) Forecasts	FY2014 (14/2-15/1) Results	FY2015 (15/2-16/1) Forecasts
			Forecasts	Change	YoY				
Built-to-Order Business	Custom Detached Houses	48.8	47.5	(1.3)	(2.9%)	11.4%	11.9%	24.8%	25.0%
	Rental Housing	45.8	51.5	5.6	12.4%	11.5%	12.3%	21.7%	23.0%
	Subtotal	94.7	99.0	4.2	4.5%	11.5%	12.1%	23.3%	24.0%
Supplied Housing Business	Remodeling	14.9	16.0	1.0	6.7%	11.2%	11.3%	23.6%	23.2%
	Real Estate Management Fees	23.4	27.0	3.5	15.4%	5.5%	6.0%	13.4%	13.8%
	Subtotal	38.4	43.0	4.5	12.0%	6.8%	7.3%	15.8%	16.1%
Development Business	Houses for Sale	8.4	11.0	2.5	29.5%	7.2%	7.9%	17.6%	17.1%
	Condominiums	4.7	7.5	2.7	58.3%	8.4%	8.9%	17.6%	16.1%
	Urban Redevelopment	25.8	21.0	(4.8)	(18.6%)	14.5%	23.1%	15.5%	25.3%
	Overseas Business	4.4	8.0	3.5	81.0%	5.5%	7.3%	23.1%	23.6%
	Subtotal	43.4	47.5	4.0	9.3%	10.0%	11.2%	17.7%	20.4%
	Other Businesses	3.1	3.5	0.3	12.1%	3.4%	4.2%	15.1%	15.5%
	Eliminations and corporate expenses	(33.1)	(33.0)	0.1	-	-	-	-	-
	Consolidated	146.5	160.0	13.4	9.1%	7.7%	8.3%	19.3%	20.2%

Sheet 12

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.

Sheet 13