

# Sekisui House, Ltd.

## Third Quarter of FY2016

(February 1, 2016 through October 31, 2016)

### - Summary of Consolidated Financial Results -

1. Overview
2. Financial Position
3. Segment Information

Built-to-Order Business

Supplied Housing Business

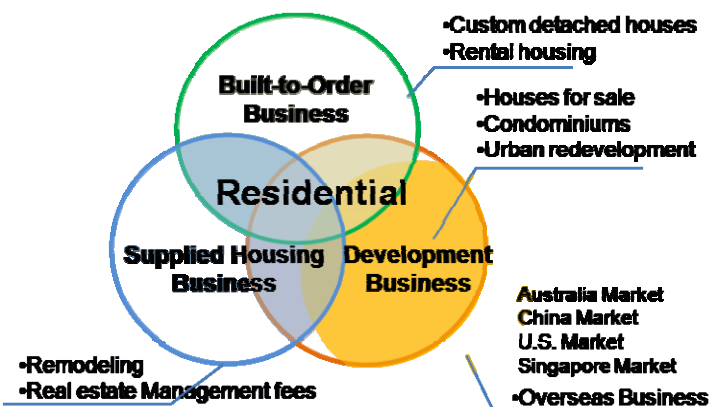
Development Business

<Reference> Full-Year Forecasts for FY2016

December 8, 2016

### 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



## ➤ Overview

**The Company posted record sales and income for the third quarter.**

**Profits increased in the Overseas Business, and orders also remained strong.**

## ➤ Highlights

- Built-to-Order Business:** Profits increased 9.3 billion yen due to improved profitability as a result of the continuous enhancement of the profit structure by capitalizing on group-wide capabilities. The Custom Detached Houses Business focused on sales of Green First Zero, a net zero energy house whose dissemination is being actively promoted by the government. In the Rental Housing Business, sales of 3- and 4-story houses and other high value-added products remained steady in urban areas.
- Supplied Housing Business:** In the Remodeling Business, the reduction of solar renovation was offset by major renovations and rental housing remodeling. The Real Estate Management Fees Business expanded steadily due to an increase in the number of administration offices, with the occupancy rate remaining high.
- Development Business:** Orders remained strong in the Houses for Sale Business due to the active purchase of land. In the Urban Redevelopment Business, property sales increased. The Overseas Business enjoyed a significant increase in revenue and profits due to the commencement of sales of properties in rental housing developments in the United States and increased delivery in condominium projects in China.

(¥ billion)

|  | FY2015<br>(15/2-15/10) |              | FY2016<br>(16/2-16/10) |              |                |                |
|--|------------------------|--------------|------------------------|--------------|----------------|----------------|
|  | Results                | Margin       | Results                | Margin       | Amount Changed | YOY            |
| <b>Net sales</b>                                   | <b>1,364.4</b>         |              | <b>1,445.7</b>         |              | <b>81.3</b>    | <b>6.0%</b>    |
| Built-to-Order                                     | 567.1                  |              | 589.9                  |              | 22.7           | 4.0%           |
| Supplied Housing                                   | 429.6                  |              | 444.1                  |              | 14.4           | 3.4%           |
| Development  | 310.7                  |              | 354.3                  |              | 43.5           | 14.0%          |
| <b>Gross profit</b>                                | <b>278.5</b>           | <b>20.4%</b> | <b>299.8</b>           | <b>20.7%</b> | <b>21.3</b>    | <b>7.7%</b>    |
| Built-to-Order                                     | 134.9                  | 23.8%        | 146.6                  | 24.9%        | 11.6           | 8.7%           |
| Supplied Housing                                   | 69.4                   | 16.2%        | 74.5                   | 16.8%        | 5.1            | 7.3%           |
| Development  | 67.2                   | 21.6%        | 73.1                   | 20.6%        | 5.9            | 8.8%           |
| <b>SG&amp;A</b>                                    | <b>166.8</b>           |              | <b>172.5</b>           |              | <b>5.6</b>     | <b>3.4%</b>    |
| <b>Operating income</b>                            | <b>111.6</b>           | <b>8.2%</b>  | <b>127.2</b>           | <b>8.8%</b>  | <b>15.6</b>    | <b>14.0%</b>   |
| Built-to-Order                                     | 64.7                   | 11.4%        | 74.1                   | 12.6%        | 9.3            | 14.5%          |
| Supplied Housing                                   | 30.7                   | 7.2%         | 35.3                   | 8.0%         | 4.6            | 15.0%          |
| Development  | 39.6                   | 12.8%        | 44.0                   | 12.4%        | 4.3            | 11.0%          |
| <b>Non-operating income/expenses</b>               | <b>5.5</b>             |              | <b>0.1</b>             |              | <b>(5.4)</b>   | <b>(96.9%)</b> |
| <b>Ordinary income</b>                             | <b>117.2</b>           | <b>8.6%</b>  | <b>127.4</b>           | <b>8.8%</b>  | <b>10.2</b>    | <b>8.7%</b>    |
| <b>Extraordinary income</b>                        | <b>4.2</b>             |              | -                      |              | <b>(4.2)</b>   | -              |
| <b>Extraordinary loss</b>                          | <b>4.6</b>             |              | <b>0.4</b>             |              | <b>(4.2)</b>   | <b>(90.5%)</b> |
| <b>Net income attributable to owners of parent</b> | <b>71.1</b>            | <b>5.2%</b>  | <b>83.1</b>            | <b>5.8%</b>  | <b>11.9</b>    | <b>16.8%</b>   |
| <b>EPS (yen)</b>                                   | <b>101.4</b>           |              | <b>119.5</b>           |              |                |                |

(Non-operating income/expenses)  
 ・Equity in earnings of affiliates:  
 ¥ 6.7billion (up ¥ 2.7billion YOY)  
 ・Foreign exchange loss: ¥ 5.5billion  
 (down ¥ 5.9billion YOY)

## ➤ State of Orders

(¥ billion)

| Consolidated orders    |                        |                |      | Accumulated orders        |                              |                |        |
|------------------------|------------------------|----------------|------|---------------------------|------------------------------|----------------|--------|
| FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount changed | YOY  | FY2015<br>(Jan. 31, 2016) | FY2016 3Q<br>(Oct. 31, 2016) | Amount changed | Change |
| 1,439.8                | 1,574.3                | 134.4          | 9.3% | 868.7                     | 997.3                        | 128.6          | 14.8%  |

## 2. Financial Position



### ➤ Consolidated Balance Sheets

(¥ billion)

| (Assets)                | FY2015<br>(Jan. 31, 2016) | FY2016 3Q<br>(Oct. 31, 2016) | Amount<br>changed | (Liabilities and<br>net assets)         | FY2015<br>(Jan. 31, 2016) | FY2016 3Q<br>(Oct. 31, 2016) | Amount<br>changed |
|-------------------------|---------------------------|------------------------------|-------------------|---|---------------------------|------------------------------|-------------------|
| Total current assets    | 1,264.9                   | 1,270.8                      | 5.9               | Total current liabilities               | 735.3                     | 721.9                        | (13.3)            |
| Real estate for sale    | 898.2                     | 910.9                        | 12.6              | Total noncurrent liabilities            | 225.9                     | 322.3                        | 96.3              |
| Total noncurrent assets | 764.8                     | 798.3                        | 33.4              | <b>Total liabilities</b>                | <b>961.3</b>              | <b>1,044.3</b>               | <b>82.9</b>       |
| <b>Total assets</b>     | <b>2,029.7</b>            | <b>2,069.1</b>               | <b>39.3</b>       | <b>Total net assets</b>                 | <b>1,068.4</b>            | <b>1,024.8</b>               | <b>(43.6)</b>     |
|                         |                           |                              |                   | <b>Total liabilities and net assets</b> | <b>2,029.7</b>            | <b>2,069.1</b>               | <b>39.3</b>       |

\* Total of Buildings for sale, Land for sale in lots, and Undeveloped land for sale

#### [Main factors of change]

- Decrease in foreign currency translation adjustments: ¥68.7 billion

### ➤ State of Interest-bearing Debts

|                                    | FY2015<br>(Jan. 31, 2016) | FY2016 3Q<br>(Oct. 31, 2016) | Amount<br>changed |
|------------------------------------|---------------------------|------------------------------|-------------------|
| Interest-bearing debts (¥ billion) | 426.0                     | 514.7                        | 88.6              |
| DE ratio                           | 40.3%                     | 50.9%                        | 10.6P             |
| Equity ratio                       | 52.1%                     | 48.8%                        | (3.3P)            |

### ➤ State of Cash Flows

(¥ billion)

|  | FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed |
|--|------------------------|------------------------|-------------------|
| Net cash provided by (used in) operating activities  | (15.4)                 | 15.6                   | 31.0              |
| Net cash provided by (used in) investing activities  | (64.2)                 | (79.8)                 | (15.5)            |
| Free cash flow                                       | (79.7)                 | (64.1)                 | 15.5              |
| Net cash provided by (used in) financing activities  | 55.1                   | 57.5                   | 2.3               |
| Net increase (decrease) in cash and cash equivalents | (28.3)                 | (16.7)                 | 11.6              |
| Cash and cash equivalents at beginning of period     | 195.0                  | 192.3                  |                   |
| Cash and cash equivalents at end of period           | 166.6                  | 175.6                  |                   |

#### [Main factors of change]

- Increases in inventories: ¥(70.9)billion

### ➤ State of Investment

(¥ billion)

|                               | FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed | FY2016<br>Full-year plan |
|-------------------------------|------------------------|------------------------|-------------------|--------------------------|
| Capital expenditures          | 70.8                   | 82.3                   | 11.5              | 90.0                     |
| Depreciation and amortization | 18.1                   | 17.1                   | (0.9)             | 23.0                     |

### 3. Segment Information



#### ➤ Built-to-Order Business

(¥ billion)

|                        | Net sales              |                        |                   |        |
|------------------------|------------------------|------------------------|-------------------|--------|
|                        | FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed | YOY    |
| Custom Detached Houses | 285.1                  | 280.2                  | (4.9)             | (1.7%) |
| Rental Housing         | 282.0                  | 309.6                  | 27.6              | 9.8%   |
| Total                  | 567.1                  | 589.9                  | 22.7              | 4.0%   |

| Gross margin           |                        |                   |
|------------------------|------------------------|-------------------|
| FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed |
| 24.7%                  | 25.8%                  | 1.1p              |
| 22.9%                  | 24.0%                  | 1.1p              |
| 23.8%                  | 24.9%                  | 1.1p              |

|                        | Operating income       |                        |                   |       |
|------------------------|------------------------|------------------------|-------------------|-------|
|                        | FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed | YOY   |
| Custom Detached Houses | 32.2                   | 34.4                   | 2.1               | 6.8%  |
| Rental Housing         | 32.5                   | 39.7                   | 7.1               | 22.1% |
| Total                  | 64.7                   | 74.1                   | 9.3               | 14.5% |

| OP margin              |                        |                   |
|------------------------|------------------------|-------------------|
| FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed |
| 11.3%                  | 12.3%                  | 1.0p              |
| 11.5%                  | 12.8%                  | 1.3p              |
| 11.4%                  | 12.6%                  | 1.2p              |

|                        | Orders                 |                        |                   |      |
|------------------------|------------------------|------------------------|-------------------|------|
|                        | FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed | YOY  |
| Custom Detached Houses | 291.7                  | 292.2                  | 0.5               | 0.2% |
| Rental Housing         | 321.0                  | 349.0                  | 27.9              | 8.7% |
| Total                  | 612.8                  | 641.3                  | 28.5              | 4.7% |

| ASP per building (10 thousand yen) |                        |                   |
|------------------------------------|------------------------|-------------------|
| FY2015                             | FY2016<br>(16/2-16/10) | Amount<br>changed |
| 3,700                              | 3,721                  | 21                |
| 7,677                              | 8,290                  | 613               |

#### ■ Custom Detached Houses Business

Ratio of Green First Zero: 70%

Ratio of three- and four-story housing (in value): 10.1%

#### ■ Rental Housing Business

Ratio of three- and four-story housing (in value): 60.9%

#### ➤ Supplied Housing Business

(¥ billion)

|                             | Net sales              |                        |                   |        |
|-----------------------------|------------------------|------------------------|-------------------|--------|
|                             | FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed | YOY    |
| Remodeling                  | 93.9                   | 93.1                   | (0.7)             | (0.8%) |
| Real Estate Management Fees | 335.6                  | 350.9                  | 15.2              | 4.5%   |
| Total                       | 429.6                  | 444.1                  | 14.4              | 3.4%   |

| Gross margin           |                        |                   |
|------------------------|------------------------|-------------------|
| FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed |
| 23.5%                  | 25.2%                  | 1.7p              |
| 14.1%                  | 14.6%                  | 0.5p              |
| 16.2%                  | 16.8%                  | 0.6p              |

|                             | Operating income       |                        |                   |       |
|-----------------------------|------------------------|------------------------|-------------------|-------|
|                             | FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed | YOY   |
| Remodeling                  | 9.5                    | 10.8                   | 1.3               | 13.8% |
| Real Estate Management Fees | 21.1                   | 24.4                   | 3.2               | 15.5% |
| Total                       | 30.7                   | 35.3                   | 4.6               | 15.0% |

| OP margin              |                        |                   |
|------------------------|------------------------|-------------------|
| FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed |
| 10.2%                  | 11.7%                  | 1.5p              |
| 6.3%                   | 7.0%                   | 0.7p              |
| 7.2%                   | 8.0%                   | 0.8p              |

|                             | Orders                 |                        |                   |      |
|-----------------------------|------------------------|------------------------|-------------------|------|
|                             | FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed | YOY  |
| Remodeling                  | 102.5                  | 103.1                  | 0.5               | 0.6% |
| Real Estate Management Fees | 335.6                  | 350.9                  | 15.2              | 4.5% |
| Total                       | 438.2                  | 454.0                  | 15.8              | 3.6% |

#### ■ Real Estate Management Fees Business

Number of units under management: 580 thousand  
Occupancy ratio: 96.6% (up 0.1 p from the end of the previous year)

### 3. Segment Information



#### Development Business

(¥ billion)

|                     | Net sales              |                        |                   |         |
|---------------------|------------------------|------------------------|-------------------|---------|
|                     | FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed | YOY     |
| Houses for Sale     | 99.6                   | 99.8                   | 0.2               | 0.2%    |
| Condominiums        | 74.6                   | 46.9                   | (27.7)            | (37.1%) |
| Urban Redevelopment | 76.4                   | 110.9                  | 34.4              | 45.1%   |
| Overseas            | 59.9                   | 96.4                   | 36.5              | 61.1%   |
| Total               | 310.7                  | 354.3                  | 43.5              | 14.0%   |

| Gross margin           |                        |                   |
|------------------------|------------------------|-------------------|
| FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed |
| 18.2%                  | 18.3%                  | 0.1p              |
| 16.1%                  | 16.2%                  | 0.1P              |
| 28.4%                  | 20.3%                  | (8.1p)            |
| 25.6%                  | 25.6%                  | 0.0p              |
| 21.6%                  | 20.6%                  | (1.0p)            |

|                     | Operating income       |                        |                   |         |
|---------------------|------------------------|------------------------|-------------------|---------|
|                     | FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed | YOY     |
| Houses for Sale     | 7.7                    | 7.8                    | 0.0               | 0.6%    |
| Condominiums        | 7.8                    | 3.5                    | (4.3)             | (55.1%) |
| Urban Redevelopment | 20.2                   | 20.5                   | 0.2               | 1.1%    |
| Overseas            | 3.7                    | 12.1                   | 8.4               | 223.5%  |
| Total               | 39.6                   | 44.0                   | 4.3               | 11.0%   |

| OP margin              |                        |                   |
|------------------------|------------------------|-------------------|
| FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed |
| 7.8%                   | 7.9%                   | 0.1p              |
| 10.5%                  | 7.5%                   | (3.0p)            |
| 26.5%                  | 18.5%                  | (8.0p)            |
| 6.3%                   | 12.6%                  | 6.3p              |
| 12.8%                  | 12.4%                  | (0.4p)            |

|                     | Orders                 |                        |                   |       |
|---------------------|------------------------|------------------------|-------------------|-------|
|                     | FY2015<br>(15/2-15/10) | FY2016<br>(16/2-16/10) | Amount<br>changed | YOY   |
| Houses for Sale     | 100.3                  | 118.1                  | 17.7              | 17.7% |
| Condominiums        | 55.4                   | 66.5                   | 11.0              | 19.9% |
| Urban Redevelopment | 76.4                   | 119.4                  | 42.9              | 56.2% |
| Overseas            | 100.7                  | 118.9                  | 18.2              | 18.1% |
| Total               | 333.1                  | 423.1                  | 90.0              | 27.0% |

■Urban Redevelopment Business  
Sales from property sales: ¥78.2 billion  
Operating income from property sales: ¥14.9 billion

#### Overseas Business / Details by country

##### Results for Third Quarter of FY2016

(¥ billion)

| Country                             | Net sales | Operating<br>income | Ordinary<br>income | Investment<br>balance | Orders | Accumulated<br>orders | Units for<br>sale of<br>major<br>projects | Of which,<br>contracted<br>units *2 |
|-------------------------------------|-----------|---------------------|--------------------|-----------------------|--------|-----------------------|---|-------------------------------------|
| Australia                           | 15.9      | 0.6                 | 0.4                | 153.0                 | 5.3    | 77.8                  | 2,173 units                               | 1,991 units                         |
| China                               | 24.4      | (0.5)               | (0.9)              | 204.8                 | 32.9   | 17.6                  | 1,310 units                               | 782 units                           |
| USA                                 | 56.1      | 12.8                | 12.7               | 221.4                 | 80.5   | 60.2                  | -   | -                                   |
| Singapore *1                        | -         | -                   | 2.5                | 38.5                  | -      | -                     | 3,281 units                               | 3,243 units                         |
| Other<br>administrative<br>expenses | -         | (0.7)               | (0.7)              | -                     | -      | -                     | -   | -                                   |
| Total                               | 96.4      | 12.1                | 14.0               | 617.8                 | 118.9  | 155.7                 | -   | -                                   |

\*1 Accounted for by the equity method

\*2 Including units delivered during the current fiscal year

### 3. Segment Information



(¥ billion)

|                                     |                             | FY2015<br>(15/2-15/10) |                  |           |              |         | FY2016<br>(16/2-16/10) |                  |           |              |         |
|-------------------------------------|-----------------------------|------------------------|------------------|-----------|--------------|---------|------------------------|------------------|-----------|--------------|---------|
|                                     |                             | 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      | 285.1                  | 32.2             | 11.3%     | 24.7%        | 291.7   | 280.2                  | 34.4             | 12.3%     | 25.8%        | 292.2   |
|                                     | Rental Housing              | 282.0                  | 32.5             | 11.5%     | 22.9%        | 321.0   | 309.6                  | 39.7             | 12.8%     | 24.0%        | 349.0   |
|                                     | Subtotal                    | 567.1                  | 64.7             | 11.4%     | 23.8%        | 612.8   | 589.9                  | 74.1             | 12.6%     | 24.9%        | 641.3   |
| Supplied Housing Business           | Remodeling                  | 93.9                   | 9.5              | 10.2%     | 23.5%        | 102.5   | 93.1                   | 10.8             | 11.7%     | 25.2%        | 103.1   |
|                                     | Real Estate Management Fees | 335.6                  | 21.1             | 6.3%      | 14.1%        | 335.6   | 350.9                  | 24.4             | 7.0%      | 14.6%        | 350.9   |
|                                     | Subtotal                    | 429.6                  | 30.7             | 7.2%      | 16.2%        | 438.2   | 444.1                  | 35.3             | 8.0%      | 16.8%        | 454.0   |
| Development Business                | Houses for Sale             | 99.6                   | 7.7              | 7.8%      | 18.2%        | 100.3   | 99.8                   | 7.8              | 7.9%      | 18.3%        | 118.1   |
|                                     | Condominiums                | 74.6                   | 7.8              | 10.5%     | 16.1%        | 55.4    | 46.9                   | 3.5              | 7.5%      | 16.2%        | 66.5    |
|                                     | Urban Redevelopment         | 76.4                   | 20.2             | 26.5%     | 28.4%        | 76.4    | 110.9                  | 20.5             | 18.5%     | 20.3%        | 119.4   |
|                                     | Overseas                    | 59.9                   | 3.7              | 6.3%      | 25.6%        | 100.7   | 96.4                   | 12.1             | 12.6%     | 25.6%        | 118.9   |
|                                     | Subtotal                    | 310.7                  | 39.6             | 12.8%     | 21.6%        | 333.1   | 354.3                  | 44.0             | 12.4%     | 20.6%        | 423.1   |
| Other Businesses                    |                             | 56.8                   | 1.3              | 2.4%      | 16.2%        | 55.6    | 57.4                   | (0.1)            | (0.2%)    | 13.9%        | 55.7    |
| Eliminations and corporate expenses |                             | -                      | (24.9)           | -         | -            | -       | -                      | (26.1)           | -         | -            | -       |
| Total                               |                             | 1,364.4                | 111.6            | 8.2%      | 20.4%        | 1,439.8 | 1,445.7                | 127.2            | 8.8%      | 20.7%        | 1,574.3 |

### <Reference> Full-Year Forecasts For FY2016

(¥ billion)

|   | FY2015<br>(15/2-16/1)<br>Results | FY2016<br>(16/2-17/1) |       |
|---|----------------------------------|-----------------------|-------|
|   |                                  | Forecasts             | YOY   |
| Net sales                                   | 1,858.8                          | <b>2,000.0</b>        | 7.6%  |
| Operating income                            | 149.6                            | <b>175.0</b>          | 16.9% |
| Ordinary income                             | 160.5                            | <b>178.0</b>          | 10.8% |
| Net income attributable to owners of parent | 84.3                             | <b>113.0</b>          | 34.0% |
| EPS (yen)                                   | 120.16                           | <b>163.26</b>         | 35.9% |
| ROA   | 8.2%                             | <b>9.0%</b>           | -     |
| ROE   | 7.9%                             | <b>10.7%</b>          | -     |
| Dividend per share (yen)                    | 54.00                            | <b>64.00</b>          | 10.00 |
| Payout ratio                                | 44.9%                            | <b>39.2%</b>          | -     |

# <Reference> Full-Year Forecasts For FY2016 by Segment



## ■ Sales

(¥ billion)

|                                 | FY2015<br>(15/2-16/1)<br>Results | FY2016 (Full-Year)<br>(16/2-17/1) |                   |        |         |
|---------------------------------|----------------------------------|-----------------------------------|-------------------|--------|---------|
|                                 |                                  | Forecasts                         | Amount<br>changed | YOY    |         |
| Built-to-Order<br>Business      | Custom Detached<br>Houses        | 393.7                             | 383.0             | (10.7) | (2.7%)  |
|                                 | Rental Housing                   | 400.6                             | 417.0             | 16.3   | 4.1%    |
|                                 | Subtotal                         | 794.3                             | 800.0             | 5.6    | 0.7%    |
| Supplied<br>Housing<br>Business | Remodeling                       | 134.4                             | 142.0             | 7.5    | 5.6%    |
|                                 | Real Estate<br>Management Fees   | 448.7                             | 468.0             | 19.2   | 4.3%    |
|                                 | Subtotal                         | 583.2                             | 610.0             | 26.7   | 4.6%    |
| Development<br>Business         | Houses for Sale                  | 137.4                             | 132.0             | (5.4)  | (4.0%)  |
|                                 | Condominiums                     | 81.4                              | 65.0              | (16.4) | (20.2%) |
|                                 | Urban<br>Redevelopment           | 93.0                              | 123.0             | 29.9   | 32.2%   |
|                                 | Overseas                         | 89.5                              | 190.0             | 100.4  | 112.2%  |
| Subtotal                        | 401.5                            | 510.0                             | 108.4             | 27.0%  |         |
| Other Businesses                | 79.7                             | 80.0                              | 0.2               | 0.3%   |         |
| Total                           | 1,858.8                          | 2,000.0                           | 141.1             | 7.6%   |         |

## ■ Orders

(¥ billion)

|                                 | FY2015<br>(15/2-16/1)<br>Results | FY2016 (Full-Year)<br>(16/2-17/1) |                   |       |
|---------------------------------|----------------------------------|-----------------------------------|-------------------|-------|
|                                 |                                  | Forecasts                         | Amount<br>changed | YOY   |
| Built-to-Order<br>Business      | 387.5                            | 396.0                             | 8.4               | 2.2%  |
| Supplied<br>Housing<br>Business | 434.5                            | 457.0                             | 22.4              | 5.2%  |
| Subtotal                        | 822.1                            | 853.0                             | 30.8              | 3.8%  |
| Development<br>Business         | 134.1                            | 142.0                             | 7.8               | 5.9%  |
| Other Businesses                | 448.7                            | 468.0                             | 19.2              | 4.3%  |
| Subtotal                        | 582.8                            | 610.0                             | 27.1              | 4.7%  |
| Houses for Sale                 | 132.6                            | 144.0                             | 11.3              | 8.5%  |
| Condominiums                    | 77.7                             | 85.0                              | 7.2               | 9.3%  |
| Urban<br>Redevelopment          | 93.0                             | 123.0                             | 29.9              | 32.2% |
| Overseas                        | 147.0                            | 150.0                             | 2.9               | 2.0%  |
| Subtotal                        | 450.5                            | 502.0                             | 51.4              | 11.4% |
| Other Businesses                | 79.0                             | 83.0                              | 3.9               | 4.9%  |
| Total                           | 1,934.5                          | 2,048.0                           | 113.4             | 5.9%  |

## ■ Operating income

(¥ billion)

|  | FY2015<br>(15/2-16/1)<br>Results | FY2016 (Full-Year)<br>(16/2-17/1) |                   |         |         |
|--|----------------------------------|-----------------------------------|-------------------|---------|---------|
|  |                                  | Forecasts                         | Amount<br>changed | YOY     |         |
| Built-to-Order<br>Business             | Custom Detached<br>Houses        | 47.2                              | 47.0              | (0.2)   | (0.4%)  |
|  | Rental Housing                   | 51.9                              | 55.0              | 3.0     | 5.9%    |
|  | Subtotal                         | 99.1                              | 102.0             | 2.8     | 2.9%    |
| Supplied<br>Housing<br>Business        | Remodeling                       | 15.8                              | 18.0              | 2.1     | 13.6%   |
|  | Real Estate<br>Management Fees   | 26.8                              | 31.0              | 4.1     | 15.6%   |
|  | Subtotal                         | 42.6                              | 49.0              | 6.3     | 14.8%   |
| Development<br>Business                | Houses for Sale                  | 11.9                              | 9.0               | (2.9)   | (24.5%) |
|  | Condominiums                     | 8.0                               | 5.0               | (3.0)   | (37.7%) |
|  | Urban<br>Redevelopment           | 24.7                              | 20.0              | (4.7)   | (19.2%) |
|  | Overseas                         | (5.6)                             | 25.0              | 30.6    | -       |
| Subtotal                               | 39.0                             | 59.0                              | 19.9              | 51.2%   |         |
| Other Businesses                       | 2.5                              | 0.5                               | (2.0)             | (80.1%) |         |
| Eliminations and corporate<br>expenses | (33.6)                           | (35.5)                            | (1.8)             | -       |         |
| Total                                  | 149.6                            | 175.0                             | 25.3              | 16.9%   |         |

## ■ OP margin

## ■ Gross margin

|  | FY2015<br>(15/2-16/1)<br>Results | FY2016<br>(16/2-17/1)<br>Forecasts | FY2015<br>(15/2-16/1)<br>Results | FY2016<br>(16/2-17/1)<br>Forecasts |
|--|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
| Built-to-Order<br>Business             | 12.0%                            | 12.3%                              | 25.2%                            | 25.8%                              |
| Supplied<br>Housing<br>Business        | 13.0%                            | 13.2%                              | 23.6%                            | 24.5%                              |
| Subtotal                               | 12.5%                            | 12.8%                              | 24.4%                            | 25.1%                              |
| Development<br>Business                | 11.8%                            | 12.7%                              | 23.9%                            | 24.6%                              |
| Other Businesses                       | 6.0%                             | 6.6%                               | 14.0%                            | 14.5%                              |
| Subtotal                               | 7.3%                             | 8.0%                               | 16.3%                            | 16.9%                              |
| Houses for Sale                        | 8.7%                             | 6.8%                               | 18.8%                            | 17.4%                              |
| Condominiums                           | 9.9%                             | 7.7%                               | 16.2%                            | 16.9%                              |
| Urban<br>Redevelopment                 | 26.6%                            | 16.3%                              | 28.7%                            | 17.9%                              |
| Overseas                               | (6.3%)                           | 13.2%                              | 11.2%                            | 23.7%                              |
| Subtotal                               | 9.7%                             | 11.6%                              | 18.8%                            | 19.8%                              |
| Other Businesses                       | 3.1%                             | 0.6%                               | 15.9%                            | 14.4%                              |
| Eliminations and corporate<br>expenses | -                                | -                                  | -                                | -                                  |
| Total                                  | 8.1%                             | 8.8%                               | 20.1%                            | 20.7%                              |

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.