

1-88, Oyodonaka 1-chome, Kita-ku, Osaka  
 Chairman & Representative Director (CEO)  
 Isami Wada

**NOTICE OF THE 61<sup>ST</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We express our deep appreciation to each of the shareholders for their extraordinary support.

Now, since the 61<sup>st</sup> Ordinary General Meeting of Shareholders of Sekisui House, Ltd. (the "Company" or "Sekisui House") is to be held as stated below, we would like to ask you to attend the meeting.

If you are unable to attend the meeting, it is still possible to exercise your voting rights either in writing or *via* the Internet. To exercise voting rights in writing, please study the reference documents below and indicate on the enclosed voting form whether you approve or disapprove the proposals listed, and return it to the Company by 6:00 p.m. of Wednesday, April 25, 2012. To exercise voting rights *via* the Internet, please refer to next page, Guidelines regarding the exercise of a voting right *via* the Internet.

**1. Date and Time:** 10:00 a.m., Thursday, April 26, 2012

**2. Place of the Meeting:** Umeda Stella Hall  
 3F, Tower West, Umeda Sky Building  
 1-30, Oyodonaka 1-chome, Kita-ku, Osaka

**3. Agenda:**

**Items for reporting:**

1. Reports on the Business Report, and the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 61st fiscal year (February 1, 2011 - January 31, 2012)
2. Report on the Results of Audit conducted by the Accounting Auditor and the Board of Corporate Auditors with respect to the Consolidated Financial Statements for the 61st fiscal year ended January 31, 2012

**Propositions to be tabled:**

<b>No.1</b>	Appropriation of retained earnings for the 61st fiscal year ended January 31, 2012
<b>No.2</b>	Election of 11 Directors
<b>No.3</b>	Election of 3 Corporate Auditors
<b>No.4</b>	Provision of Bonus to Directors as a group

**4. Guideline of the Exercise of Voting Rights:**

Please refer to next page, Guideline of the Exercise of Voting Rights.

If attending the meeting in person, please submit the enclosed Voting Right Exercise Form to the receptionist at the meeting

[**Translation:** Please note that this document purports to be a translation from the Japanese original Notice of Convocation of the Ordinary General Meeting of Shareholders 2012 of Sekisui House, Ltd. prepared for the convenience of foreign readers. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please also be advised that certain statements regarding voting procedures for domestic shareholders are not applicable to the shareholders outside Japan.]

## Guideline of the Exercise of Voting Rights

### 1. Internet disclosure

Following matters are made available on the Company's website (<http://www.sekisuihouse.co.jp/company/holders/shotsu.html>) pursuant to the relevant laws and regulations, and Article 16 of the Articles of Incorporation of the Company.

- 1) "System which ensures the due execution of business" in the Business Report
- 2) "List of Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
- 3) "List of Notes to Non-Consolidated Financial Statements" in the Non-Consolidated Financial Statements

### 2. Announcement method if the statements of the Reference Documents for General Meeting of Shareholders and other documents are amended:

In case that any amendment to the statements of the Reference Document for General Meeting of Shareholders, business report and consolidated financial statements, or non-consolidated financial statements is necessary, please be advised that the Company will post such amendments where applicable on the Company's website (<http://www.sekisuihouse.co.jp/company/holders/shotsu/html>).

### 3. Handling of votes if a voting right is exercised using both mail and the Internet:

In case that a voting right is exercised using both mail and the Internet, then only the vote registered *via* the Internet will be recognized as valid.

### 4. Handling of votes if a voting right is exercised more than once *via* the Internet:

In case that a voting right is exercised more than once *via* the Internet, only the last vote will be recognized as valid.

### 5. Guidelines regarding the exercise of a voting right *via* the Internet:

When exercising a voting right *via* the Internet, the Company cordially requests shareholders to carefully read the matters stated below before any exercise of their voting rights. While the exercise of a voting right *via* the Internet is received by 6:00 p.m. on 25<sup>th</sup> April, 2012 (Wednesday), it is best to exercise your voting rights as soon as possible. If you have any inquiries, please contact the help desk below.

#### (1) Website for exercising votes:

- ① Exercising a voting right can only be made by accessing our designated website for the exercise of voting rights (<http://www.evote.jp/>) from your personal computers or mobile phones (i-mode, EZweb, Yahoo! *Keitai*). However, it is not possible to gain access to the designated website from 2:00 AM to 5:00 AM.

\* The "i-mode", "EZweb" and "Yahoo!" are trademarks or registered trademarks of NTT DoCoMo, Inc., KDDI Corporation and Yahoo! Inc. of the U.S., respectively.

- ② Depending on the Internet connection of your computer (i.e., if a shareholder sets up a firewall, installs any security software or uses a proxy server), the service may not be available.
- ③ When exercising a voting right through mobile phones, please use either of the services provided by i-mode, EZweb or Yahoo! *Keitai*. In addition, please note that if the handset of your mobile phone is incompatible with the SSL (Secure Socket Layer) transmission or other transmission service through mobile phones, the service may not be available for security reasons.

#### (2) Internet voting procedure:

- ① On the website for the exercise of voting rights (<http://evote.jp/>), please use the log-in ID and temporary password which are shown on the vote exercise form. After logging in, please indicate whether you approve or disapprove the items on the agenda by following the instructions on the display screen.

- ② To prevent unauthorized access to the website by persons other than the shareholder (spoofing) or alteration of votes submitted, the Company requests the users change the temporary password given to the shareholder to another password on the website for the exercise of voting rights.
  - ③ The Company will inform you of the new log-in ID and temporary password at every convocation of general meetings of shareholders.
- (3) Connection charges when accessing the exercise of voting rights website:  
Any connection charges to be incurred when accessing the website for the exercise of voting rights (all internet connection charges and call charges) must be borne by the exercising shareholder. Similarly, if the shareholder uses a mobile phone to vote, the exercising shareholder must bear the costs incurred by paying by packet pack communications and other call charges.
- (4) Method to receive the notice of convocation:  
If a shareholder wishes to receive a notice of convocation by email, please follow the procedures listed on the website for the exercise of voting rights. After following such procedures, the Company will send the notice of convocation by email for the next meeting of shareholders. (Please note that this procedure cannot be taken from mobile phones and the email address of your mobile phone cannot also be designated as the recipient.)

<p>Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Service Support: dial-in 0120 (173) 027 * Business Hours: from 9:00am to 9:00 pm (call free)</p>
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## 6. Electronic Voting Platform

If you are a nominee shareholder such a trust bank (including a standing proxy) and apply in advance to use the electronic voting platform operated by ICJ, Inc. established by the Tokyo Stock Exchange and others, you are entitled to use the platform for uses other than the aforementioned exercise of your voting rights electronically *via* the Internet as a method for exercising your voting rights.

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Note:\* The service is available in Japanese only.

**The Business Report**  
**for the 61st fiscal year (Feb.1, 2011 – Jan.31, 2012)**

**1. Business Conditions**

**1) Progress and Results of Sekisui House Group**

Japan's economy showed signs of steady progress towards recovery from the devastating impact of the Great East Japan Earthquake. The period under review saw a normalization of manufacturing activities, etc., with supply-side constraints largely resolved thanks to the early resumption of corporate activities, and growth in orders supported by demand for reconstruction in areas affected by the disaster. However, the financial instability caused mainly by the European debt crisis led to a high level of risk aversion in capital markets. Meanwhile, the persistently strong yen and the suspension of production at Japan's production bases in Thailand due to the adverse impact of recent flooding all took a toll on business activities, putting significant downward pressure on corporate earnings. In this environment, uncertainty over the economic outlook heightened.

In the housing market, additional stimulus measures for the support of housing acquisition were devised by the government to promoting environmentally friendly housing. These measures included the resumption of subsidies for the installment of ENE FARM, a household fuel cell system, Flat 35S, a preferential interest rate system, and the eco-point system for housing, all of which had originally ended. However, concerns over the economic outlook suppressed housing investment somewhat, and the number of new housing starts for 2011 was around 830,000, increasingly only modestly from the previous year.

Meanwhile, consumer awareness of safety, reliability, and comfort in housing, as well as of the importance of energy at the time of disaster, increased after the earthquake. In this environment, Sekisui House actively promoted the sale of homes featuring SHEQAS, Sekisui's antiseismic system that can halve the transfiguration of a building, as well as Green First homes with a photovoltaic power generation system or household fuel cell system installed, as part of Sekisui's efforts to provide disaster-resistant, eco-friendly houses.

The Company also developed and commenced sales of Green First Hybrid, a new series of homes featuring a power supply system combining solar cells, fuel cells, and storage batteries, the first of its kind in the world. Sekisui House participated in the Tokyo Motor Show held in December 2011, as the first housing manufacturer to join the event. The Company showcased Green First Hybrid as a futuristic housing model proposing a new connection between EVs and Smart Houses, and communicated the sophistication of its environmental technology for housing to a wide audience.

In the Urban Redevelopment Business, Sekisui House began construction of a project in Nakagyo-ku, Kyoto City, where Ritz-Carlton, the most luxurious brand of the Marriot Hotel Group, the world's leading hotel chain, will be open in the spring of 2014.

In overseas business, Sekisui House, as a core company of the Modern Construction Industrial Park, a national project carried out by Shenyang City, China, started to construct a production factory for steel-framed housing to meet demand for energy-saving and high functional industrialized housing in China. In Australia, Sekisui House commenced the joint development project of Central Park, a residential and commercial complex in central Sydney, with Frasers Centrepoint Limited.

Below are the results of each business segment.

### **Custom Detached Houses Business**

In the Custom Detached Houses Business, Sekisui House took initiatives to bolster orders in line with the "Green First Strategy."

In product development, specifically steel-framed housing, Sekisui House started to sell Airkis, a system that focused on health as an essential factor for leading a comfortable life, by introducing the product to its mainstay steel-framed housing products as a standard feature. Airkis is an air environment-friendly system that can halve the level of five chemical substances, including formaldehyde, in the internal living space from that of national standards. It was created following the development and study of building materials to improve the internal air environment of houses since the 1990s as the "sick house" syndrome emerged as an issue. In October 2011, Sekisui House began selling a new flagship model called IS ROY+E, which uses a concrete wall called Dyne Concrete for the first time in a new structure that permits a higher degree of freedom in design.

The Slow Living housing design, in which Sekisui House proposes a large and comfortable open space that softly connects the outer and interior areas, meanwhile won the 2011 Good Design Award in Japan.

In the wood-framed Sha-Wood line that uses Bellburn, a well-regarded original exterior wall made of earthenware, the Company sought to expand sales by launching a Western-style model called Gravis Villa that uses new colors for the exterior walls and quality designs. Meanwhile, in response to an increase in orders for Bellburn, Sekisui House concluded the transfer of the building material business of Kurosaki Harima Corporation, which supplied the walls in question. By bringing the production of Bellburn in house, it sought to improve its production capabilities and cut costs.

To respond to demand for the reconstruction of houses after the Great East Japan Earthquake, the Company established a system for supplying the standardized housing packages of its steel-framed housing, wood-framed housing, and *Sekiwa no Ki no Ie* for customers in afflicted areas who were hoping for the early reconstruction of their houses.

Thanks to the above initiatives, as well as renewed recognition of the safety of housing, demand for reconstruction in accordance with the rehabilitation of the disaster-hit areas, and the continuation of official stimulus measures, orders in this business fared steadily.

### **Rental Housing Business**

In the Rental Housing Business, Sekisui House actively proposed Sha-Maison Gardens, which was designed with the concept of harmonizing with the landscape, minimizing the burden on the environment, and ensuring safety and comfort.

Looking at product development, in February 2011, Sekisui House launched PRO+NUBE, a new product that adopted the new reinforced structural skeleton, and, as a standard feature, SHAIDD55, its original floor-sound insulation system that is able to significantly dampen the sound of impacts on the floor above.

As part of its sales promotion activities, Sekisui House held the Sha-Maison Festa, a sales promotion event, in early March 2011 to organize site tours and propose an efficient land use. This event contributed greatly to the order growth. In the meantime, Sekisui House launched a business operations system called Sha-Maison with System, which provides Group-wide support to rental home owners to ensure long-term, stable operation of rental homes. By promoting the efficient use of land, among other measures, and establishing solid support systems, Sekisui House sought to strengthen its sales capabilities.

Moreover, to respond to support reconstruction efforts in the disaster-hit areas, Sekisui House established a system for supplying the standardized housing packages to respond to demand for construction in the affected areas in the same manner as done in the Custom Detached Houses Business.

In addition to these business development efforts, the Company intensely implemented area strategies in cities where demand for rental housing was rising, while, at the same time, meeting the need for inheritance tax saving measures, and orders in this segment remained steady.

### **Houses for Sales Business**

In the Houses for Sale Business, by holding sales promotion events such as *Sumai no Sankan-bi* (visits to model houses) and *Machinami Sankan-bi* (visits to existing subdivisions with superb living environments), Sekisui House effectively executed the Green First Strategy, and strengthened its sales capabilities.

In Miyagi Prefecture, the Company started development and marketing of a town project, SMART COMMON CITY AKASHIDAI, providing infrastructure for an enriched lifestyle in Sendai area, with disaster-resistant and crime-proof housing, and also contributing to reconstruction efforts after the Great East Japan Earthquake. In *Kazusa no Mori, Chiharadai*, the town project of detached houses for sale in Ichihara City, Chiba Prefecture, a draft of the landscape plan based on proposals that were jointly

prepared by Sekisui House and other developers and the residents was developed as the landscape plan of Ichihara City. In this way, Sekisui House was engaged in developing a town with a sound landscape that will increase the value of its assets in the future.

The MAST brand promoted by each Sekiwa Real Estate, Group companies, was added to the Sekisui House lineup to bolster its marketing strategy by introducing a wider range of products and adding appeal in its development initiatives.

However, nationwide real estate market remained sluggish. In response, Sekisui House took steps to streamline assets by continuing to adjust inventories.

### **Condominium Business**

In the Condominium Business, Sekisui House started to sell the properties in Grand Front Osaka Owner's Tower, a condominium under construction in Kita-ku, Osaka City, based on a joint development project called the Umekita Advanced Development District Project, and this progressed steadily. Orders for new condominiums that Sekisui House started to sell in urban areas, such as Grand Terminal Tower Motoyawata (Ichikawa City, Chiba Prefecture) and Grande Maison Ikeshita The Tower (Nagoya City, Aichi Prefecture), also remained steady.

However, the sales situation showed some weakness as a result of promoting sales of existing properties and continued inventory reduction.

### **Urban Redevelopment Business**

In the Urban Redevelopment Business, Sekisui House sold Daiba Garden City to Japan Excellent, Inc., a J-REIT in February 2011. Meanwhile, Sekisui House is steadily managing Hommachi Garden City, which commenced operations in 2010. The Company is working on leasing activities for Garden City Shinagawa Gotenyama and Hommachi Minami Garden City, as well.

Meanwhile, occupancy rates of Sekisui House Group's rental properties such as its Prime Maison series rental apartments remained firm. The Company was continuously involved in the independent development and acquisition of high quality rental properties and made steady progress in the business.

### **Remodeling Business**

In the Remodeling Business, based on its Green First Strategy, Sekisui House made remodeling proposals aimed at energy conservation, installing photovoltaic power generation systems and introducing heat insulation renovations. The Company also actively proposed the remodeling of detached and rental houses to offer its customers comfortable living environments in accordance with individual and diversified lifestyles by holding nationwide Remodeling Fairs and Kitchen Storage Seminars. Meanwhile, Sekisui House focused on the recovery and reconstruction effort of the owners of its products immediately after the March 11 earthquake, and promptly responded to requests for repairs and related work and met demand increase.

As a result of these business promotions, orders remained steady.

### **Real Estate Management Fees Business**

In the Real Estate Management Fees Business, the number of units of Sha-Maison low-rise apartments for block leasing and management by Sekiwa Real Estate companies enjoyed a steady increase. As the rental housing market picked up, particularly in urban areas, the Sekisui House Group was united in active sales promotions to attract new tenants.

Moreover, by continuing to propose remodeling to homeowners in accordance with the needs in the market, Sekisui House maintained high occupancy rates, especially in the Tokyo metropolitan area.

### **Other Businesses**

In overseas business, delivery of all 215 units sold in the Phase I properties in condominiums in Wentworth Point in Australia was completed in October 2011. Orders for other units that are currently being marketed, and properties for sale in Central Park, which Sekisui House acquired in Australia in July 2011 are also moving forward steadily.

Moreover, Sekisui House started operations in Singapore by undertaking three real estate development projects. It also undertook large-scale urban development projects in Shenyang City and Suzhou City in China. Moreover, Sekisui House began constructing a factory that will provide materials for industrialized housing in Shenyang City. In the United States, Sekisui House began sale in One Loudoun, an urban residential and commercial complex project, and acquired land development projects from California Public Employee Retirement System (CalPERS).

In the exterior business, Sekisui House sought to bolster its ability to make proposals to customers and enhance operating efficiency by integrating Greentechno Sekiwa companies and Sekiwa Construction companies, Ltd.

Looking at business performance, Sekisui House took steps to increase orders in line with the key initiative of its mid-term management plan, the "Green First Strategy" (as a driver of business growth in eco-friendly housing) in reply to rising concern of safety and need for securing energy. As a result, order for detached houses and rental housing, in particular, increased. The installation rate of SHEQAS, Sekisui's antiseismic system, rose, and sales of houses combining photovoltaic power generation systems and household fuel cells made a significant contribution to earnings. Meanwhile, sales were also favorably affected by a number of other factors, such as demand for reconstruction in the disaster-hit areas and a hike in demand for rental housing in cities, and results for period under review which corresponds to the second year of the medium-term management plan were solid.



Orders in FY2011 amounted to ¥1,577,501 million, up 3.2% from the previous fiscal year. Net sales in FY2011 amounted to ¥1,530,577 million, up 2.8% from the previous fiscal year.

Operating income grew to ¥70,897 million (up 25.8%), ordinary income to ¥70,075 million (up 24.5%), while net income amounted to ¥28,962 million (down 4.8%) owing to the effects caused by the changes in income tax rate, etc.

## 2) Issues for Sekisui House Group

The Company is committed to making its production and construction structures even stronger to respond to demand emerging from the reconstruction efforts following the Great East Japan Earthquake, and will firmly execute its business strategies to deal with the hike in consumption taxes expected in the future, a review of the scope of inheritance tax, and other government policies. Moreover, the Company will strive to generate stable income through consistent management as well as implementation of further cost reduction including reform in production division in accordance with the medium-term management plan, even when it faces factors that put severe pressure on corporate performance, including a strong yen and financial turbulence, associated with the European sovereign debt crisis.

We sincerely ask for our shareholders' further support, assistance and guidance.

## 3) Breakdown of Orders Received and Net Sales of Sekisui House Group

*Millions of yen*

	Orders brought forward from the previous year	Orders for the year to Jan. 2012	Net sales for the year to Jan. 2012	Orders carried forward to the following year
Custom Detached Houses Business	224,255	467,702	475,330	216,628
Rental Housing Business	207,775	300,354	289,027	219,101
Houses for Sale Business	31,466	124,312	127,123	28,656
Condominiums Business	6,878	60,717	39,681	27,914
Urban Redevelopment Business	13,200	24,520	37,720	—
Remodeling Business	14,021	104,086	102,180	15,927
Real Estate Management Fees Business	—	378,247	378,247	—
Other Businesses	54,189	117,560	81,267	90,482
<b>Total</b>	<b>551,787</b>	<b>1,577,501</b>	<b>1,530,577</b>	<b>598,711</b>

Note:

Each business division is set out in 6) Major businesses.

#### 4) Business Results and Financial Situation of Sekisui House Group

Millions of yen

	Year to Jan. 2009	Year to Jan. 2010	Year to Jan. 2011	Year to Jan. 2012
Net sales	1,514,172	1,353,186	1,488,369	1,530,577
Net income	11,516	△29,277	30,421	28,962
Net income per share (¥)	¥17.04	△¥43.32	¥45.02	¥42.90
Total assets	1,387,237	1,353,946	1,341,308	1,445,828
Net assets	754,130	716,295	738,029	750,374

#### 5) Plant-and-equipment investment and conditions of financing

The aggregate amount of plant-and-equipment investments made by the Sekisui House Group during the fiscal year under review amounted to 43,312 million yen and the main component were acquisition of the real estate for investments (including transfer from inventories) and, construction and improvement of production facilities.

The Company procured funds during the fiscal year under review mainly through issuing 50,000 million yen Zero Coupon Convertible Bonds (bonds with stock acquisition rights).

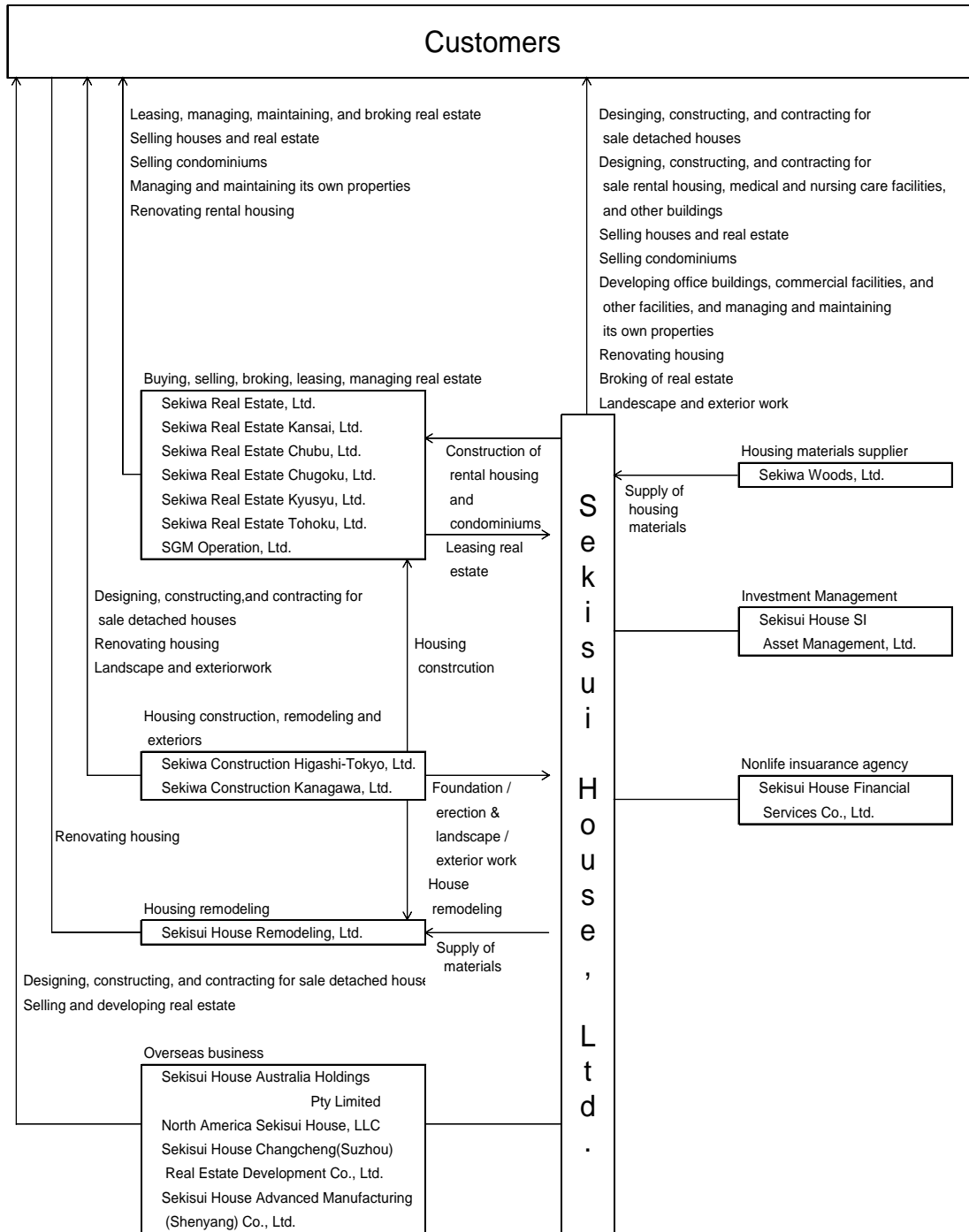
## 6) Major Businesses

The Company and the Sekisui House Group companies are involved in the contract design, construction, and letting of prefabricated houses. They also buy and sell, act as agents for, lease and manage real estate.

The position of each company within the Group is illustrated below.

Custom Detached Houses Business	Designing, constructing, and contracting for sale detached houses
Rental Housing Business	Designing, constructing, and contracting for sale rental housing, medical and nursing care facilities, and other buildings
Houses for Sale Business	Selling houses and real estate, and designing, constructing, and contracting for sale houses on residential land for sale
Condominiums Business	Selling condominiums
Urban Redevelopment Business	Developing office buildings, commercial facilities, and other facilities, and managing and maintaining its own properties
Remodeling Business	Renovating housing
Real Estate Management Fees Business	Leasing, managing, maintaining, and brokering real estate
Other Businesses	Overseas business and exterior business, etc.

The outline of the major business of the Sekisui House Group is set out below:



## 7) Major Operations of Sekisui House Group

### 1. Location of Major Operations of the Company

<b>Head office:</b>	1-88, Oyodonaka 1-chome, Kita-ku, Osaka	
<b>Tokyo office:</b>	15-1, Akasaka 4-chome, Minato-ku, Tokyo	
<b>Sales and project headquarters:</b>		<u>City</u>
Tohoku Sales Administration Headquarters		Sendai
Tokyo Sales Administration Headquarters		Shibuya-ku, Tokyo
Tokyo Sha Maison Sales Administration Headquarters		Shibuya-ku, Tokyo
Kanagawa Sales Administration Headquarters		Yokohama
Saitama Sales Administration Headquarters		Saitama
Higashi Kanto Sales Administration Headquarters		Chiba
Kita Kanto Sales Administration Headquarters		Utsunomiya
Chubu Daiichi Sales Administration Headquarters		Nagoya
Chubu Daini Sales Administration Headquarters		Shizuoka
Chubu Sha Maison Sales Administration Headquarters		Nagoya
Kansai Daiichi Sales Administration Headquarters		Osaka
Kansai Daini Administration Headquarters		Osaka
Kansai Sha Maison Sales Administration Headquarters		Osaka
Chugoku Sales Administration Headquarters		Hiroshima
Shikoku Sales Administration Headquarters		Takamatsu
Kyushu Sales Administration Headquarters		Fukuoka
International Department		Osaka
East Japan Development Department		Shibuya-ku, Tokyo
West Japan Development Department		Osaka
Condominium Headquarters		Shinjuku-ku, Tokyo
House Purchase & Resale Department		Osaka
<b>Branches:</b>	119 branches	
<b>Sales Offices:</b>	5 Sales Offices	
<b>Customer Service Centers:</b>	30 Customer Service Centers	
<b>Factories:</b>		
Tohoku Factory	Shikama-cho, Kami-gun, Miyagi Prefecture	
Kanto Factory	Koga-City, Ibaraki Prefecture	
Shizuoka Factory	Kakegawa-City, Shizuoka Prefecture	
Yamaguchi Factory	Yamaguchi-City	
Hyogo Factory	Kato-City, Hyogo Prefecture	
Azai Factory	Nagahama-City, Shiga Prefecture	
<b>R&amp;D Institute</b>		
Comprehensive Housing R&D Institute	Kizugawa- City, Kyoto Prefecture	

## 2. Address of Major Operations of subsidiaries

Sekiwa Real Estate, Ltd.	Head office: 1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo
Sekiwa Real Estate Kansai, Ltd.	Head office: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka
Sekiwa Real Estate Chubu, Ltd.	Head office: 5-28, Meieki 4-chome, Nakamura-ku, Nagoya
Sekiwa Real Estate Chugoku, Ltd.	Head office: 1-25, Komachi, Naka-ku, Hiroshima
Sekiwa Real Estate Kyushu, Ltd.	Head office: 25-21, Hakataekimae 3-chome, Hakata-ku, Fukuoka
Sekiwa Real Estate Tohoku, Ltd.	Head office: 16-10, Honcho 2-chome, Aoba-ku, Sendai
Sekisui House Remodeling, Ltd.	Head office: 1-90, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Financial Services Co., Ltd.	Head office: 1-90, Oyodonaka 1-chome, Kita-ku, Osaka
SGM Operation Co., Ltd.	Head office: 13, Koyochonaka 5-chome, Higashinada-ku, Kobe
Sekiwa Woods, Ltd.	Head office: 27-3, Ariso 2-chome, Imizu-City, Toyama Prefecture
Sekisui House SI Asset Management, Ltd.	Head office: 12, Kojimachi 2-chome, Chiyoda-ku, Tokyo
Sekisui House Australia Holdings Pty Limited.	Head office: New South Wales, Australia
North America Sekisui House, LLC	Head office: Virginia, U.S.A.
Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd.	Head office: Jiangsu Suzhou City, China
Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd.	Head office: Liaoning Shenyang City, China

## 8) Outline of main subsidiaries

Millions of yen

Company Name	Capital	Percentage owned	Main business
Sekiwa Real Estate, Ltd.	1,758	100.0%	Houses for sale Business, Real Estate Management Fees Business
Sekiwa Real Estate Kansai, Ltd.	5,829	100.0%	Houses for sale Business, Real Estate Management Fees Business
Sekiwa Real Estate Chubu, Ltd.	1,368	100.0%	Houses for sale Business, Real Estate Management Fees Business
Sekiwa Real Estate Chugoku, Ltd.	379	100.0%	Houses for sale Business, Real Estate Management Fees Business
Sekiwa Real Estate Kyushu, Ltd.	263	100.0%	Houses for sale Business, Real Estate Management Fees Business
Sekiwa Real Estate Tohoku, Ltd.	200	100.0%	Houses for sale Business, Real Estate Management Fees Business
Sekisui House Remodeling, Ltd.	100	100.0%	Remodeling Business
Sekisui House Financial Services Co., Ltd.	100	100.0%	Other Businesses
SGM Operation Co., Ltd.	418	100.0%	Real Estate Management Fees Business
Sekiwa Woods, Ltd.	480	100.0%	Custom Detached Houses Business
Sekisui House SI Asset Management, Ltd	200	75.0%	Real Estate Management Fees Business
Sekisui House Australia Holdings Pty Limited.	610 (Millions of AUD)	100.0%	Other Businesses
North America Sekisui House, LLC	256 (Millions of USD)	100.0%	Other Businesses
Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd.	259 (Millions of USD)	97.8%	Other Businesses
Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd.	105 (Millions of USD)	100.0%	Other Businesses

### Notes:

1. There are 123 consolidated subsidiaries, and 15 companies to which equity method of accounting is applied.
2. The Company transferred all the stocks of SGM Operation Co., Ltd. to Sekiwa Real Estate Kansai, Ltd, on February 1, 2012.

## 9) Employees

### 1. Outline of Sekisui House Group

Number of employees	Change compared to the previous year
21,275	146 (decreased)

### 2. Outline of Sekisui House, Ltd.

Number of employees	Change compared to the previous year	Average age	Average length of employment
14,552	403 (decreased)	40.0 years old	16.1 years

Note:

The number of employees stated above includes those dispatched to subsidiaries and the like.

## 10) Principal Lenders

*Millions of yen*

Name of lenders	Amount of loan
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	36,074
Sumitomo Mitsui Banking Corporation	15,112
Mizuho Corporate Bank, Ltd.	4,700
Resona Bank, Ltd.	4,200

Note:

The balance of borrowings in denominated by foreign currency is converted using a term-end rate of exchange.



## 2. Present Conditions of the Company as of January 31, 2012

### 1) Description of Common Shares of the Company

1	Total number of shares authorized to be issued	1,978,281,000 shares	
2	Total number of shares issued (Including treasury stock)	676,885,078 shares (5,033,829 shares)	
3	Total number of shareholders	39,298	
4	Details of main shareholders are as follows:		
	Name	Number of shares held (thousands)	Ratio of shareholding
	Sekisui Chemical Co., Ltd.	72,168	10.74%
	Japan Trustee Services Bank, Ltd. (Trust account)	44,026	6.55%
	The Master Trust Bank of Japan, Ltd. (Trust account)	41,603	6.19%
	The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders	19,242	2.86%
	Sekisui House <i>Ikushikai</i>	17,300	2.58%
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,624	2.03%
	Japan Trustee Services Bank, Ltd. (Trust account 9)	13,367	1.99%
	SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS	12,720	1.89%
	The Dai-ichi Life Insurance Company, Limited	12,158	1.81%
	State Street Bank and Trust Company 505225	12,033	1.79%

#### Notes:

1. The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders is the nominee of shares deposited for issuance as American Depositary Receipts (ADRs) of the Company.
2. Sekisui House *Ikushikai* is the Company's employee stock holding association.
3. The ratio of shareholding is calculated deducting shares of treasury stock from the total number of shares issued.

### 2) Outlines of Stock Acquisition Rights

1. Outlines of Stock Acquisition Rights granted in consideration of the performance of duties as of January 31, 2012

·Number of stock acquisition rights

522 units

·Type and number of shares to be issued upon exercise of stock acquisition rights

522,000 common shares of the Company (1,000 shares per unit)

• Current situation of stock acquisition rights held by posts

Posts	Directors (Outside Directors)		Executive Officers		Corporate Auditors		Others	
	Number of holders	Number of stock acquisition rights	Number of holders	Number of stock acquisition rights	Number of holders	Number of stock acquisition rights	Number of holders	Number of stock acquisition rights
No.1 Stock Acquisition Rights (Stock compensation-type stock option)	9	22	2	2	2	5	8	10
No.2 Stock Acquisition Rights (Stock compensation-type stock option)	9	26	2	2	2	6	9	12
No.3 Stock Acquisition Rights (Stock compensation-type stock option)	11 (1)	53 (2)	7	15	1	5	11	28
No.4 Stock Acquisition Rights (Stock compensation-type stock option)	11 (1)	61 (3)	7	14	1	4	10	23
No.5 Stock Acquisition Rights (Stock compensation-type stock option)	11 (1)	66 (2)	16	33	—	—	3	6
No.6 Stock Acquisition Rights (Stock compensation-type stock option)	11 (1)	84 (4)	16	44	—	—	1	1

Notes:

1. The number of Executive Officers stated in the above table does not include Executive Officers who concurrently hold the post of Directors.
2. The exercise price of stock acquisition rights above is 1 yen per share.
3. The exercise period of stock acquisition rights above is as stated below.

No.1 Stock Acquisition Rights (Stock compensation-type stock option): From April 28, 2006 to April 27, 2026

No.2 Stock Acquisition Rights (Stock compensation-type stock option): From June 8, 2007 to June 7, 2027

No.3 Stock Acquisition Rights (Stock compensation-type stock option): From June 7, 2008 to June 6, 2028

No.4 Stock Acquisition Rights (Stock compensation-type stock option): From June 10, 2009 to June 9, 2029

No.5 Stock Acquisition Rights (Stock compensation-type stock option): From June 17, 2010 to June 16, 2030

No.6 Stock Acquisition Rights (Stock compensation-type stock option): From June 15, 2011 to June 14, 2031

2. Outlines of Stock Acquisition Rights granted in consideration of the performance of duties during the fiscal year under review

• Name of stock acquisition rights

No.6 Stock Acquisition Rights (Stock compensation-type stock option)

• Number of stock acquisition rights

130 units

• Type and number of shares to be issued upon exercise of stock acquisition rights

130,000 common shares of the Company (1,000 shares per unit)

• Issuance price

592 yen per share

• Amount to be paid in upon exercise of each stock acquisition right

1 yen per share

• Exercise period of stock acquisition rights

The period in which stock acquisition rights are exercisable will be determined by the Board of Directors of the Company within the period between June 15, 2011 and June 14, 2031.

• Conditions for exercise of stock acquisition rights

(i) Holders of stock acquisition rights can exercise stock acquisition rights from the day following the day on which they lose their positions as directors of the Company or its consolidated subsidiaries (including corporate officers in a case where the Company turns into “company with committees” in the future); corporate auditor, or executive officers (the “start date of exercise of stock acquisition rights”).

(ii) Notwithstanding the description in the above item (i), if either of the following two cases (a) or (b) occurs, holders of stock acquisition rights can exercise their stock acquisition rights within the periods specified (provided, however, that with respect to (b), the foregoing shall not be applied to a case in which stock acquisition rights of the reorganized company are assigned newly to the holders of stock acquisition rights).

(a) Holders of stock acquisition rights are unable to have the start date of exercise of stock acquisition rights commencing before June 14, 2030:

Between June 15, 2030 and June 14, 2031

(b) The general meeting of shareholders of the Company approves a resolution for a merger contract in which the Company becomes a dissolving company or a resolution for a share exchange or transfer contract or plan in which the Company becomes a wholly-owned subsidiary (in case of resolution of the general meeting of shareholders of the Company being not required, a resolution of the Board of Directors will substitute therefor):

For 15 days from the date following the date on which the approval is granted

(iii) If holders of stock acquisition rights waive their rights, they cannot exercise the rights.

(iv) No partial exercise of a single stock acquisition right is allowed.

(v) The terms and conditions of the stock acquisition rights other than the above shall be provided for in the Stock Acquisition Rights Allotment Agreement entered into between the Company and each of the officers to whom stock acquisition rights were allotted.

• Terms and conditions for acquisition of stock acquisition rights:

If the general meeting of shareholders of the Company approves proposals (1), (2), (3), (4) and (5) below, the Company may acquire the stock acquisition rights without compensation on a date separately determined by the Board of Directors (if an approval of the general meeting of shareholders is not required, then, the day on which the Board of Directors of the Company adopts a resolution).

(1) a proposal for approval of a merger contract in which the Company is to be dissolved;

(2) a proposal for approval of a corporate division agreement or plan under which the Company becomes a split company;

(3) a proposal for approval of a share exchange or transfer contract or plan in which the Company becomes a wholly-owned subsidiary;

- (4) a proposal for approval of changes in the Articles of Incorporation to establish the provisions that the Company's approval is required for acquisition by transfer of any shares issued by the Company;
- (5) a proposal for approval of changes in the Articles of Incorporation to establish the provisions that the Company's approval is required for acquisition by transfer of shares to be issued upon exercise of stock acquisition rights, or that the Company shall acquire all shares of a specified type by resolution of its general meeting of shareholders.

· Current situation of stock acquisition rights held by posts

Posts	Directors (Outside Directors)		Executive Officers	
	Number of holders	Number of stock acquisition rights	Number of holders	Number of stock acquisition rights
	11 (1)	84 (4)	17	46

Note:

The number of Executive Officers stated in the above table does not include Executive Officers who concurrently hold the post of Directors.

### 3. Other important matters concerning Stock Acquisition Rights

Outlines of the Stock Acquisition Rights referred to Zero Coupon Convertible Bonds due 2016 (bonds with stock acquisition rights), that were issued based on the resolution of the Board of the Directors of the Company held on June 16, 2011 are stated below.

Issue date	July 5, 2011
Number of stock acquisition rights	5,000 units
Type of shares to be issued upon exercise of stock acquisition rights	Common shares of the Company
Number of shares to be issued upon exercise of stock acquisition rights	The number is determined by dividing the aggregate principal amount of the bonds upon exercise of the stock acquisition rights by the Conversion Price.
Conversion Price	¥1,000 per share (subject to adjustment in certain circumstances)
Exercise period of stock acquisition rights	Between July 19, 2011 and June 21, 2016
Conditions for exercise of stock acquisition rights	No partial exercise of a single stock acquisition right is allowed  Prior to (but not including) 6 July 2015, only if the closing price of the common shares of the Company for any 20 trading days in a period of 30 consecutive trading days ending on the last trading day of any particular fiscal quarter of the Company is more than 120 per cent. of the Conversion Price in effect on the last trading day of such fiscal quarter of the Company, a Bondholders exercise the Stock Acquisition Rights on and after the first day of the immediately following fiscal quarter of the Company until the end of such fiscal quarter of the Company (or, in the case of the fiscal quarter of the Company commencing on 1 May 2015, until 3 July 2015)
Balance of the Convertible Bonds	¥50,000 million

### 3) Directors and Corporate Auditors

#### 1. Names and posts of Directors and Corporate Auditors

Chairman, Representative Director & CEO(Chief Executive Officer).	Isami Wada
President, Representative Director & COO(Chief Operating Officer).	Toshinori Abe
Directors:	
Sumio Wada	Executive Vice President & Executive Officer, management of technology, in charge of purchasing, Chief Manager of International Business Department
Shiro Inagaki	Executive Vice President & Executive Officer, in charge of accounting & finance, IT operation and auditing
Katsuhiko Machida	
Fumiaki Hirabayashi	Senior Managing Officer, in charge of TKC project, General Manager of Tokyo Administration Office and Chief Manager of Corporate Communications Department
Junichi Terada	Senior Managing Officer, in charge of detached house projects, real estate, corporate marketing, personnel and administrative control of subsidiary & affiliated companies
Takashi Uchida	Managing Officer, General Manager of Saitama Sales Administration Headquarters
Tetsuo Iku	Managing Officer, in charge of design, technology development, construction and environment, General Manager of Technology Headquarters
Daiji Kuroki	Managing Officer, in charge of Sha-Maison project, General Manager of Chubu Daiichi Sales Administration Headquarters
Kengo Yoshida	Managing Officer, General Manager of Manufacturing Headquarters
Full-Time Standing Corporate Auditors:	
Tadashi Iwasaki	
Yoshiro Kubota	
Corporate Auditors:	
Takaharu Dohi	
Teruyuki Saegusa	
Eiji Mansho	

#### Notes:

1. Director Mr. Katsuhiko Machida is Outside Director as prescribed in Section 15 of Article 2 of the Companies Act.
2. Corporate Auditors Messrs. Takaharu Dohi, Teruyuki Saegusa and Eiji Mansho are Outside Corporate Auditors as prescribed in Section 16 of Article 2 of the Companies Act.
3. In order to promote prompt management through a clear distinction between the decision-making and the business operations of the management system and to create a management structure that can accurately meet the needs of a volatile economic and market environment, the Company has adopted an Executive Officer System. In addition to the executive officers mentioned above, who simultaneously serve as Directors, the Company has 16 full-time executive officers as of January 31, 2012.
4. The duties of the Directors changed on February 1, 2012 as set forth below:

Junichi Terada	Senior Managing Officer, in charge of detached house projects, real estate, corporate marketing and administrative control of subsidiary & affiliated companies
Takashi Uchida	Managing Officer, Chief Manager of Personnel Department

5. Directors and Corporate Auditors who concurrently hold the important post of other companies are stated below.

Directors:		
Name	Company in which Directors and Corporate Auditors of the Company hold an concurrent post	Post
Isami Wada	Almetax Manufacturing Co., Ltd.	Executive Advisor & Director
Sumio Wada	Sekisui House Australia Holdings Pty Limited North America Sekisui house, LLC Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josei) Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josyo) Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd. Sekisui House (Shenyang) Co., Ltd.  Sekisui House (Taicang) Co., Ltd. Sekiwa Woods, Ltd.	President & Director Chairman & CEO Chairman & Representative Director Chairman & Representative Director Chairman & Representative Director Chairman & Representative Director Chairman & Representative Director
Shiro Inagaki	Sekisui House Financial Services Co., Ltd.  The Mortgage Corporation of Japan, Limited	President & Representative Director Director
Katsuhiko Machida	Sharp Corporation	Chairman & Representative Director
Fumiaki Hirabayashi	Sumai no Toshokan Co., Ltd.	President & Representative Director
Junichi Terada	Sekiwa Real Estate, Ltd.	Corporate Auditor
Daiji Kuroki	Sekiwa Real Estate Chubu, Ltd.	Corporate Auditor
Kengo Yoshida	Sekiwa Woods, Ltd. Sekisui House Advanced Manufacturing (Shenyang) Co.,Ltd.	Director Director
Corporate Auditors:		
Name	Company in which Directors and Corporate Auditors of the Company hold an concurrent post	Post
Tadashi Iwasaki	Sekiwa Real Estate Kansai, Ltd. Sekiwa Real Estate Chugoku, Ltd. Sekiwa Real Estate Kyushu, Ltd. Sekiwa Real Estate Tohoku, Ltd. Sekisui House Remodeling, Ltd.	Corporate Auditor Corporate Auditor Corporate Auditor Corporate Auditor Corporate Auditor
Yoshiro Kubota	Almetax Manufacturing Co., Ltd. SGM Operation Co., Ltd.	Corporate Auditor Corporate Auditor
Takaharu Dohi	Dohi Law Office Kansai Telecasting Corporation The Kansai Electric Power Co., Inc. Hankyu Hanshin Holdings, Inc. Kawase Computer Supplies Co., Ltd.	Lawyer Director Corporate Auditor Corporate Auditor Corporate Auditor
Teruyuki Saegusa	Saegusa Circulation Research Co., Ltd Shinki Bus Co., Ltd	Representative Director Corporate Auditor
Eiji Mansho	Sekisui Chemical Co., Ltd Sekisui Plastics Co., Ltd.	Full-time Corporate Auditor Corporate Auditor

## 2. Remunerations paid for Directors and Corporate Auditors

	Directors (Outside Director)		Corporate Auditors (Outside Corporate Auditors)		Total (Outside Officers)	
	Number of people	Remunerations (Millions of yen)	Number of people	Remunerations (Millions of yen)	Number of people	Remunerations (Millions of yen)
Remunerations based on a general meeting of shareholders' resolution	11 (1)	384 (18)	5 (3)	93 (43)	16 (4)	477 (62)
Stock compensation-type stock options (stock acquisition rights)	11 (1)	49 (2)	—	—	11 (1)	49 (2)
Directors' bonuses accounted for as costs	11 (1)	160 (3)	—	—	11 (1)	160 (3)

### Notes:

1. Remunerations based on the general meeting of shareholders' resolution to the Directors (43 million yen or less per month for all Directors as a group) were within the limit fixed pursuant to resolution of the 43rd Ordinary General Meeting of Shareholders held on April 27, 1994, and also to Corporate Auditors (nine million yen or less per month for all Corporate Auditors as a group) were within the limit fixed pursuant to resolution of the 55th Ordinary General Meeting of Shareholders held on April 27, 2006.
2. Stock compensation-type stock options (stock acquisition rights) were within the limit fixed pursuant to resolution of the 56th Ordinary General Meeting of Shareholders held on April 26, 2007 (the maximum amount and number are 90 million yen and 90 stock acquisition rights per year).
3. Directors' bonuses accounted for as costs in the above table are made in consideration for the services rendered during the fiscal year under review and are scheduled to be paid based on a resolution to be adopted at the 61st Ordinary General Meeting of Shareholders that will be held on April 26, 2012

### 3. Matters concerning Outside Officers

·The principal performance of Outside Director and Corporate Auditors during the fiscal year under review:

Post	Name	Principal performance
Director	Katsuhiko Machida	Mr. Machida attended all 14 meetings of the Board of Directors. He stated timely opinions based on his knowledge and experience accumulated through engagement in other company's management.
Corporate Auditor	Takaharu Dohi	Mr. Dohi attended 11 meetings out of 14 meetings of the Board of Directors and all 12 meetings of the Board of Corporate Auditors. He stated timely opinions from a legal viewpoint as a lawyer and based on his knowledge and experience accumulated through acting as other company's outside officers.
Corporate Auditor	Teruyuki Saegusa	Mr. Saegusa attended 13 meetings out of 14 meetings of the Board of Directors and all 12 meetings of the Board of Corporate Auditors. He stated timely opinions based on his knowledge and experience accumulated through engagement in other company's management.
Corporate Auditor	Eiji Mansho	Mr. Mansho attended 11 meetings out of 14 meetings of the Board of Directors and 11 meetings out of 12 meetings of the Board of Corporate Auditors. He stated timely opinions based on his knowledge and experience accumulated through engagement in other company's management.

· Outlines of agreement to limit Outside Director's liability and Corporate Auditor's liability:

The agreement which the Company entered into with the Outside Director or each of all the Outside Corporate Auditors provides that if Outside Director or Outside Corporate Auditor causes damages to the Company attributable to neglect of the duty of the Outside Director or the Outside Corporate Auditor, his liability under each the agreement is without fail limited to the sum of the amount provided for by the items in Article 425, Section 1 of the Companies Act on the assumption that his conduct was made in good faith without gross negligence.

· Relationship between other companies where the Company's Director holds concurrent post and the Company:

Director Mr. Katsuhiko Machida concurrently holds the post of Chairman & Representative Director of Sharp Corporation. The Company has business transactions with Sharp Corporation relating to the solar power generation systems.

Corporate Auditor Mr. Eiji Mansho concurrently holds the post of Standing Corporate Auditor of Sekisui Chemical Co., Ltd. Sekisui Chemical Co., Ltd is the largest shareholder of the Company and the Company has business transactions with Sekisui Chemical Co., Ltd relating to housing materials and other.



#### 4) Outline of Accounting Auditor

1. Name Ernst & Young Shin Nihon LLC

#### 2. Remuneration

	Remuneration
The aggregate amount of remuneration payable to Accounting Auditor by the Company for the fiscal year under review	¥135 million
The aggregate amount of remuneration payable to Accounting Auditor by the Company and its consolidated companies	¥189 million

Notes:

1. The amount of remuneration for auditing made pursuant to the Companies Act and the amount of remuneration pursuant to the Financial Instrument and Exchange Act are not divided in the Auditing Agreement, which both the Company and the Accounting Auditor agreed to. Also, since it is impossible to state separately in practice, the amount represents the aggregate amount of the remuneration paid by the Company.
2. Sekisui House Australia Holdings Pty Limited and other important overseas subsidiaries were audited by other audit corporations.

#### 3. Details of Non-Audit Service

The Company commissions to the Accounting Auditor the non-audit service, that are, advisory services for evaluation of the business value, in addition to services specified in Article 2, Paragraph 1 of the Certified Public Accountants Act.

#### 4. Dismissal or Non-reappointment of Accounting Auditor

If any of the dismissal causes provided by Article 340 of the Companies Act is applicable to the Accounting Auditor, the Board of Corporate Auditors shall dismiss the Accounting Auditor subject to the consent of all Corporate Auditors, and if the Company considers that it is impossible for the Accounting Auditor to appropriately carry out the duties, the Company shall submit a proposal of the dismissal or non re-appointment of the Accounting Auditor to a general meeting of shareholders subject to consent or requests from the Board of Corporate Auditors.

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Note:

Amounts of the Business Report are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

<b>CONSOLIDATED BALANCE SHEETS</b>			
As of January 31, 2012			
<i>Millions of yen</i>			
<b>Assets</b>	<b>1,445,828</b>	<b>Liabilities</b>	<b>695,454</b>
<b>Current assets</b>	<b>916,074</b>	<b>Current liabilities</b>	<b>408,251</b>
Cash on deposits	169,524	Notes payable, accounts payable for construction contracts	88,774
Notes receivable, accounts receivable from completed construction contracts	36,530	Electronically recorded obligations-operating	49,763
Short-term investment securities	5,000	Short-term loans payable	18,970
Costs on uncompleted construction contracts	8,344	Current portion of bonds payable	59,995
Buildings for sale	135,541	Current portion of long-term loans payable	2,108
Land for sale in lots	340,631	Income taxes payable	27,043
Undeveloped land for sale	125,004	Advances received on uncompleted construction contracts	76,272
Other inventories	6,810	Provision for bonuses	17,151
Deferred tax assets	50,248	Provision for directors' bonuses	734
Other	40,428	Provision for warranties for completed construction	3,091
Allowance for doubtful accounts	(1,989)	Other	64,346
<b>Noncurrent assets</b>	<b>529,754</b>	<b>Noncurrent liabilities</b>	<b>287,202</b>
<b>Property, plant and equipment</b>	<b>354,135</b>	Bonds payable	70,000
Buildings and structures	131,326	Bonds with subscription rights to shares	50,000
Machinery, equipment and vehicles	10,394	Long-term loans payable	62,660
Tools, furniture and fixtures	3,868	Long-term lease and guarantee deposited	52,293
Land	191,355	Provision for retirement benefits	42,525
Lease assets	522	Provision for directors' retirement benefits	1,035
Construction in progress	16,667	Other	8,687
<b>Intangible assets</b>	<b>14,331</b>	<b>Net assets</b>	<b>750,374</b>
Goodwill	1,219	<b>Shareholders' equity</b>	<b>746,028</b>
Industrial property	24	<b>Capital stock</b>	186,554
Leasehold right	3,840	<b>Capital surplus</b>	237,522
Software	8,122	<b>Retained earnings</b>	326,153
Right of using facilities	192	<b>Treasury stock</b>	(4,201)
Telephone subscription right	862	<b>Accumulated other comprehensive income</b>	(2,198)
Other	70	Valuation difference on available-for-sale securities	1,575
<b>Investments and other assets</b>	<b>161,287</b>	Deferred gains or losses on hedges	(7)
Investment securities	65,855	Foreign currency translation adjustment	(3,766)
Long-term loans receivable	35,795	<b>Subscription rights to shares</b>	365
Deferred tax assets	21,699	<b>Minority interests</b>	6,178
Other	38,948	<b>Total Liabilities and Net assets</b>	<b>1,445,828</b>
Allowance for doubtful accounts	(1,012)		
<b>Total assets</b>	<b>1,445,828</b>		

<b>CONSOLIDATED STATEMENTS OF INCOME</b>	
From February 1, 2011 to January 31, 2012	
<i>Millions of yen</i>	
<b>Net sales</b>	<b>1,530,577</b>
<b>Cost of sales</b>	<b>1,255,253</b>
<b>Gross profit</b>	<b>275,324</b>
<b>Selling, general and administrative expenses</b>	<b>204,426</b>
<b>Operating income</b>	<b>70,897</b>
<b>Non-operating income</b>	<b>5,923</b>
Interest and dividends income	2,648
Equity in earnings of affiliates	449
Other	2,825
<b>Non-operating expenses</b>	<b>6,746</b>
Interest expenses	1,885
Other	4,860
<b>Ordinary income</b>	<b>70,075</b>
<b>Extraordinary loss</b>	<b>7,874</b>
Loss on valuation of investment securities	2,770
Loss on sales and retirement of noncurrent assets	2,183
Loss from earthquake	1,274
Impairment loss	958
Loss on adjustment for changes of accounting standard for asset retirement obligations	687
<b>Income before income taxes and minority interests</b>	<b>62,200</b>
Income taxes-current	33,836
Income taxes-deferred	(619)
<b>Income before minority interests</b>	<b>28,983</b>
Minority interests in income	21
<b>Net income</b>	<b>28,962</b>

## CONSOLIDATED STATEMENTS OF CHANGE IN NET ASSETS

(From February 1, 2011 to January 31, 2012)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total
Balance at January 31, 2011	186,554	237,522	309,361	(1,416)	732,021
Changes of items during the period					
Dividends from surplus	—	—	(12,165)	—	(12,165)
Net income	—	—	28,962	—	28,962
Purchase of treasury stock	—	—	—	(2,797)	(2,797)
Disposal of treasury stock	—	—	(5)	13	8
Net changes of items other than "Shareholders' equity" during the period	—	—	—	—	—
Total changes of items during the period	—	—	16,791	(2,784)	14,006
Balance at January 31, 2012	186,554	237,522	326,153	(4,201)	746,028

	Accumulated other comprehensive income				Subscripti on rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at January 31, 2011	2,813	11	2,115	4,940	292	774	738,029
Changes of items during the period							
Dividends from surplus	—	—	—	—	—	—	(12,165)
Net income	—	—	—	—	—	—	28,962
Purchase of treasury stock	—	—	—	—	—	—	(2,797)
Disposal of treasury stock	—	—	—	—	—	—	8
Net changes of items other than "Shareholders' equity" during the period	(1,238)	(18)	(5,882)	(7,138)	72	5,404	(1,662)
Total changes of items during the period	(1,238)	(18)	(5,882)	(7,138)	72	5,404	12,344
Balance at January 31, 2012	1,575	(7)	(3,766)	(2,198)	365	6,178	750,374

Note:

Amounts of the Consolidated Balance Sheet, Consolidated Statement of Income, Significant Consolidated Accounting Policies, Notes to Consolidated Balance Sheet and Consolidated Statement of Income are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

<b>NON-CONSOLIDATED BALANCE SHEETS</b>			
As of January 31, 2012			
<i>Millions of yen</i>			
<b>Assets</b>	<b>1,230,785</b>	<b>Liabilities</b>	<b>588,608</b>
<b>Current assets</b>	<b>636,439</b>	<b>Current liabilities</b>	<b>371,370</b>
Cash and deposits	96,952	Notes payable-trade	17,164
Notes receivable-trade	7	Electronically recorded obligations-operating	49,763
Accounts receivable from completed construction contracts	33,003	Accounts payable-trade	25,445
Accounts receivable-real estate business	588	Accounts payable for construction contracts	37,118
Short-term investment securities	5,000	Current portion of bonds	59,995
Costs on uncompleted construction contracts	3,275	Lease obligations	71
Buildings for sale	115,584	Accounts payable-other	4,607
Land for sale in lots	276,135	Accrued expenses	9,964
Undeveloped land for sale	29,587	Income taxes payable	18,056
Semi-finished goods and work in process	3,209	Accrued consumption taxes	7,601
Raw materials and supplies	2,911	Advances received on uncompleted construction contracts	35,420
Advance payments-trade	36	Advances received	5,660
Prepaid expenses	2,555	Deposits received	84,422
Accounts receivable-other	13,143	Provision for bonuses	12,032
Deferred tax assets	46,055	Provision for directors' bonuses	160
Other	10,025	Provision for warranties for completed construction	3,089
Allowance for doubtful accounts	(1,633)	Asset Retirement obligations	188
		Other	606
<b>Noncurrent Assets</b>	<b>594,345</b>	<b>Noncurrent Liabilities</b>	<b>217,238</b>
<b>Property, plant and equipment</b>	<b>266,979</b>	Bonds payable	70,000
Buildings	75,223	Bond with subscription rights to shares	50,000
Structures	3,023	Long-term loans payable	50,000
Machinery and equipment	9,810	Lease obligations	112
Vehicles	72	Long-term lease and guarantee deposited	7,597
Tools, furniture and fixtures	2,178	Provision for retirement benefits	37,970
Land	168,236	Asset Retirement obligations	1,025
Lease assets	127	Other	532
Construction in progress	8,306		
<b>Intangible assets</b>	<b>10,835</b>	<b>Net assets</b>	<b>642,176</b>
Goodwill	845	<b>Shareholders' equity</b>	<b>640,161</b>
Industrial property	17	<b>Capital stock</b>	<b>186,554</b>
Leasehold right	1,608	<b>Capital surplus</b>	<b>242,307</b>
Software	7,625	Legal capital surplus	242,307
Lease assets	45	<b>Retained earnings</b>	<b>215,331</b>
Right of using facilities	13	Legal retained earnings	23,128
Telephone subscription right	680	Other retained earnings	192,202
<b>Investments and other assets</b>	<b>316,530</b>	Reserve for dividends	18,000
Investment securities	56,879	General reserve	152,800
Stocks of subsidiaries and affiliates	171,591	Retained earnings brought forward	21,402
Long-term loans receivable	59,526	<b>Treasury stock</b>	<b>(4,031)</b>
Lease and guarantee deposits	11,586	<b>Valuation and translation adjustments</b>	<b>1,650</b>
Long-term prepaid expenses	618	<b>Valuation difference on available-for-sale securities</b>	<b>1,650</b>
Deferred tax assets	13,592	<b>Subscription rights to shares</b>	<b>365</b>
Other	3,433		
Allowance for doubtful accounts	(700)		
<b>Total Assets</b>	<b>1,230,785</b>	<b>Total Liabilities and Net assets</b>	<b>1,230,785</b>

<b>NON-CONSOLIDATED STATEMENT OF INCOME</b>	
From February 1, 2011 to January 31, 2012	
<i>Millions of yen</i>	
<b>Net sales</b>	<b>1,013,559</b>
Completed construction contracts	887,039
Real estate business	126,519
<b>Cost of sales</b>	<b>826,551</b>
Completed construction contracts	705,817
Real estate business	120,733
<b>Gross profit</b>	<b>187,008</b>
Gross profit from completed construction contracts	181,222
Gross income from real estate business	5,786
<b>Selling, general and administrative expenses</b>	<b>144,489</b>
<b>Operating income</b>	<b>42,518</b>
<b>Non-operating income</b>	<b>10,800</b>
Interest and dividends income	7,288
Other	3,511
<b>Non-operating expenses</b>	<b>4,689</b>
Interest expenses	445
Interest on bonds	1,343
Other	2,900
<b>Ordinary income</b>	<b>48,629</b>
<b>Extraordinary loss</b>	<b>7,150</b>
Loss on valuation of investment securities	2,765
Loss on sales and retirement of noncurrent assets	2,119
Loss from earthquake	1,203
Loss on adjustment for changes of accounting standard for asset retirement obligations	544
Impairment loss	516
<b>Income before income taxes</b>	<b>41,479</b>
Income taxes-current	18,795
Income taxes-deferred	2,616
<b>Net income</b>	<b>20,068</b>

## NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(From February 1, 2011 to January 31, 2012)

*Millions of yen*

	Shareholders' equity							
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings			Total
		Legal capital surplus	Total		Other retained earnings			
					Reserve for dividends	General reserve	Retained earnings brought forward	
Balance at January 31, 2011	186,554	242,307	242,307	23,128	18,000	138,800	27,505	207,433
Changes of items during the period								
Dividends from surplus	—	—	—	—	—	—	(12,165)	(12,165)
Reversal of general Reserve	—	—	—	—	—	14,000	(14,000)	—
Net income	—	—	—	—	—	—	20,068	20,068
Retirement of treasury stock	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	—	—	—	—	(5)	(5)
Net changes of items other than "Shareholders' equity" during the period	—	—	—	—	—	—	—	—
Total changes of items during the period	—	—	—	—	—	14,000	(6,102)	7,897
Balance at January 31, 2012	186,554	242,307	242,307	23,128	18,000	152,800	21,402	215,331

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury stock	Total	Valuation difference on available-for-sale securities	Total		
Balance at January 31, 2011	(1,247)	635,048	2,906	2,906	292	638,247
Changes of items during the period						
Dividends from surplus	—	(12,165)	—	—	—	(12,165)
Reversal of general Reserve	—	—	—	—	—	—
Net income	—	20,068	—	—	—	20,068
Retirement of treasury stock	(2,797)	(2,797)	—	—	—	(2,797)
Disposal of treasury stock	13	8	—	—	—	8
Net changes of items other than "Shareholders' equity" during the period	—	—	(1,256)	(1,256)	72	(1,183)
Total changes of items during the period	(2,784)	5,133	(1,256)	(1,256)	72	3,929
Balance at January 31, 2012	(4,031)	640,161	1,650	1,650	365	642,176

**Note:**

Amounts of the Balance Sheet, Statement of Income, Notes to Balance Sheet and Statement of Income are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

March 16, 2012

The Board of Directors  
Sekisui House, Ltd.

From: Ernst & Young Shin Nihon LLC.  
Ryu Ichida  
Representative Partner  
Certified Public Accountant  
Soji Yamamoto  
Representative Partner  
Certified Public Accountant  
Masahiko Inoue  
Representative Partner  
Certified Public Accountant

We have examined the consolidated financial statements for the 61<sup>st</sup> fiscal year (from February 1, 2011 to January 31, 2012) including the balance sheet, statement of income, statement of change in net assets, list of notes to financial statements and attached schedules, pursuant to the provisions of Article 444, Section 4 of the Companies Act. The preparation of financial statements is the responsibility of the Company's management. Our responsibility is to independently express an opinion on the financial statements and attached schedules based on our audits.

We conducted our audits in accordance with the auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and attached schedules. We believe that our audits provide a reasonable basis for our opinion.

As a result of the audit, we hereby acknowledges that the financial statements and attached schedules above fairly present the status of assets and income of the Company and its consolidated subsidiaries, in conformity with the accounting standards generally accepted and applied in Japan.

There are no interests between the Company and the audit company or the Representative Partners that require disclosure pursuant to the provisions of the Certified Public Accountants Act.

- End -



REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

March 16, 2012

The Board of Directors  
Sekisui House, Ltd.

From: Ernst & Young Shin Nihon LLC.  
Ryu Ichida  
Representative Partner  
Certified Public Accountant  
Soji Yamamoto  
Representative Partner  
Certified Public Accountant  
Masahiko Inoue  
Representative Partner  
Certified Public Accountant

We have examined the non-consolidated financial statements for the 61<sup>st</sup> fiscal year (from February 1, 2011 to January 31, 2012) including the balance sheet, statement of income, statement of shareholders' equity, list of notes to financial statements and attached schedules, pursuant to the provisions of Article 436, Section 2, item 1 of the Companies Act. The preparation of financial statements is the responsibility of the Company's management. Our responsibility is to independently express an opinion on the financial statements and attached schedules based on our audits.

We conducted our audits in accordance with the auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and attached schedules. We believe that our audits provide a reasonable basis for our opinion.

As a result of the audit, we hereby acknowledge that the financial statements and attached schedules above fairly present the status of assets and income of the Company, in conformity with the accounting standards generally accepted and applied in Japan.

There are no interests between the Company and the audit company or the Representative Partners that require disclosure pursuant to the provisions of the Certified Public Accountants Act.

- End -

AUDIT REPORT

The Board of Corporate Auditors prepared this audit report based on audit reports prepared by each Corporate Auditor upon deliberation of the Corporate Auditors with respect to execution of duties by Directors for the 61st fiscal year (February 1, 2011 to January 31, 2012) and report as follows:

1. Method and Contents of Audit by Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors determined accounting policies and duties assigned to each Corporate Auditor, received reports and explanations on the audit and result of audit from each Corporate Auditor, received reports on the execution of duties of Directors and Accounting Auditor and requested additional explanations as necessary.

Each Corporate Auditor, in accordance with, *inter alia*, the audit policy set up and the duties assigned by the Board of Corporate Auditors, made efforts to communicate with Directors, Executive Officers, Audit Department and other employees, collect information and prepare and arrange for circumstances for audit. Furthermore, each Corporate Auditor attended meetings of the Board of Directors and other meetings as deemed important, received reports from the Directors and Executive Officers on their performance of duties, requested additional explanation as necessary, perused the documents whereby the important decisions were made and examined the business and financial conditions at the head office and the principal offices. Also, each Corporate Auditor supervised the resolutions of the Board of Directors relating to establishment of the system that ensures the performance of duties by Directors is in conformity with laws and regulations, and the Articles of Incorporation, and the system that ensures appropriate business of *Kabushiki Kaisha* as required under Article 100, Sections 1 and 3 of the Companies Act Enforcement Regulations, as well as the conditions of the system established under such resolutions (internal controlling system). With respect to subsidiaries, each Corporate Auditor communicated and exchanged information with the directors and corporate auditors of subsidiaries and received reports as necessary. Based on the method stated above, we examined financial statements and attached schedules for the fiscal year under review.

Additionally, we supervised and examined that the Accounting Auditor maintained their independent position and performed due audit, and received from the Accounting Auditor reports on the execution of their duties. We requested additional explanation as necessary.

The Company received a notice from the Accounting Auditor that they have prepared the "System to ensure due execution of audit (matters prescribed in each item of Section 131 of the Corporate Accounting Rules)" in accordance with, among other things, the "Quality Management Standards for Audit" (Business Accounting Board, October 28, 2005) and requested additional explanation as necessary.

In accordance with the method stated above, the Board of Corporate Auditors examined the non-consolidated financial statements for the fiscal year under review (the balance sheet, the statement of income, statement of change in net assets and list of notes to financial statements), attached schedules, and the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, consolidated statement of shareholders' equity and list of notes to consolidated financial statements).

2. Results of Audit

(1) Results of audit of business reports:

1. We confirmed that the business reports and the schedules fairly show the position of the Company, in conformity with the relevant laws and regulations and the Articles of Incorporation.
2. We do not find any unlawful acts to have been carried out by the Directors in the performance of their duties, nor do we find any material matters that are either unlawful or contrary to the Articles of Incorporation.
3. We confirmed that the resolutions of the Board of Directors relating to the internal controlling system are fair. We do not find any aspects to be pointed out for the Directors' performance of duties relating to the internal controlling system.

(2) Results of audit of the non-consolidated financial statements and attached schedules:

We confirmed that the method and the result of the audit carried out by Ernst & Young Shin Nihon LLC. Accounting Auditor, are fair.

(3) Results of audit of the consolidated financial statements:

We confirmed that the method and the result of the audit carried out by Ernst & Young Shin Nihon LLC. Accounting Auditor, are fair.

March 23, 2012

Board of Corporate Auditors of Sekisui House, Ltd.

Tadashi Iwasaki, Standing Corporate Auditor (full-time)

Yoshiro Kubota, Standing Corporate Auditor (full-time)

Takaharu Dohi, Corporate Auditor

Saegusa Teruyuki, Corporate Auditor

Eiji Mansho, Corporate Auditor

**Proposition No.1: Appropriation of retained earnings for the 61st fiscal year ended January 31, 2012**

It is proposed to appropriate retained earnings for the year according to the schedule shown below.

1. Matters related to year-end dividends:

In view of profit situation and future business development, among other things, the Company proposes that a dividend of ¥10 per share will be paid for the fiscal year under review. Since the Company paid an interim dividend of ¥10 per share on September 30, 2011, the annual dividend for the fiscal year under review totals ¥20 per share.

(1) Type of dividend property:

Cash

(2) Matters related to the appropriation of dividend property to shareholders and total amount thereof:

10 yen per common share of the Company      Total amount: 6,718,512,490 yen

(3) Date on which dividends take effect:

April 27, 2012

2. Other matters related to the appropriation of surplus:

For the purpose of strengthening management bases for active future business development, the Company proposes to appropriate a portion of surplus according to the schedule shown below.

(1) Item of surplus that increases and amount thereof:

General reserve      6,000,000,000 yen

(2) Item of surplus that decreases and amount thereof:

Retained earnings carried forward      6,000,000,000 yen

**Proposition No. 2: Election of 11 Directors:**

The term of post of all the 11 current Directors (including an Outside Director) terminates at the close of this Ordinary General Meeting of Shareholders.

The Company proposes the election of eleven 11 Directors (including 2 Outside Directors), increased by one Outside Director, in order to strengthen corporate governance.

We have candidates as follows:

No	Name (Date of birth)	Career summary, post and responsibility in the Company (Significant concurrent position of other companies)	(1) Number of Company's shares owned (2) Special interest in Company
1	Isami Wada (Apr. 29, 1941)	Apr. 1965: joined the Company Apr. 1990: Director of the Company Apr. 1994: Managing Director of the Company Apr. 1996: Senior Managing Director of the Company Apr. 1998: President & Representative Director of the Company Apr. 2008: Chairman & Representative Director and CEO of the Company (up to the present) (Significant concurrent post of other companies) Executive Advisor & Director of Almetax Manufacturing Co., Ltd.	(1) 267,335 shares (2) None
2	Toshinori Abe (Oct. 27, 1951)	Apr. 1975: joined the Company Apr. 2004: Executive Officer of the Company May. 2005: Managing Officer of the Company Apr. 2006: Director of the Company May. 2007: Senior Managing Officer of the Company Apr. 2008: President & Representative Director and COO of the Company (up to the present)	(1) 36,000 shares (2) None

No	Name (Date of birth)	Career summary, post and responsibility in the Company (Significant concurrent position of other companies)	(1) Number of Company's shares owned (2) Special interest in Company
3	Sumio Wada (Jul. 8, 1945)	<p>Sep. 1971: joined the Company</p> <p>Apr. 1998: Director of the Company assigned to the post of Superintendent of Kanto Factory</p> <p>Apr. 2002: Managing Officer of the Company in charge of production</p> <p>Apr. 2004: in charge of ICT promoting assigned to the post of General Manager of Technology Headquarters</p> <p>Apr. 2006: Senior Managing Officer of the Company in charge of technology and design</p> <p>Apr. 2006: in charge of technology, design and purchasing</p> <p>Apr. 2008: management of technology, In charge of purchasing (up to the present)</p> <p>May. 2008: assigned to the post of Chief Manager of International Business Department (up to the present)</p> <p>May. 2011: Executive Vice President &amp; Director of the Company, Executive Vice President &amp; Executive Officer of the Company (up to the present)</p> <p>(Significant concurrent post of other companies)</p> <p>President &amp; Representative Director of Sekisui House Australia Holdings Pty Limited</p> <p>Chairman &amp; CEO of North America Sekisui house, LLC</p> <p>Chairman &amp; Representative Director of Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josei)</p> <p>Chairman &amp; Representative Director of Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josyo)</p> <p>Chairman &amp; Representative Director of Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd.</p> <p>Chairman &amp; Representative Director of Sekisui House (Shenyang)</p> <p>Chairman &amp; Representative Director of Sekisui House (Taicang)</p> <p>Director of Sekiwa Woods, Ltd.</p>	<p>(1) 33,000 shares</p> <p>(2) None</p>

No	Name (Date of birth)	Career summary, post and responsibility in the Company (Significant concurrent position of other companies)	(1) Number of Company's shares owned (2) Special interest in Company
4	Shiro Inagaki (Jun. 25, 1950)	<p>Apr. 1973: joined the Company</p> <p>Apr. 2002: Executive Officer of the Company assigned to the post of Chief Manager of Finance Department</p> <p>Apr. 2004: Managing Officer of the Company in charge of accounting and information &amp; computer system</p> <p>Apr. 2004: Director of the Company</p> <p>Apr. 2006: Senior Managing Officer of the Company in charge of accounting &amp; finance and information &amp; computer system</p> <p>Aug. 2007: in charge of accounting &amp; finance, information &amp; computer system and auditing</p> <p>Apr. 2008: in charge of accounting &amp; finance, information &amp; computer system, auditing ,TKC project and corporate marketing</p> <p>Feb. 2009: in charge of accounting &amp; finance, IT operation, auditing ,TKC project and corporate marketing</p> <p>May. 2010: in charge of accounting &amp; finance, IT operation, and auditing</p> <p>May. 2011: Executive Vice President &amp; Director of the Company, Executive Vice President &amp; Executive Officer of the Company (up to the present)</p> <p>Apr. 2012: in charge of, corporate management planning, accounting &amp; finance, IT operation and auditing (up to the present)</p> <p>(Significant concurrent post of other companies) President &amp; Representative Director of Sekisui House Financial Services Co., Ltd. Director of The Mortgage Corporation of Japan, Limited</p>	<p>(1) 16,000 shares</p> <p>(2) None</p>

No	Name (Date of birth)	Career summary, post and responsibility in the Company (Significant concurrent position of other companies)	(1) Number of Company's shares owned (2) Special interest in Company
5	Katsuhiko Machida (Jun. 22, 1943)	Mar. 1969: joined Sharp Corporation Jun. 1987: Director of Sharp Corporation Apr. 1990: Managing Director of Sharp Corporation Oct. 1992: Representative Director and Senior Managing Director of Sharp Corporation Jun. 1998: President & Representative Director of Sharp Corporation Apr. 2007: Chairman & Representative Director of Sharp Corporation Apr. 2008: Director of the Company (up to the present) Apr. 2012: Executive Advisor & Director of Sharp Corporation (up to the present) (Significant concurrent post of other companies) Executive Advisor & Director of Sharp Corporation	(1) 6,000 shares (2) See Note 3. described hereinafter
6	Teruyuki Saegusa (Nov. 16, 1940)	Apr. 1963: joined Hanshin Department Store, Ltd. Jun. 1995: President & Representative Director of Hanshin Department Store, Ltd. Jun. 2001: Corporate Auditor of Shinki Bus Co., Ltd. (up to the present) Jun. 2005: Chairman & Representative Director of Hanshin Department Store, Ltd. Jun. 2006: Executive Advisor of Hanshin Department Store, Ltd. Jun. 2007: Representative Director of Saegusa Circulation Research Co., Ltd. (up to the present) Apr. 2009: Corporate Auditor of the Company (up to the present) (Significant concurrent post of other companies) Representative Director of Saegusa Circulation Research Co., Ltd. Corporate Auditor of Shinki Bus Co., Ltd.	(1) 12,000 shares (2) None

No	Name (Date of birth)	Career summary, post and responsibility in the Company (Significant concurrent position of other companies)	(1) Number of Company's shares owned (2) Special interest in Company
7	Fumiaki Hirabayashi (Nov. 14, 1946)	<p>Apr. 1971: joined the Company</p> <p>Apr. 2002: Executive Officer of the Company in charge of advertising &amp; sales promoting assigned to the post of Chief Secretary</p> <p>Apr. 2004: Managing Officer of the Company, assigned to the post of General Manager of Tokyo Administration Office (up to the present)</p> <p>Apr. 2006: Director of the Company(up to the present)</p> <p>May. 2010: in charge of Corporate Communications and TKC project</p> <p>Nov. 2010: in charge of TKC project, assigned to the post of Chief Manager of Corporate Communications Department (up to the present)</p> <p>May. 2011: Senior Managing Officer of the company (up to the present)</p> <p>(Significant concurrent post of other companies) President &amp; Representative Director of Sumai no Toshokan Co., Ltd.</p>	<p>(1) 25,000 shares</p> <p>(2) None</p>
8	Tetsuo Iku (Aug. 3, 1949)	<p>Apr. 1976: joined the Company</p> <p>Apr. 2004: Executive Officer of the Company assigned to the post of Chief Manager of Product Planning &amp; Design Department</p> <p>Apr. 2006: Managing Officer of the Company assigned to the post of General Manager of Design Headquarters</p> <p>Apr. 2008: Director of the Company (up to the present) in charge of design and technology</p> <p>Feb. 2009: assigned to the post of General Manager of Technology Headquarters (up to the present)</p> <p>Jun. 2009: in charge of design, technology and environment</p> <p>May. 2010: in charge of design, technology, construction and environment</p> <p>Apr. 2012: Senior Managing Officer of the company, in charge of design, technology and construction (up to the present)</p>	<p>(1) 4,000 shares</p> <p>(2) None</p>



No	Name (Date of birth)	Career summary, post and responsibility in the Company (Significant concurrent position of other companies)	(1) Number of Company's shares owned (2) Special interest in Company
9	Takashi Uchida (Apr. 19, 1951)	<p>Apr. 1976: joined the Company</p> <p>Apr. 2004: Executive Officer of the Company assigned to the post of Chief Manager of Accounting Department</p> <p>Apr. 2006: Managing Officer of the Company (up to the present) assigned to the post of Chief Manager of Accounting &amp; Finance Department</p> <p>Apr. 2006: Director of the Company (up to the present)</p> <p>Feb. 2009: in charge of administrative control of subsidiary &amp; affiliated companies</p> <p>May. 2010: assigned to the post of General Manager of Saitama Sales Administration Headquarters</p> <p>Feb. 2012: assigned to the post of Chief Manager of Personnel Department (up to the present)</p>	<p>(1) 13,000 shares</p> <p>(2) None</p>
10	Daiji Kuroki (Dec. 19, 1950)	<p>Apr. 1974: joined the Company</p> <p>Apr. 2004: Executive Officer of the Company assigned to the post of General Manager of Tokyo Sales Administration Headquarters</p> <p>Feb. 2005: assigned to the post of General Manager of Saitama Sales Administration Headquarters</p> <p>Apr. 2008: Managing Officer of the Company (up to the present)</p> <p>Aug. 2009: in charge of Sha-Maison sales administration</p> <p>Apr. 2010: Director of the Company (up to the present)</p> <p>May. 2010: assigned to the post of General Manager of Chubu Daiichi Sales Administration Headquarters (up to the present)</p> <p>(Significant concurrent post of other companies) Corporate Auditor of Sekiwa Real Estate Chubu, Ltd.</p>	<p>(1)15,000 shares</p> <p>(2) None</p>
11	Kengo Yoshida (Aug. 20, 1948)	<p>Aug. 1973: joined the Company</p> <p>Apr. 2008: Executive Officer of the Company assigned to the post of Superintendent of Yamaguchi Factory</p> <p>Feb. 2009: assigned to the post of General Manager of Manufacturing Department (up to the present)</p> <p>Apr. 2009: Managing Officer of the Company (up to the present)</p> <p>Apr. 2010: Director of the Company (up to the present)</p> <p>(Significant concurrent post of other companies) Director of Sekiwa Woods, Ltd. Director of Sekisui House Advanced Manufacturing (Shenyang) Co.,Ltd.</p>	<p>(1)14,000 shares</p> <p>(2) None</p>

Notes: 1. Mr. Katsuhiko Machida and Mr. Teruyuki Saegusa are candidates for Outside Directors.

2. Matters concerning candidates for Outside Directors are as stated below:

(1) Reason for election;

The Company proposes the shareholders to elect Mr. Katsuhiko Machida as Outside Director to reflect his rich knowledge and experience engaged in other company's management to strengthened management of the Company. And the Company proposes the shareholders to elect Mr. Teruyuki Saegusa as Outside Director to reflect his rich knowledge and experience engaged in other company's management and experience in the Company's business as the Outside Corporate Auditor for three years to strengthened management of the Company.

(2) Years since the assumption of post of Outside Director;

Mr. Katsuhiko Machida is currently in the post of Outside Director and it will be four years at the close of the Ordinary General Meeting of Holders since his assumption.

(3) Agreement on Limitation of Outside Director's Liability;

The Company entered into an agreement with Mr. Katsuhiko Machida that if Outside Director causes damages to the Company by neglect of his duty, where deemed his conduct to be made in good faith without gross negligence, his liability under the agreement is without fail limited to the sum of the amount provided by Article 425, Section 1 of the Companies Act. In case the proposition is approved, the Company will continue the agreement. And the Company will enter into the same agreement with Mr. Teruyuki Saegusa, in case the proposition is approved.

3. The Company has business transactions with Sharp Corporation relating to the solar power generation systems and others.

**Proposition No. 3: Election of 3 Corporate Auditors:**

The Company proposes the election of three Corporate Auditors following the termination of the term of post of Corporate Auditors, Tadashi Iwasaki and Mr. Eiji Mansho, at the close of this Ordinary General Meeting of Shareholders and the resignation of Mr. Teruyuki Saegusa from the post of Corporate Auditor at the close of this General Meeting of Shareholders.

This proposition has already received approval from the Board of Corporate Auditors.

We have a candidate as follows:

No	Name (Date of birth)	Career summary, post in the Company (Significant concurrent position of other companies)	(1) Number of Company's shares owned (2) Special interest in Company
1	Tadashi Iwasaki (Mar. 21, 1944)	Apr. 1967: joined the Company Apr. 1998: Director of the Company Apr. 2002: Managing Officer of the Company Apr. 2004: Senior Managing Officer of the Company Apr. 2006: Executive Vice President & Director of the Company, Executive Vice President & Executive Officer of the Company Apr. 2008: Full-Time Standing Corporate Auditor of the Company (up to the present) (Significant concurrent position of other companies) Corporate Auditor of Sekiwa Real Estate Kansai, Ltd. Corporate Auditor of Sekiwa Real Estate Chugoku, Ltd. Corporate Auditor of Sekiwa Real Estate Kyusyu, Ltd. Corporate Auditor of Sekiwa Real Estate Tohoku, Ltd. Corporate Auditor of Sekisui House Remodeling, Ltd.	(1) 46,000 shares (2) None

No	Name (Date of birth)	Career summary, post in the Company (Significant concurrent position of other companies)	(1) Number of Company's shares owned  (2) Special interest in Company
2	Yoshinori Shinohara (Mar. 1, 1935)	<p>Feb. 1963: Registration of Certified Public Accountant (up to the present)</p> <p>Jul. 1969: Representative Partner of Yamato Accounting Firm(Audit Corporation)</p> <p>Dec. 1974: Representative Partner of Shinwa Audit Corporation</p> <p>Jul. 1985: Representative Partner of Asahi-Shinwa Audit Corporation</p> <p>Oct. 1993: Representative Director of Asahi-Shinwa Audit Corporation</p> <p>May. 1999: Vice Chief Director of Asahi-Shinwa Audit Corporation</p> <p>Jun. 2001: Executive Corporate Adviser (Representative Partner) of Asahi-Shinwa Audit Corporation</p> <p>Aug. 2002: Representative Director of Shinohara Management and Economies Research Institute, Ltd (up to the present)</p> <p>Nov. 2002: Director of SANEI-INTERNATIONAL Co., Ltd (up to the present)</p> <p>Jun. 2011: Director of TSI HOLDINGS Co., Ltd (Joint Holding Company established through the joint share transfers of TOKYO STYLE Co., Ltd and SANEI-INTERNATIONAL Co., Ltd)</p> <p>(Significant concurrent position of other companies)  Certified Public Accountant of Shinohara Yoshinori CPA Accounting Firm  Representative Director of Shinohara Management and Economies Research Institute, Ltd  Director of TSI HOLDINGS Co., Ltd</p>	<p>(1) 0 share</p> <p>(2) None</p>

No	Name (Date of birth)	Career summary, post in the Company (Significant concurrent position of other companies)	(1) Number of Company's shares owned (2) Special interest in Company
3	Koichi Kunisada (Jul. 6, 1940)	Apr. 1964: joined The Daiwa Bank, Limited Jun. 1990: Director of The Daiwa Bank, Limited Jun. 1996: Managing Director of The Daiwa Bank, Limited Jul. 1998: President and Representative Director of Daiwa Research Institute, Inc Apr. 2003: Chairman and Representative Director of Resona Research Institute, Co., Ltd Oct. 2003: Professor of the Corporate Intelligence Department of Osaka Gakuin University (up to the present) (Significant concurrent position of other companies) Professor of the Corporate Intelligence Department of Osaka Gakuin University	(1) 0 share (2) None

- Notes:
1. Mr. Yoshinori Shinohara and Mr. Koichi Kunisada are candidates for Outside Corporate Auditors.
  2. Matters concerning candidates for Outside Corporate Auditors are as stated below:

(1) Reason for election;

The Company proposes the shareholders to elect Mr. Yoshinori Shinohara as Outside Corporate Auditor to reflect his professional knowledge as a certified public accountant, and his knowledge and experience engaged in other company's management to strengthen the Company's audit system. And the Company proposes the shareholders to elect Mr. Koichi Kunisada as Outside Corporate Auditor to reflect his rich knowledge and experience engaged in other company's management and his wide knowledge as a university professor to strengthen the Company's audit system.

(2) Agreement on Limitation of Outside Corporate Auditor's Liability;

The Company will enter into agreements with Mr. Yoshinori Shinohara and with Mr. Koichi Kunisada that if Outside Corporate Auditor causes damages to the Company by neglect of his duty, where deemed his conduct to be made in good faith without gross negligence, his liability under the agreement is without fail limited to the sum of the amount provided by the items in Article 425, Section 1 of the Companies Act, in case the proposition is approved.

**Proposition No. 4: Provision of Bonus to Directors as a group:**

In order to reward services of Directors during the fiscal year under review, the Company, taking into consideration, among other factors, the business results, proposes that bonus in the aggregated amount of 160 million yen (including 3 million yen for an Outside Director) be paid for 11 Directors (including an Outside Director) as a group in office at the end of the fiscal year under review.

The Company also proposes that the amount to be paid each Director be entrusted to the Board of Directors.

- End -