

Sekisui House, Ltd.

April 1, 2015

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

NOTICE OF THE 64TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

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

Now, since the 64th 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 in person, we ask you to please review the enclosed “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights by the methods such as the Internet or writing by 6:00 p.m. of Wednesday, April 22, 2015.

1. Date and Time: 10:00 a.m., Thursday, April 23, 2015

2. Place of the Meeting: The Westin Osaka, 2nd Floor, Rose Room, 1-20, Oyodonaka 1-chome, Kita-ku, Osaka, Japan

Note:

In addition ,if Rose Room would be full, the Company will guide shareholders to the Second place of Meeting. We appreciate your understanding.

3. Agenda:

Items for reporting:

- 1.Reports on the Business Report, and the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 64th fiscal year (February 1, 2014 - January 31, 2015)
- 2.Report on the Results of Audit conducted by the Accounting Auditor and the Audit & Supervisory Board with respect to the Consolidated Financial Statements for the 64th fiscal year ended January 31, 2015

Propositions to be tabled:

| | |
|-------------|--|
| No.1 | Appropriation of retained earnings for the 64th fiscal year ended January 31, 2015 |
| No.2 | Provision of Bonus to Directors as a group |

[**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 2015 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.]

4. Guideline of the Exercise of Voting Rights:

1. Guidelines regarding the exercise of a voting right in writing:

Please 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 22, 2015.

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

On the website for the exercise of voting rights (<http://www.evotep.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 by 6:00 p.m. of Wednesday, April 22, 2015. In case that a voting right is exercised more than once *via* the Internet, only the last vote will be recognized as valid. Please refer to the page of the end, Guidelines regarding the exercise of a voting *via* the Internet for more information.

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. Internet disclosure

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

- 1) "2.5 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

5. 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/financial/holders/shotsu/index.html>).

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.

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

Reference Documents for General Meeting of Shareholders

Proposition No.1: Appropriation of retained earnings for the 64th fiscal year ended January 31, 2015

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

1. Matters related to year-end dividends:

In view of profit situation and dividend policy, the Company proposes that a dividend of ¥25 per share will be paid for the fiscal year under review. Since the Company paid an interim dividend of ¥25 per share on September 30, 2014, the annual dividend for the fiscal year under review totals ¥50 per share.

(1) Type of dividend property:

Cash

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

25 yen per common share of the Company Total amount: 17,490,715,425 yen

(3) Date on which dividends take effect:

April 24, 2015

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 25,000,000,000yen

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

Retained earnings brought forward 25,000,000,000yen

Proposition No.2: 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 380 million yen (including 10 million yen for two Outside Directors) be paid for 11 Directors (including two Outside Directors) 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.

Attached Documents

The Business Report for the 64th fiscal year (Feb.1, 2014 – Jan.31, 2015)

1. Business Conditions

1) Progress and Results of Sekisui House Group

In the fiscal year under review, the Japanese economy experienced sluggish consumer spending in the wake of the consumption tax hike. However, the employment and income situations showed signs of improvement, and corporate earnings remained on a moderate recovery path. Expectations for an economic recovery also rose, mainly driven by government economic policies, in addition to the progress of yen depreciation and high stock prices on the back of additional monetary easing by the Bank of Japan.

In the housing market, custom detached houses were affected beyond expectations by the impact, in large part, of a decline in consumer confidence against the backdrop of waning anticipation of higher interest rates and the consumption tax hike. Consequently, orders remained at a low level, as a tendency towards more prolonged investigations prior to the conclusion of contracts was observed. However, once the reactionary fall in demand associated with the consumption tax subsided, the market began to show signs of recovery in the second half of the fiscal year. Orders for rental housing held firm, as demand in urban areas climbed and interest in minimizing inheritance taxes remained strong.

Under these circumstances, the Company followed its medium-term management plan and enhanced product lines, pursuing differentiation from its competitors, centered on Green First Zero eco-friendly homes and three- and four-story houses that support diversifying construction needs, under its brand vision “SLOW & SMART.”

Meanwhile, as a new exit strategy to improve the turnover of assets owned by the Company, it listed Sekisui House Reit, Inc. on the Tokyo Stock Exchange in December 3, 2014. Its asset management is undertaken by Sekisui House Investment Advisors, Ltd.

The Company promoted its business by enhancing the synergies between its three business models: the Built-to-Order Business, the Supplied Housing Business, and the Development Business, achieving record-high net sales and income for the second consecutive year.

In addition, to accomplish further growth, in November 2014 it formulated its Mid-term Management Plan for the period up until the fiscal year ending January 31, 2017 under the motto: “Strengthening synergies in the Group and taking on new challenges in the ‘residential’-related business.”

Meanwhile, the Company developed the SHEAD construction method, a liquefaction mitigation technique for housing, to prevent liquefaction damage as the result of an earthquake and to provide greater safety and security. Also, with elder-to-elder nursing and the growing burden on carers set to become social problems in the future as the number of elderly increases, the Company also pursued initiatives to solve various social issues such as elderly home health care support, including starting joint research and development on the application of robot technology in the home with MUSCLE Corporation.

In addition, the Company built a new house for field testing jointly with Toshiba Corporation and Honda Motor Co., Ltd. in Saitama City, Saitama Prefecture, commencing the validation of advanced living. The house employs IT and personal mobility technologies that support safe, comfortable living, as well as those that comprehensively control the supply and demand of energy in society, including communities.

The Company has also begun future disaster-proof factory planning at the Tohoku Factory, based on its own key concept of disaster-proof housing. We will strive to increase our disaster prevention capabilities for the entire community by building a smart energy system useful for the factory both in a normal period and in the event of emergency and strengthening cooperation with towns, residents and local organizations for disaster prevention. In recognition of this initiative, the Factory was officially selected as a venue for study tours at the 3rd World Conference on Disaster Risk Reduction to be held in March 2015.

In Australia, the One Central Park building, one of the high-rise condominiums located in Central Park, a complex that the Company is developing jointly with other companies in the center of Sydney, received the “Best Tall Building Worldwide” award as one of the world’s best buildings in the Best Tall Building, a prestigious global award for buildings. The award was received in recognition of the construction of an eco-friendly building that created a fusion between skyscrapers and greenery.

In addition, the Ritz-Carlton Kyoto, a top luxury hotel affiliated with the Marriott Hotel Group, which was constructed by the Company in Nakagyo-ku Kyoto and opened on February 2014, was awarded the Reggie Shiu Development of the Year, the top prize for a hotel that was opened in the past year, at HICAP (the Hotel Investment Conference Asia Pacific).

Net sales in FY2014 amounted to ¥1,912,721 million, up 6.0% from the previous fiscal year. Operating income grew to ¥146,595 million (up 11.1%), ordinary income to ¥156,426 million (up 13.5%), while net income amounted to ¥90,224 million (up 13.1%).

Business results by segments are as follows.

(Custom Detached Houses Business)

In the steel frame detached house segment, the Company unified steel frame two-story house construction methods, as well as the realignment of product brands. By doing so, it sought to standardize high quality and high performance, including the adoption of exterior walls with high performance insulation and high durability. Consequently, the Company significantly reduced the number of parts and materials and sought to improve production, design and construction efficiency. In addition, to celebrate the 30th anniversary of the launch of the IS SERIES, the Company started sales of new series of IS STAGE, its flagship product, and IS ROY+E, with improved basic performance and higher asset value.

In the wood-framed SHAWOOD-HOME house segment, the Company developed the new construction method “Hybrid S-MJ,” which greatly improved design flexibility while maintaining the ability to withstand earthquakes due to bearing walls with the greatest strength in the industry. Their strength is four times greater than that achieved using the traditional construction method. The Company has introduced this construction method for all its products. In addition, the Company worked to expand sales, strengthening the lineup of its original BELLBURN earthenware exterior wall and launching The Gravis 2014 edition as a high-end product.

Orders remained at a low level, largely due to waning anticipation of higher interest rates and a decline attributable to the reaction to the last-minute rise in demand ahead of the consumption tax hike.

Sales in the Custom Detached Houses Business for the period under review amounted to ¥427,044 million (down 17.5% from the previous fiscal year), and operating income to ¥48,894 million (down 25.7%).

(Rental Housing Business)

In the Rental Housing Business, the need to minimize rising inheritance taxes remained strong, resulting in steadily increasing sales of three- and four-story rental houses that enable multi-purpose uses and adapt flexibly to customer needs. The Company also continued to focus its efforts on sales of houses with support services for the elderly people. In Ichinomiya City, Aichi Prefecture, the Company developed Nikke Garden Court Hanamizuki, a large Sha Maison low-rise apartments town comprising 11 buildings and 90 units, which is based on the concept of a child-care support town and brings the “SLOW & SMART” vision to the fore.

As a result of these business promotions, orders were favorable.

For the Rental Housing Business amounted to ¥398,483 million (up 11.9% from the previous fiscal year), and operating income to ¥45,825 million (up 25.6%).

(Remodeling Business)

In the Remodeling Business, under the core concept of the Green First initiative, the Company proactively proposed remodeling projects for increased comfort, such as the alteration of the layout and the improvement of equipment performance, in addition to the renovation of heat insulation, the incorporation of photovoltaic generation systems, and the installation of household fuel cells. Meanwhile, it held sales promotion events nationwide aiming for the sales expansion.

Sales in the Remodeling Business amounted to ¥134,166 million (up 7.3% from the previous fiscal year), and operating income to ¥14,997 million (up 6.8%).

(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 growth. Demand increased in the rental housing market, mainly in urban areas. To encourage occupancy, a rental brand was established using the Internet and the cooperation of the Group was enhanced. Further, by making proposals for remodeling to meet the needs of the market, occupancy rates remained high, particularly in the urban area.

In November 2014, the Company established Sekiwa Grand Mast, Ltd., a company dedicated to the operation and management of high quality safe, secure rental houses for elderly people, and sought to expand its business by creating a synergistic effect with the Rental Housing Business.

Sales in the Real Estate Management Fees Business amounted to ¥428,227 million (up 4.9% from the previous fiscal year) and operating income to ¥23,405 million (up 16.7%).

(Houses for Sale Business)

In the Houses for Sale Business, the Company continued to develop smart towns nationwide, focusing on Green First HYBRID homes, with self-sustainability and the regeneration of community as the theme. As a leading smart house company, the Company developed and proactively marketed new high-value-added homes for sale, based on the keywords “safety and security,” “healthy and pleasant,” “energy” and “watchful.” It also held *Machinami sankan-bi* promotional events nationwide and worked to expand sales.

Sales in the Houses for Sale Business amounted to ¥118,730 million (down 11.0% from the previous fiscal year), and operating income to ¥8,491 million (up 4.3%).

(Condominium Business)

In the Condominium Business, the Grande Maison Sengawa (Chofu City, Tokyo) and other new properties sold well, and inquiries about Grande Maison Shirokane no Mori The Tower (Minato-ku, Tokyo) and other properties for sale also remained at a high level. Under this backdrop, the Company continued to implement sales strategies to enhance brand value.

Sales in the Condominium Business amounted to ¥56,699 million (down 10.1% from the previous fiscal year), and the operating income was ¥4,738 million (up 19.1%).

(Urban Redevelopment Business)

In the Urban Redevelopment Business, occupancy rates of Sekisui House Group's rental properties such as its Prime Maison series rental apartments remained firm. The Company sold three properties including Garden City Shinagawa Gotenyama to newly listed Sekisui House Reit, Inc., and Prime Maison Ebisu and other properties to Sekisui House SI Residential Investment Corporation.

Sales in the Urban Redevelopment Business amounted to ¥178,344 million (up 320.3% from the previous fiscal year) and operating income to ¥25,802 million (up 201.4%).

(Overseas Business)

In the Overseas Business, as in the previous year, the Company continued to promote the sales of subdivisions including Cinco Ranch in Texas and One Loudoun in Virginia in the United States. In Australia, condominium units in the Central Park and Wentworth Point were delivered, and sales of subdivisions of The Hermitage in Camden and newly opened Ripley Valley were brisk. In China, sales began for our projects in Heping District in Shenyang, Taicang City and Wuxi City among others.

Sales in the Overseas Business amounted to ¥79,835 million (down 6.5% from the previous fiscal year), and operating income to ¥4,419 million (down 48.5%).

(Other Businesses)

In the Exterior Business, the Company proposed landscaping to plant trees native to each area in line with its "Gohon no ki" landscaping concept. It also made proactive proposals for comprehensive exterior designs with detached and rental housing designed to complement the neighboring townscape.

Sales in the Other Businesses amounted to ¥91,190 million (up 24.2% from the previous fiscal year), and operating income to ¥3,123 million (up 84.7%).

2) Issues for Sekisui House Group

Going forward, consumer confidence is expected to climb in Japan as employment and income improve amid a continued moderate recovery trend in its economy. That said, the country is faced with a variety of societal challenges, such as an aging society that will expand in earnest down the road and energy issues that have already surfaced. Housing will play a central role in tackling these issues. Under this business environment, the Company will take on challenges for its "residential"-related businesses based on the mid-term management plan and seek to achieve steady growth both in Japan and abroad by expanding its business domains, while continuing its efforts to cut costs in the production segment and construction sites among others, and generate stable profits.

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. 2015 | Net sales for the year to Jan. 2015 | Orders carried forward to the following year |
|---|--|-------------------------------------|--|--|
| Custom Detached Houses Business | 254,372 | 388,648 | 427,044 | 215,976 |
| Rental Housing Business | 312,975 | 408,525 | 398,483 | 323,018 |
| Remodeling Business | 30,974 | 125,647 | 134,166 | 22,275 |
| Real Estate Management Fees Business | — | 428,227 | 428,227 | — |
| Houses for Sale Business | 35,361 | 122,260 | 118,730 | 38,890 |
| Condominiums Business | 60,989 | 65,771 | 56,699 | 70,061 |
| Urban Redevelopment Business | 2,230 | 176,114 | 178,344 | — |
| Overseas Business | 61,040 | 94,539 | 79,835 | 75,745 |
| Other Businesses | 55,344 | 82,884 | 91,190 | 47,037 |
| Total | 813,108 | 1,892,619 | 1,912,721 | 793,006 |

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. 2012 | Year to Jan. 2013 | Year to Jan. 2014 | Year to Jan. 2015 |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| Net sales | 1,530,577 | 1,613,816 | 1,805,102 | 1,912,721 |
| Net income | 28,962 | 46,458 | 79,801 | 90,224 |
| Net income per share (¥) | ¥42.90 | ¥69.17 | ¥118.63 | ¥130.91 |
| Total assets | 1,445,828 | 1,539,272 | 1,769,005 | 1,929,409 |
| Net assets | 750,374 | 814,063 | 941,415 | 1,079,064 |

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 121,550 million yen and the main component were acquisition of the real estate for investments

The Company procured funds during the fiscal year under review mainly through issuing unsecured debentures of 40,000 million yen.

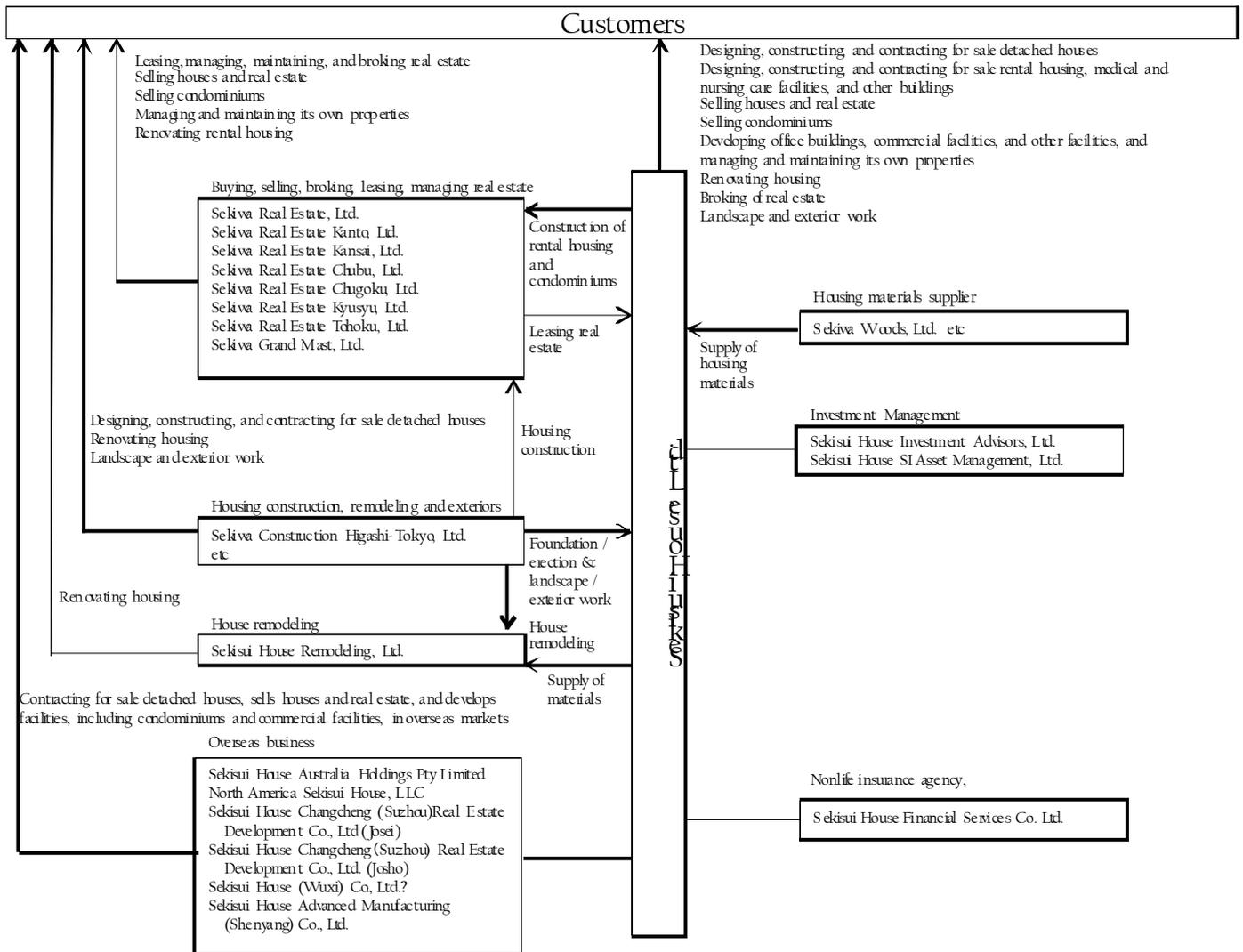
6) Major Businesses

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 |
| Remodeling Business | Renovating housing |
| Real Estate Management Fees Business | Leasing, managing, maintaining, and brokering real estate |
| 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 |
| Overseas Business | Contracting for sale detached houses, sells houses and real estate, and develops facilities, including condominiums and commercial facilities, in overseas markets |
| Other Businesses | 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

| | | |
|---|--|--------------------|
| Head office: | 1-88, Oyodonaka 1-chome, Kita-ku, Osaka | |
| Tokyo office: | 15-1, Akasaka 4-chome, Minato-ku, Tokyo | |
| Sales and project headquarters: | | <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 |
| West Japan Sha Maison Sales Administration Headquarters | | Osaka |
| Kansai Daiichi Sales Administration Headquarters | | Osaka |
| Kansai Daini Administration Headquarters | | Kyoto |
| Chugoku Sales Administration Headquarters | | Hiroshima |
| Shikoku Sales Administration Headquarters | | Takamatsu |
| Kyushu Sales Administration Headquarters | | Fukuoka |
| International Business Department | | Osaka |
| Development Department | | Osaka |
| Condominium Headquarters | | Shinjuku-ku, Tokyo |
| Branches: | 119 Branches | |
| Sales Offices: | 4 Sales Offices | |
| Customer Service Centers: | 29 Customer Service Centers | |
| Factories: | | |
| 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 | |
| R&D Institute | | |
| 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 Kantou, 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: 24-16, 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: 2-1, Hakataekimae 3-chome, Hakata-ku, Fukuoka |
| Sekiwa Real Estate Tohoku, Ltd. | Head office: 16-10, Honcho 2-chome, Aoba-ku, Sendai |
| Sekiwa Grand Mast, Ltd. | Head office: 1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo |
| 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 |
| Sekiwa Woods, Ltd. | Head office: 84, Higashinocho, Nagahama-City, Shiga |
| Sekisui House Investment Advisors, Ltd | Head office: 6-6, Motoakasaka 1chome, Minato-ku, Tokyo |
| Sekisui House SI Asset Management, Ltd. | Head office: 1-31, Minamiaoyama 3chome, Minato-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. (Josei) | Head office: Jiangsu Suzhou City, China |
| Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josho) | Head office: Jiangsu Suzhou City, China |
| Sekisui House (Wuxi) Co, Ltd | Head office: Jiangsu Wuxi 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 Kantou Ltd. | 480 | 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 |
| Sekiwa Grand Mast Ltd | 400 | 100.0% | 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 |
| Sekiwa Woods, Ltd. | 480 | 100.0% | Custom Detached Houses Business |
| Sekisui House Investment Advisors, Ltd | 400 | 100.0% | Real Estate Management Fees Business |
| Sekisui House SI Asset Management, Ltd | 200 | 75.0% | Real Estate Management Fees Business |
| Sekisui House Australia Holdings Pty Limited. | 827 (Millions of AUD) | 100.0% | Overseas Business |
| North America Sekisui House, LLC | 525 (Millions of USD) | 100.0% | Overseas Business |
| Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josei) | 356 (Millions of USD) | 99.2% | Overseas Business |
| Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josho) | 338 (Millions of USD) | 99.4% | Overseas Business |
| Sekisui House (Wuxi) Co.,Ltd | 240 (Millions of USD) | 100.0% | Overseas Business |
| Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd. | 105 (Millions of USD) | 100.0% | Overseas Business |

Note:

There are 194 consolidated subsidiaries, and 20 companies to which equity method of accounting is applied.

9) Employees

1. Outline of Sekisui House Group

| Number of employees | Change compared to the previous year |
|---------------------|--------------------------------------|
| 22,913 | 534 (increased) |

2. Outline of Sekisui House, Ltd.

| Number of employees | Change compared to the previous year | Average age | Average length of employment |
|---------------------|--------------------------------------|----------------|------------------------------|
| 14,966 | 217 (increased) | 41.3 years old | 16.2 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 |
|--|----------------|
| Sumitomo Mitsui Banking Corporation | 48,861 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 48,511 |
| Mizuho Bank, Ltd. | 26,020 |
| Sumitomo Mitsui Trust Bank, Limited | 16,726 |
| China Construction Bank Corporation.. | 14,377 |

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, 2014

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) | 699,845,934 shares (217,317 shares) |

Notes:

Compared to the previous fiscal year-end, the total number of shares issued was increased 12,950,856 shares issued during the fiscal year under review upon exercises of Zero Coupon Convertible Bonds due 2016 (bonds with stock acquisition rights).

| | | |
|---|--|--------------------------------------|
| 3 | Share unit number | 100 |
| 4 | Total number of shareholders | 63,917 |
| 5 | Details of main shareholders are as follows: | |
| | Name | Number of shares held (thousands) |
| | | Ratio of shareholding |
| | Sekisui Chemical Co., Ltd. | 62,168 |
| | The Master Trust Bank of Japan, Ltd. (Trust account) | 38,091 |
| | Japan Trustee Services Bank, Ltd. (Trust account) | 33,592 |
| | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 13,624 |
| | Sekisui House <i>Ikushikai</i> | 13,322 |
| | The Dai-ichi Life Insurance Company, Limited | 12,158 |
| | STATE STREET BANK AND TRUST COMPANY 505225 | 11,687 |
| | Trust & Custody Services Bank, Ltd. (Investment trust collateral account) | 9,779 |
| | THE BANK OF NEW YORK MELLON SA/NV 10 | 9,274 |
| | HSBC-FUND SERVICES BANK NEGARA MALAYSIA-EQUITY | 9,096 |
| | Notes: | |
| | 1. Sekisui House <i>Ikushikai</i> is the Company's employee stock holding association. | |
| | 2. The ratio of shareholding is calculated deducting shares of treasury stock from the total number of shares issued. | |
| 6 | Other important matters concerning Stock Acquisition Rights | |
| | The Company acquired 10,000,000 shares of common stock of the Company pursuant to resolution of the Board of Directors held on October 13 2014. The Company appropriated its 11,252,876 shares of treasury stock for exercise of Zero Coupon Convertible Bonds due 2016 (bonds with stock acquisition rights) during the fiscal year under review. | |

2) Outlines of Stock Acquisition Rights

1. Outlines of Stock Acquisition Rights granted in consideration of the performance of duties as of January 31, 2015

·Number of stock acquisition rights

752 units

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

752,000 common shares of the Company (1,000 shares per unit)

·Current situation of stock acquisition rights held by posts

| Posts (Exercise period) | Directors (Outside Directors) | | Executive Officers | | Audit & Supervisory Board Members | | 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) (From April 28, 2006 to April 27, 2026) | 7 | 20 | — | — | 1 | 3 | 6 | 7 |
| No.2 Stock Acquisition Rights (Stock compensation-type stock option) (From June 8, 2007 to June 7, 2027) | 7 | 23 | — | — | 1 | 4 | 6 | 7 |
| No.3 Stock Acquisition Rights (Stock compensation-type stock option) (From June 7, 2008 to June 6, 2028) | 8 | 45 | — | — | 1 | 2 | 10 | 26 |
| No.4 Stock Acquisition Rights (Stock compensation-type stock option) (From June 10, 2009 to June 9, 2029) | 8 | 52 | — | — | 1 | 3 | 11 | 27 |
| No.5 Stock Acquisition Rights (Stock compensation-type stock option) (From June 17, 2010 to June 16, 2030) | 8 | 55 | 7 | 14 | 1 | 3 | 11 | 27 |
| No.6 Stock Acquisition Rights (Stock compensation-type stock option) (From June 15, 2011 to June 14, 2031) | 8 | 68 | 7 | 21 | 1 | 5 | 10 | 30 |
| No.7 Stock Acquisition Rights (Stock compensation-type stock option) (From June 14, 2012 to June 13, 2032) | 10 (1) | 80 (3) | 14 | 36 | 1 | 4 | 7 | 24 |
| No.8 Stock Acquisition Rights (Stock compensation-type stock option) (From June 14, 2013 to June 13, 2033) | 10 (1) | 41 (2) | 17 | 18 | 1 | 2 | 3 | 5 |
| No.9 Stock Acquisition Rights (Stock compensation-type stock option) (From June 14, 2014 to June 13, 2034) | 11 (2) | 52 (4) | 23 | 48 | — | — | — | — |

Notes:

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

2. The exercise price of stock acquisition rights above is 1 yen per share.

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.9 Stock Acquisition Rights (Stock compensation-type stock option)

·Number of stock acquisition rights

100 units

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

100,000 common shares of the Company (1,000 shares per unit)

·Issuance price

974 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 14, 2014 and June 13, 2034.

· 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); Audit & Supervisory Board Member, 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 13, 2033:
Between June 14, 2033 and June 13, 2034
- (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 (2) | 52 (4) | 23 | 48 |

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 at the end of the fiscal year.

| | |
|---|--|
| Issue date | July 5, 2011 |
| Number of stock acquisition rights | 1,230 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 | ¥995.3 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 | ¥12,300 million |

3) Directors and Audit & Supervisory Board Members

1. Names and posts of Directors and Audit & Supervisory Board Members

| | |
|---|---|
| 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 and International Business Department |
| Shiro Inagaki | CFO (Chief Financial Officer) Executive Vice President & Executive Officer, in charge of corporate planning, accounting & finance, IT operation and auditing |
| Teruyuki Saegusa | |
| Shiro Wakui | |
| Fumiaki Hirabayashi | Senior Managing Officer, in charge of TKC project, General Manager of Tokyo Administration Office |
| Tetsuo Iku | Senior Managing Officer, in charge of design, technology development, and construction, General Manager of Technology Headquarters |
| Takashi Uchida | Senior Managing Officer, in charge of administrative control of subsidiary & affiliated companies and Chief Manager of Personnel Department |
| Fumiyasu Suguro | Managing Officer, Chief Manager of International Business Department |
| Kunpei Nishida | Managing Officer in charge of Sha Maison Sales Administration (West Japan),General Manager of West Japan Sha Maison Sales Administration Headquarters |
| Standing Audit & Supervisory Board Members (full-time): | |
| Tadashi Iwasaki | |
| Kengo Yoshida | |
| Audit & Supervisory Board Members: | |
| Takaharu Dohi | |
| Yoshinori Shinohara | |
| Koichi Kunisada | |

Notes:

- Names, posts and responsibilities of Directors and Audit & Supervisory Board Member who retired during the fiscal year under review are stated below.

| | | |
|--|-------------------|--|
| Director | Katsuhiko Machida | Resigned on April 23, 2014 |
| Director | Daiji Kuroki | President, Representative Director of Sekisui House Remodeling, Ltd. Resigned on April 23, 2014 |
| Director | Kengo Yoshida | Resigned on April 23, 2014 |
| Standing Audit & Supervisory Board Members (full-time) | Yoshiro Kubota | Resigned on April 23, 2014 |

- Director Messrs. Shiro Wakui, Fumiyasu Suguro, Kunpei Nishida and Standing Audit & Supervisory Board Members (full-time) Kengo Yoshida were newly elected at the 63rd Ordinary General Meeting of Shareholders held on April 23, 2014 and assumed the office.
- Director Messrs. Teruyuki Saegusa and Shiro Wakui are Outside Directors as prescribed in Article 2, Section 15 of the Companies Act.
- Audit & Supervisory Board Members Messrs Takaharu Dohi, Yoshinori Shinohara and Koichi Kunisada are Outside Audit & Supervisory Board Members as prescribed in Article 2, Section 16 of the Companies Act.
- Audit & Supervisory Board Member Mr. Yoshinori Shinohara is a certified public accountant and is acquainted with knowledge and information on finance and accounting to the reasonable extent.
- The Company designated each of Director Messrs Teruyuki Saegusa,, Shiro Wakui, Audit & Supervisory Board Members Messrs Yoshinori Shinohara and Koichi Kunisada as independent officers and submitted notification to that effect to the Tokyo Stock Exchange, Inc.
- 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 23 full-time executive officers as of January 31, 2015.

8. Directors and Audit & Supervisory Board Members who concurrently hold the important post of other companies are stated below.

| Directors: | | |
|------------------------------------|---|-------------------------------------|
| Name | Company in which Directors and Audit & Supervisory Board Members 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 | President & Director |
| | North America Sekisui house, LLC | Chairman & CEO |
| | Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josei) | Chairman & Representative Director |
| | Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josyo) | Chairman & Representative Director |
| | Sekisui House (Wuxi) Co., Ltd. | Chairman & Representative Director |
| | Sekisui House (Taicang) Co., Ltd. | Chairman & Representative Director |
| | Sekisui jutaku (Taicang) Co., Ltd. | Chairman & Representative Director |
| | Sekisui House (Shenyang) Co., Ltd. | Chairman & Representative Director |
| | Sekisui House No.1(Shenyang) Co., Ltd | Chairman & Representative Director |
| | Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd | Chairman & Representative Director |
| Shiro Inagaki | Sekisui House Financial Services Co., Ltd. | Chairman & Representative Director |
| Teruyuki Saegusa | Saegusa Circulation Research Co., Ltd | Representative Director |
| | Shinki Bus Co., Ltd | Audit & Supervisory Board Member |
| Shiro Wakui | The Faculty of Environmental Studies of Tokyo City University | Professor |
| | Sekisui Jushi Co., Ltd. | Director |
| Fumiaki Hirabayashi | Sumai no Toshokan Co., Ltd. | President & Representative Director |
| Fumiyasu Suguro | Sekisui House (Wuxi) Co., Ltd. | Director & President |
| | Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josei) | Director |
| | Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josyo) | Director |
| | Sekisui House (Taicang) Co. Ltd | Director |
| | Sekisui Jutaku (Taicang) Co., Ltd. | Director |
| | Sekisui House (Shenyang) Co., Ltd. | Director |
| | Sekisui House No.2(Shenyang) Co., Ltd. | Director |
| Audit & Supervisory Board Members: | | |
| Name | Company in which Directors and Audit & Supervisory Board Members of the Company hold an concurrent post | Post |
| Tadashi Iwasaki | Sekiwa Real Estate Kansai, Ltd. | Audit & Supervisory Board Member |
| | Sekisui House Remodeling, Ltd. | Audit & Supervisory Board Member |
| Kengo Yoshida | Almetax Manufacturing Co., Ltd. | Audit & Supervisory Board Member |
| Takaharu Dohi | Dohi Law Office | Lawyer |
| | Kansai Telecasting Corporation | Director |
| | The Kansai Electric Power Co., Inc. | Audit & Supervisory Board Member |
| | Hankyu Hanshin Holdings, Inc. | Audit & Supervisory Board Member |
| | Kawase Computer Supplies Co., Ltd. | Audit & Supervisory Board Member |
| Yoshinori Shinohara | Shinohara Yoshinori CPA Accounting Firm | Certified Public Accountant |
| | Shinohara Management and Economics Research Institute, Ltd | Representative Director |
| | TSI HOLDINGS Co., Ltd | Director |
| Koichi Kunisada | The Faculty of Economics of Osaka Gakuin University | Professor |

2. Remunerations paid for Directors and Audit & Supervisory Board Members

| | Directors (Outside Directors) | | Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members) | | 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 | 14 (3) | 395 (38) | 6 (3) | 96 (45) | 20 (6) | 491 (84) |
| Stock compensation-type stock options (stock acquisition rights) | 13 (3) | 49 (3) | — | — | 13 (3) | 49 (3) |
| Directors' bonuses accounted for as costs | 11 (2) | 380 (10) | — | — | 11 (2) | 380 (6) |

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 Audit & Supervisory Board Members (9 million yen or less per month for all Audit & Supervisory Board Members 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 64th Ordinary General Meeting of Shareholders that will be held on April 23, 2015

3. Matters concerning Outside Officers

·The principal performance of Outside Director and Audit & Supervisory Board Members during the fiscal year under review:

| Post | Name | Principal performance |
|----------------------------------|---------------------|--|
| Director | Teruyuki Saegusa | Mr Saegusa attended all 11 meetings of the Board of Directors. He stated timely opinions based on his knowledge and experience accumulated through engagement in other company's management. |
| Director | Shiro Wakui | Mr Wakui attended 7 meetings out of 9 meetings of the Board of Directors. He stated timely opinions based on his knowledge and experience through environmental issues and his wide knowledge as a university professor and other company's officer. |
| Audit & Supervisory Board Member | Takaharu Dohi | Mr. Dohi attended all 11 meetings of the Board of Directors and 12 meetings out of 13 meetings of the Audit & Supervisory Board. 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. |
| Audit & Supervisory Board Member | Yoshinori Shinohara | Mr. Shinohara attended all 11 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Board. He stated timely opinions from a based on his professional knowledge as a certified public accountant, and his knowledge and experience accumulated through engagement in other company's outside director. |
| Audit & Supervisory Board Member | Koichi Kunisada | Mr. Kunisada attended 10 meetings out of 11 meetings of the Board of Directors and all 12 meetings of the Audit & Supervisory Board. He stated timely opinions based on his knowledge and experience accumulated through engagement in other company's management and his wide knowledge as a university professor. |

Notes:

·Outlines of agreement to limit Outside Director's liability and Audit & Supervisory Board Member's liability:

The agreement which the Company entered into with the Outside Director or each of all the Outside Audit & Supervisory Board Members provides that if Outside Director or Outside Audit & Supervisory Board Member causes damages to the Company attributable to neglect of the duty of the Outside Director or the Outside Audit & Supervisory Board Member, 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.

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 | ¥145 million |
| The aggregate amount of remuneration payable to Accounting Auditor by the Company and its consolidated companies | ¥198 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. 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 Audit & Supervisory Board shall dismiss the Accounting Auditor subject to the consent of all Audit & Supervisory Board Members, 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 Audit & Supervisory Board.

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.

| CONSOLIDATED BALANCE SHEETS | | | |
|---|------------------|--|------------------|
| As of January 31, 2015 | | | |
| <i>Millions of yen</i> | | | |
| Assets | 1,929,409 | Liabilities | 850,345 |
| Current assets | 1,129,266 | Current liabilities | 562,235 |
| Cash on deposits | 195,989 | Notes payable, accounts payable for construction contracts | 103,191 |
| Notes receivable, accounts receivable from completed construction contracts | 53,943 | Electronically recorded obligations-operating | 57,638 |
| Short-term investment securities | 439 | Short-term bonds payable | 20,000 |
| Costs on uncompleted construction contracts | 8,647 | Short-term loans payable | 67,975 |
| Buildings for sale | 232,567 | Current portion of bonds | 70,000 |
| Land for sale in lots | 457,693 | Current portion of long-term loans payable | 11,035 |
| Undeveloped land for sale | 78,703 | Income taxes payable | 23,390 |
| Other inventories | 9,742 | Advances received on uncompleted construction contracts | 102,324 |
| Deferred tax assets | 35,272 | Provision for bonuses | 25,460 |
| Other | 57,525 | Provision for directors' bonuses | 1,054 |
| Allowance for doubtful accounts | (1,257) | Provision for warranties for completed construction | 3,244 |
| Noncurrent assets | 800,143 | Other | 76,919 |
| Property, plant and equipment | 543,711 | Noncurrent liabilities | 288,109 |
| Buildings and structures | 214,498 | Bonds payable | 60,000 |
| Machinery, equipment and vehicles | 14,065 | Bonds with subscription rights to shares | 12,300 |
| Tools, furniture and fixtures | 5,780 | Long-term loans payable | 106,726 |
| Land | 301,088 | Long-term lease and guarantee deposited | 59,908 |
| Lease assets | 471 | Deferred tax assets | 12,915 |
| Construction in progress | 7,807 | Provision for directors' retirement benefits | 1,056 |
| Intangible assets | 16,123 | Net defined benefit liability | 17,550 |
| Goodwill | 337 | Other | 17,651 |
| Industrial property | 23 | Net assets | 1,079,064 |
| Leasehold right | 4,711 | Shareholders' equity | 912,850 |
| Software | 9,949 | Capital stock | 197,716 |
| Right of using facilities | 238 | Capital surplus | 248,684 |
| Telephone subscription right | 858 | Retained earnings | 466,950 |
| Other | 5 | Treasury stock | (500) |
| Investments and other assets | 240,307 | Accumulated other comprehensive income | 155,573 |
| Investment securities | 109,428 | Valuation difference on available-for-sale securities | 28,202 |
| Long-term loans receivable | 57,578 | Deferred gains or losses on hedges | 0 |
| Net defined benefit asset | 28,780 | Foreign currency translation adjustment | 91,168 |
| Deferred tax assets | 2,327 | Remeasurements of defined benefit plans | 36,202 |
| Other | 42,783 | Subscription rights to shares | 536 |
| Allowance for doubtful accounts | (591) | Minority interests | 10,104 |
| Total assets | 1,929,409 | Total liabilities and net assets | 1,929,409 |

| CONSOLIDATED STATEMENTS OF INCOME | |
|--|------------------|
| From February 1, 2014 to January 31, 2015 | |
| <i>Millions of yen</i> | |
| Net sales | 1,912,721 |
| Cost of sales | 1,544,275 |
| Gross profit | 368,446 |
| Selling, general and administrative expenses | 221,851 |
| Operating income | 146,595 |
| Non-operating income | 14,787 |
| Interest and dividends income | 3,443 |
| Equity in earnings of affiliates | 5,307 |
| Other | 6,036 |
| Non-operating expenses | 4,957 |
| Interest expenses | 1,107 |
| Other | 3,849 |
| Ordinary income | 156,426 |
| Extraordinary income | 6,154 |
| Gain on sales of investment securities | 6,154 |
| Extraordinary loss | 10,373 |
| Loss on valuation of investment securities | 7,185 |
| Impairment loss | 1,912 |
| Loss on sales and retirement of noncurrent assets | 1,274 |
| Income before income taxes and minority interests | 152,207 |
| Income taxes-current | 43,759 |
| Income taxes-deferred | 16,130 |
| Income before minority interests | 92,318 |
| Minority interests in income | 2,093 |
| Net income | 90,224 |

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(From February 1, 2014 to January 31, 2015)

Millions of yen

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------|
| | Capital stock | Capital surplus | Retained earnings | Treasury stock | Total |
| Balance as of the beginning of the 64th business term | 191,559 | 243,217 | 413,446 | (1,379) | 846,843 |
| Changes of items during the period | | | | | |
| Issuance of new shares | 6,157 | 6,732 | — | — | 12,890 |
| Dividends from surplus | — | — | (33,073) | — | (33,073) |
| Net income | — | — | 90,224 | — | 90,224 |
| Purchase of treasury stock | — | — | — | (15,266) | (15,266) |
| Disposal of treasury stock | — | (1,266) | (3,648) | 16,145 | 11,231 |
| Other | — | (0) | — | — | (0) |
| Net changes of items other than "Shareholders' equity" during the period | — | — | — | — | — |
| Total changes of items during the period | 6,157 | 5,466 | 53,503 | 879 | 66,006 |
| Balance as of the end of the 64th business term | 197,716 | 248,684 | 466,950 | (500) | 912,850 |

| | Accumulated other comprehensive income | | | | | Subscription 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 | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance as of the beginning of the 64th business term | 27,612 | (47) | 56,440 | — | 84,101 | 474 | 9,996 | 941,415 |
| Changes of items during the period | | | | | | | | |
| Issuance of new shares | — | — | — | — | — | — | — | 12,890 |
| Dividends from surplus | — | — | — | — | — | — | — | (33,073) |
| Net income | — | — | — | — | — | — | — | 90,224 |
| Purchase of treasury stock | — | — | — | — | — | — | — | (15,266) |
| Disposal of treasury stock | — | — | — | — | — | — | — | 11,231 |
| Other | — | — | — | — | — | — | — | (0) |
| Net changes of items other than "Shareholders' equity" during the period | 590 | (47) | 34,727 | 36,202 | 71,472 | 62 | 108 | 71,642 |
| Total changes of items during the period | 590 | (47) | 34,727 | 36,202 | 71,472 | 62 | 108 | 137,649 |
| Balance as of the end of the 64th business term | 28,202 | 0 | 91,168 | 36,202 | 155,573 | 536 | 10,104 | 1,079,064 |

Note:

Amounts of the Consolidated Balance Sheet, Consolidated Statement of Income and Consolidated Statements of Changes in Net Assets are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

| NON-CONSOLIDATED BALANCE SHEETS | | | |
|---|------------------|--|------------------|
| As of January 31, 2015 | | | |
| <i>Millions of yen</i> | | | |
| Assets | 1,409,518 | Liabilities | 637,520 |
| Current assets | 452,091 | Current liabilities | 452,281 |
| Cash and deposits | 64,893 | Notes payable-trade | 12,648 |
| Notes receivable-trade | 413 | Electronically recorded obligations-operating | 57,638 |
| Accounts receivable from completed construction contracts | 39,580 | Accounts payable-trade | 21,575 |
| Accounts receivable-real estate business | 4,270 | Accounts payable for construction contracts | 42,533 |
| Short-term investment securities | 249 | Short-term bonds payable | 20,000 |
| Costs on uncompleted construction contracts | 2,489 | Current portion of bonds | 70,000 |
| Buildings for sale | 47,603 | Lease obligations | 68 |
| Land for sale in lots | 189,259 | Accrued payable-other | 1,288 |
| Undeveloped land for sale | 32,891 | Accrued expenses | 13,246 |
| Semi-finished goods and work in process | 3,586 | Income taxes payable | 11,618 |
| Raw materials and supplies | 3,547 | Accrued consumption taxes | 7,716 |
| Advance payments-trade | 67 | Advances received on uncompleted construction contracts | 48,853 |
| Prepaid expenses | 3,920 | Advances received | 9,141 |
| Short-term loans receivable | 6,482 | Deposits received | 112,465 |
| Accounts receivable-other | 12,804 | Provision for bonuses | 18,179 |
| Deferred tax assets | 28,243 | Provision for directors' bonuses | 380 |
| Other | 12,837 | Provision for warranties for completed construction | 3,240 |
| Allowance for doubtful accounts | (981) | Asset retirement obligations | 480 |
| Noncurrent Assets | 957,427 | Other | 1,207 |
| Property, plant and equipment | 435,057 | Noncurrent Liabilities | 185,239 |
| Buildings | 141,449 | Bonds payable | 60,000 |
| Structures | 3,319 | Bond with subscription rights to shares | 12,300 |
| Machinery and equipment | 104,407 | Long-term loans payable | 50,000 |
| Vehicles | 75 | Lease obligations | 115 |
| Tools, furniture and fixtures | 4,376 | Long-term lease and guarantee deposited | 15,861 |
| Land | 270,185 | Provision for retirement benefits | 42,069 |
| Lease assets | 169 | Asset retirement obligations | 1,094 |
| Construction in progress | 5,074 | Other | 3,797 |
| Construction in progress | 5,074 | | |
| Intangible assets | 12,124 | Net assets | 771,998 |
| Goodwill | 236 | Shareholders' equity | 743,291 |
| Industrial property | 18 | Capital stock | 197,716 |
| Leasehold right | 1,608 | Capital surplus | 253,469 |
| Software | 9,513 | Legal capital surplus | 253,469 |
| Lease assets | 0 | Retained earnings | 292,435 |
| Right of using facilities | 70 | Legal retained earnings | 23,128 |
| Telephone subscription right | 676 | Other retained earnings | 269,306 |
| Investments and other assets | 510,245 | Reserve for dividends | 18,000 |
| Investment securities | 91,847 | Reserve for special depreciation | 952 |
| Stocks of subsidiaries and affiliates | 329,204 | General reserve | 185,800 |
| Long-term loans receivable | 66,695 | Retained earnings brought forward | 64,554 |
| Lease and guarantee deposits | 13,912 | Treasury stock | (329) |
| Long-term prepaid expenses | 1,432 | Valuation and translation adjustments | 28,169 |
| Deferred tax assets | 3,002 | Valuation difference on available-for-sale securities | 28,169 |
| Other | 4,486 | Subscription rights to shares | 536 |
| Allowance for doubtful accounts | (337) | | |
| Total assets | 1,409,518 | Total liabilities and net assets | 1,409,518 |

| NON-CONSOLIDATED STATEMENT OF INCOME | |
|---|------------------|
| From February 1, 2014 to January 31, 2015 | |
| <i>Millions of yen</i> | |
| Net sales | 1,228,135 |
| Completed construction contracts | 970,030 |
| Real estate business | 258,105 |
| Cost of sales | 989,083 |
| Completed construction contracts | 767,461 |
| Real estate business | 221,622 |
| Gross profit | 239,052 |
| Gross profit from completed construction contracts | 202,568 |
| Gross income from real estate business | 36,483 |
| Selling, general and administrative expenses | 148,465 |
| Operating income | 90,586 |
| Non-operating income | 18,929 |
| Interest and dividends income | 13,340 |
| Other | 5,588 |
| Non-operating expenses | 3,158 |
| Interest expenses | 348 |
| Interest on bonds | 636 |
| Other | 2,172 |
| Ordinary income | 106,357 |
| Extraordinary Income | 6,145 |
| Gain on sales of investment securities | 6,145 |
| Extraordinary loss | 9,444 |
| Loss on valuation of investment securities | 7,185 |
| Impairment loss | 1,659 |
| Loss on sales and retirement of noncurrent assets | 598 |
| Income before income taxes | 103,059 |
| Total Income taxes | 36,891 |
| Income taxes-current | 22,044 |
| Income taxes-deferred | 14,847 |
| Net income | 66,168 |

NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(From February 1, 2014 to January 31, 2015)

Millions of yen

| | Shareholders' equity | | | | | | | | |
|--|----------------------|-----------------------|-----------------------|---------|-------------------------|-------------------------|----------------------------------|-----------------|-----------------------------------|
| | Capital stock | Capital surplus | | | Retained earnings | | | | |
| | | Legal capital surplus | Other capital surplus | Total | Legal retained earnings | Other retained earnings | | | |
| | | | | | | Reserve for dividends | Reserve for special depreciation | General reserve | Retained earnings brought forward |
| Balance as of the beginning of the 64th business term | 191,559 | 247,312 | 690 | 248,003 | 23,128 | 18,000 | 1,098 | 165,800 | 54,960 |
| Changes of items during the period | | | | | | | | | |
| Issuance of new shares | 6,157 | 6,157 | 575 | 6,732 | — | — | — | — | — |
| Dividends from surplus | — | — | — | — | — | — | — | — | (33,073) |
| Reversal of reserve for special depreciation | — | — | — | — | — | — | (146) | — | 146 |
| Provision of general Reserve | — | — | — | — | — | — | — | 20,000 | (20,000) |
| Net income | — | — | — | — | — | — | — | — | 66,168 |
| Purchase of treasury stock | — | — | — | — | — | — | — | — | — |
| Disposal of treasury stock | — | — | (1,266) | (1,266) | — | — | — | — | (3,648) |
| Net changes of items other than "Shareholders' equity" during the period | — | — | — | — | — | — | — | — | — |
| Total changes of items during the period | 6,157 | 6,157 | (690) | 5,466 | — | — | (146) | 20,000 | 9,594 |
| Balance as of the beginning of the 64th business term | 197,716 | 253,469 | — | 253,469 | 23,128 | 18,000 | 952 | 185,800 | 64,554 |

| | Retained earnings | Shareholders' equity | | Valuation and translation adjustments | | | Subscription rights to shares | Total net assets |
|--|-------------------|----------------------|----------|---|---|--------|-------------------------------|------------------|
| | Total | Treasury stock | Total | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total | | |
| Balance as of the beginning of the 64th business term | 262,988 | (1,209) | 701,340 | 27,584 | 45 | 27,630 | 474 | 729,445 |
| Changes of items during the period | | | | | | | | |
| Issuance of new shares | — | — | 12,890 | — | — | — | — | 12,890 |
| Dividends from surplus | (33,073) | — | (33,073) | — | — | — | — | (33,073) |
| Provision of reserve for special depreciation | — | — | — | — | — | — | — | — |
| Provision of general Reserve | — | — | — | — | — | — | — | — |
| Net income | 66,168 | — | 66,168 | — | — | — | — | 66,168 |
| Purchase of treasury stock | — | (15,265) | (15,265) | — | — | — | — | (15,265) |
| Disposal of treasury stock | (3,648) | 16,145 | 11,231 | — | — | — | — | 11,231 |
| Net changes of items other than "Shareholders' equity" during the period | — | — | — | 584 | (45) | 539 | 62 | 601 |
| Total changes of items during the period | 29,447 | 879 | 41,951 | 584 | (45) | 539 | 62 | 42,552 |
| Balance as of the beginning of the 64th business term | 292,435 | (329) | 743,291 | 28,169 | — | 28,169 | 536 | 771,998 |

Note:

Amounts of the Balance Sheet, Statement of Income and Non-Consolidated Statements of Changes in Net Assets are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

REPORT OF INDEPENDENT ACCOUNTANTS

March 12, 2015

The Board of Directors
Sekisui House, Ltd.

From: Ernst & Young Shin Nihon LLC.
Ken Watabe
Designated and Engagement Partner
Certified Public Accountant
Soji Yamamoto
Designated and Engagement Partner
Certified Public Accountant
Hiroshi Nakashita
Designated and Engagement Partner
Certified Public Accountant

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Sekisui House, Ltd. (the "Company") applicable to the fiscal year from February 1, 2014 through January 31, 2015.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessment, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position and results of operations of the Sekisui House Group, which consisted of the Company and its consolidated subsidiaries, applicable to the 2014 fiscal year ended January 31, 2015 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

- End -

REPORT OF INDEPENDENT ACCOUNTANTS

March 12, 2015

The Board of Directors
Sekisui House, Ltd.

From: Ernst & Young Shin Nihon LLC.
Ken Watabe
Designated and Engagement Partner
Certified Public Accountant
Soji Yamamoto
Designated and Engagement Partner
Certified Public Accountant
Hiroshi Nakashita
Designated and Engagement Partner
Certified Public Accountant

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Sekisui House, Ltd. (the "Company") applicable to the 64th fiscal year from February 1, 2014 through January 31, 2015.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the related supplementary schedules in accordance with accounting principles generally, accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether, the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly in all material respects, the financial position and results of operations of Sekisui House, Ltd. applicable to the 2014 fiscal year ended January 31, 2015 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with 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 64th fiscal year (February 1, 2014 to January 31, 2015) 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 19, 2015

Audit & Supervisory Board of Sekisui House, Ltd.

Tadashi Iwasaki, Standing Audit & Supervisory Board Member (full-time)

Kengo Yoshida, Standing Audit & Supervisory Board Member (full-time)

Takaharu Dohi, Audit & Supervisory Board Member

Yoshinori Shinohara, Audit & Supervisory Board Member

Koichi, Kunisada, Audit & Supervisory Board Member

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 22nd April, 2015 (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.evotc.jp/>) from your personal computers or smart phones 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 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://evotc.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.)

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)

Note:* The service is available in Japanese only.

- End -