SEKISUI HOUSE

News Release

“Early application of accounting for impairment of fixed assets”,
“Approval of return of portion of employee pension fund”
and Revisions in forecast for Fiscal 2004

At the board meeting held on September 2, 2004, Sekisui House, Ltd. (the “Company”) resolved to implement an early application of impairment accounting for fixed assets in the second half of fiscal 2004.

The Company also announces that the employee pension fund of the Company and some of its domestic subsidiaries has received approval from the Minister of Health, Labor and Welfare on September 1, 2004, for the return of its entrusted operation of the portion of employee pension fund with respect to its past obligations.

As a result, the Company has revised consolidated and non-consolidated forecasts for the fiscal year ending January 31,2005.

1. Early application of accounting for impairment of fixed assets

The Company and its group have been implementing a range of measures with the aim of strengthening its financial structure and improving profitability, and by early adoption of the new asset impairment accounting standards the Company aim to future enhance the soundness of its consolidated financial position.

Accordingly, for the fiscal 2004 the Company plans to record an extraordinary loss for impaired fixed assets of approximately ¥ 60 billion on a consolidated basis and ¥ 51 billion on a non-consolidated basis.

Based on the improved balance sheet resulting from this measure, the Company intends to seek future improvement in asset efficiency and financial performance.

2. Approval of return of portion of employee pension fund

Following the implementation of the Defined Corporate Pension Fund Act, the employee pension fund of Sekisui House and some of its domestic consolidated subsidiaries on September 1, 2004 received a waiver from the Minister of Health, Labor and Welfare of past obligations in respect of the proxy portion of the employee pension fund.

Consequently, for the fiscal 2004 the Company plans to record extraordinary income of approximately ¥ 40 billion on a consolidated basis and ¥ 37 billion on a non-consolidated basis.

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3. Revisions in Company's forecast

Consolidated and non-consolidated forecasts for the fiscal year ending January 31, 2005 have been revised, impacted by the extraordinary income and extraordinary loss noted above, and also such factors as strong orders in the real estate for sales business leading to higher forecasted net sales. These revised forecasts are included in the financial statements for the six-month period ended July 31, 2004 those were released today.

Revision of forecast of Consolidated financial results for fiscal 2004
(February 1, 2004 to January 31, 2005)

Millions of yen

	Net Sales	Recurring Income	Net Income
Previous Forecast (A)	1,350,000	75,000	38,500
Revised Forecast (B)	1,370,000	78,000	26,000
Change (B – A)	20,000	3,000	(12,500)
Percentage Change (%)	1.5%	4.0%	(32.5%)
Previous Fiscal Year (January, 2004)	1,326,039	79,062	37,761

Revision of forecast of Non-Consolidated financial results for fiscal 2004
(February 1, 2004 to January 31, 2005)

Millions of yen

	Net Sales	Recurring Income	Net Income
Previous Forecast (A)	1,080,000	63,000	35,000
Revised Forecast (B)	1,090,000	65,000	23,500
Change (B – A)	10,000	2,000	(11,500)
Percentage Change (%)	0.9%	3.2%	(32.9%)
Previous Fiscal Year (January, 2004)	1,055,027	65,554	33,580

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