(Securities Code: 1928)

Sekisui House, Ltd. **March 30, 2022**

Yoshihiro Nakai
Representative Director
Sekisui House, Ltd.
1-88, Oyodonaka 1-chome, Kita-ku, Osaka

NOTICE OF THE 71ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

We express our deep appreciation to each of the shareholders for your extraordinary support.
The 71st Ordinary General Meeting of Shareholders of Sekisui House, Ltd. (the "Company" or "Sekisui House") is to be held as stated below.
Instead of attending the meeting in person, you may also review the enclosed "Reference Documents for General Meeting of Shareholders" and exercise your voting rights in writing or via the Internet by 6:00 p.m. on Monday, April 25, 2022. (Unless otherwise noted, all the times shown in this Notice are in Japan Standard Time.)

1. Date and Time:	10:00 a.m., Tuesday, April 26, 2022
2. Place of the Meeting:	The Westin Osaka, 2nd Floor, Rose Room, 1-20, Oyodonaka 1-chome, Kita-ku, Osaka, Japan Note: If the Rose Room exceeds its maximum occupancy, the Company will guide shareholders to a second venue or another location. We appreciate your understanding.
3. Agenda:	
Items for reporting:	1. Reports on the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 71st fiscal year (February 1, 2021 – January 31, 2022) 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 71st fiscal year (February 1, 2021 – January 31, 2022)
Proposals to be tabled:	
Proposal No. 1	Appropriation of Surplus
Proposal No. 2	Partial Amendments to the Articles of Incorporation
Proposal No. 3	Election of Ten (10) Directors
Proposal No. 4	Election of Two (2) Audit & Supervisory Board Members

[**Translation**: Please note that this document purports to be a translation from the Japanese original Notice of the 71st Ordinary General Meeting of Shareholders of Sekisui House, Ltd. prepared for the convenience of non-Japanese readers. 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. Guidelines of the Exercise of Voting Rights:

Please exercise your voting rights after reviewing the" Reference Documents for General Meeting of Shareholders. "
In addition to attending the General Meeting of Shareholders in person, the following two methods are available for exercising your voting rights.
This year, in order to prevent the spread of COVID-19, we would like to ask you to exercise your voting rights in advance in writing or via the Internet as shown below.

In writing	Via the Internet
Exercise deadline: Votes must be received by 6:00 p.m. on Monday, April 25, 2022 Please indicate on the enclosed voting form whether you approve or disapprove the proposals listed, and return it so that your vote is received by the exercise deadline above.	Exercise deadline: The exercise of a voting right via the Internet, must be completed by 6:00 p.m. on Monday, April 25, 2022. Please see the next page for details.

Handling of votes when voting rights are exercised more than once

(1) In case that a voting right is exercised both in writing and via the Internet, only the vote registered via the Internet will be recognized as valid.
(2) In case that a voting right is exercised more than once via the Internet, only the last vote will be recognized as valid.

- The "Outlines of Stock Acquisition Rights" and the "System to Ensure the Due Execution of Duties and the Status of Its Implementation" in the Business Report, the "Consolidated Statements of Changes in Net Assets" and the "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements, and the "Non-Consolidated Statements of Changes in Net Assets" and the "Notes to Non-Consolidated Financial Statements" in the Non-Consolidated Financial Statements are provided to shareholders by posting them on **the Company's website** pursuant to the relevant laws and regulations, and Article 16 of the Articles of Incorporation of the Company.
  Note that the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Accounting Auditor, and the documents which are set out in the attached documents to this Notice are published on **the Company's website**.
- In the event that it becomes necessary to revise any item in the Reference Documents for General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements, the revised items will be posted on **the Company's website** on the Internet.

The Company's website **https://www.sekisuihouse.co.jp/english/company/financial/holders/meeting/index.html**

* If attending the meeting in person, please submit the enclosed voting form to the receptionist at the meeting.
* The results of the resolution at the General Meeting of Shareholders will be posted on the Company's website.

Guidelines regarding the exercise of a voting right via the Internet:

The exercise of a voting right via the Internet, must be completed by 6:00 p.m. on Monday, April 25, 2022

(1) Access the website for exercising votes using QR code:

i) By scanning the QR code shown on the voting form, you can log in to the website for exercising votes without the log-in ID and temporary password shown on the form.

*The "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

ii) Please indicate whether you approve or disapprove the items on the agenda by following the instructions on the display screen.

* Log-in using the QR code is available once only. If you wish to exercise your voting rights again, please follow the instructions below.

(2) Access the website for exercising votes using the log-in ID and temporary password:

i) Please access the website using the following URL.

https://evote.tr.mufg.jp/

ii) Log in using the log-in ID and temporary password which are shown on the voting form and press the login button.

iii) Please enter a new password and press the send button.

iv) Please indicate whether you approve or disapprove the items on the agenda by following the instructions on the display screen.

Depending on the Internet connection of your computer or smart phone, the website for exercising votes may not be available.

(3) Inquiries regarding the exercise of a voting right via the Internet:

Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Service Support: 0120 (173) 027 *

Business Hours: from 9:00 a.m. to 9:00 p.m. (toll free; within Japan only)

(4) To institutional investors

Institutional investors are entitled to use the Electronic Voting Platform operated by ICJ to electronically exercise your voting rights for this General Meeting of Shareholders.

* The service is available in Japanese only.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Appropriation of Surplus

The Company proposes to appropriate surplus as stated below.

1. Matters related to year-end dividends:

In view of profit situation and dividend policy, the Company proposes that a year-end dividend of ¥47 per share be paid for the fiscal year under review. Since the Company paid an interim dividend of ¥43 per share on September 30, 2021, the annual dividend for the fiscal year under review totals ¥90 per share.

(1) Type of dividend property:

Cash

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

¥47 per common share of the Company Total amount: ¥31,722,301,730

(3) Date on which dividends take effect:

April 27, 2022

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 to be increased and amount thereof:

General reserve: ¥35,000,000,000

(2) Item of surplus to be decreased and amount thereof:

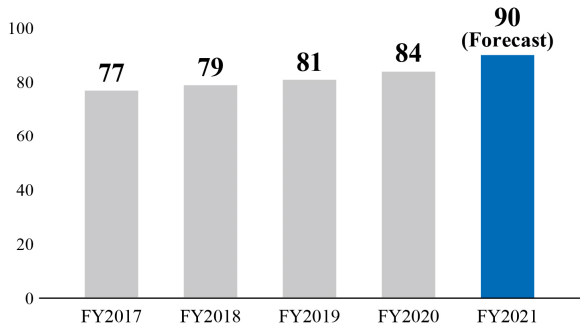
Retained earnings brought forward: ¥35,000,000,000

(Reference) Basic Policy on Profit Distribution

The Company recognizes the maximization of shareholder value as one of the most important management issues. Accordingly, the Company will not only increase earnings per share through sustainable business growth, but also promote growth investments and enhance shareholder returns, comprehensively taking into account the status of profits and cash flows in each fiscal year and future business development, among other factors.

The Company will also make efforts to increase shareholder value by targeting at least a 40% average dividend payout ratio over the medium-term and by acquiring its treasury stock in a flexible manner.

Transition of dividends per share (yen)



Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of reference documents for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

(1) The provisions related to the disclosure via the Internet and deemed provision of the reference documents, etc. for the general meeting of shareholders (Article 16 of the current Articles of Incorporation) will become unnecessary and will therefore be amended and replaced with the provisions related to measures for electronic provision, etc. (Article 16 of the proposed amendment).

(2) The proposed Article 16, Paragraph 1 provides that information contained in the reference documents, etc. for the general meeting of shareholders shall be provided electronically. The purpose of the proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.

(3) In line with the above amendments, supplementary provisions related to the effective date, etc. shall be established.

2. Amendment details

(Amended portions are underlined.)

Current Articles of Incorporation	Proposed amendments
(Disclosure via the Internet and Deemed Provision of Reference Documents, etc. for General Meeting of Shareholders) Article 16. When convening a general meeting of shareholders, it shall be deemed that the Company has provided shareholders with necessary information that should be described or presented in reference documents for the general meeting of shareholders, business reports, and non-consolidated and consolidated financial statements in the event that they are disclosed via the Internet in accordance with the Ministry of Justice Ordinance.	(Measures for Electronic Provision, etc.) Article 16. When convening a general meeting of shareholders, the Company shall provide information contained in the reference documents, etc. for the general meeting of shareholders electronically. ② Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.
(Newly established)	Supplementary Provisions Article 1 The amendments to Article 16 of the Articles of Incorporation shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the "Effective Date"). ② Notwithstanding the provisions of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date. ③ These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.

Proposal No. 3: Election of 10 Directors

The terms of office of all 10 current Directors will expire at the close of this Ordinary General Meeting of Shareholders.

The Company proposes to increase the number of Outside Directors by one and elect 10 Directors, including five Outside Directors, to further strengthen the management supervision function of the Board of Directors and the corporate governance system.

The candidates for Director are as follows:

No.	Name		Gender	Current post in the Company	Number of years in office as Director (at the close of this Meeting)	Attendance at the meetings of the Board of Directors (71st)
1	Reelection	Yoshihiro Nakai	Male	Representative Director President & Executive Officer, CEO	6 years	12/12 (100%)
2	Reelection	Yosuke Horiuchi	Male	Representative Director Vice Chairman & Executive Officer	6 years	12/12 (100%)
3	Reelection	Satoshi Tanaka	Male	Representative Director Executive Vice President & Executive Officer	2 years	12/12 (100%)
4	Reelection	Toshiharu Miura	Male	Director Senior Managing Officer	4 years	12/12 (100%)
5	Reelection	Toru Ishii	Male	Director Senior Managing Officer	2 years	12/12 (100%)
6	Reelection Outside Independent Officer	Yukiko Yoshimaru	Female	Outside Director	4 years	12/12 (100%)
7	Reelection Outside Independent Officer	Toshifumi Kitazawa	Male	Outside Director	2 years	12/12 (100%)
8	Reelection Outside Independent Officer	Yoshimi Nakajima	Female	Outside Director	1 year	9/9 (100%)
9	Reelection Outside Independent Officer	Keiko Takegawa	Female	Outside Director	1 year	9/9 (100%)
10	New Election Outside Independent Officer	Shinichi Abe	Male	–	–	–

Reelection: candidate for Director to be reelected

New Election: candidate for Director to be newly elected

Outside: candidate for Outside Director

Independent Officer: candidate for Independent Officer stipulated by the Tokyo Stock Exchange, Inc.

No.	Name	Knowledge, experiences and abilities particularly expected of each Director					
		Corporate management Business strategy	International business Overseas insight	Finance strategy and accounting	Technology and quality Environment	Human resources development Diversity Improvement in sociability	Governance Risk management Compliance
1	Yoshihiro Nakai	●		●		●	●
2	Yosuke Horiuchi	●		●	●	●	
3	Satoshi Tanaka	●	●		●	●	●
4	Toshiharu Miura	●			●		●
5	Toru Ishii	●	●			●	
6	Yukiko Yoshimaru	●	●			●	●
7	Toshifumi Kitazawa	●	●	●			●
8	Yoshimi Nakajima	●	●	●		●	
9	Keiko Takegawa				●	●	●
10	Shinichi Abe	●	●		●	●	

* This chart indicates certain knowledge, experiences, and abilities which the Company particularly expects each candidate to have for his/her duties, not necessarily what each candidate currently has in fact.

Candidate No. 1	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2021)	Special interest with the Company
	6 years	12/12 (attendance at the meetings of the Board of Directors: 100%)	None

Yoshihiro Nakai

(April 30, 1965)

Reelection

Number of the Company's Shares owned

63,080 shares

Career summary, post and responsibility in the Company

Apr. 1988: Joined the Company

Apr. 2014: Executive Officer of the Company, assigned to the post of Chief Manager of Corporate Management Planning Department

Apr. 2016: Managing Officer of the Company, in charge of Corporate Management Planning and Accounting & Finance

Apr. 2016: Director of the Company

Feb. 2018: President & Representative Director of the Company

Apr. 2021: Representative Director, President & Executive Officer, CEO of the Company In charge of Business Strategy Division and Built-to-Order Business Division (current position)

Reason for election as Director

In the Corporate Management Planning Division, he exercised his outstanding conceptual ability and has realized many innovative sales strategies and management policies involving sales offices nationwide, regardless of whether they are in the housing or non-housing sector. He always played a central role in formulating and implementing the Group's management strategies and plans.

In particular, since assuming the post of President in the second year of the Fourth Mid-Term Management Plan, he has been focusing on aligning the vectors of the Group with the Corporate Philosophy as a compass and strengthening the corporate governance system and promoting ESG management aggressively.

To complete the Fifth Mid-Term Management Plan and formulate the Sixth Mid-Term Management Plan for achieving sustainable growth and increasing the corporate value of the Sekisui House Group under his strong leadership, the Company proposes to reelect him as a Director.

Note:

The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.

Mr. Yoshihiro Nakai will be included as the insured of the said insurance contract.

Candidate No. 2	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2021)	Special interest with the Company
	6 years	12/12 (attendance at the meetings of the Board of Directors: 100%)	None

Yosuke Horiuchi

(September 25, 1956)

Reelection

Number of the Company's Shares owned

35,900 shares

Career summary, post and responsibility in the Company

Apr. 1980: Joined the Company

Apr. 2012: Executive Officer of the Company, assigned to the post of General Manager of Tokyo Sha Maison Sales Administration Headquarters

Apr. 2014: Managing Officer of the Company, in charge of Sha Maison Sales (East Japan)

Apr. 2016: Director of the Company

Dec. 2017: Assigned to the post of General Manager of Tokyo Sha Maison Sales Administration Headquarters and General Manager of Condominium Headquarters

Apr. 2018: Senior Managing Officer of the Company
In charge of Transaction Promotion Division, assigned to the post of General Manager of East Japan Building Sales Administration Headquarters

Aug. 2018: In charge of Transaction Promotion Division and East Japan Building Sales Administration

Feb. 2020: In charge of Investor Relations Division and Transaction Promotion Division

Jun. 2020: In charge of ESG Management Promotion Division, Accounting & Finance Division and Transaction Promotion Division

Feb. 2021: In charge of Finance & ESG Division and TKC Project (current position)

Apr. 2021: Representative Director, Vice Chairman & Executive Officer of the Company (current position)

Feb. 2022: Assigned to the post of General Manager of ESG Management Promotion Headquarters (current position)

Significant concurrent post of other companies

President & Representative Director of Sekisui House Financial Services Co., Ltd.

Reason for election as Director

He has taken control of the business based on "Sha-Maison" rental housing in eastern Japan, and has contributed to the development of the three- and four-story rental housing market by leading the area market strategy that is dedicated to responding to the local tenant market. He has also promoted the expansion of the customer base through means such as strengthening the corporate real estate (CRE) and public real estate (PRE) businesses with a focus on corporate customers.

He has been in charge of the Finance and ESG Division and is working to enhance the Group's social value through collaboration with diverse stakeholders as the Chairperson of the ESG Promotion Committee, which includes outside members.

To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in strongly promoting the realization of ESG management, the Company proposes to reelect him as a Director.

Note:

The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.

Mr. Yosuke Horiuchi will be included as the insured of the said insurance contract.

Candidate No. 3	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2021)	Special interest with the Company
	2 years	12/12 (attendance at the meetings of the Board of Directors: 100%)	None

Satoshi Tanaka

(February 27, 1958)

Reelection

Number of the Company's Shares owned

12,600 shares

Career summary, post and responsibility in the Company

Apr. 1981: Joined MITSUI & CO., LTD.

Apr. 2004: General Manager of Investor Relations Division of MITSUI & CO., LTD.

Apr. 2007: General Manager of Corporate Planning & Strategy Division of MITSUI & CO., LTD.

July 2010: Deputy General Manager of Consumer Service Business Unit of MITSUI & CO., LTD.

Apr. 2011: Executive Officer; General Manger of Consumer Service Business Unit of MITSUI & CO., LTD.

Apr. 2013: Managing Officer; General Manager of Consumer Service Business Unit of MITSUI & CO., LTD.

Apr. 2015: Senior Managing Officer; President of Asia Pacific Business Unit of MITSUI & CO., LTD. and President of MITSUI & CO. (ASIA PACIFIC) PTE. LTD.

Apr. 2017: Vice President & Executive Officer; CAO (Chief Administrative Officer); CIO (Chief Information Officer); CPO (Chief Privacy Officer) of MITSUI & CO., LTD.

June 2017: Representative Director; Vice President and Executive Officer of MITSUI & CO., LTD.

June 2019: Counselor of MITSUI & CO., LTD.

Mar. 2020: Outside Director of Kuraray Co., Ltd. (current position)

Apr. 2020: Outside Director of the Company

Jan. 2021: Outside Director of IHH Healthcare Berhad (current position)

Apr. 2021: Representative Director, Executive Vice President & Executive Officer of the Company
In charge of Administration and Personnel Division (current position)

Significant concurrent post of other companies

Outside Director of Kuraray Co., Ltd.

Outside Director of IHH Healthcare Berhad

Reason for election as Director

Having held key positions in a major general trading company, he has domestic and international management experience, as well as knowledge and experience in the energy and consumer service sectors. He served as the Vice President & Executive Officer of the trading company from 2017 to 2019, where he was the officer responsible for the corporate staff divisions, including the positions of CAO, CIO, and CPO.

He has also been an Outside Director of the Company since 2020 and serves as a member of the Personnel Affairs and Remuneration Committee. Since assuming the position of Representative Director, Executive Vice President & Executive Officer in 2021, he has been promoting initiatives to ensure the effectiveness of the risk management system as the Chairperson of the Risk Management Committee.

To achieve sustainable growth and increase the corporate value of the Sekisui House Group based on his extensive knowledge as a manager and his activities and contributions as an Outside Director of the Company, especially in strengthening the effectiveness of corporate governance and risk management system and in enhancing the Administration and Personnel Division, the Company proposes to reelect him as a Director.

Note:

The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.

Mr. Satoshi Tanaka will be included as the insured of the said insurance contract.

Candidate No. 4	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2021)	Special interest with the Company
	4 years	12/12 (attendance at the meetings of the Board of Directors: 100%)	None

Toshiharu Miura

(October 16, 1955)

Reelection

Number of the Company's Shares owned

26,304 shares

Career summary, post and responsibility in the Company

Apr. 1979: Joined the Company

Apr. 2014: Executive Officer of the Company, assigned to the post of Chief Manager of Product Design & Development Department

Apr. 2016: Managing Officer of the Company

Apr. 2016: Assigned to the post of General Manager of Technology Headquarters and Chief Manager of Product Design & Development Department

Feb. 2018: Assigned to the post of General Manager of Technology Headquarters

Apr. 2018: In charge of Technology Division

Apr. 2018: Director of the Company (current position)

Feb. 2020: In charge of Technology Division and Production & Procurement Division

Apr. 2020: Senior Managing Officer of the Company (current position)

Feb. 2021: In charge of Technology & Production Division (current position)

Reason for election as Director

After holding a technical position at our sales office for approximately 10 years since joining the Company, he has worked as a core member of the technical team in the Planning & Design Division and the Product Design & Development Division at the Head Office, where he has been instrumental in developing new products and establishing new technologies that meet market needs. Since 2016, he has been in charge of the Technology Division, strengthening the collaborative capabilities of the entire division. In 2018, he was appointed as a Director, and since 2020, he has been in charge of the Technology Division and the Production & Procurement Division, promoting innovation in the technology area.

To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the areas of technology, quality and the environment, as well as in strengthening our supply chain management, the Company proposes to reelect him as a Director.

Note:

The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.

Mr. Toshiharu Miura will be included as the insured of the said insurance contract.

Candidate No. 5	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2021)	Special interest with the Company
	2 years	12/12 (attendance at the meetings of the Board of Directors: 100%)	None

Toru Ishii

(November 3, 1966)

Reelection

Number of the Company's Shares owned

21,766 shares

Career summary, post and responsibility in the Company

Apr. 1990: Joined the Company

May 2012: Chief Manager of Development Department of the Company

Apr. 2014: Executive Officer of the Company, assigned to the post of Chief Manager of Development Department

Apr. 2016: Managing Officer of the Company

Feb. 2019: In charge of Development Business and assigned to the post of Chief Manager of International Business Department

Feb. 2020: In charge of Development and Condominiums Businesses and assigned to the post of Chief Manager of International Business Department

Apr. 2020: Senior Managing Officer of the Company (current position)
In charge of Development, Condominiums, and International Businesses

Apr. 2020: Director of the Company (current position)

Feb. 2021: In charge of Development Business Division (current position)

Reason for election as Director

Since joining the Company, he has experienced sales planning work in the urban development business and engaged in developing new markets such as the hotel development business and the office development business. Since 2012, he has been in charge of the development business, focusing on human resources development and demonstrating comprehensive capabilities in the Group. In overseeing the international business from 2019, he has focused on achieving a balance between investment and return, while actively taking on the challenges such as M&A to develop new markets and strongly leading the entire organization.

To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in strengthening our development business and international business, as well as in enhancing the diversity and strengthening the governance system of our overseas subsidiaries, the Company proposes to reelect him as a Director.

Note:

The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.

Mr. Toru Ishii will be included as the insured of the said insurance contract.

Candidate No. 6	Number of years in office as Outside Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2021)	Special interest with the Company
	4 years	12/12 (attendance at the meetings of the Board of Directors: 100%)	None

Yukiko Yoshimaru

(February 1, 1960)
Reelection
Outside
Independent Officer
Number of the Company's Shares owned
6,500 shares

Career summary, post and responsibility in the Company

Apr. 1982: Joined Oki Electric Industry Co., Ltd.
Apr. 1998: Director of Oki America Inc.
Head of New York Office of Oki Electric Industry Co., Ltd.
Oct. 2004: Chief Manager of Diversity Development Office of NISSAN MOTOR CO., LTD.
Apr. 2008: Joined Nifco Inc.
June 2011: Executive Officer of Nifco Inc.
Apr. 2018: Outside Director of the Company (current position)
June 2019: Outside Director of Mitsui Chemicals, Inc. (current position)
June 2021: Outside Director of Daiwabo Holdings Co., Ltd. (current position)

Significant concurrent post of other companies

Outside Director of Mitsui Chemicals, Inc.
Outside Director of Daiwabo Holdings Co., Ltd.

Reason for election as Outside Director and summary of expected roles, etc.

She has greatly contributed to constructive discussions and strengthening of the effectiveness of the Board of Directors meetings by providing her opinions based on a wealth of knowledge and experience in human resources management and diversity, as well as management experience as a director of domestic and overseas companies. Since becoming the Chairperson of the Personnel Affairs and Remuneration Committee in May 2020, she has been taking a leadership in clarifying the process of selecting and dismissing Directors, facilitating the succession planning, and strengthening remuneration governance.

To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspectives of global business and diversity promotion, and in strengthening the management supervision function in areas including personnel affairs and remuneration, the Company proposes to reelect her as an Outside Director.

Notes:

1. Ms. Yukiko Yoshimaru is a candidate for Outside Director. The term of office of Ms. Yukiko Yoshimaru as an Outside Director shall be four years at the conclusion of this Ordinary General Meeting of Shareholders.
2. The Company designated Ms. Yukiko Yoshimaru as an "Independent Officer" and submitted notification to that effect to the Tokyo Stock Exchange, Inc.
3. The Company entered into an agreement with Ms. Yukiko Yoshimaru that if she causes damages to the Company by neglect of the duty as an Outside Director, where her conduct is deemed to be made in good faith without gross negligence, her liability under the agreement is without fail limited to the sum of the amount provided by Article 425, Paragraph 1 of the Companies Act. In case the proposal is approved, the Company will continue the agreement with her.
4. The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.
   Ms. Yukiko Yoshimaru will be included as the insured of the said insurance contract.

Candidate No. 7	Number of years in office as Outside Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2021)	Special interest with the Company
	2 years	12/12 (attendance at the meetings of the Board of Directors: 100%)	None

Toshifumi Kitazawa

(November 18, 1953)
Reelection
Outside
Independent Officer
Number of the Company's Shares owned
0 shares

Career summary, post and responsibility in the Company

Apr. 1977: Joined Tokio Marine & Fire Insurance Co., Ltd.
June 2008: Managing Director of Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.
June 2009: Senior Managing Director of Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.
June 2010: President & Director of Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.
June 2010: Director of Tokio Marine Holdings, Inc.
Apr. 2014: Vice President & Director of Tokio Marine & Nichido Fire Insurance Co., Ltd.
June 2014: Vice President Executive Officer of Tokio Marine Holdings, Inc.
Apr. 2016: President & Chief Executive Officer of Tokio Marine & Nichido Fire Insurance Co., Ltd.
June 2016: Director of Tokio Marine Holdings, Inc.
Apr. 2019: Vice Chairman & Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. (current position; See Note 1 below.)
June 2019: Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee) of MUFG Bank, Ltd. (current position)
June 2019: Outside Director of Mitsubishi Logistics Corporation (current position)
Apr. 2020: Outside Director of the Company (current position)

Significant concurrent post of other companies

Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee) of MUFG Bank, Ltd.
Outside Director of Mitsubishi Logistics Corporation

Reason for election as Outside Director and summary of expected roles, etc.

Having held key positions at a major insurance company, he has extensive knowledge and experience in areas including global business, M&A, risk management and compliance, as well as abundant achievements and experience as a manager. Since becoming Chairman of the Board of Directors in May 2021, he has been appropriately steering and leading constructive discussions to strengthen the effectiveness of the Board of Directors meetings. He has also been contributing to the enhancement of deliberations as a member of the Personnel Affairs and Remuneration Committee of the Company.
To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspective of global business, and in strengthening the management supervision function in areas including M&A and other financial strategies, risk management and compliance, the Company proposes to reelect him as an Outside Director.

Notes:
1. The Company has business relationships as a policyholder and nonlife insurance agent with Tokio Marine & Nichido Fire Insurance Co., Ltd. where Mr. Toshifumi Kitazawa serves as a Director, but the annual amount of business transactions between the companies is less than 1% of the ordinary income of Tokio Marine Holdings, Inc., which is the holding company of Tokio Marine & Nichido Fire Insurance Co., Ltd, and the consolidated net sales of the Company. Mr. Toshifumi Kitazawa will retire from the position of Vice Chairman & Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. on March 31, 2022.
2. MUFG Bank, Ltd., where Mr. Toshifumi Kitazawa serves as a Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee), is a major shareholder of the Company and also a major lender to the Company. However, because Mr. Kitazawa is not an executive of MUFG Bank, Ltd. or a former employee of MUFG Bank, Ltd., the Company deems that there is no risk of conflict of interest with general shareholders.
3. Mr. Toshifumi Kitazawa is a candidate for Outside Director. The term of office of Mr. Toshifumi Kitazawa as an Outside Director shall be two years at the conclusion of this Ordinary General Meeting of Shareholders.
4. The Company designated Mr. Toshifumi Kitazawa as an "Independent Officer" and submitted notification to that effect to the Tokyo Stock Exchange, Inc.
5. The Company entered into an agreement with Mr. Toshifumi Kitazawa that if he causes damages to the Company by neglect of the duty as an Outside Director, where his conduct is deemed 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, Paragraph 1 of the Companies Act. In case the proposal is approved, the Company will continue the agreement with him.

6. The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.
Mr. Toshifumi Kitazawa will be included as the insured of the said insurance contract.

Candidate No. 8	Number of years in office as Outside Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2021)	Special interest with the Company
	1 year	9/9 (attendance at the meetings of the Board of Directors: 100%)	None

Yoshimi Nakajima

(December 16, 1956)
Reelection
Outside
Independent Officer
Number of the Company's Shares owned
0 shares

Career summary, post and responsibility in the Company

Apr. 1980: Joined The Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)
Feb. 1982: Joined AVON Products Co., LTD. (currently FMG & MISSION CO., LTD.)
May 1997: Vice President of Citibank, N.A.
June 2000: Senior General Manager of Societe Generale Securities Ltd.
Apr. 2002: Vice President of American Express International, Inc. (Japan)
Aug. 2011: Country Manager (President) of American Express International, Inc. (Singapore)
Feb. 2014: Senior Vice President of American Express International, Inc. (Japan)
Apr. 2014: President and Representative Director of American Express Japan Co., Ltd.
June 2017: Outside Director of Yamaha Corporation
June 2017: Outside Director of AEON Financial Service Co., Ltd. (current position)
June 2018: Outside Director of Japan Freight Railway Company (current position)
Sep. 2018: External Director of ULVAC, Inc. (current position)
Apr. 2021: Specially Appointed Professor of The Graduate School of Project Design (current position)
Outside Director of the Company (current position)

Significant concurrent post of other companies

Outside Director of AEON Financial Service Co., Ltd.
Outside Director of Japan Freight Railway Company
External Director of ULVAC, Inc.
Specially Appointed Professor of The Graduate School of Project Design

Reason for election as Outside Director and summary of expected roles, etc.

Having held key positions in domestic and overseas companies, she has extensive experience in financial strategy, M&A, and other areas by serving as the head of Asian and Japanese subsidiaries of global financial institutions. She has embodied diversity in corporate management in an environment where diversity in senior management is considered to be natural.
Since April 2021, she has been serving as Outside Director of the Company and has greatly contributed to constructive discussions and strengthening of the effectiveness of the Board of Directors meetings by actively expressing frank opinions.
To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspectives of global business and diversity promotion, and in strengthening the management supervision function in areas including M&A and other financial strategies, the Company proposes to reelect her as an Outside Director.

Notes:
1. Ms. Yoshimi Nakajima is a candidate for Outside Director. The term of office of Ms. Yoshimi Nakajima as an Outside Director shall be one year at the conclusion of this Ordinary General Meeting of Shareholders.
2. The Company designated Ms. Yoshimi Nakajima as an "Independent Officer" and submitted notification to that effect to the Tokyo Stock Exchange, Inc.
3. The Company entered into a limited liability agreement with Ms. Yoshimi Nakajima, that if she causes damages to the Company by neglect of the duty as an Outside Director, where her conduct is deemed to be made in good faith without gross negligence, her liability is without fail limited to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act. If her reelection is approved, the Company will continue the above-mentioned limited liability agreement with her.
4. The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.
Ms. Yoshimi Nakajima will be included as the insured of the said insurance contract.

Candidate No. 9	Number of years in office as Outside Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2021)	Special interest with the Company
	1 year	9/9 (attendance at the meetings of the Board of Directors: 100%)	None

Keiko Takegawa

(April 23, 1958)
Reelection
Outside
Independent Officer
Number of the Company's Shares owned
1,000 shares

Career summary, post and responsibility in the Company

Apr. 1981: Joined the Prime Minister's Office (currently Cabinet Office)
July 2006: Director of Policy Division for Universal Design, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism
July 2008: Director-General for Policies on Cohesive Society and Minister's Secretariat of Cabinet Office
July 2009: Director-General for Gender Equality Bureau of Cabinet Office
Dec. 2012: Director-General of the Public Relations Office of Cabinet Office
July 2014: Director of the Gender Equality Bureau of Cabinet Office
Apr. 2019: Professor of Showa Women's University
June 2019: Outside Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (current position)
June 2019: Outside Auditor of MITSUI MINING & SMELTING CO., LTD.
Apr. 2020: Dean of Faculty of Global Business of Showa Women's University (current position; See Note 3 below.)
Apr. 2021: Specially Appointed Professor of Global Business of Showa Women's University (current position)
Apr. 2021: Outside Director of the Company (current position)
June 2021: Outside Director of MITSUI MINING & SMELTING CO., LTD. (current position)

Significant concurrent post of other companies

Outside Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Outside Director of MITSUI MINING & SMELTING CO., LTD.
Specially Appointed Professor of Faculty of Global Business of Showa Women's University

Reason for election as Outside Director and summary of expected roles, etc.

Having held key positions in the Cabinet Office, she worked hard to realize policies related to gender equality, and has extensive knowledge and experience in the fields of diversity and compliance. During her tenure at the Ministry of Land, Infrastructure, Transport and Tourism, she worked tirelessly across ministries and agencies to develop safe and secure infrastructure for the elderly and disabled.
Since April 2021, she has been serving as Outside Director of the Company and has greatly contributed to constructive discussions and strengthening of the effectiveness of the Board of Directors meetings by providing useful advice from the perspective of an ordinary citizen. She has also been contributing to enhancing deliberations as a member of the Personnel Affairs and Remuneration Committee of the Company since May 2021.
To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspective of diversity promotion, and in strengthening the management supervision function in areas including quality control, compliance and personnel affairs and remuneration, the Company proposes to reelect her as an Outside Director.
Ms. Keiko Takegawa has not engaged in managing a company other than serving as an Outside Director and Outside Audit & Supervisory Board Member, but the Company expects that she will properly perform her duties as an Outside Director because of the reason described above.

Notes:
1. Ms. Keiko Takegawa is a candidate for Outside Director. The term of office of Ms. Keiko Takegawa as an Outside Director shall be one year at the conclusion of this Ordinary General Meeting of Shareholders.
2. The Company designated Ms. Keiko Takegawa as an "Independent Officer" and submitted notification to that effect to the Tokyo Stock Exchange, Inc.
3. Ms. Keiko Takegawa will retire from her position as Dean of Faculty of Global Business of Showa Women's University on March 31, 2022.
4. The Company entered into a limited liability agreement with Ms. Keiko Takegawa, that if she causes damages to the Company by neglect of the duty as an Outside Director, where her conduct is deemed to be made in good faith without gross negligence, her liability is without fail

limited to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act. If her reelection is approved, the Company will continue the above-mentioned limited liability agreement with her.

5. The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.
   Ms. Keiko Takegawa will be included as the insured of the said insurance contract.

Candidate No. 10	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2021)	Special interest with the Company
	–	– (attendance at the meetings of the Board of Directors: –)	None

Shinichi Abe

(August 7, 1968)
New Election
Outside
Independent Officer
Number of the Company's Shares owned
0 shares

Career summary, post and responsibility in the Company

May 1993: Joined Axiomatics Corporation
Nov. 1995: Joined Asahi Audit Corporation
Jan. 1998: Joined J.D. Edwards Japan K.K.
Nov. 2003: Joined PeopleSoft Japan K.K.
Apr. 2005: Director, International Business, Availvs Corporation
Dec. 2005: Director, Applications Business Group, Oracle Information Systems Japan K.K.
Aug. 2006: Vice President in charge of Applications Business Headquarters and General Manager of Global Strategic Accounts of Oracle Corporation Japan
Feb. 2011: Managing Director, Enterprise Business, Google Japan, G.K.
Jan. 2017: Managing Director of Google Cloud Japan, G.K.
Apr. 2020: Representative Director, President and CEO of MNES Inc. (current position)

Significant concurrent post of other companies

Representative Director, President and CEO of MNES Inc.

Reason for election as Outside Director and summary of expected roles, etc.

Having worked for an overseas consulting firm and software vendors, he was involved in the launch of Google's cloud business. At that business, he supervised its Asia-Pacific operations. As such, he has extensive experience in the global business environment in the IT and digital fields.
In particular, when Google launched cloud services business for Japanese companies, he gained the deep trust of many client companies, promoted digital innovation together, and consistently demonstrated strong leadership as an innovator in the organization he led. Currently, he serves as Representative Director, President and CEO of a venture company providing teleradiology (remote medical image diagnosis) services, a firm that he has had contact with since its foundation.
To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspective of global operations and digitally-driven business model transformation, and in strengthening the management supervision function, including supervision of the areas of innovation promotion and human resources development, the Company proposes to elect him as an Outside Director.

Notes:
1. Mr. Shinichi Abe is a candidate for Outside Director.
2. The Company plans to designate Mr. Shinichi Abe as an "Independent Officer" and submit notification to that effect to the Tokyo Stock Exchange, Inc.
3. If his election is approved, the Company plans to enter into a limited liability agreement with Mr. Shinichi Abe, that if he causes damages to the Company by neglect of the duty as an Outside Director, where his conduct is deemed to be made in good faith without gross negligence, his liability is without fail limited to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.
4. The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.
Mr. Shinichi Abe will be included as the insured of the said insurance contract.

(Reference) Composition of the Board of Directors and Policy and Procedures for Director Candidates

1. Composition of the Board of Directors

a. The Board of Directors shall have the number of members that is considered appropriate to substantial deliberations.

b. Independent Outside Directors shall be appointed so that the ratio of Independent Outside Directors in the Board of Directors shall be one-third or more.

c. The Board of Directors shall be joined by well-balanced members selected through the development of a skill matrix based on the business strategies and management plans, such as experts specializing in finance, accounting, laws, compliance and other relevant areas, with consideration for knowledge, experiences, and ability, the number of years in office, and gender, ensuring both the compatibility with diversity and proper headcount.

2. Stance on and Procedures for Selection of Prospective Directors

The Company shall select prospective directors from among those of high integrity (as a sincere and high-minded morality, and earnestness) and having high management ability, having nature suited to practicing the Group's Corporate Philosophy, interested in the Group's business and with a deep insight etc., and having high awareness for contributing to creating corporate value and improving company performance.

The stance on the selection of prospective directors shall be discussed at the Personnel Affairs and Remuneration Committee, an advisory body to the Board of Directors which shall be chaired by an Independent Outside Director and a majority of whose members shall be Independent Outside Directors, and determined by the Board of Directors based on the recommendations of the Committee.

A proposal on specific prospective directors shall be discussed at the Personnel Affairs and Remuneration Committee and determined by the Board of Directors based on the recommendations of the Committee.

The selection of prospective internal Directors shall be performed with consideration for the specified qualification requirements (i.e., embodying the Corporate Philosophy and having a panoramic vision) and competence requirements (i.e., having a vision to resolve external problems, innovativeness for creating new markets, being able to cooperate with various stakeholders, and the capability to develop organizations that enhance the Group's comprehensive power), and shall be discussed at the Personnel Affairs and Remuneration Committee based on requirements for human resources and an evaluation of performance.

3. Process for Selection of New Candidates for Outside Director

To further improve the objectivity and transparency of the selection of new candidates for Outside Director, the Personnel Affairs and Remuneration Committee has nominated the candidates through the following process:

(i) Review and reset the reasons for selecting skill items (skill matrix)

(ii) Determine targets for selecting new candidates for Outside Director based on the skill matrix

(iii) Scrutinize the candidate profiles based on the selection targets and deliberate on narrowing down candidates

(iv) Have each member of the Committee interview new candidates for Outside Director and share the results among the Committee members

[Reasons for selecting each item in the skill matrix]

Skill items	Reasons for selection
Corporate management Business strategy	The Company is a leading company in the housing industry with the cumulative number of homes built exceeding 2.50 million. In order to formulate a sustainable growth strategy amidst a drastically changing business environment, Directors with management experience and a proven track record in the housing, construction, and urban development fields are needed. In addition, in order to realize and promote the global vision of "Propose happiness through the integration of technologies, lifestyle design and services," the Company needs Directors with experience in different industries, especially management experience and a proven track in the field of consumer services such as health, connection, and learning as well as knowledge and experience that contribute to the transformation of business models through the use of digital technology.
International business Overseas insight	In order to formulate growth strategies and supervise the management of the international business, which is a growth area, it is necessary to have Directors who have experience in overseas business management and extensive knowledge and experience in overseas cultural life and business environment.
Finance strategy and accounting	Directors with solid knowledge and experience in the fields of finance and accounting are needed to formulate financial strategies that will not only ensure accurate financial reporting, but also build a solid financial foundation, promote growth investments (including M&A) for sustainable enhancement of corporate value, and enhance shareholder returns.
Technology and quality Environment	In order to realize the supply of high-quality housing that combines safety, security, and comfort with advanced technology, and to further advance and develop our advanced environmental technology and solid construction capabilities, the Company needs Directors who have a track record of various innovations along with the knowledge and experience to enable proactive efforts to address global environmental issues from a corporate management perspective.
Human resources development Diversity Improvement in sociability	In order to provide homes that make our customers feel more content, the Company needs to develop human resource strategies that enable each employee to maximize their potential, and the Company needs Directors with solid knowledge and experience in the field of human resources development, including the promotion of diversity.
Governance Risk management Compliance	The establishment of an appropriate governance system is the foundation for sustainable enhancement of corporate value, and in order to improve the effectiveness of management supervision by the Board of Directors, Directors with solid knowledge and experience in the fields of corporate governance, risk management, and compliance are needed.

Proposal No. 4: Election of Two Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members, Mr. Haruyuki Iwata, Ms. Hisako Makimura and Mr. Ryuichi Tsuruta, will expire at the close of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes to elect two Audit & Supervisory Board Members. This proposal has already received approval from the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Member are as follows:

<table>
<tr><th rowspan="2">Candidate No.
1</th><th>Number of years in office as Audit & Supervisory Board Member (at the close of this Ordinary General Meeting of Shareholders)</th><th>Attendance at meetings of the Board of Directors and Audit & Supervisory Board (FY2021)</th><th>Special interest with the Company</th></tr>
<tr><td>–</td><td>–</td><td>None</td></tr>
<tr><td rowspan="2">Takashi Ogino

(November 25, 1959)
New Election
Number of the Company's Shares owned
3,885 shares</td><td colspan="3">Career summary and post in the Company
Apr. 1982: Joined the Company
Aug. 2014: Chief Manager of Utsunomiya Branch of the Company
Feb. 2020: Deputy General Manager of Auditing Department of the Company
Feb. 2021: General Manager of Auditing Department of the Company (current position)
Apr. 2021: Operations Officer of the Company (current position)</td></tr>
<tr><td colspan="3">Reason for election as Audit & Supervisory Board Member
Since joining the Company, he has served in its sales operation for approximately 35 years as a housing sales representative, Chief Manager of sales offices, a member of the Sales Administration Headquarters, and Chief Manager of branches. In 2017, he was transferred to the Auditing Department. In 2020, he was appointed Deputy General Manager of the Auditing Department, and in 2021, he was appointed Operations Officer and General Manager of the Auditing Department, where he promoted the strengthening of the internal audit division and the building of a network among governance personnel. To strengthen the audit system of the Company with his high integrity and management experience in the field of sales as well as his capability to gather information cultivated in the internal audit division, the Company proposes to newly elect him as an Audit & Supervisory Board Member.</td></tr>
<tr><td colspan="4">Note:
The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.
Mr. Takashi Ogino will be included as the insured of the said insurance contract.</td></tr>
</table>

Candidate No. 2	Number of years in office as Outside Audit & Supervisory Board Member (at the close of this Ordinary General Meeting of Shareholders)	Attendance at meetings of the Board of Directors and Audit & Supervisory Board (FY2021)	Special interest with the Company
	4 years	12/12 (attendance at the meetings of the Board of Directors: 100%) 15/15 (attendance at the meetings of Audit & Supervisory Board: 100%)	None

Ryuichi Tsuruta

(November 24, 1954)
Reelection
Outside
Independent Officer
Number of the Company's Shares owned
0 shares

Career summary and post in the Company

Apr. 1978: Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
Oct. 2000: Manager of IR Office of Corporate Finance & IR Group of Matsushita Electric Industrial Co., Ltd.
Apr. 2007: General Manager of Corporate International Affairs Group of Matsushita Electric Industrial Co., Ltd.
Jan. 2011: Chief Manager of Office of Audit & Supervisory Board Member of Panasonic Corporation
Nov. 2014: Corporate Advisor of Panasonic Corporation
May 2015: Audit & Supervisory Board Member of ZUIKO CORPORATION
Apr. 2018: Outside Audit & Supervisory Board Member of the Company (current position)
Apr. 2018: Representative of CG Consulting (current position)
Jan. 2019: Special Instructor of The Graduate School of Project Design (current position)

Significant concurrent post of other companies

Representative of CG Consulting
Special Instructor of The Graduate School of Project Design

Reason for election as Outside Audit & Supervisory Board Member and expected roles, etc.

In 2018, he was appointed as an Outside Audit & Supervisory Board Member of the Company to utilize his extensive experience in finance and accounting, disclosure, auditing and overseas business at a globally operating general electronics manufacturer as well as his experience as an Outside Audit & Supervisory Board Member at other companies in order to strengthen the Company's auditing system. He has contributed greatly to strengthening the supervisory function of the Board of Directors and ensuring transparency through his frank opinions on the corporate governance system and other matters.

The Company proposes to reelect him as an Outside Audit & Supervisory Board Member, so that he can contribute to strengthening the Company's management supervision function and building a better governance system based on his deep insight and unique perspective rooted in practical business operations.

Notes:

1. The Company has business relationship with Panasonic Corporation where Mr. Ryuichi Tsuruta worked, but the annual amount for business transactions is less than 1% of the net sales of Panasonic Corporation and the consolidated net sales of the Company. Additionally, Mr. Ryuichi Tsuruta retired from the position of the Corporate Advisor of Panasonic Corporation on December 31, 2014.
2. Mr. Ryuichi Tsuruta is a candidate for Outside Audit & Supervisory Board Member. The term of office of Mr. Ryuichi Tsuruta as an Outside Audit & Supervisory Board Member shall be four years at the conclusion of this Ordinary General Meeting of Shareholders.
3. The Company designated Mr. Ryuichi Tsuruta as an "Independent Officer" and submitted notification to that effect to the Tokyo Stock Exchange, Inc.
4. The Company entered into an agreement with Mr. Ryuichi Tsuruta that if he causes damages to the Company by neglect of the duty as an Outside Audit & Supervisory Board Member, where his conduct is deemed 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, Paragraph 1 of the Companies Act. In case the proposal is approved, the Company will continue the agreement with him.
5. The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming

responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.
Mr. Ryuichi Tsuruta will be included as the insured of the said insurance contract.

(Reference) Audit & Supervisory Board Composition

If Proposal No. 4 "Election of Two Audit & Supervisory Board Members" is approved as originally proposed, the number of Audit & Supervisory Board Members will be five, including three Outside Audit & Supervisory Board Members, as of the close of this Ordinary General Meeting of Shareholders, and the composition of the Audit & Supervisory Board will be as follows.

Name		Gender	Current post in the Company	Attendance at meetings of the Board of Directors	Attendance at meetings of Audit & Supervisory Board
Current	Midori Ito	Female	Standing Audit & Supervisory Board Member	9/9 (100%)	10/10 (100%)
New Election	Takashi Ogino	Male	Operations Officer	–	–
Reelection Outside Independent Officer	Ryuichi Tsuruta	Male	Outside Audit & Supervisory Board Member	12/12 (100%)	15/15 (100%)
Current Outside Independent Officer	Takashi Kobayashi	Male	Outside Audit & Supervisory Board Member	12/12 (100%)	15/15 (100%)
Current Outside Independent Officer	Yoritomo Wada	Male	Outside Audit & Supervisory Board Member	12/12 (100%)	15/15 (100%)

Notes:
1. The current Audit & Supervisory Board Members do not have any relationship of special interest with the Company.
2. Mr. Ryuichi Tsuruta, Mr. Takashi Kobayashi, and Mr. Yoritomo Wada are Outside Audit & Supervisory Board Members.
3. The Company designated Mr. Ryuichi Tsuruta, Mr. Takashi Kobayashi and Mr. Yoritomo Wada as "Independent Officers" and submitted notification to that effect to the Tokyo Stock Exchange, Inc.

Attached Documents of the Notice of the 71st Ordinary General Meeting of Shareholders

The Business Report for the 71st fiscal year

(February 1, 2021 – January 31, 2022)

1. Business Conditions of the Corporate Group

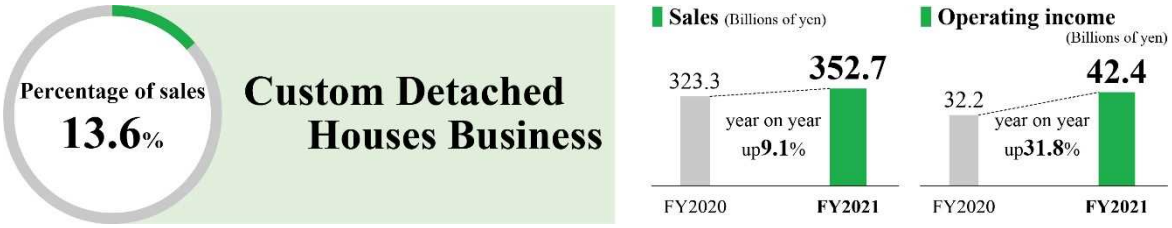
(1) Progress and Results of Sekisui House Group

While circumstances differed by country, region, and industry during the fiscal year, the global economy overall continued to face difficult conditions under the COVID-19 pandemic worldwide. Signs of business recovery appeared in Japan's economy with the improvement of income and employment environment amid efforts to balance measures against the spread of infection with socio-economic activities. The housing business continued to see firm demand for housing in the Japanese and U.S. markets as changes to lifestyles occurred under the COVID-19 pandemic. In Japan, new housing starts continued to trend upward, in both detached and rental housing businesses, while also benefiting from a tailwind of government policies to support housing acquisition and remodeling, including the creation of subsidies for housing acquisition for the child-rearing generation and the implementation of a housing loan tax exemption program based on factors such as housing environmental performance.

In this business climate, while pursuing the Sekisui House Global Vision of "making home the happiest place in the world" as well as the basic policy of "further strengthening core businesses and embarking on new businesses" as laid out under the Fifth Mid-Term Management Plan (FY2020-FY2022), the Sekisui House Group has steadily advanced initiatives to become a global company that offers integrated proposals of technologies, lifestyle design and services, based on the residential domain. Moreover, taking the safety of all stakeholders from customers and partners to employees as its top priority, the Group has continuously spearheaded efforts that include measures necessary to limit the spread of COVID-19 as well as online customer negotiations and new product development done remotely.

Additionally, as a first implementation of our Platform House Concept, which takes advantage of big data from housing to provide services emphasizing health, connectedness, and learning for the purpose of bringing happiness in an era of the 100-year lifespan, the Sekisui House Group launched the PLATFORM HOUSE touch connectivity service. This is the industry's first smart home service linking housing floor plans with household appliances for remote operation. In terms of regional revitalization, the second stage of the Trip Base Michi-no-Eki Stations Project initiated by gradually opening fourteen hotels across eight prefectures to offer a total of 1,184 rooms from the spring of 2022.

As detached and rental housing businesses worldwide performed very strongly during the fiscal year under review, the Sekisui House Group earned net sales of ¥2,589,579 million (up 5.8% year on year), operating income of ¥230,160 million (up 23.4% year on year), ordinary income of ¥230,094 million (up 24.6% year on year), and net income attributable to owners of parent of ¥153,905 million (up 24.6% year on year).

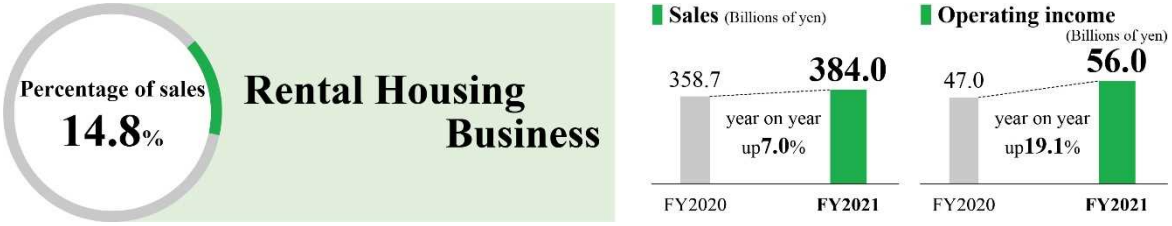


The Custom Detached Houses Business recorded net sales of ¥352,732 million, up 9.1% year on year, and operating income of ¥42,475 million, up 31.8% year on year, during the fiscal year under review, due to favorable orders received from the latter half of the previous term as well as increased income thanks to stable construction progress.

The Custom Detached Housing Business concentrated on the promotion of medium- to high-end products. This resulted in a favorable order trend driven by several factors, including the Family Suite Ouchi Premium proposals for new lifestyles responding to diverse residential needs and changes

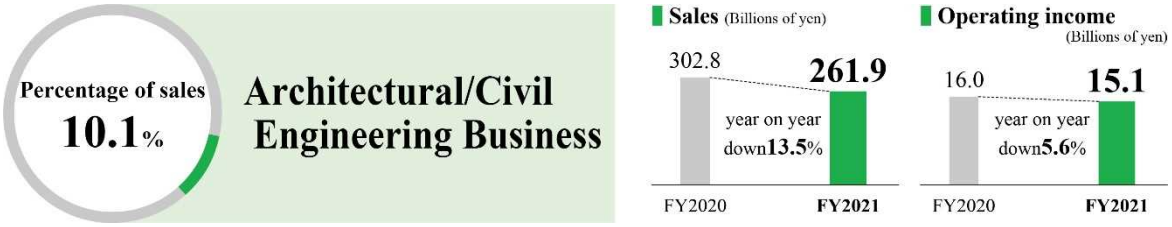
in lifestyles during the COVID-19 pandemic, Green First Zero for net zero energy housing (ZEH) that reached adoption rate of 91% in FY2020, and the popular next-generation SMART-ECS indoor environment control system that exceeded 80%.

Moreover, the Business renovated five Sumai no Yume Kojo facilities throughout Japan into Tomorrow's Life Museums. This renewal aimed to upgrade the facilities so that they would allow visitors to experience a realistic life centered on a concept of empathy and enjoy learning through various exhibitions, ranging from lifestyle-specific model housings to technical, structural and environmental pavilions, while aiming for further enhanced customer satisfaction.



The Rental Housing Business recorded net sales of ¥384,022 million, up 7.0% year on year, and operating income of ¥56,047 million, up 19.1% year on year for the fiscal year under review, due to increased income thanks to stable construction progress.

The Rental Housing Business engaged in full-scale marketing in specific areas focused on urban districts while concentrating on the promotion of three- and four-story rental houses built using an original Sekisui House construction method to achieve both a resilient structure and flexible design. As a result, the share of three- and four-story rental houses reached 79% in the segment sales. In addition, the zero-energy rental housing Sha Maison ZEH has been well received as a new option for ethical housing that helps realize a decarbonized society and offers merits to owners and residents. The Business received orders for about 8,500 units during the year, significantly more than in the previous year. Furthermore, the Sekisui House Real Estate Group companies succeeded in providing rental housing with hotel-like specifications, and other high-added value proposals as well as property management which achieved a high occupancy rate and rent prices. These accomplishments sustained a favorable upward trend in B-to-B rental businesses and rental housing orders. However, the Rental Housing Business struggled to expand orders for small hotels and other non-residential projects due to the challenges of the COVID-19 pandemic.



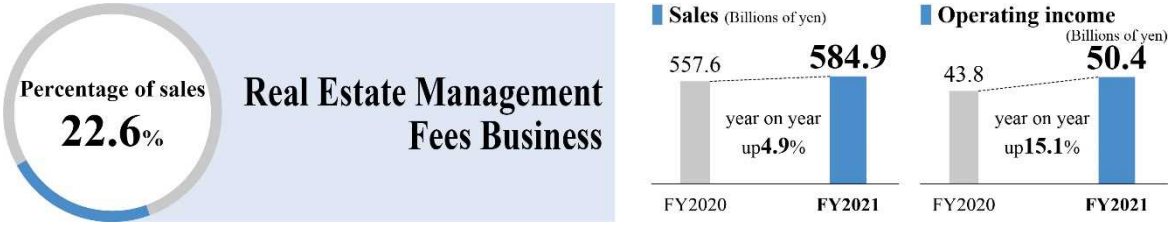
The Architectural/Civil Engineering Business recorded net sales of ¥261,930 million, down 13.5% year on year, and operating income of ¥15,146 million, down 5.6% year on year, during the fiscal year under review.

Earnings from the architectural and civil engineering projects at Konoike Construction Co., Ltd. declined due to factors including a rebound from several large property sales in the previous term and impact of the COVID-19 pandemic. The pandemic continued to largely affect orders for hotels and other commercial facilities in the Company's architectural business.

The Remodeling Business recorded net sales of ¥156,167 million, up 10.7% year on year, and operating income of ¥25,546 million, up 24.7% year on year for the fiscal year under review, driven by favorable orders from the latter half of the previous term.

The Remodeling Business received a sustained flow of orders made up mostly of large-scale projects, thanks to the popularity of remodeling proposals such as Family Suite Renovation adapted to growing interest in more comfortable living spaces and lifestyle changes, Idocoro Dan-netsu (location-based insulation upgrades) that upgrades thermal insulation primarily in the living room and other living spaces, renovations for energy generation, and other such environment-based remodeling.

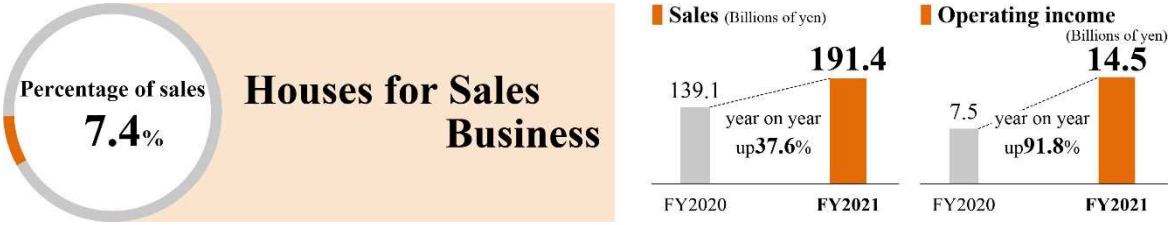
In December 2021, the Business launched sales of SMART-ECS Renovation, which offers the implementation of the Next-Generation Indoor Environment System that has been well received in new detached houses.



The Real Estate Management Fees Business recorded net sales of ¥584,969 million, up 4.9% year on year, and operating income of ¥50,480 million, up 15.1% year on year, during the fiscal year under review.

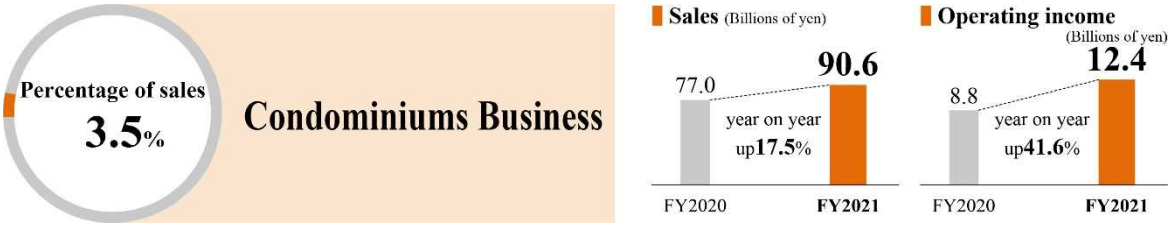
The Real Estate Management Fees Business showed a steady increase in the number of housing units under management through the supply of Sha Maison high-quality and high-performance rental homes built in prime locations. High-quality building management to support long-term management stability and services enhancing the lives of residents maintained high occupancy rates and rental prices, which in turn contributed to higher earnings.

Moreover, Sekisui House Real Estate Holdings, Ltd. was established as an intermediary holding company overseeing the Sekisui House Real Estate Group to further develop its businesses with a view on expanding the business domains.



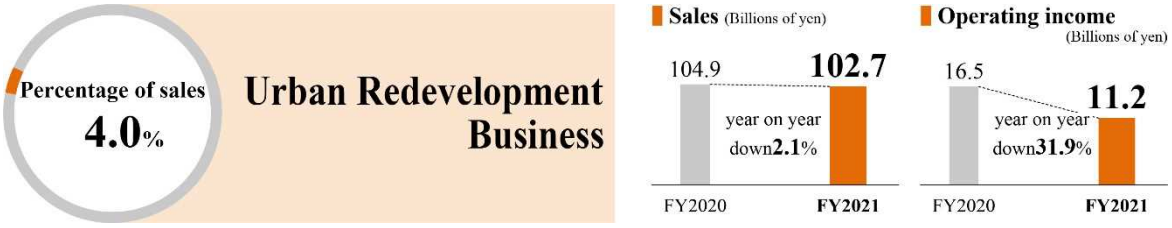
The Houses for Sale Business recorded net sales of ¥191,488 million, up 37.6% year on year, and operating income of ¥14,548 million, up 91.8% year on year, during the fiscal year under review due to favorable orders received from the latter half of the previous term as well as increased income thanks to stable construction progress.

The Houses for Sale Business actively continued to acquire prime land and strengthened its sales force to respond to high demand. These efforts strongly drove sales by targeting promotions to customers considering the purchase of land to develop properties.



The Condominiums Business recorded net sales of ¥90,612 million, up 17.5% year on year, and operating income of ¥12,486 million, up 41.6% year on year, for the fiscal year under review.

The Condominiums Business engaged in development of the Grande Maison (GM) high-added-value condominiums via comprehensive area-specific strategies and proposals for environmental performance and lifestyle features developed for custom detached housing. The Business successfully delivered GM Shin-Umeda Tower THE CLUB RESIDENCE (Kita-ku, Osaka City), GM Josui Garden City Central Forest I (Chuo-ku, Fukuoka City), and other such properties on schedule, with strong sales from GM Uemachi 1-Chome Tower (Chuo-ku, Osaka City) and GM Yakuin The Tower Residence (Chuo-ku, Fukuoka City).



The Urban Redevelopment Business reported net sales of ¥102,736 million, down 2.1% year on year, and operating income of ¥11,276 million, down 31.9% year on year, during the fiscal year under review.

The Urban Redevelopment Business sold some of its shares in Grand Front Osaka (Kita-ku, Osaka City) and W Osaka (Chuo-ku, Osaka City), in addition to selling Prime Maison Shimokitazawa (Setagaya-ku, Tokyo) and other rental housing properties to Sekisui House Reit, Inc. The Business showed a gradually increase in the occupancy rate of Sekisui House Group properties, such as the Sekisui House office buildings and Prime Maison rental housing. However, hotel revenue fell due to the decline in travelers and other factors resulting from the COVID-19 pandemic.

The Overseas Business earned net sales of ¥388,936 million, up 4.9% year on year, and operating income of ¥50,147 million, up 26.3% year on year, during the fiscal year under review.

The master-planned community business and Woodside Homes homebuilding business continued to show a strong performance in the United States with historically low mortgage rates. The multifamily business increased its earnings with the delivery of Zera (Portland), Neon Local (Denver), and The Merian (San Diego). At the same time, earnings declined in Australia due to delayed recovery in the real estate market and impacts of the COVID-19 pandemic. Sekisui House businesses in China moved forward with deliveries on schedule, but earnings dropped due to concentrated deliveries of condominiums in Suzhou during the previous fiscal year.

Other businesses generated net sales of ¥75,984 million, up 6.4% year on year, while recording operating loss of ¥1,208 million for the fiscal year under review.

The Exterior Business undertook various initiatives, including the Gohon no Ki Project. This venture strengthened proposals integrating housing and exteriors while encouraging the use of native vegetation for both detached homes and rental housing.

(2) Issues to Be Addressed by Sekisui House Group

Looking at the global economy, trend of resuming socio-economic activities while undertaking COVID-19 countermeasures is accelerating. However, even as the world continues its recovery from stagnation under the COVID-19 pandemic, it still faces prolonged supply constraints, raw materials and energy price issues, increased cost of living and interest rates, and geopolitical risks that bear close watch. Under these circumstances, in Japan, continues its trend of recovering demand due to the improving employment rate and income and a growing appetite for housing acquisition associated with economic recovery and lifestyle changes. Against the backdrop of government energy policy and revisions to labeling standards for housing performance, the need for high-quality housing, such as housing with high thermal insulation performance, can be expected to grow. Looking at the US housing market, the favorable market environment is expected to continue against a backdrop of robust housing demand and supply shortages, despite rising interest rates.

Amid this operating environment, the Company will accelerate initiatives to become a global company that offers integrated proposals of technologies, lifestyle design and services, based on the residential domain based on the Sekisui House Global Vision of "making home the happiest place in the world" as well as the basic policy of "further strengthening core businesses and embarking on new businesses" laid out in the Fifth Mid-Term Management Plan (FY2020-FY2022). Within these initiatives, the Company is promoting relationship building with customers that leveraging the online and IT technology as a measure to prevent spread of infection as well as strengthening our ability to develop and propose products matched to new lifestyles.

In the Built-to-Order Business, the Company will work to increase profits by pursuing high-value-added housing and residential environments. In detached houses, the Company will broaden its product price range, strengthening and advancing product development to suit. The Company will also work to further popularize its Family Suite that enable enhancement of time spent at home as well as the SMART-ECS that ventilates and cleans air while controlling temperature fluctuations, the PLATFORM HOUSE touch connectivity service the smart home service linking housing floor plans. In the areas of rental housing and non-residential (business) buildings, the Company intends to expand sales of its Sha Maison ZEH zero-energy rental houses to reinforce area marketing specialized in S and A areas that the Company has designated as key strategic locations in cities, and to expand the flagship Sha Maison Premier model that serves as a symbol for neighborhoods. To strengthen its proposals for the effective use of real estate in the fields of corporate real estate (CRE) and public real estate (PRE), the Company will carry out multi-application development leveraging the strengths of the original heavy steel frame-based construction method, strengthen proposals for its ZEB offices that balance consideration for the environment with economy and indoor comfort, and enhance synergies with the Company's subsidiary Konoike Construction Co., Ltd.

In the Supplied Housing Business, the Company will actively roll out proposal-based and environment-based remodeling that meets the need for more comfortable living as time spent at home increases. The Company will also improve services for rental housing owners and residents and strengthen the brokerage business, centered on the new intermediary holding company Sekisui House Real Estate Holdings, Ltd.

In the Development Business, the Company intends to secure stable profits by improving the asset turnover rate and acquiring prime property in accordance with area marketing. In the Condominiums Business, the Company will strengthen differentiated development that includes

condominiums meeting ZEH and ZEH-M standards. In the Urban Redevelopment Businesses, the Company will focus its efforts on the development of rental condominiums, centered on the Tokyo metropolitan area and emphasizing turnover rate. The Company will also draw on its architectural technologies to advance the Trip Base Michi-no-Eki Stations Project that will contribute to regional revitalization.

In the Overseas Business, the Company will focus on stable growth of development projects and reinforcement of detached house supply as stages for transplanting Sekisui House technologies to other countries, to create a structure aimed at sustainable growth. In the United States, where housing sales are robust, the Company will provide high added value through housing technologies and lifestyle proposals developed in Japan, as it aims to expand the areas of business through Woodside Homes Company, LLC, which has experienced its significant growth as a customer-centric premium brand, and the newly acquired Holt Homes Group. The Company will also move forward with a pilot project using its Shawood wooden house technology to enhance the brand power.

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 fiscal year	Orders for the fiscal year ended January 31, 2022	Net sales for the fiscal year ended January 31, 2022	Orders carried forward to the following fiscal year
Built-to-Order Business				
Custom Detached Houses Business	183,298	353,299	352,732	183,865
Rental Housing Business	372,723	390,190	384,022	378,890
Architectural/Civil Engineering Business	362,407	333,630	261,930	434,107
Supplied Housing Business				
Remodeling Business	28,584	160,962	156,167	33,380
Real Estate Management Fees Business	—	584,969	584,969	—
Development Business				
Houses for Sale Business	47,705	201,897	191,488	58,114
Condominiums Business	91,651	83,952	90,612	84,991
Urban Redevelopment Business	28,901	98,891	102,736	25,057
Overseas Business	199,620	432,773	388,936	260,455
Other Businesses	48,527	81,167	75,984	53,710
Total	1,363,421	2,721,734	2,589,579	1,512,572

Notes:

1. Each business division is set out in the section of (6) Major Businesses as of January 31, 2022.
2. HOLT GROUP HOLDINGS, LLC and its subsidiaries became the Company's consolidated subsidiaries in the fiscal year under review. The "Orders carried forward to the following year" in the "Overseas Business" include the orders received by these companies prior to the consolidation.

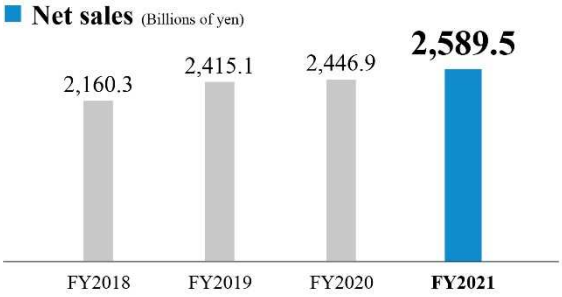
(4) Business Results and Financial Situation of Sekisui House Group

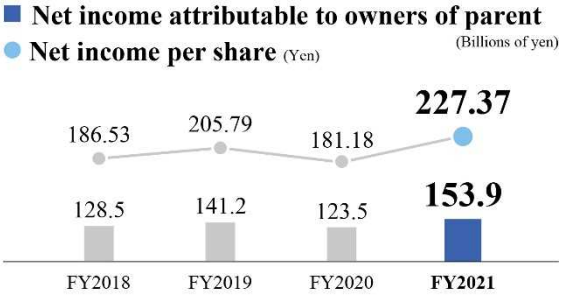
Millions of yen

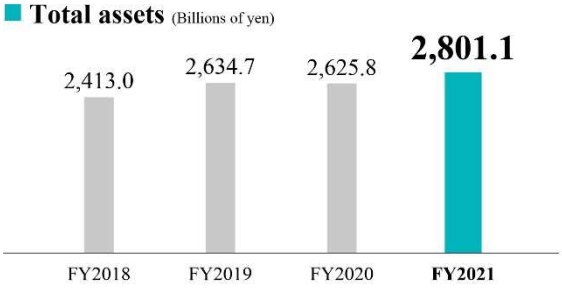
	Fiscal year ended January 31, 2019	Fiscal year ended January 31, 2020	Fiscal year ended January 31, 2021	Fiscal year ended January 31, 2022
Net sales	2,160,316	2,415,186	2,446,904	2,589,579
Net income attributable to owners of parent	128,582	141,256	123,542	153,905
Net income per share (*yen*)	186.53	205.79	181.18	227.37
Total assets	2,413,035	2,634,748	2,625,861	2,801,189
Net assets	1,196,923	1,306,850	1,368,887	1,520,959

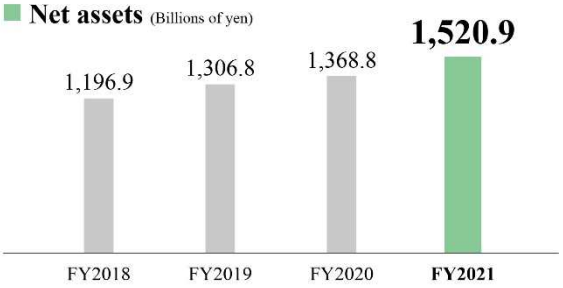
Note:

Effective from the fiscal year ended January 31, 2020, the Company applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018). Accordingly, the Company changed the presentation of deferred tax assets and deferred tax liabilities, such that deferred tax assets and deferred tax liabilities are presented under investments and other assets and noncurrent liabilities, respectively. The figures for the fiscal year ended January 31, 2019 represent those after the reclassification.









(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 ¥89,512 million and the main component was acquisition of the real estate for investments.

There are no matters of special note regarding the funds procured during the fiscal year.

(6) Major Businesses as of January 31, 2022

The Company and the Sekisui House Group companies are involved in the Custom Detached Houses Business, Rental Housing Business, Architectural/Civil Engineering Business, Remodeling Business, Real Estate Management Fees Business, Houses for Sale Business, Condominiums Business, Urban Development Business, Overseas Business, and carry out related business activities.

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

Built-to-Order Business	
Custom Detached Houses Business	Designing, constructing, and contracting for detached houses
Rental Housing Business	Designing and construction contracting for rental housing, commercial buildings, and other buildings
Architectural/Civil Engineering Business	Designing and construction contracting for architectural and civil engineering work for rental housing, commercial buildings, and other buildings of reinforced-concrete (RC) structure
Supplied Housing Business	
Remodeling Business	Renovating housing and other buildings
Real Estate Management Fees Business	Leasing, managing, maintaining, and brokering real estate
Development Business	
Houses for Sale Business	Selling houses and residential land, and designing and construction contracting for houses built 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 detached houses, selling houses and residential land, and developing and selling facilities, including condominiums and commercial facilities, in overseas markets
Other Businesses	Exterior business, etc.

(7) Major Operations of Sekisui House Group as of January 31, 2022

(i) Location of major operations of the Company

Head office:	1-88, Oyodonaka 1-chome, Kita-ku, Osaka	
Sales and project headquarters:		City
International Business Department		Osaka
Development Department		Shibuya-ku, Tokyo
Condominium Headquarters		Osaka
Broking and Leasing Business Headquarters		Osaka
Sekiwa Construction Business Headquarters		Osaka
East Japan Building Sales Administration Headquarters		Shibuya-ku, Tokyo
Tokyo Building Sales Administration Headquarters		Shibuya-ku, Tokyo
Chubu Building Sales Administration Headquarters		Nagoya
Kansai Building Sales Administration Headquarters		Osaka
Chugoku Kyushu Building Sales Administration Headquarters		Fukuoka
Tohoku Sales Administration Headquarters		Sendai
Tokyo Sales Administration Headquarters		Shinjuku-ku, Tokyo
Kanagawa Sales Administration Headquarters		Yokohama
Saitama Tochigi Sales Administration Headquarters		Saitama
Higashi Kanto Sales Administration Headquarters		Chiba
Joshinetsu Sales Administration Headquarters		Nagano
Chubu Daiichi Sales Administration Headquarters		Nagoya
Chubu Daini Sales Administration Headquarters		Shizuoka
Kansai Daiichi Sales Administration Headquarters		Osaka
Kansai Daini Sales Administration Headquarters		Kyoto
Chugoku Shikoku Sales Administration Headquarters		Hiroshima
Kyushu Sales Administration Headquarters		Fukuoka
Branches:	105 Branches	
Sales Offices:	11 Sales Offices	
Customer Service Centers:	30 Customer Service Centers	
Factories:		
Tohoku Factory	Shikama-cho, Kami-gun, Miyagi	
Kanto Factory	Koga, Ibaraki	
Shizuoka Factory	Kakegawa, Shizuoka	
Yamaguchi Factory	Yamaguchi	
Hyogo Factory	Kato, Hyogo	
R&D Institutes:		
Comprehensive Housing R&D Institute	Kizugawa, Kyoto	
Human Life R&D Institute	Osaka	

Notes:

- The Broking and Leasing Business Headquarters was abolished on February 1, 2022 as a result of an absorption-type company split with Sekisui House Real Estate Holdings, Ltd., an intermediary holding company to oversee the Sekisui House Real Estate Group.

(ii) Address of major operations of subsidiaries

Sekisui House Real Estate Tohoku, Ltd.	Head office: 16-10, Honcho 2-chome, Aoba-ku, Sendai
Sekisui House Real Estate Tokyo, Ltd.	Head office: 1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo
Sekisui House Real Estate Kansai, Ltd.	Head office: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Real Estate Chubu, Ltd.	Head office: 24-16, Meieki 4-chome, Nakamura-ku, Nagoya
Sekisui House Real Estate Chugoku & Shikoku, Ltd.	Head office: 1-25, Komachi, Naka-ku, Hiroshima
Sekisui House Real Estate Kyushu, Ltd.	Head office: 26-29, Hakataekimae 3-chome, Hakata-ku, Fukuoka
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
Sekisui House noie Limited	Head office: 1-90, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Asset Management, Ltd.	Head office: 15-1, Akasaka 4-chome, Minato-ku, Tokyo
Sekisui House Trust, Ltd.	Head office: 1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo
Konoike Construction Co., Ltd.	Head office: 6-1, Kitakyuhojimachi 3-chome, Chuo-ku, Osaka
SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED	Head office: New South Wales, Australia
SEKISUI HOUSE US HOLDINGS, LLC	Head office: California, U.S.A.
NORTH AMERICA SEKISUI HOUSE, LLC	Head office: California, U.S.A.
SH RESIDENTIAL HOLDINGS, LLC	Head office: California, U.S.A.
WOODSIDE HOMES COMPANY, LLC	Head office: Utah, U.S.A.
HOLT GROUP HOLDINGS, LLC	Head office: Washington, U.S.A.
Sekisui House (Shenyang) Co., Ltd.	Head office: Liaoning Shenyang City, China
Sekisui House No.1 (Shenyang) Co., Ltd.	Head office: Liaoning Shenyang City, China
Sekisui House (Wuxi) Co., Ltd.	Head office: Jiangsu Wuxi City, China
Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josei)	Head office: Jiangsu Suzhou City, China

Note:

The addresses above which does not include specific country name should be recognized as addresses in Japan.

(8) Outline of Main Subsidiaries

Company name	Capital *Millions of yen*	Percentage owned	Main business
Sekisui House Real Estate Tohoku, Ltd.	200	100.0%	Houses for Sale Business, Real Estate Management Fees Business
Sekisui House Real Estate Tokyo, Ltd.	2,238	100.0%	Houses for Sale Business, Real Estate Management Fees Business
Sekisui House Real Estate Kansai, Ltd.	5,829	100.0%	Houses for Sale Business, Real Estate Management Fees Business
Sekisui House Real Estate Chubu, Ltd.	1,368	100.0%	Houses for Sale Business, Real Estate Management Fees Business
Sekisui House Real Estate Chugoku & Shikoku, Ltd.	379	100.0%	Houses for Sale Business, Real Estate Management Fees Business
Sekisui House Real Estate Kyushu, Ltd.	263	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
Sekisui House noie Limited	100	100.0%	Custom Detached Houses Business
Sekisui House Asset Management, Ltd.	400	100.0%	Real Estate Management Fees Business
Sekisui House Trust, Ltd.	450	95.0%	Real Estate Management Fees Business
Konoike Construction Co., Ltd.	5,350	67.1%	Architectural/Civil Engineering Business
SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED	1,087 (Millions of AUD)	100.0%	Overseas Business
SEKISUI HOUSE US HOLDINGS, LLC	1,738 (Millions of USD)	100.0%	Overseas Business
NORTH AMERICA SEKISUI HOUSE, LLC	1,233 (Millions of USD)	100.0%*	Overseas Business
SH RESIDENTIAL HOLDINGS, LLC	820 (Millions of USD)	100.0%*	Overseas Business
WOODSIDE HOMES COMPANY, LLC	204 (Millions of USD)	100.0%*	Overseas Business
HOLT GROUP HOLDINGS, LLC	340 (Millions of USD)	100.0%*	Overseas Business
Sekisui House (Shenyang) Co., Ltd.	219 (Millions of USD)	100.0%	Overseas Business
Sekisui House No.1 (Shenyang) Co., Ltd.	1,568 (Millions of CNY)	100.0%	Overseas Business
Sekisui House (Wuxi) Co., Ltd.	265 (Millions of USD)	100.0%	Overseas Business
Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josei)	276 (Millions of USD)	100.0%	Overseas Business

Notes:

1. There are 335 consolidated subsidiaries, and 34 companies to which equity method of accounting is applied.
2. Ownership ratio of "Percentage owned" with "*" includes indirect ownership.

3. HOLT GROUP HOLDINGS, LLC was newly added as a result of the acquisition of Holt Homes and other businesses during the fiscal year under review.
4. Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd. was sold on August 31, 2021.
5. Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josho) was liquidated on September 27, 2021.
6. Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd. (Josei) commenced liquidation proceedings on February 2, 2022.
7. The Company reorganized the Sekisui House Real Estate Group with the Company's wholly-owned intermediary holding company Sekisui House Real Estate Holdings, Ltd. at its core. As of February 1, 2022, all equity interests in the six Sekisui House Real Estate Group companies are indirectly owned. Sekiwa Grand Mast, Ltd. was merged into Sekisui House Real Estate Tokyo, Ltd.

(9) Employees as of January 31, 2022

(i) Outline of Sekisui House Group

Number of employees	Change compared to the previous year
28,821	459 (increased)

(ii) Outline of Sekisui House, Ltd.

Number of employees	Change compared to the previous year	Average age	Average length of employment
16,372	11 (increased)	43.9 years old	17.5 years

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

(10) Principal Lenders as of January 31, 2022

Millions of yen

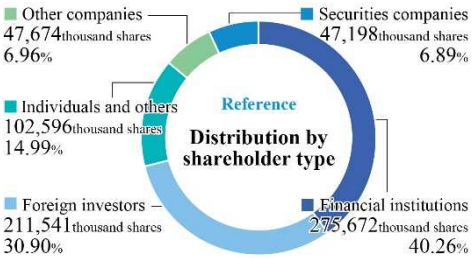
Name of lenders	Amount of loan
Sumitomo Mitsui Banking Corporation	178,730
MUFG Bank, Ltd.	90,568
Mizuho Bank, Ltd.	69,819
Sumitomo Mitsui Trust Bank, Limited	25,088
Resona Bank, Limited	2,487

Note: The amount of loan denominated in foreign currency is converted using a term-end rate of exchange.

2. Present Conditions of the Company

(1) The Shares as of January 31, 2022

1	Total number of shares authorized to be issued	1,978,281,000 shares
2	Total number of shares issued (Including treasury stock)	684,683,466 shares (9,740,876 shares)
3	Share unit number	100
4	Total number of shareholders	90,711
5	Details of main shareholders are as follows:	



Note: "Individuals and others" includes 9,740 thousand shares of treasury stock.

Name	Number of shares held (thousands)	Ratio of shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	121,998	18.08
Custody Bank of Japan, Ltd. (Trust account)	38,703	5.73
SMBC Nikko Securities Inc.	22,506	3.33
Sekisui Chemical Co., Ltd.	22,168	3.28
Sekisui House Ikushikai	18,961	2.81
STATE STREET BANK WEST CLIENT – TREATY 505234	12,232	1.81
MUFG Bank, Ltd.	10,899	1.61
The Dai-ichi Life Insurance Company, Limited	10,828	1.60
JP MORGAN CHASE BANK 385781	7,483	1.11
STATE STREET BANK AND TRUST COMPANY 505103	7,256	1.08

Notes:

1. Sekisui House Ikushikai is the Company's employee stock holding association.
2. The Company holds 9,740,876 shares of treasury stock, but is excluded from the above list of main shareholders. The ratio of shareholding is calculated deducting shares of treasury stock from the total number of shares issued.

6 Shares issued to Directors and Audit & Supervisory Board Members as remuneration for the execution of their duties during the fiscal year under review.

Position	Number of shares	Number of recipients
Directors (excluding Outside Directors)	58,100	6
Outside Directors	—	—
Audit & Supervisory Board Members	—	—

7 Other important matters concerning shares

The Company acquired 6,599,800 shares of common stock of the Company based on a resolution at the meeting of the Board of Directors held on March 4, 2021.

(2) Directors and Audit & Supervisory Board Members

(i) Names and posts of Directors and Audit & Supervisory Board Members as of January 31, 2022

Representative Directors:	
Yoshihiro Nakai	President & Executive Officer, CEO, in charge of Business Strategy Division and Built-to-Order Business Division
Yosuke Horiuchi	Vice Chairman & Executive Officer, in charge of Finance & ESG Division and TKC Project
Kunpei Nishida	Executive Vice President & Executive Officer, in charge of Supplied Housing Business Division, General Manager of Broking and Leasing Business Headquarters
Satoshi Tanaka	Executive Vice President & Executive Officer, in charge of Administration and Personnel Division
Directors:	
Toshiharu Miura	Senior Managing Officer, in charge of Technology & Production Division
Toru Ishii	Senior Managing Officer, in charge of Development Business Division
Yukiko Yoshimaru	
Toshifumi Kitazawa	
Yoshimi Nakajima	
Keiko Takegawa	
Standing Audit & Supervisory Board Members:	
Haruyuki Iwata	
Midori Ito	
Audit & Supervisory Board Members:	
Takashi Kobayashi	
Hisako Makimura	
Ryuichi Tsuruta	
Yoritomo Wada	

Notes:

1. The names of Directors and Audit & Supervisory Board Member who retired during the fiscal year under review and their posts and responsibilities at the time of retirement are as follows.

Chairman & Representative Director	Toshinori Abe		Retired on April 27, 2021
Vice Chairman & Representative Director	Shiro Inagaki	Management of Finance & ESG Division	Retired on April 27, 2021
Executive Vice President & Representative Director	Takashi Uchida	Management of Administration and Personnel Division	Retired on April 27, 2021
Director	Shiro Wakui		Retired on April 27, 2021
Standing Audit & Supervisory Board Member	Hisao Yamada		Resigned on April 27, 2021

2. Directors Ms. Yoshimi Nakajima, Ms. Keiko Takegawa, and Audit & Supervisory Board Member Ms. Midori Ito were newly elected and assumed office at the 70th Ordinary General Meeting of Shareholders held on April 27, 2021.
3. Directors Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima and Ms. Keiko Takegawa are Outside Directors as prescribed in Article 2, Item 15 of the Companies Act.
4. Audit & Supervisory Board Members Mr. Takashi Kobayashi, Ms. Hisako Makimura, Mr. Ryuichi Tsuruta and Mr. Yoritomo Wada are Outside Audit & Supervisory Board Members as prescribed in Article 2, Item 16 of the Companies Act.
5. Audit & Supervisory Board Member Mr. Yoritomo Wada is a certified public accountant and is acquainted with knowledge and information on finance and accounting to the reasonable extent.
6. The Company designated each of Directors Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima and Ms. Keiko Takegawa, Audit & Supervisory Board Members Mr. Takashi Kobayashi, Ms. Hisako Makimura, Mr. Ryuichi Tsuruta and Mr. Yoritomo Wada as "Independent Officers" and submitted notification to that effect to the Tokyo Stock Exchange, Inc. (as of March 2022).
7. The post and responsibilities of Directors changed as set forth below on February 1, 2022:

Representative Director	Yosuke Horiuchi	Vice Chairman & Executive Officer, in charge of Finance & ESG Division and TKC Project, General Manager of ESG Management Promotion Headquarters
Director	Kunpei Nishida	Executive Vice President & Executive Officer, in charge of Supplied Housing Business Division

In addition, Director Mr. Kunpei Nishida assumed the position of President & Representative Director of Sekisui House Real Estate Holdings, Ltd. as of February 1, 2022.

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 of the Company hold a concurrent post	Post
Yosuke Horiuchi	Sekisui House Financial Services Co., Ltd.	President & Representative Director
Satoshi Tanaka	Kuraray Co., Ltd. IHH Healthcare Berhad	Outside Director Outside Director
Yukiko Yoshimaru	Mitsui Chemicals, Inc. Daiwabo Holdings Co., Ltd.	Outside Director Outside Director
Toshifumi Kitazawa	Tokio Marine & Nichido Fire Insurance Co., Ltd.*1 MUFG Bank, Ltd. Mitsubishi Logistics Corporation	Vice Chairman & Director Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee) Outside Director
Yoshimi Nakajima	AEON Financial Service Co., Ltd. Japan Freight Railway Company ULVAC, Inc. The Graduate School of Project Design	Outside Director Outside Director External Director Specially Appointed Professor
Keiko Takegawa	NIPPON TELEGRAPH AND TELEPHONE CORPORATION MITSUI MINING & SMELTING CO., LTD. Faculty of Global Business of Showa Women's University*2	Outside Member of the Board Outside Director Dean and Specially Appointed Professor
Audit & Supervisory Board Members:		
Name	Company in which Audit & Supervisory Board Members of the Company hold a concurrent post	Post
Takashi Kobayashi	Ono-Kobayashi Law Office Sanyo Special Steel Co., Ltd.	Lawyer Outside Director
Hisako Makimura	The Institute of Religion and Culture of Kyoto Women's University Research Center for Societal Safety Sciences, Faculty of Societal Safety Sciences of Kansai University	Visiting Scholar Visiting Scholar
Ryuichi Tsuruta	CG Consulting The Graduate School of Project Design	Representative Special Instructor
Yoritomo Wada	Wada CPA Accounting Firm NIPPON SHOKUBAI CO., LTD.	Certified Public Accountant External Statutory Corporate Auditor

*1 Director Mr. Toshifumi Kitazawa will retire from his position as Vice Chairman & Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. on March 31, 2022.

*2 Director Ms. Keiko Takegawa will retire from her position as Dean of Faculty of Global Business of Showa Women's University on March 31, 2022.

(ii) Outline of Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance premiums are fully borne by the Company. The insurance policy covers damages that may arise from the insured Directors, Audit & Supervisory Board Members, Executive Officers, etc. (including those who retired) assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. However, there are certain exemptions to ensure the appropriateness of the execution of duties by the insured parties; for example, damage caused as a result of any criminal act of the insured shall not be covered.

(iii) Remunerations paid for Directors and Audit & Supervisory Board Members

a. Matters related to the Policy for Determining Remuneration Amounts for Individual Directors or Calculation Methods Thereof

The remuneration of Directors is determined in accordance with the following basic policies.

Basic remuneration policies

(1) In accordance with the Corporate Philosophy espousing the underpinning philosophy of "Love of Humanity," the Company shall ensure the objectivity and transparency of and adequately fulfill its accountability for a remuneration system through high standards of remuneration governance, in order to be fair to all the stakeholders including shareholders, investors, customers and employees.

(2) Aiming to be a leading company in ESG management, the Company shall establish a remuneration system that works as a healthy incentive for a long-term and sustainable enhancement of the corporate value by focusing on social significance and clarifying its commitments to steadily executing innovative growth strategies.

(3) The Company shall deliver a long-term improvement in the Group-wide organizational vitality by placing an emphasis on alignment a remuneration system with development and evaluation of senior management and motivating the next generation of managerial human resources to grow.

(a) Method of determining policies, etc. and matters related to delegation of determining details of remuneration, etc. for individual officers

- The Company has established the Personnel Affairs and Remuneration Committee as an consultative body to the Board of Directors for the purpose of ensuring fairness and transparency in the decision making procedures on human resource matters such as the selection and dismissal of Directors and their remuneration.
- The Personnel Affairs and Remuneration Committee deliberates on basic policies regarding a remuneration system, remuneration structure, and other issues, and reports its findings to the Board of Directors. Based on the recommendations of the Committee, the Board of Directors, by its resolution, sets the amount of remuneration, etc. for each individual Director or the policy for determining such amount in the "Officer Remuneration Rules." The Board of Directors confirms that the remuneration, etc. of Directors for the fiscal year has been determined in accordance with the "Officer Remuneration Rules" to determine whether the amount of remuneration, etc. for individual Directors is in line with the policy for determining such remuneration.
- In order to improve the objectivity and independence of the remuneration determination process, the Board of Directors, by its resolution, delegates the authority to determine the amount of remuneration for individual Directors to the Personnel Affairs and Remuneration Committee.

Composition of the Personnel Affairs and Remuneration Committee

Composition	The majority of the Committee members shall be Independent Outside Directors and the Committee shall be chaired by an Independent Outside Director. Five members (including three Outside Directors) Chairperson: Yukiko Yoshimaru (Outside Director) Committee members: Outside Directors: Toshifumi Kitazawa and Keiko Takegawa Internal Directors: Yoshihiro Nakai, Representative Director, President & Executive Officer, CEO, and Satoshi Tanaka, Representative Director, Executive Vice President & Executive Officer

Authority	As a consultative body to the Board of Directors to ensure fairness and transparency, the Personnel Affairs and Remuneration Committee provides opinions on personnel matters relating to Directors and Executive Officers and their remuneration, and determines the amount of remuneration, etc. for each individual Director.
Activity status	The Personnel Affairs and Remuneration Committee met 12 times in the fiscal year ended January 31, 2022, and all members attended all of the meetings. The main items discussed are as follows. ・Enhancement of the President selection process ・Examination of the selection process for new Outside Director candidates ・Delegation by the Board of Directors to the Personnel Affairs and Remuneration Committee of the authority to determine the amount of remuneration for each individual Director

(b) Overview of policy details

Remuneration level

The Company sets appropriate remuneration levels based on the Group's performance scale with reference to objective market survey data on remuneration from external specialized agencies.

Remuneration and incentive remuneration framework

Remuneration for Directors (excluding Outside Directors) consists of basic remuneration (fixed remuneration) and incentive remuneration (variable remuneration). The incentive remuneration is a combination of three types of remuneration: performance-related bonuses (short-term performance), performance share units (medium-term performance), and restricted stock remuneration (long-term performance).

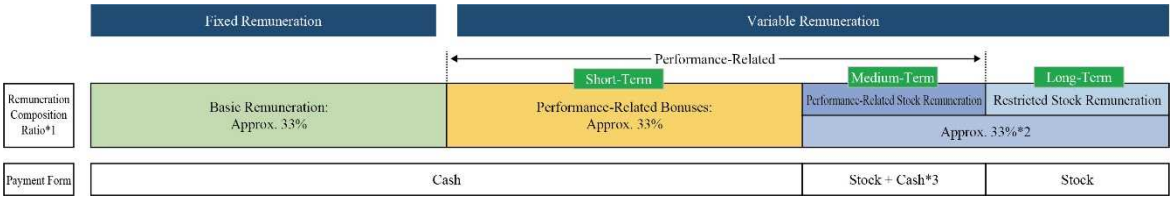
The remuneration composition shall be adequately determined according to the roles and responsibilities of each position and the Company shall make it work as a healthy incentive not only to achieve performance targets for a single fiscal year but also to enhance the corporate value in a long-term and sustainable way. To this end, the Company has lowered the ratio of performance-related bonuses, and increased the ratio of stock remuneration to total remuneration. For Representative Directors, the remuneration composition ratio among basic remuneration, performance-related bonuses, and stock remuneration at the base performance is approximately 1:1:1.

Remuneration and incentive remuneration framework

Type of remuneration			KPI	Outline and reasons for selection of indicators for performance-related remuneration
Fixed	Basic remuneration		—	The amount shall be determined according to criteria including representation rights and position, and shall be paid on a monthly basis.
Variable	Short-term	Performance-related bonuses	Consolidated ordinary income	Consolidated ordinary income, one of the key management indicators for each fiscal year, is used as a performance indicator, and the amount to be paid shall be calculated by multiplying consolidated ordinary income by a predetermined bonus coefficient for the position of each Director (excluding Outside Directors). The bonuses shall not be paid if net income attributable to owners of parent is less than ¥100 billion.
Variable	Medium-term	Performance share units (PSU)	ROE and ESG management indicators	ROE, a key financial indicator for the medium term, and ESG management indicator, a non-financial indicator, are used as performance indicators. The Reference Number of Share Units corresponding to predetermined standards for each Executive Director position shall be granted. The number of units to be granted shall depend on the degree of achievement of ROE and ESG management indicators during the three-year evaluation period. At the end of the evaluation period, the number of units to be granted shall be determined within the range of 0% to 150%. Half of the units granted shall be issued as shares and half in cash for tax payment. ROE and ESG management indicators shall have an 80:20 weighting in the evaluation, and ESG management indicators will be rigorously reviewed by the Personnel Affairs and Remuneration Committee to enhance the objectivity and transparency of the process of goal setting and evaluation.
Variable	Long-term	Restricted stock remuneration (RS)	—	Shares of the Company's common stock (with transfer restrictions) corresponding to the predetermined basic amount set for each Executive Director position shall be granted. The transfer restrictions shall be lifted in the event that the grantee loses both his or her position as Director and Executive Officer of the Company.

Note: "PSU" stands for Performance Share Units. "RS" stands for Restricted Stock.

Image of remuneration composition ratio for Representative Directors at the base performance



1. The remuneration composition ratio will vary depending on position, the Company's performance and the achievement of KPIs. The image shows a remuneration composition ratio for Representative Directors at the base performance.
2. The composition ratio of performance-related stock remuneration to restricted stock remuneration is approximately 1:1 (at the base performance).
3. 50% of the performance-related stock remuneration will be paid in cash for tax payment purposes.

b. Remuneration, etc. for Outside Directors

Remuneration, etc. for Outside Directors of the Company shall be only basic remuneration (fixed remuneration) in light of the role to supervise the management of the Company from the objective and independent standpoint. The level of basic remuneration shall be determined based on his/her role at the Board of Directors or the Personnel Affairs and Remuneration Committee, experience, and other factors, with reference to data such as remuneration survey data from external specialized agencies.

c. Remuneration, etc. for Audit & Supervisory Board Members

Remuneration, etc. for Audit & Supervisory Board Members of the Company shall be only basic remuneration (fixed remuneration) in light of the role to supervise the management of the Company from the objective and independent standpoint. The level of basic remuneration shall be determined in accordance with the duties and responsibilities of each Audit & Supervisory Board Member, with reference to data such as remuneration survey data from external specialized agencies.

d. Resolution of the General Meeting of Shareholders on remuneration, etc.

The upper limits of remuneration for the Company's Directors and Audit & Supervisory Board Members have been resolved as follows.

Type of remuneration, etc.	Internal Directors	Outside Directors	Audit & Supervisory Board Members
Basic remuneration	¥43 million or less per month (for 26 persons, resolved at the 43rd Ordinary General Meeting of Shareholders)		¥15 million or less per month (for 6 persons, resolved at the 67th Ordinary General Meeting of Shareholders)
Performance-related bonuses	Up to 0.18% of consolidated ordinary income of each fiscal year (for 8 persons, resolved at the 69th Ordinary General Meeting of Shareholders)	—	—
Performance share units (PSU)	Up to the amount calculated by multiplying the upper limit total of the Fixed Reference Number of Share Units of 270,000 shares per annum by the share price at the time the shares are granted, and up to 135,000 shares per annum (for 8 persons, resolved at the 69th Ordinary General Meeting of Shareholders)	—	—
Restricted stock remuneration (RS)	Up to ¥180 million and 180,000 shares of common stock per annum (for 8 persons, resolved at the 69th Ordinary General Meeting of Shareholders)	—	—

Notes:

1. The 43rd, 67th, and 69th Ordinary General Meetings of Shareholders were held on April 27, 1994, April 26, 2018, and April 23, 2020, respectively.
2. The number in parentheses (persons) is the number of Directors and Audit & Supervisory Board Members eligible for the remuneration, etc. at the conclusion of the relevant general meeting of shareholders.

e. Remuneration paid for Internal and Outside Directors and Audit & Supervisory Board Members for the fiscal year under review

Position	Total amount of remuneration, etc. (*Millions of yen*)	Total amount of remuneration, etc. by type (*Millions of yen*)				Number of applicable officers
		Basic remuneration	Performance-related bonuses	Performance share units	Restricted stock remuneration	
Directors (Outside Directors)	1,097 (88)	416 (88)	302	235	143	14 (5)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	159 (83)	159 (83)	—	—	—	7 (4)

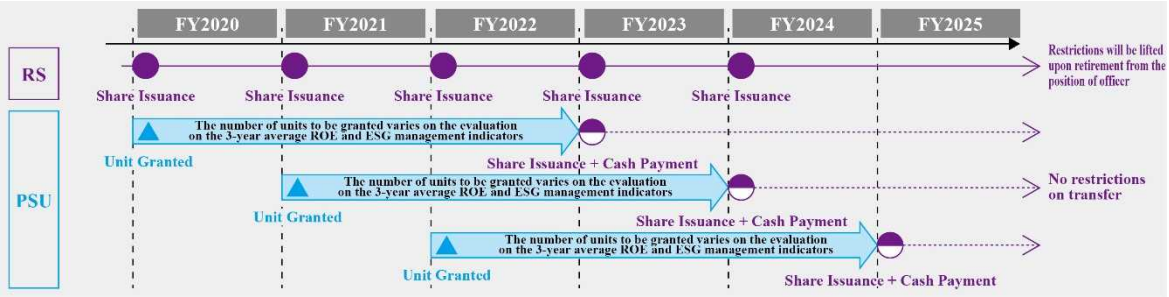
Notes:

1. The amounts of basic remuneration, performance share units and restricted stock remuneration shown above include remuneration paid to four Directors (including one Outside Director) and one Audit & Supervisory Board Member who retired as of the conclusion of the 70th Ordinary General Meeting of Shareholders held on April 26, 2021.
2. In addition to the above remuneration, etc., the Company has paid ¥33 million of officers' retirement benefits to three retiring Directors, the final payment of the severance payment associated with the abolishment of the officers' retirement benefit plan as resolved at the 55th Ordinary General Meeting of Shareholders held on April 27, 2006.

f. Performance indicator results

The amount of performance-related bonuses to be paid shall be calculated by multiplying consolidated ordinary income of ¥230,094 million by a predetermined bonus coefficient for the position of each Director (excluding Outside Directors).

The number of performance share units (PSU) to be granted shall depend on the degree of achievement of ROE and ESG management indicators during the evaluation period of three consecutive fiscal years. Since the first and second payments of performance share units (PSU) will be made for the evaluation period of three consecutive fiscal years from the fiscal year ended January 31, 2021 to the fiscal year ending January 31, 2023, and from the fiscal year ended January 31, 2022 to the fiscal year ending January 31, 2024, respectively, the value of performance indicators will be determined after the end of each evaluation period.



(iv) Matters Concerning Outside Officers

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

Post	Name	Principal performance
Director	Yukiko Yoshimaru	Ms. Yoshimaru attended all 12 meetings of the Board of Directors. She has contributed to constructive discussion and strengthening of the effectiveness of the Board of Directors meetings by providing timely opinions based on her management experience as an officer of domestic and overseas companies and her abundant knowledge and experience in the fields of human resource management and diversity. In addition, as chair of the Personnel Affairs and Remuneration Committee, she has taken the lead in clarifying the process of selecting and dismissing Directors, facilitating the succession planning, and strengthening remuneration governance.
Director	Toshifumi Kitazawa	Mr. Kitazawa attended all 12 meetings of the Board of Directors. Since becoming Chairperson of the Board of Directors in May 2021, he has been appropriately steering and leading constructive discussions to strengthen the effectiveness of the Board of Directors meetings, while providing timely opinions based on his extensive achievements and experience as a manager and his broad knowledge and experience in global business and risk management. He has also contributed to the enhancement of deliberations as a member of the Personnel Affairs and Remuneration Committee.
Director	Yoshimi Nakajima	Ms. Nakajima attended all 9 meetings of the Board of Directors. She has contributed to constructive discussion and strengthening of the effectiveness of the Board of Directors meetings by actively expressing opinions based on her extensive achievements and experience as a manager and her broad knowledge and experience in global business.
Director	Keiko Takegawa	Ms. Takegawa attended all 9 meetings of the Board of Directors. She has contributed to constructive discussions and strengthening of the effectiveness of the Board of Directors meetings by providing useful advice from the perspective of an ordinary citizen based on her extensive knowledge and experience in the fields of diversity and compliance. She has also contributed to enhancing deliberations as a member of the Personnel Affairs and Remuneration Committee.
Audit & Supervisory Board Member	Takashi Kobayashi	Mr. Kobayashi attended all 12 meetings of the Board of Directors and all 15 meetings of the Audit & Supervisory Board. He provided timely opinions from a legal viewpoint as a retired public prosecutor and a lawyer and based on his abundant knowledge and experience.
Audit & Supervisory Board Member	Hisako Makimura	Ms. Makimura attended all 12 meetings of the Board of Directors and all 15 meetings of the Audit & Supervisory Board. She provided timely opinions based on her abundant knowledge and experience of Environment Studies, Sociology and other fields and her experience as a university professor and an Audit & Supervisory Board Member in another company.
Audit & Supervisory Board Member	Ryuichi Tsuruta	Mr. Tsuruta attended all 12 meetings of the Board of Directors and all 15 meetings of the Audit & Supervisory Board. He provided timely opinions based on his abundant knowledge and experience in finance, accounting, disclosure, audit, overseas business and other fields and his experience as an Audit & Supervisory Board Member in another company.
Audit & Supervisory Board Member	Yoritomo Wada	Mr. Wada attended all 12 meetings of the Board of Directors and all 15 meetings of the Audit & Supervisory Board. He provided timely opinions based on his professional knowledge of finance and accounting as a certified public accountant and his knowledge and experience as an outside officer of other companies.

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

The Company has entered into an agreement with all Outside Directors and all Outside Audit & Supervisory Board Members that if the Outside Director or Outside Audit & Supervisory Board Member causes damages to the Company by neglect of the duty of an Outside Director or Outside Audit & Supervisory Board Member, where his/her conduct is deemed to be made in good faith without gross negligence, his/her liability is without fail limited to the sum of the amount provided by Article 425, Paragraph 1 of the Companies Act.

• Relationship between companies in which Outside Officers hold significant concurrent position and the Company:

Director Toshifumi Kitazawa is an Outside Director, Member of the Audit & Supervisory Committee of MUFG Bank, Ltd. MUFG Bank, Ltd. is a major shareholder and a principal lender of the Company. There is no special relationship between companies in which Outside Officers hold significant concurrent position as described above in "2) Directors and Audit & Supervisory Board Members, 1. Names and posts of Directors and Audit & Supervisory Board Members, Notes: 8" and the Company.

(3) Outline of Accounting Auditor

(i) Name Ernst & Young ShinNihon LLC

(ii) Amount of Remuneration

Category	Remuneration
The aggregate amount of remuneration payable to Accounting Auditor by the Company for the fiscal year under review	¥174 million
The aggregate amount of money and other economic benefits payable to Accounting Auditor by the Company and its consolidated companies	¥243 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. The Audit & Supervisory Board agreed on the amount of remuneration payable to the Accounting Auditor after receiving necessary materials and reports from Directors, relevant departments and the Accounting Auditor, and inspecting and discussing the appropriateness of the Accounting Auditor's audit plan, the status of execution of the accounting audit, and the grounds for estimation of the remuneration.
3. The Company's certain important subsidiaries, namely, Konoike Construction Co., Ltd. and overseas subsidiaries, were audited by other audit corporations.

(iii) Details of Non-Audit Service

The Company commissions the Accounting Auditor to provide advice on the promotion of ESG management, which is not any audit service specified in Article 2, Paragraph 1 of the Certified Public Accountants Act.

(iv) Dismissal or Non-Reappointment of Accounting Auditor

If Audit & Supervisory Board of the Company finds any problem about exercise of the functions of Accounting Auditor and deems that the Accounting Auditor should be changed, Audit & Supervisory Board shall decide the content of a proposal to be submitted to the General Meeting of Shareholders for dismissal or non-reappointment of the Accounting Auditor.

If any of the dismissal causes provided by any one of the items of Article 340, Paragraph 1 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. In such case, the Audit & Supervisory Board Members selected by the Audit & Supervisory Board will report the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders held after the dismissal.

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.

Reference Outline and Progress of the Sekisui House Group's Fifth Mid-Term Management Plan

NEXT SEKISUI HOUSE

Phase 1

1960

For Safety & Security

1960 Established as Sekisui House Sangyo Co., Ltd

1961 Started operation of Shiga Factory (production discontinued in 2009)

Adopted metric specifications (first in the industry)

Adopted aluminum-frame windows and doors (first in the industry)

1964 Established direct sales system

1971 Adopted prefabricated modular bathroom units for detached houses (first in the industry)

1973 Shiga and Kanto factories were both recognized by the Minister of International Trade and Industry for excellence in quality control of factory-made housing (first in the industry)

Sekisui House's steel-frame construction method received the Encouragement Prize for 1973 (first in the prefabricated housing industry)

1977 GRANDE MAISON Nagahori, the Company's first largescale condominium building, began sales

1987 Tokyo Customer Service Center established as the Company's first customer service cente

1989 First nationwide Sekisui House Day (open house) held

1990 Comprehensive Housing R&D Institute (Kyoto) completed

Phase 2

1990

For Comfort & Sustainability

1995 Started wooden-frame (SHAWOOD) housing business

1999 Established the U-trus System manufacturer warranty program

Announced the Environmental Future Plan

2001 Announced Gohon no ki landscaping project

2002 Announced full-scale implementation of universal design in all houses

2003 Established industry's highest air quality standards for all houses

Standardized next-generation energy-saving specifications for all detached houses

2004 Made double-glazing for heat insulation and security standard in all detached houses

Launched energy-saving, disaster-mitigating housing

2008 Recognized by the Minister of Environment as the housing and construction industry's first Eco First Company

2009 Launched the Green First eco-friendly house

2011 Started sales of Airkis high-quality indoor air system

2012 Opened SMART COMMON CITY AKAISHIDAI (Tomiya City, Miyagi Prefecture), Sekisui House's first smart town

Launched CEREBRIO, the industry's first residential care home for the elderly

2013 Launched the Green First Zero net-zero-energy house

2018 Opened the Human Life R&D Institute, Japan's first institute specializing in research on happiness

Started the Trip Base Michi-no-Eki Stations Project, a regional revitalization business

2019 Exhibited at CES 2019 (Consumer Electronics Show) and announced the Platform House Concept

Phase 3

2020

Happiness & Well-Being

2050

Happiness in the Era of 100-Year Lifespan

Since its establishment in 1960, Sekisui House has been conducting business based on its fundamental philosophy of love of humanity.

In our first phase, we proposed the concept of pre-engineered housing in Japan, which was facing a housing shortage, enabling us to provide safety and security through houses that protect lives and property. In our second phase, we expanded our business domain to high-value-added houses and established Sekisui House technologies for comfort and eco-friendliness.

For our third phase, which began in 2020, we have established a global vision to "make home the happiest place in the world." We will steadily transform into a global company that offers integrated proposals of technologies, lifestyle design and services, based on the residential domain, with the aim of creating value for residents in the era of the 100-year lifespan.

	1970	1980	1990	2000	2010	2019
Net sales (Billions of yen)	34.4 (Non-consolidated)	430.0	1,090.3	1,364.8	1,488.3	2,415.1
Operating income (Billions of yen)	3.7 (Non-consolidated)	39.1	82.4	96.0	56.3	205.2
Cumulative number of homes built (Units)	24,817	305,417	799,322	1,504,621	2,045,039	2,468,686

Third-Phase Vision

The Sekisui House Global Vision

Make home the happiest place in the world

Propose happiness through the integration of technologies, lifestyle design and services

Become a leading company in ESG Management

Make Sekisui House technologies the global de facto standard

Become a global company that offers integrated proposals of technologies, lifestyle design and services, based on the residential domain.

Fifth Mid-Term Management Plan

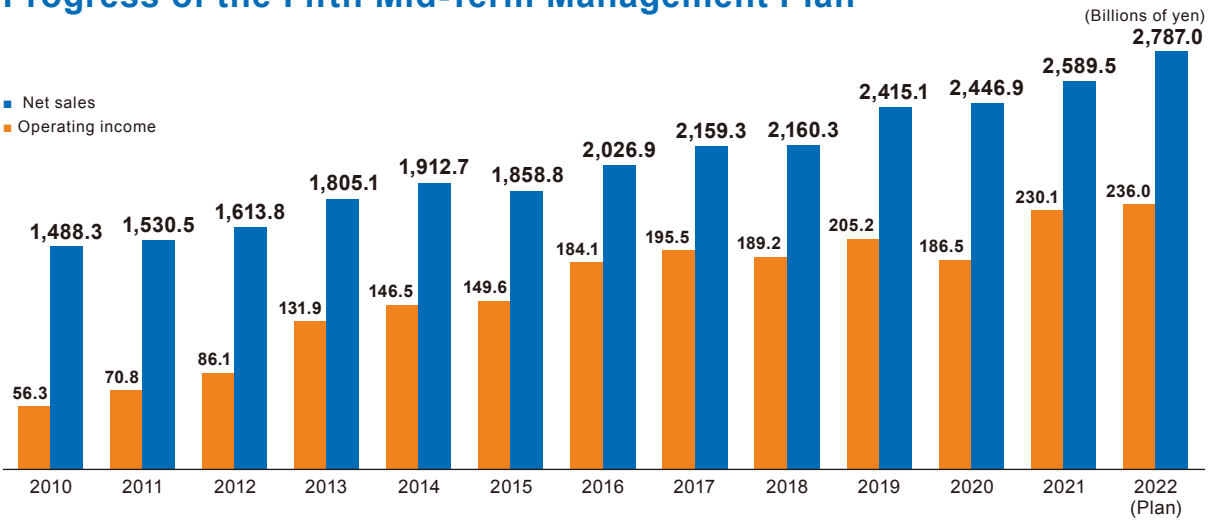
Management Direction

Deployment of growth strategies focused on the residential business domain

Fundamental Policy of Fifth Mid-Term Management Plan

Further strengthening core businesses and embarking on new businesses

Progress of the Fifth Mid-Term Management Plan



1st Plan
Establishing lean earnings base

2nd Plan
Accelerating profit growth through business expansion

3rd Plan
Strengthening the synergies in the Group and taking on new challenges in the "residential"-related business

4th Plan
Building the foundation for the residential-related business toward BEYOND 2020

5th Plan
Further strengthening core businesses and embarking on new businesses

Fifth Mid-Term Management Plan Earnings Plan (as of March 2020)

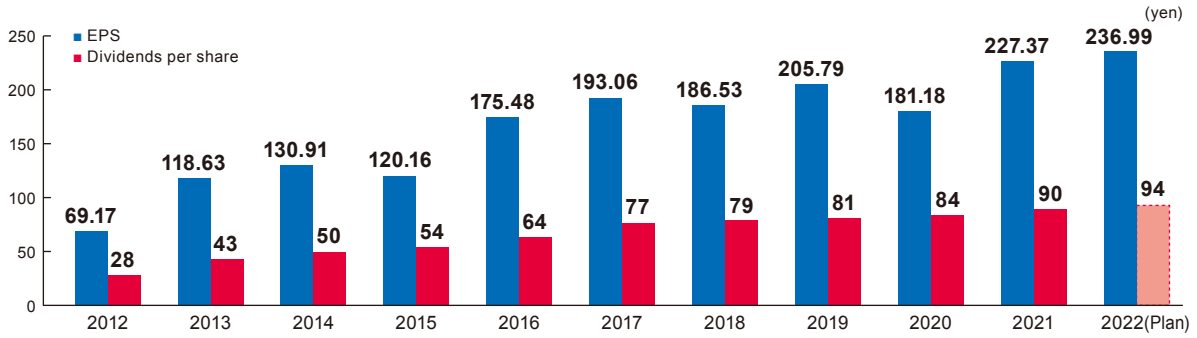
	FY2020	FY2021	FY2022	**Three-year total**
Net sales	2,585.0	2,578.0	2,700.0	**7,863.0**
Operating income	206.0	210.0	220.0	**636.0**
Ordinary income	205.0	208.0	219.0	**632.0**
Net income	137.0	138.0	147.0	**422.0**

	Results		**Plan**	
	FY2020	FY2021	**FY2022**	**Three-year total**
Net sales	2,446.9	2,589.5	**2,787.0**	**7,823.4**
Operating income	186.5	230.1	**236.0**	**652.6**
Ordinary income	184.6	230.0	**234.0**	**648.6**
Net income	123.5	153.9	**158.0**	**435.4**

Financial Strategy — Shareholder Returns

Target an average payout ratio of at least 40% over the medium term and continuous dividend growth. Seek improvement of shareholder value through the flexible acquisition of Company's own stock.

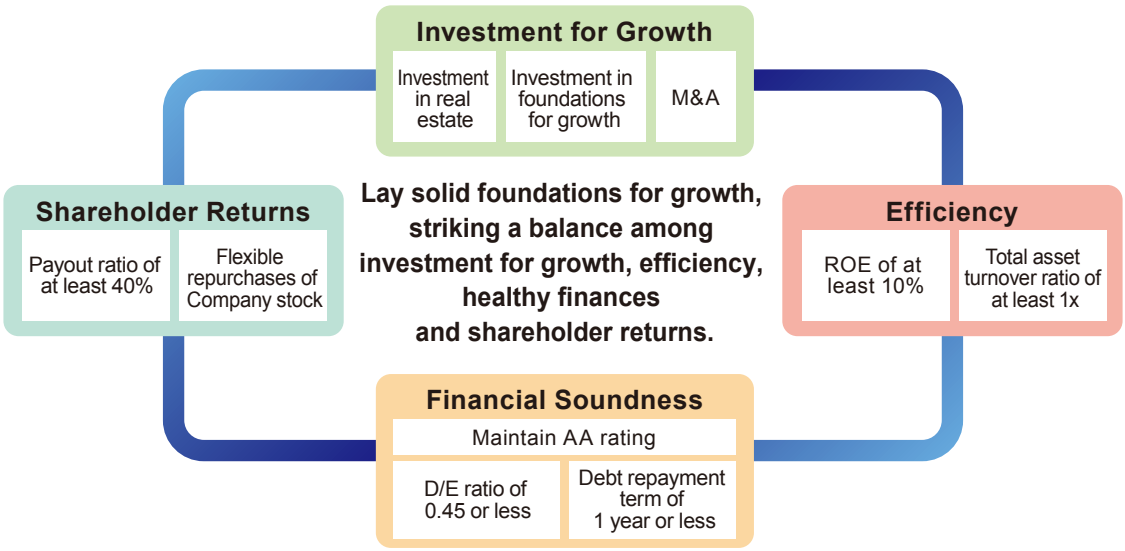
We will determine returns flexibly in light of our financial soundness, the balance between returns and investments for growth, the level of ROE, the market environment and dialogue with investors.



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022Plan**
E P S (yen)	69.17	118.63	130.91	120.16	175.48	193.06	186.53	205.79	181.18	227.37	**236.99**
Dividends per share (yen)	28	43	50	54	64	77	79	81	84	90	**94**
Payout ratio	40.5%	36.2%	38.2%	44.9%	36.5%	39.9%	42.4%	39.4%	46.4%	39.6%	**39.7%**

Financial Strategy — Fundamental Policy

1. Lay growth foundations with eye on Third-phase Management Vision and where the Group should be in 10 years
2. Build a strong financial position to respond flexibly and agilely to growth opportunities
3. Promote investment for growth and strengthen shareholder returns for sustainable improvement in corporate value



Reference **ESG Initiatives**

Becoming a Leader in ESG Management

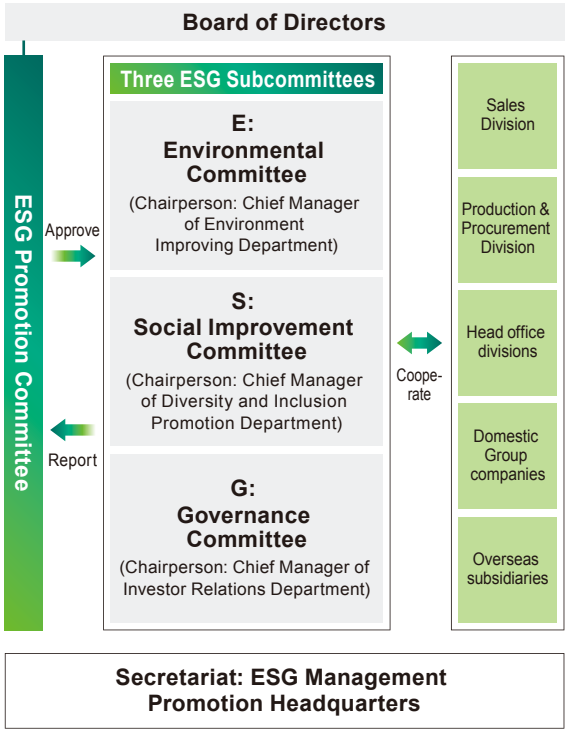
With the aim of becoming a leader in ESG management, the Sekisui House Group is promoting ESG management with each of its businesses working in concert. The ESG Management Promotion Headquarters, established in 2020, is now taking the initiative in implementing our ESG management under two themes: the happiness of everyone touched by the Sekisui House Group; and continued contribution to forward-thinking initiatives that will help build a better society through our businesses. The Headquarters strives to raise awareness and foster understanding among all employees to achieve the sustainable business growth and increase our corporate value.

To promote our ESG management, we have established the ESG Promotion Committee under the control of the Board of Directors, and further, three subcommittees under this Committee, which are responsible for promoting company-wide activities in each area:the Environmental Committee, the Social Improvement Committee and the Governance Committee.

The ESG Promotion Committee meets once every three months to evaluate and improve policies and plans related to the promotion of ESG management. It is chaired by the Director in charge of ESG, and includes internal members and experts from outside the Group, engaging in lively discussions from various perspectives. The details of ESG Promotion Committee meetings are reported to the Board of Directors for its deliberation.

ESG Management Promotion Structure and Themes

ESG management promotion structure



Themes for promoting ESG management

E Environ-ment

- **Decarbonized society**
- **Society in which humans and nature coexist**
- **Circular economy**

To help make life happy for our customers, we promote decarbonization of all our business activities, including shifting to the net zero energy house (ZEH), and integrate proactive initiatives into our businesses that will help preserve biodiversity and recycle resources.

S Social

- **Promoting diversity**
- **Workstyle innovations**
- **Health and productivity management**
- **Human resource development**
- **Respect for human rights**
- **Contributing to society**

We aim to contribute to society by creating a culture that accepts and makes the most of diversity while allowing employees to maximize their abilities in their own way so they can be happy as they grow along with the organization.

G Governance

- **Fostering an organizational culture that facilitates innovation and communication**
- **Strengthening our Group governance system**

In our ongoing efforts to strengthen corporate governance, we consider it important to create an open workplace culture, and therefore we make every effort to ensure all employees understand our Corporate Philosophy and the essence of ESG management.

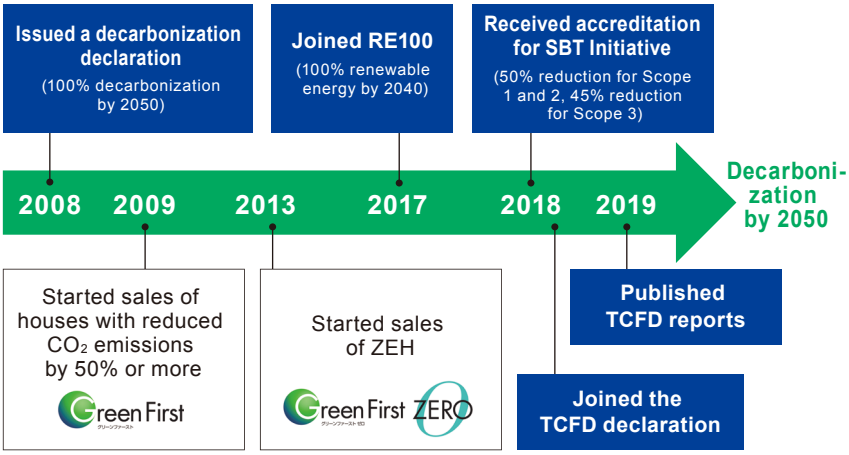
E：Environmental Initiatives

Initiative for a decarbonized society

The Sekisui House Group announced its Environmental Future Plan in 1999 and initiated various initiatives. Regarding climate change, in 2008, we were among the first Japanese companies to issue a decarbonization declaration, which aims to achieve zero carbon emissions from housing by 2050.

Green First Zero, the net zero energy house (ZEH) that Sekisui House promotes, not only contributes to the prevention of global warming, but also has a variety of benefits that help make customers happy, including improved insulation for comfort and health, and solar power generation for lower utility costs and resilience during power outages. In FY2021, we particularly focused on promoting ZEH in rental housing. This will provide housing that meets the needs of the growing number of ethical consumers, and therefore owners of such property can expect long-term, stable lease management. As a result of aggressive promotion, we received orders for 8,501 units per year, a significant increase from the previous year. We are also promoting ZEH specifications for all major construction projects, and one such example is the Grande Maison condominiums to be sold from FY2023 for which we adopted ZEH in all its units, thereby contributing to the decarbonization in the household sector.

In addition, we are steadily implementing decarbonization initiatives throughout our business activities, including the promotion of RE100 through Sekisui House Owner Denki, and the decarbonization of the building material manufacturing process through collaboration with suppliers. In this way, the Sekisui House Group is continuously taking on challenges in achieving its vision.



Targets*1 and progress of Net Zero Energy House (ZEH) sales

● Percentage of ZEH detached houses	● ZEH rental housing units	● Total ZEH condominium units built
Target ····· 90 %	Target ····· 2,500 units per year	Target ····· 540 units
Progress*2 ····· 91 %	Progress*3 ····· 8,501 units per year	Progress*4 ····· 192 units
(Cumulative total of 60,843 ZEH detached houses)	(Cumulative total of 12,307 ZEH units)	

*1. Targets for FY2022, the final year of the Fifth Mid-Term Management Plan
*2. Results from April 2020 through March 2021 (Results for FY2021 will be compiled in April.)
*3. Results from February 2021 through January 2022
*4. Results from February 2020 through January 2022

S: Social Improvement Initiatives

Diversity and inclusion

The Sekisui House Group considers the promotion of diversity to be an important theme for improving our social standing. Our policy for promoting diversity encompasses three areas: promoting the active participation of female employees; active participation of diverse human resources; and promoting diverse workstyles and work-life balance. We are promoting these efforts from a long-term perspective.

Encouraging male employees to take full childcare leave of at least one month

We launched a special childcare-leave program in 2018 to encourage male employees with a child or children under the age of three to take at least one month off work to focus on childcare. Since its full-scale operation in February 2019, all eligible employees have taken at least one month of childcare leave. In our efforts to further improve the program' s quality, in April 2021, we introduced a leave program for the eight weeks after childbirth, which provides eligible male employees with greater flexibility in taking leave during the post-partum period, when the mental and physical burden on the mother is greatest.

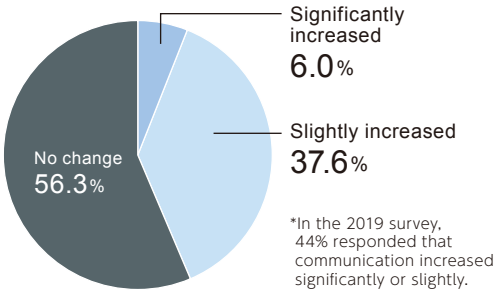
Outside the Company, we have set September 19 as the Day to Think About Childcare Leave Day as a commemorative day, held Men' s Childcare Leave Forum every year since 2019, while at the same time published *Men' s Childcare Leave White Paper* that surveys the reality of paternity leave in Japan. The revision of the Child Care and Family Care Leave Act, which was passed in June 2021 and will be effective April 2022, will make it easier for male employees to take childcare leave. Against this backdrop, we will continue to develop a wide range of activities both inside and outside the Company to realize a world where anyone can easily take childcare leave.

Advanced initiatives (“Happiness” Health Management)

The Company has formulated a health management policy based on the belief that improving physical and mental health, which are integral to an employee' s happiness, is indispensable to the realization of the Company's global vision, and is therefore engaged in promoting “happiness” health management. Specific measures include a well-being survey targeting all employees to analyze the correlation between individual and collective satisfaction at the workplace, and innovative health programs on the Company's original app, Sekisui House FIT, to promote physical exercises and prevention of lifestyle-related diseases. Some 19,000 users have participated in the “walking challenge” (using a pedometer function), which helped more than 65% of employees become aware of the importance of exercise, and resulted in more than 43% increase in communication among them.

In 2021, we started “Challenge 6,” an initiative to set health goals according to “healthy challenge” that provides health risk forecasts based on health check results using AI. In recognition of these initiatives, the Company has been certified as a Certified Health and Productivity Management Organization (White 500) designed by the Ministry of Economy, Trade and Industry and certified by the Japan Health Council for three consecutive years in 2020, 2021 and 2022.

Impact on communication behavior
Number of respondents: 16,357



Sekisui House's Happiness and Health Challenge 6
—Six challenges for physical and mental health—

G: Governance Improvement Initiatives

Implementing the governance reforms

Placing the concept, Integrity—sincerity and high moral values—at the center of our governance reforms, the Sekisui House Group prioritizes integrity in all corporate activities, while implementing reforms as a leading company in ESG management. To achieve this, we will promote governance reforms for both senior management and business-level management, and foster an organizational culture that will further enhance innovation and communication.

Main external evaluations and awards received for our ESG initiatives

Results of advanced initiatives

E field

- 第30回 地球環境大賞 Since 1992
- CDP A LIST 2021 CLIMATE
- 2022 ESG FINANCE AWARDS JAPAN GOLD
- 2021年度 省エネ大賞（省エネ事例部門）

S field

- Bloomberg Gender-Equality Index 2022
- NADESHIKO BRAND 2021
- work with Pride Gold 2021
- 2022 健康経営優良法人 Health and productivity ホワイト500
- D&I AWARD GRAND PRIZE for diversity & inclusion 2021
- 消費者志向経営 Award 2021

ESG in general

- Institutional Investor 2021 JAPAN EXECUTIVE TEAM MOST HONORED COMPANY SEKISUI HOUSE, LTD.
- ディスクロージャー 2021年度 優良企業
- SAAJ 日本証券アナリスト協会
- NIKKEI SDGs 経営調査 2021
- NIKKEI Integrated Report Award 2021

Highly rated as an ESG company to invest in

Sekisui House has been included in all four ESG indices selected by the Government Pension Investment Fund (GPIF), the world's largest pension fund, since their inception.

- FTSE Blossom Japan
- S&P/JPX Carbon Efficient Index
- **2021** Constituent MSCI Japan ESG Select Leaders Index
- **2021** Constituent MSCI Japan Equity Empowering Women Index (WIN)

For details of the ESG management at the Sekisui House Group, refer to our Integrated Report 2021.

(Reference) Corporate Governance System

(i) Basic Concept of Corporate Governance

In accordance with the Corporate Philosophy espousing the underpinning philosophy of "Love of Humanity" that embraces "Truth and Trust," "Superior Quality and Leading Technology" and "Comfortable Housing and Ecologically Sound Communities," the Group considers corporate governance as one of the major management challenges. The Group has improved the effectiveness of its corporate governance to increase the corporate value while sustainably earning the trust of shareholders, investors and other all stakeholders, and has put in place a system that enables speedy management marked with integrity.

The Company discloses to its stakeholders "Sekisui House, Ltd. Basic Policy on Corporate Governance," in which the fundamental concept and the framework of the Company's corporate governance is established.

Since the implementation of the governance reforms in 2018, the Group has set specific tasks to strengthen its corporate governance structure and has been steadily implementing initiatives to increase the effectiveness of each of the following institutions for long-term and sustainable enhancement of the corporate value.

Going forward, the Board of Directors of the Company will review and assess the Basic Policy continuously and regularly, in order to further deepen and enhance the Company's corporate governance.

(ii) Board of Directors

The Board of Directors consists of ten Directors including four Outside Directors (one male Director and three female Directors) and meets once per month in principle. In order to increase the corporate value of the Company over the medium- and long-term, the Board of Directors has the responsibility to develop business policies and strategies and management plans, make decisions on important business execution, and establish systems, etc. for securing the sound management of the Company such as the supervision and evaluation of the duties performed by Directors and Executive Officers, internal control systems and risk management systems.

In order to facilitate constructive discussions and exchanges of opinions in the meetings of the Board of Directors, one of the Directors shall not act in principle both as the chairperson and the convener of the meetings of the Board of Directors. Therefore, Outside Director Mr. Toshifumi Kitazawa serves as the chairperson, and Representative Director, President & Executive Officer (Mr. Yoshihiro Nakai) serves as the convener.

In addition, as a dedicated organization to assist Outside Directors in their duties, the Company has established the Office of Directors and assigned several employees including full-time staff to it.

(iii) Audit & Supervisory Board

The Audit & Supervisory Board consists of six members including four Outside Audit & Supervisory Board Members (three male Members and one female Member). The Board establishes the audit plan and systematically carries out interviews with Directors, Executive Officers, heads of main branches, and Directors of subsidiaries, etc., concerning risks and issues of their respective operations, based on the audit plan. Also, it conducts field audits of each branch as needed. In addition, Audit & Supervisory Board members exchange opinions and work in close coordination with the Internal Audit Department, hold regular meetings with the Accounting Auditor and engages in mutual cooperation to ensure all audit activities are carried out efficiently and effectively.

The Office of Audit & Supervisory Board Members was established as a dedicated organization to which several employees including full-time staff are allocated for assisting Audit & Supervisory Board operations.

(iv) Personnel Affairs and Remuneration Committee

As a consultative body to the Board of Directors, the Personnel Affairs and Remuneration Committee provides opinions on matters relating to personnel affairs and remunerations of the Directors and Entrusted Executive Officers to ensure fairness and transparency. In addition, the Committee, based on the delegation from the Board of Directors, determines the amount of remuneration for individual Directors and Entrusted Executive Officers.

The Committee is chaired by an Independent Outside Director, and the majority of the Committee members are Independent Outside Directors. The Committee currently consists of two Representative Directors and three Independent Outside Directors and Ms. Yukiko Yoshimaru serves as the Chairperson of the Committee.

(v) ESG Promotion Committee

The Company has defined "making home the happiest place in the world" as its global vision, and to achieve this vision, the Company aims to become a leading company in ESG (environmental, social and governance) management.

The ESG Promotion Committee consists of two or more outside committee members with expert knowledge, Internal Directors, Executive Officers, and managers, etc., and the Committee enhances the effectiveness of ESG efforts through means such as exchanging opinions on the progress of ESG management initiatives and issues.

In addition, the Company has established the ESG Management Promotion Headquarters, which works to further promote ESG management based on discussions at the ESG Promotion Committee and in cooperation within the Company and with domestic and overseas Group companies. We disclose the details of our efforts by issuing the Integrated Report and the Sustainability Report every year.

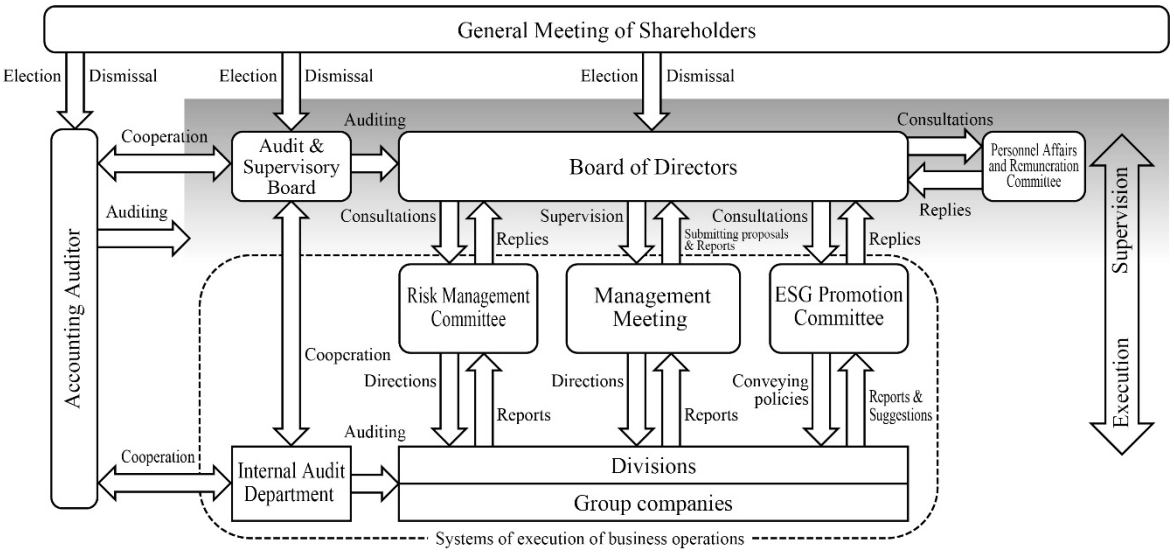
(vi) Management Meeting

The Company has established a deliberative body to actively exchange opinions for the purposes of holding prior deliberations on important matters to be submitted to the Board of Directors, making decisions on the execution of certain operation matters based on management policies and strategies, and sharing information on business execution policies and issues. Entrusted Executive Officers and certain Employed Executive Officers attend the meetings. In addition, Outside Directors and Audit & Supervisory Board Members may voluntarily attend the meetings as observers.

(vii) Risk Management Committee

Chaired by Executive Vice President & Executive Officer (Mr. Satoshi Tanaka), the Committee aims to create appropriate risk management systems and ensure the effectiveness of their operation. The Committee monitors the risk management status of the entire Group on important themes and provides opinions to the Board of Directors as necessary. In the risk recognition process, the Committee creates a risk map based on the two perspectives of the frequency of risk occurrence and the degree of impact on the Group, identifies priority risk items in the themes of labor laws and labor management, human rights, compliance, quality management, information security, environment, and crisis response, and conducts monitoring and verification of these risks at the monthly meetings.

Corporate Governance System as of January 31, 2022



(Reference) Basic Stance for Cross-shareholdings

(i) The Company shall not enter into cross-shareholdings with business partners unless the Company determines that it will be helpful to medium- and long-term increases in the corporate value through the stable maintenance and strengthening of relationships with those business partners. In addition, the Company shall comprehensively verify the economic rationality of transactions with parties of cross-shareholdings, to determine if it will continue these transactions.

(ii) The Company shall analyze the appropriateness of cross-shareholdings at the meeting of the Board of Directors based on the minimum holdings required from a perspective of increasing capital and asset efficiency each year. At the meeting of the Board of Directors, members shall comprehensively analyze the medium- and long-term economic rationality of each individual stock based on holding purposes and risk and return. As a result, the Company shall sell any stock which is no longer meaningful to continue holding after considering the market environment. Even for stocks considered appropriate to hold, the Company may sell all or some shares after considering its capital policies and the market environment.

(iii) An overview of the analysis at the meeting of the Board of Directors regarding cross-shareholding shall be disclosed as appropriate in the reports related to corporate governance.

(iv) If other companies holding the Company stock as cross-shareholdings express an intention to sell such shares, the Company shall not prevent the sale in any way by, for example, insinuating a reduction in their business relationship.

<Overview of the verification with regard to cross-shareholdings>

At the meeting of the Board of Directors held in September 2021, the Company analyzed all listed stocks it holds as cross-shareholding (for 24 different companies, excluding Sekisui House Reit, Inc. and companies to which equity method of accounting is applied) in terms of overall significance of owning them based on the status of shareholding, risk and return (stock price divergence, dividend yields, ROE, credit rating, etc.) and importance of transactions.

Furthermore, from the perspective of increasing capital efficiency, the Company has adopted a policy to reduce cross-shareholdings in phases and set specific targets, namely to reduce the ratio* of cross-shareholdings to consolidated net assets to 5% or less during the period of the Fifth Mid-Term Management Plan (by January 31, 2023). The Company intends to further reduce cross-shareholdings during the period of the Sixth Mid-Term Management Plan and beyond, considering the market environment and other factors.

The ratio with "*" refers to the ratio of the balance sheet amount of stocks for investment held for purposes other than pure investment (including unlisted stocks), stated in the annual securities report, to consolidated net assets.

Stocks sold during the fiscal year ended January 31, 2022

Of the 24 companies examined, the Company sold all shares of three companies and a portion of shares of two companies.

The ratio of cross-shareholdings to consolidated net assets for the fiscal year ended January 31, 2022

The ratio at the end of the fiscal year under review was 5.0%.

(Reference) Evaluation of Effectiveness of the Board of Directors

<Overview of evaluation results for the fiscal year ended January 31, 2022>

(1) Evaluation method

As in the fiscal year ended January 31, 2022, a third-party independent evaluation company prepared questionnaire items for the fiscal year ended January 31, 2021, and all Directors and Audit & Supervisory Board Members responded to the questionnaire items. In addition, based on the results of the questionnaire, the evaluation company conducted interviews with ten Directors and six Audit & Supervisory Board members.

The evaluation company evaluated those responses and compiled into a report as a third-party organization. At a meeting of the Board of Directors held in March 2022, the content of the report was explained by the evaluation company and discussed among the attendees of the board meeting.

Major questionnaire items

• Composition and structure of the Board of Directors
• Management and practices of the Board of Directors
• Matters deliberated by the Board of Directors
• Supervisory functions of the Board of Directors
• Nomination and compensation of Directors
• Progress on the issues identified in the fiscal year ended January 31, 2022

(2) Outline of results regarding the evaluation

The Board of Directors evaluated and confirmed that high effectiveness has been achieved by the Board of Directors by, for example, implementing various measures to address the issues identified in the fiscal year ended January 31, 2022 and by making improvements in its effort.

	Issues for the fiscal year ended January 31, 2022	Initiatives Confirmed Through the Board of Directors Evaluation	Progress
1	Expansion of discussions on management and other matters on a medium- to long-term basis by the Board of Directors	Initiatives confirmed ・ The agenda for the board meetings has been proposed based on repeated pre-discussions and the monitoring function has been more strengthened than before, through an Outside Director serving as the Chairman of the Board of Directors. ・ Selection and concentration of discussions have been implemented through certain group of items being collectively deliberated, reported, and voted.	Improved
2	Efforts to make more use of the experiences and knowledge of Outside Directors and Audit & Supervisory Board Members	Initiatives confirmed: ・ The Office of Directors provides a forum for discussions with internal directors, which serves as an opportunity to promote more understanding of the corporate direction and its business. ・ Outside Directors actively engage in dialogue with institutional shareholders (SR activities), and the strengths and issues from an institutional investor's perspective are reported to the Board of Directors. ・ Regularly providing information and updates on the Company and related industry trends is promoting Outside Directors' and Audit & Supervisory Board Members' understanding of the Company.	Notably Improved
3	Strengthening supervision of group subsidiaries	Initiatives confirmed: ・ To promote its business and strengthen the governance of Sekisui House Real Estate Group, organizational restructuring has been carried out and an intermediate holding company structure was formed, Sekisui House Real Estate Holdings, Ltd. which plays its central part of such structure. ・ Similarly, the subsidiaries in the U.S. have employed an organizational structure with the intermediate holding company Sekisui House US Holdings, LLC, at its center, to facilitate transparency and risk assessment in the Group's governance after completion of each M&A in the future. ・ Successful deployment of general affairs personnel (Human Resources for Governance) to each company has led to accelerated dissemination of the Company's awareness of governance and corporate philosophy.	Improved

(3) Issues for the future

Based on the findings and proposals made by the evaluation company, the Board of Directors confirmed that the items shown below are the issues to be addressed and improved in the fiscal year ending January 31, 2023.

	Issues for the fiscal year ending January 31, 2023	Initiatives Subject for Implementation Considerations
1	Expansion of discussions in a long-term and medium-term perspective	・ To expand discussions from a long- and medium-term perspective in line with our business model. ・ To enhance discussions of financial strategies.
2	Strengthening risk management and group governance	・ To ensure the independence of Human Resources for Governance at Group Companies from Business Execution Divisions. ・ To ensure the independence of the Internal Audit Divisions at Group Companies. ・ To make regular reporting by the Internal Audit Divisions to the Board of Directors

The Consolidated Financial Statements for the 71st Fiscal Year

CONSOLIDATED BALANCE SHEETS			
As of January 31, 2022			
Millions of yen			
Assets	**2,801,189**	**Liabilities**	**1,280,229**
Current assets	**1,952,729**	**Current liabilities**	**867,903**
Cash and deposits	515,283	Notes payable, accounts payable for construction contracts	111,022
Notes receivable, accounts receivable from completed construction contracts	132,471	Electronically recorded obligations-operating	96,635
Costs on uncompleted construction contracts	18,299	Short-term loans payable	219,218
Buildings for sale	436,973	Current portion of long-term loans payable	16,235
Land for sale in lots	589,879	Income taxes payable	43,021
Undeveloped land for sale	149,828	Advances received on uncompleted construction contracts	207,798
Other inventories	9,501	Provision for bonuses	31,270
Other	101,672	Provision for directors' bonuses	1,385
Allowance for doubtful accounts	(1,179)	Provision for warranties for completed construction	3,897
		Other	137,416
Noncurrent assets	848,459	**Noncurrent liabilities**	**412,325**
Property, plant and equipment	540,711	Bonds payable	170,000
Buildings and structures	187,272	Long-term loans payable	136,556
Machinery, equipment and vehicles	9,278	Long-term lease and guarantee deposited	59,079
Tools, furniture and fixtures	6,845	Deferred tax liabilities	464
Land	284,788	Provision for directors' retirement benefits	864
Lease assets	2,929	Net defined benefit liability	30,733
Construction in progress	49,597	Other	14,626
Intangible assets	17,988	**Net assets**	**1,520,959**
Goodwill	250	**Shareholders' equity**	**1,380,740**
Industrial property	31	**Capital stock**	**202,591**
Leasehold right	2,575	**Capital surplus**	**258,989**
Software	14,586	**Retained earnings**	**940,135**
Right of using facilities	201	**Treasury stock**	**(20,975)**
Telephone subscription right	308	**Accumulated other comprehensive income**	**93,199**
Other	34	**Valuation difference on available-for-sale securities**	**41,488**
Investments and other assets	289,759		
Investment securities	190,334	**Deferred gains or losses on hedges**	**141**
Long-term loans receivable	5,793	**Foreign currency translation adjustment**	**47,245**
Net defined benefit asset	7,206	**Remeasurements of defined benefit plans**	**4,323**
Deferred tax assets	24,091	**Stock acquisition rights**	**186**
Other	62,626	**Non-controlling interests**	**46,832**
Allowance for doubtful accounts	(294)		
Total assets	**2,801,189**	**Total liabilities and net assets**	**2,801,189**

CONSOLIDATED STATEMENTS OF INCOME	
From February 1, 2021 to January 31, 2022	
Millions of yen	
Net sales	**2,589,579**
Cost of sales	**2,060,702**
Gross profit	**528,877**
Selling, general and administrative expenses	**298,716**
Operating income	**230,160**
Non-operating income	**9,088**
Interest and dividends income	4,508
Other	4,580
Non-operating expenses	**9,155**
Interest expenses	3,836
Share of loss of entities accounted for using equity method	1,238
Other	4,080
Ordinary income	**230,094**
Extraordinary income	**6,501**
Gain on liquidation of subsidiaries and associates	3,088
Gain on sales of shares of subsidiaries and associates	2,246
Gain on sales of investment securities	1,166
Extraordinary loss	**2,261**
Loss on sales or disposal of fixed assets	1,629
Loss on impairment of fixed assets	539
Loss on sales of investment securities	51
Loss on valuation of investment securities	21
Loss related to COVID-19	19
Income before income taxes	**234,334**
Total income taxes	**70,319**
Income taxes-current	75,789
Income taxes-deferred	(5,470)
Net income	**164,015**
Net income attributable to non-controlling interests	10,109
Net income attributable to owners of parent	**153,905**

Note:
Amounts of the Consolidated Balance Sheets and Consolidated Statements of Income are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

The Non-Consolidated Financial Statements for the 71st Fiscal Year

NON-CONSOLIDATED BALANCE SHEETS

(As of January 31, 2022)

Millions of yen

Assets	1,634,066
Current assets	**583,863**
Cash and deposits	183,896
Notes receivable-trade	9
Accounts receivable from completed construction contracts	29,006
Accounts receivable-real estate business	3,179
Costs on uncompleted construction contracts	2,457
Buildings for sale	68,102
Land for sale in lots	213,481
Undeveloped land for sale	37,731
Semi-finished goods and work in process	4,747
Raw materials and supplies	3,720
Advance payments-trade	891
Prepaid expenses	6,890
Accounts receivable-other	24,199
Other	6,347
Allowance for doubtful accounts	(798)
Noncurrent assets	**1,050,202**
Property, plant and equipment	**387,647**
Buildings	94,498
Structures	3,104
Machinery and equipment	6,241
Vehicles	53
Tools, furniture and fixtures	3,772
Land	231,030
Lease assets	1,169
Construction in progress	47,777
Intangible assets	**15,259**
Industrial property	15
Leasehold right	1,608
Software	13,462
Lease assets	26
Right of using facilities	34
Telephone subscription right	111
Investments and other assets	**647,296**
Investment securities	95,770
Stocks of subsidiaries and associates	464,185
Investments in other securities of subsidiaries and associates	19,280
Long-term loans receivable	41,753
Lease and guarantee deposits	19,191
Long-term prepaid expenses	858
Deferred tax assets	5,695
Other	8,301
Allowance for doubtful accounts	(7,740)
Total assets	**1,634,066**

Liabilities	730,836
Current liabilities	**519,025**
Notes payable-trade	3,809
Electronically recorded obligations-operating	62,942
Accounts payable-trade	20,578
Accounts payable for construction contracts	37,143
Lease obligations	404
Accounts payable-other	3,145
Accrued expenses	11,523
Income taxes payable	15,689
Accrued consumption taxes	11,247
Advances received on uncompleted construction contracts	92,046
Advances received	11,351
Deposits received	225,647
Provision for bonuses	19,463
Provision for directors' bonuses	298
Provision for warranties for completed construction	2,587
Asset retirement obligations	691
Other	454
Noncurrent liabilities	**211,810**
Bonds payable	170,000
Lease obligations	914
Long-term lease and guarantee deposited	12,819
Provision for retirement benefits	23,108
Asset retirement obligations	871
Other	4,096
Net assets	**903,230**
Shareholders' equity	**860,190**
Capital stock	**202,591**
Capital surplus	**258,344**
Legal capital surplus	258,344
Retained earnings	**420,059**
Legal retained earnings	23,128
Other retained earnings	396,931
Reserve for dividends	18,000
General reserve	275,800
Retained earnings brought forward	103,131
Treasury stock	(20,805)
Valuation and translation adjustments	**42,853**
Valuation difference on available-for-sale securities	**42,853**
Stock acquisition rights	**186**
Total liabilities and net assets	**1,634,066**

NON-CONSOLIDATED STATEMENTS OF INCOME	
From February 1, 2021 to January 31, 2022	
Millions of yen	
Net sales	**1,150,364**
Completed construction contracts	936,384
Real estate business	213,980
Cost of sales	**906,150**
Completed construction contracts	725,504
Real estate business	180,646
Gross profit	**244,213**
Gross profit from completed construction contracts	210,879
Gross profit from real estate business	33,334
Selling, general and administrative expenses	**168,834**
Operating income	**75,379**
Non-operating income	**53,125**
Interest and dividends income	49,463
Other	3,662
Non-operating expenses	**5,308**
Interest expenses	56
Interest on bonds	1,053
Loss on business of subsidiaries and associates	1,544
Other	2,654
Ordinary income	**123,196**
Extraordinary income	**3,252**
Gain on liquidation of subsidiaries and associates	2,842
Gain on sales of investment securities	409
Extraordinary loss	**4,608**
Loss on valuation of shares of subsidiaries and associates	1,924
Loss on sales of shares of subsidiaries and associates	1,176
Loss on sales or disposal of fixed assets	970
Loss on impairment of fixed assets	466
Loss on sales of investment securities	51
Loss related to COVID-19	18
Income before income taxes	**121,840**
Total income taxes	**25,561**
Income taxes-current	24,691
Income taxes-deferred	870
Net income	**96,279**

Note:
Amounts of the Non-Consolidated Balance Sheets and Non-Consolidated Statements of Income are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

Certified Copy of Accounting Auditor's Report on Consolidated Financial Statements

REPORT OF INDEPENDENT AUDITOR

March 17, 2022

The Board of Directors
Sekisui House, Ltd.

From: Ernst & Young ShinNihon LLC
Osaka office
Shin Ichinose
Designated and Engagement Partner
Certified Public Accountant
Yasuhiro Kozaki
Designated and Engagement Partner
Certified Public Accountant
Yusaku Iriyama
Designated and Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying Consolidated Financial Statements, which comprise the Consolidated Balance Sheets, the Consolidated Statements of Income, the Consolidated Statements 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, 2021 through January 31, 2022.

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 consists of the Company and its consolidated subsidiaries in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "*Auditor's Responsibility for the Audit of the Consolidated Financial Statements*." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board 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.

In preparing the Consolidated Financial Statements, management is responsible for evaluating whether it is appropriate to prepare the Consolidated Financial Statements in accordance with the assumption of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for supervising execution of duties by Directors related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the Consolidated Financial Statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users made on the basis of the Consolidated Financial Statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for our audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit 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.

- Evaluate the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the Consolidated Financial Statements on the assumption of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the assumption of a going concern, the auditor is required to call attention to the Notes to the Consolidated Financial Statements in the audit report, or if the Notes to the Consolidated Financial Statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the Consolidated Financial Statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides evaluating whether the presentation of and notes to the Consolidated Financial Statements are in accordance with accounting principles generally accepted in Japan, evaluate the presentation, structure, and content of the Consolidated Financial Statements including related notes, and whether the Consolidated Financial Statements fairly present the transactions and accounting events on which they are based.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the Consolidated Financial Statements. The auditor is responsible for instructing, supervising, and implementing the audit of the Consolidated Financial Statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of the independence provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Conflicts of Interest

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

- End -

Certified Copy of Accounting Auditor's Report on Non-Consolidated Financial Statements

REPORT OF INDEPENDENT AUDITOR

March 17, 2022

The Board of Directors
Sekisui House, Ltd.

From: Ernst & Young ShinNihon LLC
Osaka office
Shin Ichinose
Designated and Engagement Partner
Certified Public Accountant
Yasuhiro Kozaki
Designated and Engagement Partner
Certified Public Accountant
Yusaku Iriyama
Designated and Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying Non-Consolidated Financial Statements, which comprise the Non-Consolidated Balance Sheets, the Non-Consolidated Statements of Income, the Non-Consolidated Statement of Changes in Net Assets, the Notes to the Non-Consolidated Financial Statements and the related supplementary schedules (the "Non-Consolidated Financial Statements, etc.") of Sekisui House, Ltd. (the "Company") applicable to the 71st fiscal year from February 1, 2021 through January 31, 2022.

In our opinion, the Non-Consolidated Financial Statements, etc. referred to above present fairly in all material respects, the financial position and results of operations of the Company in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "*Auditor's Responsibility for the Audit of the Non-Consolidated Financial Statements, etc.*" We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-Consolidated Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the Non-Consolidated Financial Statements, etc. 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 Non-Consolidated Financial Statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the Non-Consolidated Financial Statements, etc., management is responsible for evaluating whether it is appropriate to prepare the Non-Consolidated Financial Statements, etc. in accordance with the assumption of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for supervising execution of duties by Directors related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Non-Consolidated Financial Statements, etc.

Our responsibility is to obtain reasonable assurance about whether the Non-Consolidated Financial Statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the Non-Consolidated Financial Statements, etc. from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users made on the basis of the Non-Consolidated Financial Statements, etc.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for our audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit 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.

- Evaluate the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the Non-Consolidated Financial Statements, etc. on the assumption of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the assumption of a going concern, the auditor is required to call attention to the Notes to the Non-Consolidated Financial Statements, etc. in the audit report, or if the Notes to the Non-Consolidated Financial Statements, etc. pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the Non-Consolidated Financial Statements, etc. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides evaluating whether the presentation of and notes to the Non-Consolidated Financial Statements, etc. are in accordance with accounting principles generally accepted in Japan, evaluate the presentation, structure, and content of the Non-Consolidated Financial Statements, etc. including related notes, and whether the Non-Consolidated Financial Statements, etc. fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of the independence provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Conflicts of Interest

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

- End -

Certified Copy of Report of Audit & Supervisory Board

AUDIT REPORT

The Audit & Supervisory Board prepared this audit report based on audit reports prepared by each Audit & Supervisory Board Member upon deliberation with respect to execution of duties by Directors for the 71st fiscal year (February 1, 2021 to January 31, 2022) and report as follows:

1. Method and Contents of Audit by Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board determined audit policy, audit plan and duties assigned to each Audit & Supervisory Board Member, received reports and explanations on the audit and result of audit from each Audit & Supervisory Board Member, received reports on the execution of duties of Directors and Accounting Auditor and requested additional explanations as necessary.

(2) Each Audit & Supervisory Board Member, in conformity with standards of audit determined by the Audit & Supervisory Board, in accordance with the audit policy and audit plan set up and the duties assigned by the Audit & Supervisory Board Member, and by utilizing means via the Internet, etc., made efforts to communicate with Directors, Executive Officers, Audit Department and other employees, collect information and prepare and arrange for circumstances for audit and audited in the following method.

i) We attended meetings of the Board of Directors and other meetings as deemed important, received reports from the Directors and Executive Officers, etc. on their performance of duties, requested additional explanation as necessary, examined important approval documents and inspected the business and financial conditions at the head office and the principal offices. With respect to subsidiaries, we communicated and exchanged information with the Directors and Audit & Supervisory Board Members of the subsidiaries and received reports as necessary.

ii) With respect to the resolutions of the Board of Directors relating to establishment of the system that ensures the performance of duties by Directors described in the Business Report is in conformity with laws and regulations, and the Articles of Incorporation and other systems that ensure appropriate business of the Corporate Group made of the Company and its subsidiaries as required under Article 100, Paragraphs 1 and 3 of the Regulation for Enforcement of the Companies Act, as well as the system established under such resolutions (internal control system), we received reports from the Directors and Executive Officers, etc. the conditions of construction and management of them, and requested additional explanation as necessary and gave opinions.

iii) We supervised and examined that the Accounting Auditor maintained their independent position and performed due audit, received reports from the Accounting Auditor on the execution of their duties, and requested additional explanation as necessary. We 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 Article 131 of the Regulation on Corporate Accounting) in accordance with, among other things, the "Quality Control Standard for Audit" (Business Accounting Council, October 28, 2005) and requested additional explanation as necessary.

In accordance with the method stated above, the Audit & Supervisory Board examined the Business Report and the related supplementary schedules, the Non-Consolidated Financial Statements (the Non-Consolidated Balance Sheets, the Non-Consolidated Statement of Income, the Statement of Change in Net Assets and the Notes to Non-Consolidated Financial Statements) and the related supplementary schedules, and the Consolidated Financial Statements (the Consolidated Balance Sheets, the Consolidated Statements of Income, the Consolidated Statements of Changes in Net Assets and the Notes to Consolidated Financial Statements) for the fiscal year under review.

2. Results of Audit

(1) Results of audit of Business Report, etc.:

i) We confirmed that the Business Report and the related supplementary schedules fairly show the position of the Company, in conformity with the relevant laws and regulations and the Articles of Incorporation.

ii) 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.

iii) We confirmed that the resolutions of the Board of Directors relating to the internal control system are fair. We do not find any aspects to be pointed out for the contents in the Business Report and the Directors' performance of duties relating to the internal control system.

(2) Results of audit of the Non-Consolidated Financial Statements and the related supplementary schedules:

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

March 24, 2022

Audit & Supervisory Board of Sekisui House, Ltd.

Standing Audit & Supervisory Board Member	Haruyuki Iwata
Standing Audit & Supervisory Board Member	Midori Ito
Audit & Supervisory Board Member	Takashi Kobayashi
Audit & Supervisory Board Member	Hisako Makimura
Audit & Supervisory Board Member	Ryuichi Tsuruta
Audit & Supervisory Board Member	Yoritomo Wada

- End -

Request for Cooperation to Prevent the Spread of COVID-19
■ Request for cooperation from shareholders - You may exercise your voting rights in writing or via the Internet. Please exercise your voting rights in writing or via the Internet as much as possible. (For details, please refer to pages 1 and 2 of this Notice.) - Shareholders who plan to attend the General Meeting of Shareholders are requested to pay attention to their health condition up to the day of the meeting and refrain from attending the meeting if they have a cold or other health issues. - Please consider not attending the General Meeting of Shareholders if you are elderly, have an underlying medical condition, or are pregnant. - Shareholders attending the meeting are requested to wear masks and use disinfectant. ■ Response by the Company - The administrative staff will wear masks after we conduct a temperature check and check on their physical condition in advance. - Disinfectant dispensers will be placed throughout the venue. - No tickets will be distributed for the Kuchu Teien Observatory and Koji Kinutani Tenku Art Museum, and no beverages will be served. - The number of seats for shareholders will be greatly reduced due to the spacing of the seats. - There will be no display area for our catalogs and other materials. Any changes in the operation of the General Meeting of Shareholders will be posted on the Company's website. **https://www.sekisuihouse.co.jp/english/company/financial/holders/meeting/index.html**