

Annual Securities Report

The 75th Fiscal Year

From February 1, 2025 to January 31, 2026

Sekisui House, Ltd.

E00143

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[Company Name]	Sekisui House, Ltd.
[Company Name in English]	Sekisui House, Ltd.
[Title and Name of Representative]	Yoshihiro Nakai, Representative Director of the Board, CEO, President, Executive Officer
[Address of Registered Head Office]	1-1-88, Oyodonaka, Kita-ku, Osaka
[Telephone Number]	+81-6-6440-3111 (main number)
[Name of Contact Person]	Naoki Kawamura, Executive Officer, Head of Corporate Institutional Management Department
[Nearest Place of Contact]	4-15-1, Akasaka, Minato-ku, Tokyo
[Telephone Number]	+81-3-5575-1700 (main number)
[Name of Contact Person]	Hiroyuki Kawabata, Operating Officer, Head of Investor Relations Department
[Place for Public Inspection]	Investor Relations Department, Sekisui House, Ltd.* (4-15-1, Akasaka, Minato-ku, Tokyo) Tokyo-Nishi Branch, Sekisui House, Ltd. (3-6-11, Nishishinjuku, Shinjuku-ku, Tokyo) Kanagawa-Higashi Branch, Sekisui House, Ltd. (3-7-1, Minatomirai, Nishi-ku, Yokohama) Saitama-Chuo Branch, Sekisui House, Ltd. (1-7-5, Sakuragi-cho, Omiya-ku, Saitama) Chiba Branch, Sekisui House, Ltd. (1-35, Tonyacho, Chuo-ku, Chiba) Nagoya-Higashi Branch, Sekisui House, Ltd. (3-18-1, Sakae, Naka-ku, Nagoya) Kobe Branch, Sekisui House, Ltd. (2-1-32, Oakashicho, Akashi-shi, Hyogo) Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo) Nagoya Stock Exchange, Inc. (3-8-20, Sakae, Naka-ku, Nagoya)
	(Note) *This is not a place for public inspection as stipulated by the Financial Instruments and Exchange Act, but it is provided for the convenience of shareholders, etc.

Part 1 Company Information

I. Overview of Company

1. Key Financial Data

(1) Key financial data of group

Fiscal Year		71st	72nd	73rd	74th	75th
Year End		Jan. 2022	Jan. 2023	Jan. 2024	Jan. 2025	Jan. 2026
Net sales	(Millions of yen)	2,589,579	2,928,835	3,107,242	4,058,583	4,197,922
Ordinary profit	(Millions of yen)	230,094	257,272	268,248	301,627	327,800
Profit attributable to owners of parent	(Millions of yen)	153,905	184,520	202,325	217,705	232,095
Comprehensive income	(Millions of yen)	225,063	262,931	243,596	293,815	275,462
Total net assets	(Millions of yen)	1,520,959	1,667,546	1,794,052	2,018,599	2,188,237
Total assets	(Millions of yen)	2,801,189	3,007,537	3,352,798	4,808,848	5,006,637
BPS: Book value per share	(Yen)	2,184.36	2,466.04	2,707.90	3,027.64	3,300.57
EPS: Earnings per share	(Yen)	227.37	276.58	309.29	335.95	358.07
Diluted earnings per share	(Yen)	227.25	276.46	309.19	335.84	357.98
Equity capital ratio	(%)	52.62	54.29	52.33	40.80	42.73
Return on Equity	(%)	10.99	11.88	11.95	11.71	11.32
PER: Stock price at end of period ÷ Net income per share	(Times)	10.18	8.86	10.82	10.67	9.60
Cash flows from operating activities	(Millions of yen)	118,034	125,464	15,683	62,885	216,325
Cash flows from investing activities	(Millions of yen)	(113,706)	(165,409)	(69,124)	(697,687)	(73,172)
Cash flows from financing activities	(Millions of yen)	(111,701)	(155,780)	6,483	720,967	(93,255)
Cash and cash equivalents at end of period	(Millions of yen)	515,174	332,747	292,901	390,307	434,925
Number of employees	(Persons)	28,821	29,052	29,932	32,265	32,186

(Notes) 1. Amounts are given in the stated unit of the presentation by disregarding any amount less than the stated unit of the presentation.

2. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of the 72nd fiscal year, and the key financial data for the 72nd fiscal year and beyond are based on the application of these accounting standards.

(2) Key financial data of reporting company

Fiscal Year	71st	72nd	73rd	74th	75th
Year End	Jan. 2022	Jan. 2023	Jan. 2024	Jan. 2025	Jan. 2026
Net sales (Millions of yen)	1,150,364	1,203,804	1,283,433	1,312,172	1,397,221
Ordinary profit (Millions of yen)	123,196	132,806	157,460	183,771	205,648
Profit (Millions of yen)	96,279	115,222	131,332	177,347	173,279
Share capital (Millions of yen)	202,591	202,591	202,854	203,094	203,300
Total number of shares issued (Shares)	684,683,466	684,683,466	662,862,666	662,996,866	663,122,166
Total net assets (Millions of yen)	903,230	920,510	938,436	1,023,993	1,103,182
Total assets (Millions of yen)	1,634,066	1,496,839	1,557,919	2,340,322	2,417,460
BPS: Book value per share (Yen)	1,337.96	1,389.67	1,447.77	1,579.45	1,701.28
Dividends per share (Yen)	90.00	110.00	123.00	135.00	144.00
[Interim dividend per share] (Yen)	[43.00]	[52.00]	[59.00]	[64.00]	[72.00]
EPS: Earnings per share (Yen)	142.20	172.66	200.71	273.60	267.26
Diluted earnings per share (Yen)	142.13	172.59	200.65	273.51	267.20
Equity capital ratio (%)	55.26	61.49	60.23	43.75	45.63
Return on Equity (%)	10.83	12.64	14.13	18.08	16.29
PER: Stock price at end of period ÷ Net income per share (Times)	16.28	14.20	16.68	13.10	12.86
Dividend payout ratio (%)	63.29	63.71	61.28	49.34	53.88
Number of employees (Persons)	15,017	14,932	15,327	15,664	14,178
Total shareholder return (%)	119.1	131.3	181.8	200.1	200.1
[Comparative indicator: Dividend-included TOPIX] (%)	[107.0]	[114.6]	[151.7]	[169.7]	[222.5]
Highest stock price (Yen)	2,567	2,594.5	3,495	4,134	3,652
Lowest stock price (Yen)	1,990.5	2,163.5	2,418	2,843	2,906

(Notes) 1. Amounts are given in the stated unit of the presentation by disregarding any amount less than the stated unit of the presentation.

2. The ¥144.00 dividend per share for the 75th fiscal year (fiscal year ended January 2026) includes the ¥72.00 year-end dividend, which will be one of the agenda items (proposals to be tabled) at the Ordinary General Meeting of Shareholders to be held on April 23, 2026.
3. The highest and lowest stock prices are those on the Tokyo Stock Exchange (Prime Market) from April 4, 2022 onwards, and those on the Tokyo Stock Exchange (First Section) on and before April 3, 2022.
4. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of the 72nd fiscal year, and the key financial data for the 72nd fiscal year and beyond are based on the application of these accounting standards.

2. Corporate History

In May 1969, the Company (in March 1969, the company name was changed from Showa Shokusan Co., Ltd. to Sekisui House, Ltd.) acquired Sekisui House, Ltd. (the former Sekisui House, Ltd.), which was located at 2-2, Tamae-cho, Kita-ku, Osaka, through an absorption-type merger (due to a change in the par value of the shares of the former Sekisui House, Ltd.), but as the Company was suspended prior to the merger date, the substance of the company is in the same state as if the former Sekisui House, Ltd. has continued to exist after the merger. Therefore, the details of the Company before the merger mentioned above in the following corporate history are those of the former Sekisui House, Ltd., which was a substantive company.

August 1960	Planned to commercialize pre-engineered housing, and incorporated as Sekisui House Sangyo Co., Ltd. with share capital of 100 million yen.
July 1961	Shiga Factory was established in Ritto-cho, Kurita-gun, (currently Ritto-shi), Shiga, and launched operations (the production function was suspended in March 2009).
October 1963	Company name was changed to Sekisui House, Ltd.
May 1969	Due to a change in the par value of shares, Sekisui House, Ltd. (Showa Shokusan Co., Ltd. changed its company name in March 1969) acquired the Company through an absorption-type merger.
August 1970	Stock listed on 2nd Section of Tokyo Stock Exchange and Osaka Securities Exchange Kanto Factory was established in Sowa-machi, Sashima-gun (currently Koga-shi), Ibaraki, and launched operations.
June 1971	Stock listed on 1st Section of Tokyo Stock Exchange and Osaka Securities Exchange
August 1972	Stock listed on 1st Section of Nagoya Stock Exchange
August 1973	Yamaguchi Factory was established in Yamaguchi and launched operations.
June 1975	Head Office was moved from 2-2, Tamae-cho, Kita-ku, Osaka to 6-6, Nakanoshima, Kita-ku, Osaka (changed to 6-2-27, Nakanoshima, Kita-ku, Osaka on February 1, 1978, due to the implementation of residential address indication).
March 1976	Sekiwa Real Estate, Ltd. was incorporated.
February 1977	Sekiwa Real Estate, Ltd. (changed the company name to Kansai Sekiwa Real Estate, Ltd. in March 1982) was incorporated.
August 1980	Sekiwa Real Estate, Ltd. (changed the company name to Kyushu Sekiwa Real Estate, Ltd. in March 1982) was incorporated.
October 1980	Shizuoka Factory was established in Daito-cho, Ogasa-gun (currently Kakegawa-shi), Shizuoka, and launched operations.
February 1981	Sekiwa Real Estate, Ltd. (changed the company name to Chubu Sekiwa Real Estate, Ltd. in June 1981) was incorporated.
August 1982	Chugoku Sekiwa Real Estate, Ltd. was incorporated.
August 1983	Tohoku Sekiwa Real Estate, Ltd. was incorporated.
July 1985	Hyogo Factory was established in Tojo-cho, Kato-gun (currently Kato-shi), Hyogo, and launched operations.
May 1993	Head Office was moved from 6-2-27, Nakanoshima, Kita-ku, Osaka to 1-1-88, Oyodonaka, Kita-ku, Osaka
August 1995	Sekisui House-W Co., Ltd. was acquired through an absorption-type merger.
August 1997	Tohoku Factory was established in Shikama-cho, Kami-gun, Miyagi, and launched operations.
August 2000	Tohoku Sekiwa Real Estate, Ltd., Chubu Sekiwa Real Estate, Ltd., Kansai Sekiwa Real Estate, Ltd., Chugoku Sekiwa Real Estate, Ltd. and Kyushu Sekiwa Real Estate, Ltd. changed their company names to Sekiwa Real Estate Tohoku, Ltd., Sekiwa Real Estate Chubu, Ltd., Sekiwa Real Estate Kansai, Ltd., Sekiwa Real Estate Chugoku, Ltd. and Sekiwa Real Estate Kyushu, Ltd., respectively.
February 2001	Sekisui House Hokuriku, Ltd., Sekisui House Shikoku, Ltd., Sekisui House Yamanashi, Ltd. and Sekisui House Sanin, Ltd. were acquired through an absorption-type merger.
March 2001	Trading of sponsored American Depositary Receipts (ADRs) begun
February 2005	Sekiwa Real Estate, Ltd., Sekiwa Real Estate Kansai, Ltd., Sekiwa Real Estate Chubu, Ltd., Sekiwa Real Estate Chugoku, Ltd., Sekiwa Real Estate Kyushu, Ltd. and Sekiwa Real Estate Tohoku, Ltd. were made wholly owned subsidiaries through a share exchange. Remodeling business was spun off into Sekisui House Remodeling, Ltd. through a corporate split.
May 2005	Sekiwa Real Estate Sapporo, Ltd. was incorporated (merged into Sekiwa Real Estate, Ltd. through an absorption-type merger in August 2009).
December 2008	Sekisui House Australia Holdings PTY LIMITED was incorporated.
March 2010	Sekisui House SI Asset Management, Ltd. (the company name was changed to Sekisui House Asset Management, Ltd. in March 2017) became a subsidiary through the acquisition of shares.
May 2010	North America Sekisui House, LLC was incorporated.

December 2011	Sekisui House Financial Services Co., Ltd. was incorporated.
August 2013	Sekiwa Real Estate, Ltd. was split into Sekiwa Real Estate, Ltd. and Sekiwa Real Estate Kanto, Ltd.
February 2014	Sekisui House Investment Advisors, Ltd. was incorporated.
November 2014	Sekiwa Grand Mast, Ltd. was incorporated.
August 2016	Sekisui House Remodeling, Ltd. was split into three companies: Sekisui House Remodeling East Japan, Ltd., Sekisui House Remodeling Central Japan, Ltd. (formerly Sekisui House Remodeling, Ltd.), and Sekisui House Remodeling West Japan, Ltd.
March 2017	Woodside Homes Company, LLC became a wholly owned subsidiary. Sekisui House Trust, Ltd. was incorporated.
May 2018	Sekisui House Investment Advisors, Ltd. merged with Sekisui House Asset Management, Ltd. and changed the company name to Sekisui House Asset Management, Ltd.
October 2019	Otori Holdings, Co., Ltd. (holding company for Konoike Construction Co., Ltd.) became a consolidated subsidiary.
February 2020	Sekiwa Real Estate, Ltd. merged with Sekiwa Real Estate Kanto, Ltd. to become Sekisui House Real Estate Tokyo, Ltd., Sekiwa Real Estate Kansai, Ltd. changed the company name to Sekisui House Real Estate Kansai, Ltd., Sekiwa Real Estate Chubu, Ltd. changed the company name to Sekisui House Real Estate Chubu, Ltd., Sekiwa Real Estate Chugoku, Ltd. changed the company name to Sekisui House Real Estate Chugoku & Shikoku, Ltd., Sekiwa Real Estate Kyushu, Ltd. changed the company name to Sekisui House Real Estate Kyusyu, Ltd., and Sekiwa Real Estate Tohoku, Ltd. changed the company name to Sekisui House Real Estate Tohoku, Ltd. Sekisui House noie Limited launched operations (liquidated in December 2025).
October 2020	Konoike Construction Co., Ltd. merged with Otori Holdings Co., Ltd.
November 2020	Sekisui House Remodeling Central Japan, Ltd. merged with Sekisui House Remodeling East Japan, Ltd. and Sekisui House Remodeling West Japan, Ltd. and changed the company name to Sekisui House Remodeling, Ltd.
December 2021	Holt Group Holdings, LLC acquired shares of The Holt Group, Inc., etc.
February 2022	As for the Sekisui House Real Estate Group, an organizational restructuring centered on the adoption of an intermediate holding company system was implemented by Sekisui House Real Estate Holdings, Ltd., and all equity interests in the six Sekisui House Real Estate companies became indirect interests, and Sekisui House Real Estate Tokyo, Ltd. merged with Sekiwa Grand Mast, Ltd.
April 2022	Moved to the Tokyo Stock Exchange Prime Market and the Nagoya Stock Exchange Premier Market
July 2022	Chesmar Holdings, LLC acquired interests in Chesmar Homes, LLC, etc.
February 2024	As for the Sekisui House Construction Group, an organizational restructuring centered on the adoption of an intermediate holding company system was implemented by Sekisui House Construction Holdings, Ltd., and all equity interests in the eight Sekisui House Construction companies became indirect interests.
April 2024	M.D.C. Holdings, Inc. became a wholly owned subsidiary.
February 2025	The real estate and brokerage businesses of the six Sekisui House Real Estate companies (Tohoku, Tokyo, Chubu, Kansai, Chugoku & Shikoku, and Kyushu) were consolidated into Sekisui House Real Estate Kansai, Ltd. through an absorption-type company split, and the company's trade name was changed to Sekisui House Real Estate, Ltd. The rental business of Sekisui House Real Estate Kansai, Ltd. was absorbed and split off into a newly established preparatory company, and then spun off as Sekisui House Sha Maison PM Kansai, Ltd. Similarly, the five Sekisui House Real Estate companies (Tohoku, Tokyo, Chubu, Chugoku & Shikoku, and Kyushu) that specialize in the rental business changed each of their trade names to Sekisui House Sha Maison PM Tohoku, Ltd., Sekisui House Sha Maison PM Tokyo, Ltd., Sekisui House Sha Maison PM Chubu, Ltd., Sekisui House Sha Maison PM Chugoku & Shikoku, Ltd., and Sekisui House Sha Maison PM Kyushu, Ltd. The after-sales service business of the Company was absorbed and split off as Sekisui House Support Plus, Ltd.
January 2026	The organizational restructuring of the consolidated subsidiaries in the U.S. homebuilding business was implemented. As a result, Woodside Homes Company, LLC, Holt Group Holdings, LLC, and Chesmar Holdings, LLC were dissolved through absorption-type mergers, and M.D.C. Holdings, Inc. changed its trade name to SEKISUI HOUSE U.S., Inc. (in September 2025) and commenced operations as the de facto company overseeing the U.S. homebuilding business.

3. Description of Business

The Group (the Company and its affiliated companies) consists of the Company, 301 consolidated subsidiaries, and 36 equity-method affiliates, is involved in the Custom Detached Houses Business, Rental Housing and Commercial Buildings Business, Architectural/Civil Engineering Business, Rental Housing Management Business, Remodeling Business, Development Business, Overseas Business, and carries out related business activities.

The positioning of each business in the Group is as follows.

The main affiliated companies involved in each business are listed in the business organization chart.

(1) Custom Detached Houses Business

Contracting of design and construction, and sales of detached houses

(Main companies: Sekisui House, Ltd., Sekisui House Construction Group)

(2) Rental Housing and Commercial Buildings Business

Contracting of design and construction, and sales of rental housing, commercial buildings and other properties

(Main companies: Sekisui House, Ltd., Sekisui House Construction Group)

(3) Architectural/Civil Engineering Business

Construction of commercial buildings and other properties and contracting of design and construction of civil engineering works

(Main company: Konoike Construction Group)

(4) Rental Housing Management Business

Leasing and management services for rental housing and other properties

(Main company: Sekisui House Real Estate Group)

(5) Remodeling Business

Remodeling of detached houses, rental housing, and other properties

(Main companies: Sekisui House Remodeling, Ltd., Sekisui House Support Plus, Ltd.,
Sekisui House Real Estate Group, Sekisui House Construction Group)

(6) Development Business

Consists of the following three businesses.

i. Real Estate and Brokerage Business

Brokerage and sales of land for housing, existing houses, real estate for profit, and other properties

(Main companies: Sekisui House, Ltd., Sekisui House Real Estate Group)

ii. Condominiums Business

Development, sales and management of condominiums for sale

(Main companies: Sekisui House, Ltd., Sekisui House GM Partners, Ltd.)

iii. Urban Redevelopment Business

Development, management, and operation of office buildings, hotels, rental condominiums, and other properties

(Main companies: Sekisui House, Ltd., Sekisui House Asset Management, Ltd.,
Sekisui House Hotel Management, Ltd.)

(7) Overseas Business

Sales of detached houses, development and sales of residential land, and development of condominiums for sale and rent, and other properties in overseas markets

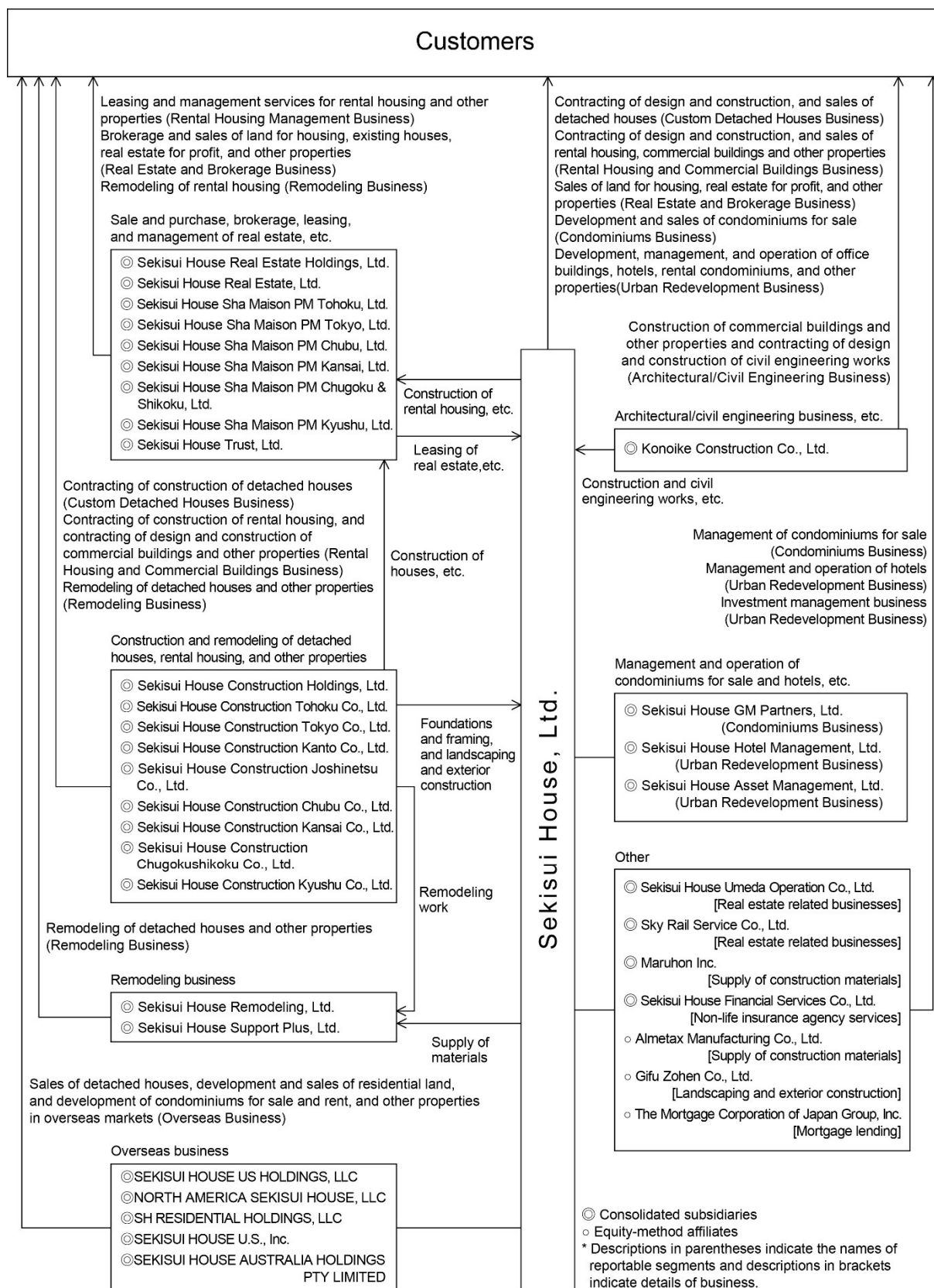
(Main companies: SEKISUI HOUSE US HOLDINGS, LLC, SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED)

(8) Other

This is a business segment not included in the reportable segments, and includes real estate management services, non-life insurance agency services, etc.

[Business organization chart]

The following business organization chart shows the main affiliated companies.



4. Subsidiaries and Other Affiliated Entities

Name	Location	Share capital (Millions of yen)	Main business	Percentage of holding voting rights (%)	Relationship			
					Executive concurrently holds position	Financial support	Business transaction	Leasing of equipment
(Consolidated subsidiaries)								
Sekisui House Real Estate Holdings, Ltd. (*3)	Kita-ku, Osaka	100	Rental Housing Management Business Real Estate and Brokerage Business	100.0	Yes	Yes	—	Yes
Sekisui House Real Estate, Ltd. (*3)	Kita-ku, Osaka	5,829	Real Estate and Brokerage Business	100.0 (100.0)	Yes	None	Sale and purchase of real estate, etc.	Yes
Sekisui House Sha Maison PM Tohoku, Ltd. (*3)	Aoba-ku, Sendai	200	Rental Housing Management Business	100.0 (100.0)	Yes	None	Leasing and outsourcing of management of real estate owned by the Company's customers, etc.	Yes
Sekisui House Sha Maison PM Tokyo, Ltd. (*3)	Shibuya-ku, Tokyo	200	Rental Housing Management Business	100.0 (100.0)	Yes	None	Same as above	Yes
Sekisui House Sha Maison PM Chubu, Ltd. (*3)	Nakamura-ku, Nagoya	200	Rental Housing Management Business	100.0 (100.0)	Yes	None	Same as above	Yes
Sekisui House Sha Maison PM Kansai, Ltd. (*3)	Kita-ku, Osaka	200	Rental Housing Management Business	100.0 (100.0)	Yes	None	Same as above	Yes
Sekisui House Sha Maison PM Chugoku & Shikoku, Ltd. (*3)	Naka-ku, Hiroshima	200	Rental Housing Management Business	100.0 (100.0)	Yes	None	Same as above	Yes
Sekisui House Sha Maison PM Kyushu, Ltd. (*3)	Hakata-ku, Fukuoka	200	Rental Housing Management Business	100.0 (100.0)	Yes	None	Same as above	Yes
Sekisui House Trust, Ltd.	Shibuya-ku, Tokyo	450	Rental Housing Management Business	95.0	Yes	None	Real estate management trust for the Company's customers	Yes
Sekisui House Construction Holdings, Ltd.	Kita-ku, Osaka	100	Custom Detached Houses Business Rental Housing and Commercial Buildings Business	100.0	Yes	None	—	Yes
Sekisui House Construction Tohoku Co., Ltd.	Izumi-ku, Sendai	100	Custom Detached Houses Business Rental Housing and Commercial Buildings Business	100.0 (100.0)	Yes	None	Contracting of remodeling work on detached houses, rental housing, and other buildings	Yes
Sekisui House Construction Tokyo Co., Ltd.	Toda-shi, Saitama	100	Custom Detached Houses Business Rental Housing and Commercial Buildings Business	100.0 (100.0)	Yes	None	Same as above	Yes
Sekisui House Construction Kanto Co., Ltd.	Minuma-ku, Saitama	100	Custom Detached Houses Business Rental Housing and Commercial Buildings Business	100.0 (100.0)	Yes	None	Same as above	Yes
Sekisui House Construction Joshinetsu Co., Ltd.	Chikuma-shi, Nagano	100	Custom Detached Houses Business Rental Housing and Commercial Buildings Business	100.0 (100.0)	Yes	None	Same as above	Yes
Sekisui House Construction Chubu Co., Ltd.	Moriyama-ku, Nagoya	100	Custom Detached Houses Business Rental Housing and Commercial Buildings Business	100.0 (100.0)	Yes	None	Same as above	Yes
Sekisui House Construction Kansai Co., Ltd.	Yodogawa-ku, Osaka	100	Custom Detached Houses Business Rental Housing and Commercial Buildings Business	100.0 (100.0)	Yes	None	Same as above	Yes
Sekisui House Construction Chugokushikoku Co., Ltd.	Asaminami-ku, Hiroshima	100	Custom Detached Houses Business Rental Housing and Commercial Buildings Business	100.0 (100.0)	Yes	None	Same as above	Yes

Name	Location	Share capital (Millions of yen)	Main business	Percentage of holding voting rights (%)	Relationship			
					Executive concurrently holds position	Financial support	Business transaction	Leasing of equipment
Sekisui House Construction Kyushu Co., Ltd.	Hakata-ku, Fukuoka	100	Custom Detached Houses Business Rental Housing and Commercial Buildings Business	100.0 (100.0)	Yes	None	Contracting of remodeling work on detached houses, rental housing, and other buildings	Yes
Sekisui House Remodeling, Ltd.	Kita-ku, Osaka	100	Remodeling Business	100.0	Yes	None	Contracting of remodeling work	Yes
Sekisui House Support Plus, Ltd. (*4)	Kita-ku, Osaka	100	Remodeling Business	100.0	Yes	None	Maintenance and management of buildings, etc., periodic inspections, and owner support	Yes
Sekisui House GM Partners, Ltd.	Kita-ku, Osaka	418	Condominiums Business	100.0	Yes	No	Outsourcing of management of condominiums for sale owned by the Company's customers	Yes
Sekisui House Asset Management, Ltd.	Minato-ku, Tokyo	400	Urban Redevelopment Business	100.0	Yes	None	—	Yes
Sekisui House Hotel Management, Ltd.	Kita-ku, Osaka	9	Urban Redevelopment Business	100.0	Yes	Yes	Management and operation of hotels, etc.	Yes
Sekisui House Financial Services Co., Ltd.	Kita-ku, Osaka	100	Other	100.0	Yes	None	—	Yes
Sekisui House Umeda Operation Co., Ltd.	Kita-ku, Osaka	100	Other	100.0	Yes	None	Outsourcing of management of real estate	Yes
Konoike Construction Co., Ltd.	Chuo-ku, Osaka	5,350	Architectural/Civil Engineering Business	90.7	Yes	None	Contracting of construction and civil engineering works, etc.	None
SEKISUI HOUSE US HOLDINGS, LLC (*1)	California, U.S.A.	Millions of USD 4,858	Overseas Business	100.0	Yes	Yes	—	None
NORTH AMERICA SEKISUI HOUSE, LLC (*1)	California, U.S.A.	Millions of USD 1,233	Overseas Business	100.0 (100.0)	Yes	Yes	—	None
SH RESIDENTIAL HOLDINGS, LLC (*1)	California, U.S.A.	Millions of USD 4,148	Overseas Business	100.0 (100.0)	Yes	Yes	—	None
SEKISUI HOUSE U.S., Inc. (*5)	Colorado, U.S.A.	Millions of USD 0	Overseas Business	100.0 (100.0)	Yes	None	—	None
SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED (*1)	New South Wales, Australia	Millions of AUD 1,087	Overseas Business	100.0	Yes	None	—	None
Other 270 companies								
(Equity-method affiliates)								
Almetax Manufacturing Co., Ltd. (*2)	Kita-ku, Osaka	2,160	Manufacturing and sale of housing construction material products	35.75	None	None	Sale and purchase of construction materials	Yes
Gifu Zohen Co., Ltd. (*2)	Gifu-shi, Gifu	412	Landscaping and greening construction	20.21	None	None	Landscaping and exterior construction	Yes
Other 34 companies								

(Notes) 1.The names of reportable segments are presented in the “Main business” column for the consolidated subsidiaries.

2.Figures in parentheses in the percentage of holding voting rights are the percentage of indirect ownership in the percentage of holding voting rights.

3. (*1) indicates a specified subsidiary company. Of the companies included in “Other” (consolidated subsidiaries), the specified subsidiary companies are NASH SDCC Holding, LLC, NASH - Holland SDCC Investors, LLC, NASH Gateway Holdings, LLC, NASH-Holland Gateway Crossing Investors, LLC, and NASH - Brookfield Blossom Rock, LLC (five subsidiaries in the U.S.A.).

4. (*2) This is a company that files the Annual Securities Report.

5. (*3) On February 1, 2025, the real estate and brokerage businesses of the six Sekisui House Real Estate companies (Tohoku, Tokyo, Chubu, Kansai, Chugoku & Shikoku, and Kyushu) was consolidated into Sekisui House Real Estate Kansai, Ltd. through an absorption-type company split, and the company's trade name was changed to Sekisui House Real Estate, Ltd. Furthermore, on the same day, the rental business of Sekisui House Real Estate Kansai, Ltd. was absorbed and split off into a newly established

preparatory company (100% owned by Sekisui House Real Estate Holdings, Ltd.), and then spun off as Sekisui House Sha Maison PM Kansai, Ltd. Similarly, the five Sekisui House Real Estate companies (Tohoku, Tokyo, Chubu, Chugoku & Shikoku, and Kyushu) that specialize in the rental business changed each of their trade names to Sekisui House Sha Maison PM companies.

6. (*4) On February 1, 2025, the after-sales service business operated by the Customer Service Center of the Company was absorbed and split off as Sekisui House Support Plus, Ltd. (100% owned by the Company).
7. (*5) The Company implemented an organizational restructuring of its consolidated subsidiaries in the U.S. homebuilding business. As a result, Woodside Homes Company, LLC, Holt Group Holdings, LLC, and Chesmar Holdings, LLC were dissolved through absorption-type mergers, and M.D.C. Holdings, Inc. changed its trade name to SEKISUI HOUSE U.S., Inc. and commenced operations in January 2026 as the de facto company overseeing the U.S. homebuilding business.

5. Employees

(1) Information about group

As of January 31, 2026

Reportable segment	Number of employees (Persons)
Custom Detached Houses Business	15,686
Rental Housing and Commercial Buildings Business	
Architectural/Civil Engineering Business	2,457
Rental Housing Management Business	2,108
Remodeling Business	4,126
Development Business	2,044
Overseas Business	3,281
Other	275
Corporate (common)	2,209
Total	32,186

- (Notes) 1.The number of employees refers to the number of people working.
2.The average number of temporary employees is not stated because the total number of temporary employees is less than 10% of the total number of employees.
3.In the Custom Detached Houses Business and the Rental Housing and Commercial Buildings Business, the same employees are engaged in each business because there is no separate management organization system for each segment.
4.The number of employees listed as “Corporate (common)” represents employees mainly belonging to the Company’s head office and other corporate departments.

(2) Information about reporting company

As of January 31, 2026

Number of employees (Persons)	Average age (Years)	Average years of service (Years)	Average annual salary (Yen)
14,178	43.5	16.2	9,071,924

Reportable segment	Number of employees (Persons)
Custom Detached Houses Business	12,215
Rental Housing and Commercial Buildings Business	
Development Business	323
Overseas Business	57
Corporate (common)	1,583
Total	14,178

- (Notes) 1.The number of employees refers to the number of people working.
2.The average number of temporary employees is not stated because the total number of temporary employees is less than 10% of the total number of employees.
3.The average annual salary includes bonuses and non-standard pay.
4.In the Custom Detached Houses Business and the Rental Housing and Commercial Buildings Business, the

same employees are engaged in each business because there is no separate management organization system for each segment.

5. The number of employees listed as “Corporate (common)” represents employees mainly belonging to the Company’s head office and other corporate departments.

(3) Labor unions

The Company does not have a labor union, while some of its consolidated subsidiaries do; however, labor-management relations remain amicable.

(4) Ratio of female employees in managerial positions, take-up rate for eligible male employee childcare leave, and gender pay gap

i. Reporting company (Note 4)

Fiscal year ended January 31, 2026					
Name	Ratio of female employees in managerial positions (%) (Note 1)	Take-up rate for eligible male employee childcare leave (%) (Notes 2 and 3)	Gender pay gap (%) (Notes 1, 3, 5 and 6)		
			Total workers	Regular workers	Non-regular workers
Sekisui House, Ltd.	4.6	111	56.0	59.0	40.2

(Notes) 1. Calculated based on the provisions of the Act on Promotion of Women’s Active Engagement in Professional Life (Act No. 64 of 2015, hereinafter as the “Act on Promotion of Women’s Participation and Advancement”).

2. The rate of childcare leave adoption is calculated as set forth in Article 71-6, item (1) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991, hereinafter as the “Ordinance for Enforcement of the Child Care and Nursing Care Leave Act”) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991, hereinafter as the “Child Care and Nursing Care Leave Act”).

3. The applicable period for the take-up rate for eligible male employee childcare leave and the gender pay gap is the fiscal year under review (February 1, 2025 to January 31, 2026).

4. Seconded employees are counted as employees of the originating company.

5. Pay includes base salary, overtime compensation, and bonuses, excluding commuting allowances.

6. Non-regular workers are temporary employees (rehired employees, contracted employees, and part-timers). Pay for part-timers is based on amounts actually paid and is not converted to full-time equivalents.

<Supplemental explanation of the gender pay gap>

The gender pay gap for all of Sekisui House Ltd.’s workers is 56.0% and the gap for regular workers is 59.0%. The ratio of regular workers among total workers is around 90%. The ratio of main career track employees is over 70%, which has a significant impact on the gender pay gap. Accordingly, the following details focus on main career track employees.

1) Pay gap for each job grade

Pay is the same for individuals in the same job grade. The Company sets pay standards for each occupation and job grade. The gender pay gap in base salary for main career track employees is as detailed below.

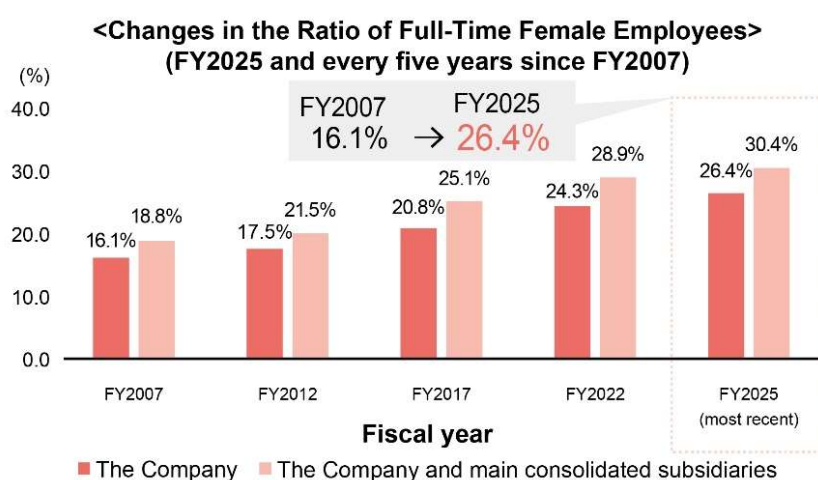
	Average female base salary/ Average male base salary
Managerial positions	97.4%
Non-manual positions	P5 97.3%
	P4 99.2%
	P3 99.7%
	P2 99.7%
	P1 98.9%

* There are five job grades for non-manual positions (P5–P1).

2) Current initiatives and progress

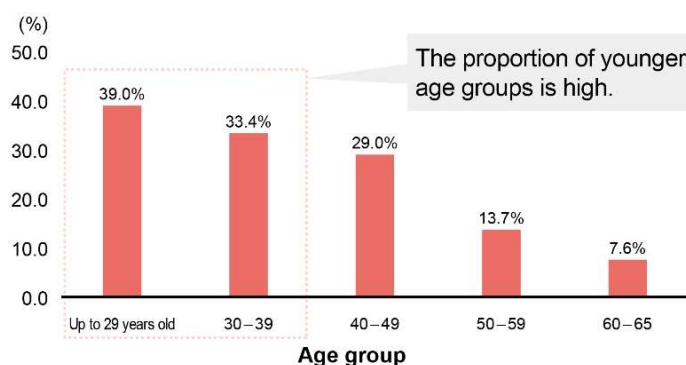
We have recognized issues related to promoting the participation of women in the workplace since 2005 and have also actively hired women for main career track positions. In addition, we established a dedicated department, now the Diversity and Inclusion Promotion Department, to promote the development and retention of female employees. We have also improved various support systems such as enhancing flexible work arrangements to help employees balance work with child-rearing and nursing care.

These initiatives have been successful, resulting in a 220% increase in the average years of service for women (4.6 years to 10.1 years), and a 120% increase for men (15.8 years to 19.5 years), from 2007 to 2025. The percentage of full-time female employees has also been growing by year: 16.1% in FY2007, 17.5% in FY2012, 20.8% in FY2017, 24.3% in FY2022, and 26.4% in FY2025. The breakdown of full-time female employees in FY2025 by age group is as follows: 39.0% in their 20s, 33.4% in their 30s, 29.0% in their 40s, and 13.7% in their 50s. This indicates an increasing ratio of younger female employees in their 20s and 30s.



(Note) Main consolidated subsidiaries are Sekisui House Real Estate Group companies, Sekisui House Construction Group companies, Sekisui House Remodeling, Ltd., Sekisui House Support Plus, Ltd.

<Ratio of Full-Time Female Employees by Age Group in FY2025>



3) Future outlook based on analyzing differences and successes

Since the average term of service for women and men in the main career track differs by about 9 years (10.1 years for women, 19.5 years for men), the number of female candidates for managerial positions is small compared to their male counterparts. As a result, only 4.6% of the Company's managerial positions are held by women (as of January 31, 2026), revealing a significant gender gap in managerial positions. This gap contributes to differences in treatment between women and men and, therefore, also affects pay differences.

To address this issue, we have implemented measures such as training programs for female managerial candidates, in addition to actively promoting female employees to managerial positions. We also revised our qualification and grading systems in 2022 and, since then, have conducted evaluations based on 9–10 indicators, creating a system where employees can become managers in as little as five years after joining the Company.

Additionally, among the five job grades for non-managerial positions set by the Company, P4 and P5 are considered future managerial position candidates. In FY2025, the number of female candidates for managerial positions was 622, making up 17.8% of the total. As the pool of female candidates for managerial positions among younger employees gradually increases, the ratio of female employees in managerial positions will also increase over time.

The proportion of variable compensation (such as performance-based bonuses) in total pay is particularly high for sales representatives, while women account for only 15% of sales representatives. This also factors into the pay discrepancies between women and men employees. However, we expect that this pay gap will narrow as the ratios mentioned above improve.

For details of initiatives to promote the participation of women in the workplace, please refer to “II. Overview of Business, 2. Disclosure of Sustainability-Related Financial Information, (4) Initiatives related to human capital.”

ii. Domestic group and main consolidated subsidiaries (Notes 6 and 9)

Fiscal year ended January 31, 2026					
Name	Ratio of female employees in managerial positions (%) (Note 2)	Take-up rate for eligible male employee childcare leave (%) (Note 3)	Gender pay gap (%) (Notes 2, 7 and 8)		
			Total workers	Regular workers	Non-regular workers
Reporting company and domestic consolidated subsidiaries (Notes 1, 4 and 5)	5.8	112	58.5	60.7	40.9
Main domestic group and consolidated subsidiaries					
Sekisui House Real Estate Group	3.7	112	49.9	50.0	41.7
Sekisui House Construction Group	7.1	128	79.8	80.3	59.6
Sekisui House Remodeling, Ltd.	44.6	187	89.6	88.1	31.2
Konoike Construction Co., Ltd. (Note 4)	0.6	74	58.9	59.8	56.6

(Notes) 1. This refers to companies that are consolidated companies as stipulated in Article 2, item (5) of the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976), excluding overseas consolidated subsidiaries.

2. Calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement.

3. The rate of childcare leave adoption is calculated as set forth in Article 71-6, item (1) of the Ordinance for Enforcement of the Child Care and Nursing Care Leave Act in accordance with the provisions of the Child Care and Nursing Care Leave Act. However, for Konoike Construction Co., Ltd., the rates of childcare leave adoption and leave for childcare purposes are calculated as set forth in Article 71-6, item (2) of the Ordinance for Enforcement of the Child Care and Nursing Care Leave Act.

4. The ratio of female employees in managerial positions at Konoike Construction Co., Ltd. is based on the end of the latest fiscal year (as of the end of December 2025), and the applicable period for the take-up rate for eligible male employee childcare leave and the gender pay gap is the latest fiscal year (January 1, 2025 to December 31, 2025).

5. When calculating the metrics, if the fiscal year of each company included in the domestic consolidated subsidiaries differs from that of the reporting company, the figures are aggregated for each fiscal year of each company.

6. Seconded employees are counted as employees of the originating company.

7. Pay includes base salary, overtime compensation, and bonuses, excluding commuting allowances.

8. Non-regular workers are temporary employees (rehired employees, contracted employees, and part-timers). Pay for part-timers is based on amounts actually paid and is not converted to full-time equivalents.

9. The ratio of female employees in managerial positions based on the Act on Promotion of Women's Participation and Advancement, etc., the take-up rate for eligible male employee childcare leave, and the gender pay gap at consolidated subsidiaries included in the main domestic group, as well as the ratio of female employees in managerial positions based on the Act on Promotion of Women's Participation and Advancement, etc., the take-up rate for eligible male employee childcare leave, and the gender pay gap at domestic consolidated subsidiaries other than the main consolidated subsidiaries, are described in "VII. Reference Information of Reporting Company, 2. Other Reference Information."

II. Overview of Business

1. Management Policy, Business Environment, Issues to Address

Matters in the text concerning the future are based on the judgment of the Group as of January 31, 2026.

(1) Fundamental policy for managing the company

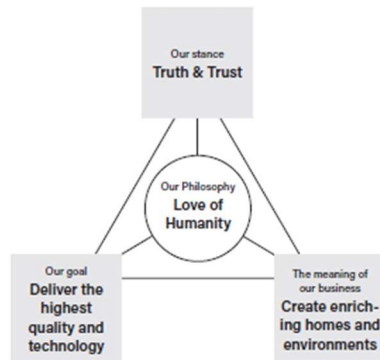
The Sekisui House Group's corporate philosophy consists of the fundamental philosophy of "Love of Humanity," our stance of "Truth & Trust," our goal of "Deliver the highest quality and technology," and the meaning of our business of "Create enriching homes and environments."

The fundamental philosophy of "Love of Humanity" is "With an awareness that each and every human being is precious and irreplaceable, we will wish for the happiness of others, make their joy our own, and act with integrity and in the spirit of service." The Sekisui House Group, rooted in this "Love of Humanity," with the aim of "Truth & Trust," through the delivery of "the highest quality and technology," will carry out its mission of "Create enriching homes and environments." Based on this corporate philosophy, since our founding in 1960, we have focused on providing housing with "safety and peace of mind," protecting our customers' lives and property, during Phase 1 until 1990, with 30 years as a milestone. In Phase 2, which continued until 2020, we proposed housing that pursues the comfort of residents and more environmental consideration, and created new value.

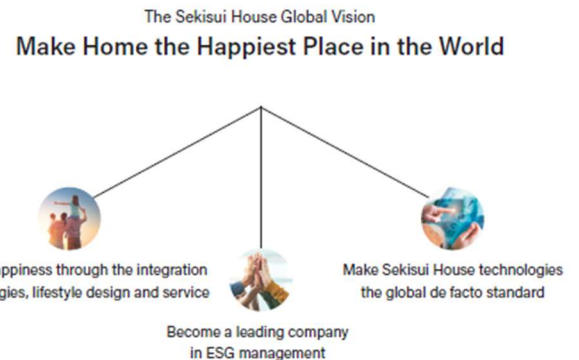
In Phase 3 towards 2050, which began in 2020, we have set out the global vision "Make Home the Happiest Place in the World" and three sub-visions which are "Propose happiness through the integration of technologies, lifestyle design and service," "Make Sekisui House technologies the global de facto standard," and "Become a leading company in ESG management," and we will pursue "health, connectedness, and learning" that lead to the happiness of residents, aim to create value for residents in the era of the 100-year lifespan and realize a sustainable society, and steadily transform ourselves into a global company that provides technologies, lifestyle design, and services that are integrated centered on housing.

In addition, in 2024, we introduced SEKISUI HOUSE-SHIP as a guiding light for Sekisui House Group employees to navigate their actions with pride and responsibility, which consists of five elements: "Creating new value through innovation," "Fostering ideas through effective communication and collaboration," "Taking proactive and independent action," "Continually refining our technology and sense of beauty," and "Committing as professionals to making home the happiest place in the world." Along with Sekisui House Group employees worldwide, we will continue creating value while delving even deeper into SEKISUI HOUSE-SHIP to achieve our Global Vision.

Corporate Philosophy



Global Vision



SEKISUI HOUSE-SHIP

Creating new value through innovation.

Fostering ideas through effective communication and collaboration.

Taking proactive and independent action.

Continually refining our technology and sense of beauty.

Committing as professionals to making home the happiest place in the world.

(2) Business and financial issues that should be addressed with priority, as well as the company's medium- to long-term business strategy

The global economy is expected to remain in a situation requiring close monitoring of price trends and fluctuations in international financial and capital markets on the back of monetary and trade policies in various countries, amid increased uncertainty over the outlook due to U.S. tariff increases and persistent geopolitical risks.

In the domestic housing market, the diversification of lifestyles and values associated with the advent of the era of the 100-year lifespan, the increasing severity of natural disasters due to climate change, and revisions to the Building Energy Efficiency Act (including the mandatory compliance with energy efficiency standards for all new houses) and the Long-life Quality Housing Certification System have further heightened the need to respond to increasingly diverse customer needs.

In the U.S. housing market, the situation requires close monitoring of the impact of tariff policies, inflation, and interest rate trends. On the other hand, latent demand remains strong against the backdrop of a shortage of supply of high-quality housing, and demand is expected to recover in line with the stabilization of the economic environment and falling mortgage rates. In preparation for the materialization of such demand, it is necessary to establish a framework capable of stably supplying high-quality housing.

In such a business environment, to achieve the Group's Global Vision "Make Home the Happiest Place in the World," we formulated the Seventh Mid-Term Management Plan (FY2026 to FY2028), with the fundamental policies of "Cultivating the Sekisui House Economic Sphere through Group-wide Capabilities" in Japan and "Building a Growth Platform to Drive a Game-changing Transformation" overseas.

In Japan, we will pursue sustainable growth by fully leveraging the Group-wide capabilities to deliver one-stop, housing-based solutions to homeowners and residents through strengthened customer touchpoints. Overseas, in pursuit of

transformative growth in the U.S. homebuilding business, we will accelerate the transfer of Sekisui House technologies developed in Japan and brand building under “Sekisui House U.S., Inc.,” which launched in January 2026 under a “One Company” structure through the integration of four Group builders.

Under our financial strategy, we will pursue further enhancement of corporate value by maximizing opportunities for business expansion while balancing “execution of growth strategies,” “restoration of financial soundness,” and “appropriate shareholder returns.” We target ROE in the high 12% range in FY2028, the final year of the plan. Looking at shareholder returns, we will maintain our conventional dividend policy of a medium-term average dividend payout ratio of 40% or higher and aim to increase dividends through profit growth. At the same time, the minimum annual dividend per share during the period of the Seventh Mid-Term Management Plan has been set at 145 yen, which exceeds the result for the fiscal year ended January 31, 2026 (144 yen). In addition, with respect to share buybacks of Company stock, we intend to implement them flexibly, taking into account cash allocation and the status of financial soundness recovery.

■Business policies and strategies for each business model

Under the Seventh Mid-Term Management Plan, we have formulated the business strategies (Note 1) as follows.

Reportable segment		Business policies and strategies
Built-to-Order Business	Custom Detached Houses Business	Establishing our custom detached house brands through the highest technology and advancement of proposal capabilities ■ Enhancing our three-brand strategy (Note 2) ■ Expanding CRM (Note 3) strategy ■ Integrating our technologies, lifestyle design and services
	Rental Housing and Commercial Buildings Business	Expanding orders in central urban areas through enhancing area strategy and overwhelming strength of Sha Maison brand ■ Enhancing area strategy ■ High value-added Sha Maison ■ Expanding CRE and PRE businesses (Note 4)
	Architectural/Civil Engineering Business	Delivering sustainable value to customers and society, leveraging our environmental technologies and construction expertise ■ Architectural construction: Stable expansion of orders ■ Civil engineering: Differentiation through environmental solutions ■ Strengthening construction expertise
Supplied Housing Business	Rental Housing Management Business	Making Sekisui House Sha Maison PM Japan's premier property management company ■ Maximizing owner's asset value ■ Further improving resident satisfaction ■ Improving profitability
	Remodeling Business	(After-Sales Services / Remodeling) Further enhancing the value of high-quality housing stock ■ Detached houses: Further strengthening customer base through expansion of touchpoints ■ Rental housing: Promoting value-enhancing renovations
Development Business	Real Estate and Brokerage Business	Providing a broad range of real estate solutions that leverage our strengths in housing ■ Strengthening procurement and sales of residential land ■ Strengthening noie (ready-built detached housing business)
	Condominiums Business Urban Redevelopment Business	Building value connecting to the future of cities and rural areas as a living environment design company ■ Urban redevelopment of four main metro areas Residential (short-term turnover assets): GRANDE MAISON, Prime Maison Non-residential (medium- to long-term turnover assets): offices, hotels ■ Development that contributes to regional revitalization Promoting regional revitalization hotel business centered on the Trip Base Michi-no-Eki Stations Project Improving the living environment through collaboration with local governments, etc.

Reportable segment	Business policies and strategies
Overseas Business	Strengthening earnings: Accelerating the transfer of Sekisui House technologies in the U.S. homebuilding business Rebuilding the business portfolio: Reduce U.S. MPC, U.S. MF, and Australia business assets to build a lean portfolio centered on the U.S. homebuilding business ■ U.S. Homebuilding: Two-brand strategy (New 2x4, SHAWOOD) Master-planned community (MPC): Maintaining asset balance and profitability Multifamily (MF): Portfolio rebalancing ■ Australia Homebuilding / apartment & mixed-use development: Establishment of product brands ■ Singapore Condominium development: Continuing investment in high-quality projects

(Notes) 1. For details of the Seventh Mid-Term Management Plan, please refer to the Seventh Mid-Term Management Plan section of the Company's website.

Mid-Term Management Plan

<https://www.sekisuihouse.co.jp/english/company/financial/plan/>

2. Three-brand strategy: A strategy that divides the price range into three ranges and implements strategies and measures that match the price range and specifications of each range.
3. CRM (Customer Relationship Management): Management systems and methods that aim to build and maintain good customer relations, create value and enhance earnings by centrally managing data gained from customers and utilizing it in a timely and appropriate manner.
4. CRE and PRE businesses: These refer to Corporate Real Estate and Public Real Estate, and are businesses that propose the effective use of real estate owned by corporations, companies, public organizations, and government agencies.

(3) Targeted management metrics

- i. Three-year performance targets at the time of the formulation of the Seventh Mid-Term Management Plan (announced on March 5, 2026)

(Unit: Billions of yen)

	FY2026	FY2027	FY2028	Total for three years
Net sales	4,353.0	4,526.0	5,026.0	13,905.0
Operating profit	350.0	370.0	450.0	1,170.0
Ordinary profit	314.0	345.0	434.0	1,093.0
Profit attributable to owners of parent	218.0	240.0	300.0	758.0
ROE (Return on Equity)	10.1%	High 12% range in the final fiscal year		—

(Reference) Three-year performance for the period of the Sixth Mid-Term Management Plan

(Unit: Billions of yen)

	FY2023	FY2024	FY2025	Total for three years
Net sales	3,107.2	4,058.5	4,197.9	11,363.7
Operating profit	270.9	331.3	341.4	943.7
Ordinary profit	268.2	301.6	327.8	897.6
Profit attributable to owners of parent	202.3	217.7	232.0	652.1
ROE (Return on Equity)	11.9%	11.7%	11.3%	—

- ii. Results for the fiscal year ended January 31, 2026 and performance targets for the fiscal year ending January 31, 2027

(Unit: Billions of yen)

	FY2025 Actual results	FY2026 Plan (Note 1)	Change	% Change
Net sales	4,197.9	4,353.0	155.0	3.7%
Operating profit	341.4	350.0	8.5	2.5%
Ordinary profit	327.8	314.0	(13.8)	(4.2)%
Profit attributable to owners of parent	232.0	218.0	(14.0)	(6.1)%
EPS (Earnings per share)	¥358.07	¥336.30	¥(21.77)	(6.1)%
ROA (Ratio of profit to total assets)	7.7%	7.4%	—	—
ROE (Return on Equity)	11.3%	10.1%	—	—
Dividends per share	¥144.00	¥145.00	¥1.00	0.7%
Dividend payout ratio	40.2%	43.1%	—	—
D/E ratio (Note 2)	0.80 times	0.67 times	—	—
Debt repayment period (Net Debt/EBITDA ratio) (Note 2)	3.29 years	2.89 years	—	—

(Notes) 1. Figures for the FY2026 Plan are based on the consolidated financial results forecast announced on March 5, 2026.

2. D/E ratio and Debt repayment period (Net Debt/EBITDA ratio) are figures that take into account the 100 billion yen that was recognized as capital by credit rating agencies for the amount procured from the publicly offered subordinated bonds issued in July 2024.

2. Disclosure of Sustainability-Related Financial Information

The Group's approach to and initiatives for sustainability are as follows.

Matters in the text concerning the future are based on the judgment of the Group as of January 31, 2026.

At the heart of the Sekisui House Group's ESG management is our fundamental philosophy of "Love of Humanity." We strive to address the challenges faced by our customers and society through our business activities while strengthening our governance. To lead in the realm of ESG management, we have established a sub-vision of "becoming a leading company in ESG management."

To realize this vision, we believe it is essential for each employee to think and act on their own initiatives. Since 2020, we have focused on involving all employees in our ESG efforts. Through meaningful dialogue, we have fostered mutual understanding of each other's perspectives and values, deepening our commitment to ESG. Moreover, we have been dedicated to creating programs and nurturing a workplace culture that promotes autonomy and encourages independent, proactive action among employees.

In 2022, the Group reviewed its material issues for a sustainable future to clarify the mission it should fulfill. In the 1960s, the Group contributed to securing housing during the period of rapid economic growth, and establishing the basic performance of housing. Since then, we have been consistently pursuing "safety and peace of mind" and "comfort and environmental consideration" in housing, and working to advance technologies. Recognizing that our efforts themselves are material issues, we have positioned the three areas as paramount material issues of management: "Creation of High-Quality Housing Stock," "Contributing to a Sustainable Society," and "Diversity and Inclusion" in achieving happiness through housing in the era of the 100-year lifespan.

In the Sixth Mid-Term Management Plan (FY2023–FY2025), the basic policy of ESG management was set as "deepening ESG management focused on material issues." We promoted initiatives that focus on "contributing to environmental solutions through housing," "empowering employee autonomy as a growth driver," and "fostering innovation and communication."

In addition, the Group has been reviewing and refining its material issues through ongoing dialogue with internal and external stakeholders in light of changes in the social environment and the diversification of values. As a result, with respect to the material issues to be applied from FY2026, we will continue to position "Creation of High-Quality Housing Stock" and "Contributing to a Sustainable Society" as priority issues. At the same time, the previously identified material issue of "Diversity and Inclusion" has been reviewed and further developed, and "Fostering a Refined Sense of Beauty and Happiness" has been newly identified as a material issue.

This review aims to further clarify the value that the Group should create over the medium to long term through its business activities, based on the Group's progress in creating social value through homebuilding since its founding. Under the Seventh Mid-Term Management Plan (FY2026–FY2028), we will place these material issues at the core of our initiatives and, under the newly established basic policy for ESG management, "Become a leading company in ESG management creating new value," further advance ESG management and pursue the sustainable enhancement of corporate value.



(1) Common sustainability initiatives

i. Governance

The Group has established the ESG Promotion Committee, which includes at least two external committee members with expertise and abilities, as an advisory body to the Board of Directors, and enhances its effectiveness through the exchange of opinions on the progress and issues of ESG management initiatives.

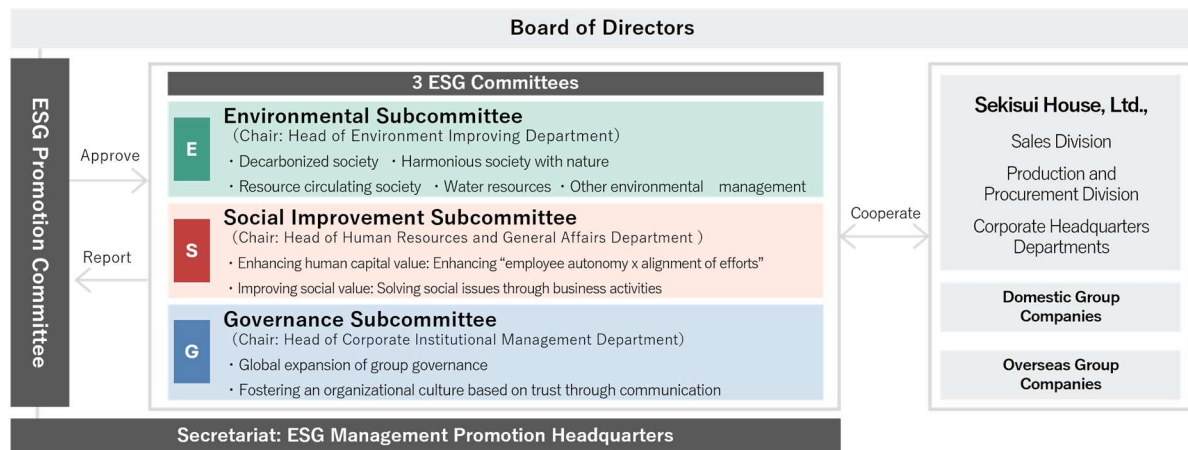
The ESG Promotion Committee meets once every three months, and the content of the meeting is reported to and deliberated by the Board of Directors.

The ESG Promotion Committee has established three subcommittees to promote ESG management initiatives: the Environmental Subcommittee, the Social Improvement Subcommittee, and the Governance Subcommittee. The Company designates a leader for each of the three subcommittees who is responsible for their respective area, and sets targets and KPIs.

These three subcommittees work closely with various departments and group companies both domestically and internationally to lead our ESG efforts and implement effective initiatives. They also work to ensure that all employees understand and commit to our ESG initiatives through both progress reports and feedback on issues and improvement proposals for promoting the initiatives.

The ESG Management Promotion Headquarters plans, develops, and implements our core ESG policies, and further promotes ESG management, through pushing forward with initiatives, gathering and analyzing information, communicating insights both internally and externally, and operating the ESG Promotion Committee.

ESG Management Promotion Structure (As of February 1, 2026)



- Environmental Subcommittee

We are dedicated to planning and implementing an environmental management system focused on decarbonization, biodiversity conservation, and resource circulation across the entire Group. We monitor environmental data annually and share this information to raise awareness and reduce environmental impact among both internal and external stakeholders.

Guided by our Global Vision, “Make Home the Happiest Place in the World,” we believe that environmental initiatives are essential. We will continue to pursue innovative approaches to reduce environmental impact and business risks while creating new business opportunities.

- Social Improvement Subcommittee

Our mission is to elevate corporate value by enhancing human capital value and addressing social issues through our business and various initiatives. Based on the idea that human capital value is derived from the multiplication of employee autonomy and aligned efforts, we strive to plan and implement measures to ensure the happiness of every employee and the company that is their “home.” With regard to social value, we focus on initiatives that consider children, the environment, and regional revitalization, contributing to societal well-being. We closely monitor the policies and structure for advancing these initiatives and their progress to maximize the happiness of our customers, society, and employees.

- Governance Subcommittee

To enhance Group governance, we prioritize fostering robust communication between our corporate headquarters and our domestic and international Group companies. We are dedicated to improving information sharing and collaboration.

Our efforts to strengthen governance at the business management level include enhancing corporate functions across our Group companies, developing and strategically placing governance specialists, promoting respect for human rights, and raising compliance awareness. Through understanding current conditions and engaging in discussions for improvement, we aim to build a stronger governance framework.

*For the main agenda of the ESG Promotion Committee during the fiscal year ended January 31, 2026, please refer to “IV. Information About Reporting Company, 4. Corporate Governance, (1) Outline of corporate governance, i. Corporate governance system, ESG Promotion Committee.”

ii. Strategy

The Group analyzed the risks and opportunities associated with changes in the external environment, and considered what value we can provide to realize the happiness of our stakeholders which are customers, society, and employees, and we promoted sustainability initiatives based on three material issues: “Creation of High-Quality Housing Stock,” “Contributing to a Sustainable Society,” and “Diversity and Inclusion.” We established KPIs for each of these in the Sixth Mid-Term Management Plan.

Risks and opportunities, and key themes

The Sekisui House Group has sought to analyze medium- to long-term issues that affect value creation, identify risk factors associated with changes in the external environment, and position risks as opportunities for future business development. These inputs are, in turn, utilized to formulate business strategies.

	Changes in the external environment	Risks	Opportunities	Key themes
Society and Life	- The coming era of the 100-year lifespan - The COVID-19 pandemic and the “New Normal” - Increasing health consciousness - Declining population and number of households	- Increased frequency rate of accidents within residences - Increasing complexity and difficulties with asset inheritance - Inadequate responses to changes in lifestyles and values - Inadequate support for advanced health-related technologies - Decrease in the number of new housing starts and worsening problem of unoccupied houses - Inadequate response to changes in circumstance, such as an increase in foreign visitors to Japan	- Diversification of lifestyles and values - Need for circulation of existing housing and real estate management trusts - Increased demand for health-conscious housing, etc. - Increased demand for quality housing - Need for new housing	- Safety, peace of mind and comfort - Asset value creation - Extended useful life of housing
Housing and Urban Areas	- Obligation to comply with energy saving standards - Acceleration of compact cities - Construction worker shortages - Shift to long-life quality housing and greater earthquake resistance for wooden-frame housing	- Decreased demand due to higher construction costs - Decline of rural areas - Decrease in supply capacity due to shortages of construction capacity, and discontinuity in transfer of construction skills	- Increased demand for housing with high energy-saving performance, etc. - Need for regional revitalization - Job satisfaction for construction workers - Increased demand for highly durable housing, etc.	- Decarbonization - Coexistence with local communities - Occupational health and safety / supply chain - Extended useful life of housing
Environment and Resources	- Promotion of net zero - Biodiversity conservation - Promotion of a circular economy - More frequent natural disasters	- Increasing severity and frequency of natural disasters caused by climate change - Increased costs due to introduction of carbon pricing - Deforestation and damage to biodiversity - Increase in social issues due to mass waste disposal - Increased severity of natural disasters	- Increased demand for housing with high energy-saving performance, etc. - Increased use of renewable energy - Business opportunities based on natural capital and biodiversity conservation - Business opportunities based on a recycling-oriented society - Increased demand for highly durable housing, etc.	- Decarbonization - Biodiversity conservation - Resource recycling - Extended useful life of housing

	Changes in the external environment	Risks	Opportunities	Key themes
Economy and Distribution	- Geopolitical risk concerns - Rapid rises in raw material prices - Rising energy costs - Rising interest rates and fluctuations in foreign exchange rates	- Unstable supply of raw materials - Decreased demand due to higher construction costs - Inadequate response to declining demand and fluctuating rents	- Opportunities for sustainable growth by reviewing business and structure - Business opportunities through government housing-related policies and taxation - Business opportunities to respond to regional and customer needs	- Asset value creation - Extended useful life of housing
Business and Labor	- Respecting diverse human resources - Supporting employee autonomy and career advancement - Balancing work and family life with child rearing and nursing care - Acceleration of globalization	- Decreased productivity due to worsening psychological safety - Loss of opportunities to acquire human capital and outflow of human capital - Slowing growth potential - Increased political and economic uncertainty - Decline in social reputation due to human rights issues	- Value creation through diverse human resources - Value creation through self-motivated employees - Increased demand for childcare and nursing care facilities - Increase in demand for high-quality housing overseas	- Promoting diversity - Employee health and happiness - Diverse workstyles / job satisfaction / human resource development / self-directed career development - Occupational health and safety / supply chain - Safety, peace of mind and comfort
Technology and Science	- Diversifying IT technologies - Development of energy storage technologies and shift to electric vehicles (EVs) - Legacy system renewal - Application of advanced technologies	- Decline in social reputation due to occurrence of information security incidents	- Business opportunities using digital technology	- Asset value creation

Material issues corresponding to key themes

Key themes	Material issues
- Safety, peace of mind and comfort - Asset value creation - Extended useful life of housing	Creation of High-Quality Housing Stock
- Decarbonization - Biodiversity conservation - Resource recycling - Coexistence with local communities - Occupational health and safety / supply chain	Contributing to a Sustainable Society
- Promoting diversity - Employee health and happiness - Diverse workstyles / job satisfaction - Human resource development / self-directed career development	Diversity and Inclusion

Our mission and key policies by material issues

Material issues	Our mission	Key policy
Creation of High-Quality Housing Stock	In our commitment to delivering homes that blend functionality with beauty, we offer valuable homes designed to endure for generations.	By advancing the supply and maintenance of homes tailored to the needs of the times and local communities, we aim to extend their lifespan and create their asset value.
Contributing to a Sustainable Society	We are pioneering a future where people can continue to live with greater happiness by actively advancing environmental impact reduction and renewable energy utilization.	We strive to foster harmony between people, communities and the planet, while working toward achieving a sustainable society through our business activities, including those in the supply chain.
Diversity and Inclusion	We are committed to creating work environments that honor diverse perspectives and values, where each individual can confidently harness their traits and skills to excel in their roles.	We aim to create workplaces that feel like a “second home” for our employees, places where happiness is nurtured, while supporting their autonomy and enabling them to continue taking on new challenges on their own initiative.

iii. Risk management

With sustainability at the core, the Group analyzes medium- to long-term challenges that could affect value creation, identifies risk factors, and positions risk as an opportunity for future business creation, leading to the formulation of medium- to long-term business strategies. The progress and challenges of ESG management initiatives are examined by the ESG Promotion Committee, an advisory body to the Board of Directors, and then reported to the Board of Directors. The Board of Directors receives reports from the ESG Promotion Committee and deliberates and supervises the Group’s sustainability-related initiatives. Furthermore, matters related to operational risks and hazard risks are appropriately shared with the Risk Management Committee, which is also an advisory body to the Board of Directors, and are examined and managed within the group-wide risk management structure.

For details on risk management related to each sustainability agenda, please refer to “(2) Initiatives related to climate change, etc., (3) Initiatives related to natural capital and biodiversity, (4) Initiatives related to human capital, and (5) Initiatives related to respect for human rights.”

For information on risk management other than these, refer to “II. Overview of Business, 3. Business Risks.”

iv. Metrics and targets

In the Sixth Mid-Term Management Plan, the Group has set KPIs for each theme related to initiatives for material issues. The main KPIs, including ESG management metrics related to performance-based stock compensation (PSU) (Note 1), are as follows.

Material issues	KPI	FY2023	FY2024	FY2025	FY2025
		Results	Results	Targets	Results
Creation of High-Quality Housing Stock	Percentage of detached houses certified as Long-Life Quality Housing (Note 2)	92.3%	91.7%	90% or higher	90.8%
	Rental housing units renovated (Note 3)	7,058	5,756	6,300	6,034
Contributing to a Sustainable Society	Ratio of detached house ZEH (Note 4)	95%	96%	90%	96%
	Ratio of ZEH units for rent (Note 5)	76%	77%	75%	77%
	Rate of CO ₂ emissions reduction from business operations (Note 6)	56.3%	62.3%	75% by FY2030	67.2%
Diversity and Inclusion	Number of female managers (Note 7)	342 persons	415 persons	380 persons or more	475 persons
	Take-up rate for eligible male employee childcare leave (Note 8)	100%	100%	100%	100%
	Annual paid leave take-up rate (Note 9)	80.3%	79.9%	70%	85.7%

- (Notes) 1. For details of ESG management metrics related to performance based stock compensation (PSU), refer to “IV. Information About Reporting Company, 4. Corporate Governance, (4) Remuneration, etc. for officers, i. Policies on determination of the amount and the calculation method of remuneration, etc. for officers, (iii) Performance based stock compensation (the ESG management indicators-linked portion which is equivalent to 20% of the number of share units granted).”
2. Total is for the Company. This indicator shows the portion of the detached houses contracted by the Company during the fiscal year that received official certification as meeting the standards of the Japanese government’s Long-Life Quality Housing. Period is from April 1 to March 31.
3. Total is for Sekisui House Real Estate Group. This indicator shows the number of rental housing units subject to contracts for interior or facility renovation work that involves changes in layouts and is expected to result in higher asset value.
Starting from FY2024, the Company has shifted its focus from the number of housing units to quality, placing primary emphasis on creating high-quality housing stock and conducting renovations that contribute to customer happiness. Consequently, the Company has revised its target figures for FY2025.
4. Total is for the Company. This indicator shows the portion of detached houses (excluding contracted and ready-built and custom-built houses in Hokkaido for FY2023 and FY2024) that the Company built during the fiscal year that were ZEH (Net Zero Energy House). Period is from April 1 to March 31.
5. Total is for the Company. This indicator shows the portion of Sha Maison rental housing contracted during the fiscal year that were ZEH units (certified as ZEH Ready or above and limited to ZEH units that allow residents to sell excess electricity).
6. Total is for the Group. This indicator shows the rate of reduction in CO₂ emissions directly attributable to the Group’s business operations (Scope 1) or indirectly attributable through purchased electricity and other energy (Scope 2) compared with FY2013.
7. Total is for the Company, Sekisui House Real Estate Group, Sekisui House Construction Group, Sekisui House noie Limited, Sekisui House Remodeling, Ltd., Konoike Construction Co., Ltd. and its domestic consolidated subsidiaries for FY2023, the Company and its domestic consolidated subsidiaries for FY2024 and FY2025.

8. Total for FY2023 and FY2024 is for the Company, Sekisui House Real Estate Group, Sekisui House Construction Group, Sekisui House noie Limited, and Sekisui House Remodeling, Ltd. Total for FY2025 is for the Company, Sekisui House Real Estate Group, Sekisui House Construction Group, Sekisui House Remodeling, Ltd., and Sekisui House Support Plus, Ltd. This indicator corresponds to the “take-up rate for eligible male employee childcare leave on a Group basis” as set out in the Sekisui House’s Action plan for promoting active participation by women and is calculated as the portion of male employees with children less than three years old who take at least one month of childcare leave.
9. Total for FY2023 and FY2024 is for the Company, Sekisui House Real Estate Group, and Sekisui House Remodeling, Ltd. Total for FY2025 is for the Company, Sekisui House Real Estate Group, Sekisui House Remodeling, Ltd., and Sekisui House Support Plus, Ltd. This indicator shows the rate of annual paid leave usage among Group employees, in order to promote efforts to encourage the use of five days of leave mandated by the Act on the Arrangement of Related Acts to Promote Work Style Reform and reduce total working hours. Period is from March 11 to March 10.

*For other KPIs, please refer to the ESG Fact Book 2026 on the Company’s website.

<ESG Fact Book 2026>

https://www.sekisuihouse.co.jp/english/company/sustainable/library/2026/ESG_factbook_en.pdf

(2) Initiatives related to climate change (disclosure in line with the TCFD recommendations and disclosure in accordance with applicable laws and regulations in each country)

i. Governance

The Group has positioned climate change response as one of the important agenda items of the ESG Promotion Committee. The Committee evaluates the appropriateness of action policies and progress, and reports important matters to the Board of Directors.

Under the ESG Promotion Committee, the Environmental Subcommittee has been established, which mainly consists of head office department heads involved in environmental management and individuals in charge of environmental management in each business division. The Subcommittee meets once every three months to take action to ensure that the organization as a whole is working for aligning of efforts, including share information related to the environment and examination of proposals to be tabled, such as activity policies.

In addition, the Environmental Subcommittee broadly disseminates the decisions of the ESG Promotion Committee throughout the Group, including affiliated companies.

In order to ensure the effectiveness of monitoring the management through the ESG Promotion Committee, the promotion of initiatives is conducted through daily reports and instructions to the Director of the Board in charge of each business and other managers, thereby ensuring timely monitoring and supervising functions.

ii. Strategy

The Group aims for steady progress toward the overall decarbonization of its businesses. Accordingly, to clarify the appropriateness of the Group's strategy and issues, we anticipate various situations that may occur in the future, then conduct a scenario analysis while taking into consideration the specific circumstances of business activities and resources, as well as physical risks, including assumed business activities, duration and the useful life of assets.

We also evaluate transition risks based on potential scenarios for legislation, technological development and market conditions, and identify and address climate-related risks (physical and transition risks) and opportunities for our business activities.

In February 2025, Japan set new greenhouse gas emission reduction targets of 60% and 73% from FY2013 levels by FY2035 and FY2040, respectively, for achieving net zero. Based on these targets, directions have also been indicated for the housing industry, such as "Aiming to ensure energy-saving capability at the level of Net Zero Energy House (ZEH) and Net Zero Energy Building (ZEB) standards in 2050, we will aim to ensure energy-saving capability at the level of ZEH and ZEB standards for housing and buildings constructed after FY2030," and "From the viewpoint of promoting the non-fossil conversion and demand response (DR) of the residential sector, we will accelerate the energy conservation and non-fossil conversion of hot water heaters, which account for about 30% of energy consumption in the residential sector, promote the provision of functions necessary for DR, and promote measures on the regulatory side, such as strengthening the efforts of energy supply companies through disclosure."

For this reason, we conducted a large-scale scenario analysis for all of our businesses and reviewed our strategies.

In addition, in FY2025, we advanced preparations for the mandatory disclosure of climate-related information in accordance with applicable laws and regulations in each country. In Australia, we prepared for the submission of reports in accordance with the Australian Sustainability Reporting Standards (ASRS). In the U.S. state of California, we monitored developments and advanced appropriate preparations regarding the California Climate Change Disclosure Laws, including the Climate Corporate Data Accountability Act (SB253) and the Greenhouse Gases: Climate-Related Financial Risk (SB261).

The following are the major risks and opportunities identified through these initiatives, which are assumed to have a significant financial impact, and the responses to them.

Scenario Analysis Assumptions

Reference scenarios	- IPCC (Note 1) SSP1-1.9 (countries adopt ambitious climate policies to achieve 1.5°C or lower and net zero CO₂ emissions by 2050) - IPCC SSP3-7.0 (CO₂ emissions will not begin to decline even in 2050, resulting in high temperatures, heavy rainfall, storms and other impacts) - IEA (Note 2) SDS (the Paris Agreement and other targets will be achieved through the development of energy policies and investments; many countries and companies will achieve 2050 net zero) - IEA NZE2050 (aimed at achieving net zero globally by 2050) - NGFS (Note 3) Delayed Transition (due to the slow introduction of new climate policies and different levels of action in each country, emissions will not begin to decline until 2030, and then move toward net zero) - The Japanese government and councils: “Reduce greenhouse gas emissions by 46% from FY2013 levels by FY2030, with net zero by 2050,” “Reduce greenhouse gas emissions by 60% and 73% from FY2013 levels by FY2035 and FY2040, respectively,” “Reduce greenhouse gas emissions in the residential sector by 66% from FY2013 levels by FY2030,” “Reduce greenhouse gas emissions in the residential sector by 71~81% from FY2013 levels by FY2040,” “Ensure energy-efficiency at the level of the ZEH standard for new houses built in FY2030 and beyond,” and “Ensure energy-saving performance at the level of the ZEH standard on average across the housing stock in 2050.” - The Australian government: “Reduce greenhouse gas emissions by 43% from 2005 levels by 2030, with net zero by 2050,” “Reduce greenhouse gas emissions by 62-70% from 2005 levels by 2035,” and “developments in the amendment of the NatHERS (Note 4) and BASIX (Note 5) schemes.” - The U.S. government: “Reduce greenhouse gas emissions by 50-52% from 2005 levels by 2030,” “Achieve net zero greenhouse gas emissions by 2050,” and “Reduce greenhouse gas emissions by 61-66% from 2005 levels by 2035.” We have considered the above scenarios published by various international organizations, as well as announcements by the Japanese government and related councils. Our model for transition risk assumes that the IPCC SSP1-1.9, IEA SDS, and IEA NZE2050 scenarios of a 50% reduction in global CO₂ emissions by 2030 and a reduction to zero by around 2050 will require government policies, including a high carbon tax and a market transition to decarbonization. In addition, the following scenarios and figures have been used as assumptions for physical risks. • NGFS Delayed Transition scenario, continuing public and corporate initiatives to reduce CO₂ emissions under existing governmental measures until 2030 is inconsistent with the 1.5°C scenario. • The best temperature increase estimate, stated in the IPCC SSP3-7.0, is a 2.1°C rise over the medium term (from 2041 to 2060).
Subject companies and businesses	All existing businesses of the Sekisui House Group companies (including the entire upstream and downstream of value chain) including overseas subsidiaries in the United States, etc.

(Notes) 1. IPCC: Intergovernmental Panel on Climate Change

2. IEA: International Energy Agency

3. NGFS: Network for Greening the Financial System on Climate-related Financial Risks

4. NatHERS: Australia’s Nationwide House Energy Rating Scheme

5. BASIX: Building Sustainability Index standards established by the Government of New South Wales

The financial impact and assumed time period are defined as follows.

Financial impact - Large: ¥30.0 billion or more; medium: ¥10.0 billion or more; small: less than ¥10.0 billion

Assumed time period - Short term: 3 years from 2025; medium term: up to 2030; long term: up to 2050

Major transition risk / physical risk

Risk		Impact	Response	Financial impact	Assumed time
Transition risk	Introduction of carbon pricing	Carbon pricing has been widely adopted around the world. In Japan, emissions trading by the government (GX-ETS) will start in April 2026. If carbon pricing is introduced, there is a possibility of increased direct and indirect business costs, as well as a decline in competitiveness.	The Group as a whole and its suppliers have a long way to go in order to decarbonize their business activities in the medium term, and if a carbon tax or emissions trading unit price of around 10,000 yen/t-CO ₂ is imposed, the impact will be significant. We have already started a variety of initiatives throughout the value chain, including the promotion of RE100, energy conservation in offices and production facilities, and reduction of CO ₂ emissions in the building materials manufacturing stage through collaborative efforts such as questionnaires and seminars with suppliers, and we are considering reducing this impact as quickly as possible.	High	Short-term
	Rising housing prices and a shrinking market	In the long term, the new construction market itself may shrink as housing prices soar due to the need to comply with stricter regulations required for net zero, and as the number of houses with poor energy efficiency and seismic resistance decreases, and more high-quality housing stock is being circulated in the market. Overseas as well, the impact of soaring costs may be particularly significant for low-priced products targeted at first-time homebuyers.	The impact of regulatory tightening in the short to medium term on the Group is expected to be small. However, in response to further regulatory tightening in the long term, we will need to work systematically on the development of cost-competitive decarbonized housing. In addition, we are considering strengthening our supplied housing business, in preparation for the contraction of the new construction market.	High	Long-term
	Decline in rental business revenues due to market changes	Managed properties that do not have sufficient decarbonization performance will lose competitiveness, leading to lower occupancy rates and rents.	We will strive to increase the ratio of ZEH units in managed properties and promote decarbonization remodeling of non-ZEH units in order to maintain and increase the value of rental housing that appeals to renters.	High	Long-term
	Decline in rental business revenues from managed properties with higher disaster risk	Managed properties in disaster-prone areas will have lower occupancy rates and rents due to the increase in climate change-related disasters (floods due to rivers overflowing, landslides, etc.).	We recognize this as an issue, and are continuing to study this issue by checking government hazard maps and understanding the hazards in areas where construction is planned.	High	Long-term

Risk		Impact	Response	Financial impact	Assumed time
Physical risk	Damage to Company-owned assets due to weather-related disasters	Nationwide weather disasters could damage assets owned by the Group (factories, office buildings and other business locations, production facilities, vehicles, etc.), making it impossible to continue operations and incurring significant repair or replacement costs.	The Group operates throughout Japan, with the exception of Okinawa Prefecture, and has already established a system that allows its business to continue through support from undamaged areas in the event of a disaster in some areas, including the head office functions. Such business continuity planning (BCP) measures are properly managed by the Risk Management Committee and updated as necessary. The amount of damage to the five factories in Japan was calculated based on the assumed inundation depths using river flooding hazard maps or internal flooding simulations, and it was found that for the four of these factories other than the Hyogo Factory, there is the potential to suffer inundation damage. A more detailed analysis based on the IPCC RCP 8.5 scenario was conducted for the Kanto Factory, which is expected to suffer the most damage, and the expected damage has been confirmed to be within the coverage of the insurance policy that is already in place. Assuming, however, an increase in the severity of natural disasters in the future and the simultaneous occurrence of large-scale disasters throughout Japan, our business is expected to suffer extensive damage, and we will continue to examine ways to strengthen our disaster resilience.	High	Medium-term

Major opportunities

Opportunity	Impact	Response	Financial impact	Assumed time
Increase in ZEH/ZEB orders	The Japanese government has set goals that include reducing greenhouse gas emissions in the residential sector by 66% compared with the FY2013 baseline by FY2030, positioning ZEH and ZEB as key measures. In addition, demand for ZEH and ZEB is expected to increase in the future, as consumers become more ethically conscious and businesses further decarbonize. Moreover, we anticipate increasing demand for ZEH specification products overseas.	The ratio of our detached house ZEH exceeds 90%, and ZEH is already a standard specification. We are also proceeding with responses to the new ZEH standard (GX ZEH). Furthermore, we are actively promoting ZEH and ZEB in rental housing, condominiums, and non-housing buildings, and will promote Group-wide expansion of ZEH and ZEB orders. If the installation of solar panels and storage batteries becomes compulsory overseas, since the Company has already responded to the standardization of ZEH, it will have an advantage in terms of procurement, etc., and it will be able to appeal to customer benefits such as maintaining high resale values in the future.	High	Medium-term
Increase in rental business revenues by converting managed rental properties to ZEH	The Japanese government intends to require ZEH-level energy efficiency in all new buildings constructed in and after FY2030. In addition, ZEH conversion of rental housing will eventually become more common, so the need for ZEH rental housing could increase dramatically as consumers become more ethically conscious.	Since completing Japan's first rental housing that meets the ZEH standard for all units in 2018, we have been working to promote ZEH units that can appeal to residents. The Company has steadily increased its number of orders and is preparing for a future expansion of demand for rental ZEH units, especially among ethically conscious consumers.	High	Medium-term
Increase in orders for decarbonization remodeling	The government's goal of reducing greenhouse gas emissions in the residential sector by 66% compared with FY2013 by FY2030 requires energy-saving renovations to housing stock. For this reason, various remodeling support policies are being implemented and orders for decarbonization remodeling are proceeding well.	We are promoting orders for insulation retrofitting, power generation and storage cells through customer requests and remodeling proposals. We are considering continuing to promote remodeling proposals that are realistically feasible for widespread use, such as <i>Idocoro Dan-netsu</i> , a partial insulation improvement concept centered on areas where residents spend the most time with a small burden of the cost and construction period for the customer, as well as initiatives that emphasize improved disaster resilience.	High	Medium-term

iii. Risk management

As part of the Group-wide risk management process, the Group conducts assessments to determine climate change-related risks and opportunities based on the TCFD recommendations. Risks and opportunities are identified for the entire Group, led by the principal department of each business, and the results are aggregated by the Environmental Subcommittee under the ESG Promotion Committee, which conducts a financial impact assessment. Major risks and opportunities that are identified based on this process are reported to the Board of Directors, which considers risk mitigation, transfer, acceptance and control, as required. Matters related to operational risks and hazard risks are appropriately shared with the Risk Management Committee, and are examined and managed within the group-wide risk management structure.

iv. Metrics and targets

In 2008, the Group declared its Vision 2050, which aims to achieve zero CO₂ emissions from housing by 2050. The Group has already begun various initiatives to achieve net zero in all business activities, including the use of renewable energy.

As a milestone toward achieving this goal, by 2030, compared with FY2013 levels, we aim to reduce Scope 1 (direct emissions: fuels consumed for factories, offices, vehicles, etc.) and Scope 2 (indirect emissions: energy consumed by the Company, such as electricity) by 75%, and Scope 3, Category 11 (use of sold products) by 55%. These have been set as targets consistent with the 1.5°C trajectory of the SBTi (Note 6). In addition, currently, we have set equivalent reduction targets using the results for FY2023 as the base year, and we have also set a net zero target for the entire value chain by 2050, and we have been approved for each of these targets by the Science Based Targets initiative. We have revised the targets for Scope 1 and Scope 2 reductions upward to a more ambitious target for FY2030 after meeting the 50% reduction target in FY2022.

(Note) 6. SBTi (Science Based Targets initiative): A joint initiative established in 2015 by WWF, CDP, the World Resources Institute (WRI), and the UN Global Compact.

Results for GHG emissions (Scope 1 and 2) (t-CO₂e)

Scope	Results		Boundary of calculation	
	FY2024	FY2025	FY2024	FY2025
Scope 1	42,919	39,040	Sekisui House, Ltd., main domestic and overseas consolidated subsidiaries (40 companies)	Sekisui House, Ltd., main domestic and overseas consolidated subsidiaries (42 companies)
Scope 2	19,895	15,601	Same as above	Same as above
Total	62,814	54,641	Same as above	Same as above

Results for GHG emissions (Scope 3, Category 11) (t-CO₂e) (Note 7)

Scope	Results		Boundary of calculation	
	FY2024	FY2025	FY2024	FY2025
Scope 3 Category 11	8,162,118	8,652,696 (Note 8)	Sekisui House, Ltd., Konoike Construction Co., Ltd., Sekisui House noie Limited, Sekisui House Construction Group, Sekisui House Real Estate Group, housing sales subsidiaries under Sekisui House US Holdings, LLC, Sekisui House Australia Holdings, Pty Ltd.	Sekisui House, Ltd., Konoike Construction Co., Ltd., Sekisui House Construction Group, Sekisui House Real Estate Group, housing sales subsidiaries under Sekisui House US Holdings, LLC, Sekisui House Australia Holdings, Pty Ltd.

(Note) 7. Emissions associated with the use of sold products (during the use stage of supplied housing and non-housing buildings). CO₂ emissions are calculated based on energy consumed during the use of all housing and non-housing buildings supplied during the year. Service life is assumed to be 60 years. For housing (in Japan), primary energy consumption is calculated using an energy consumption performance calculation program used for ZEH(*1) calculations that complies with the Act on the Improvement of Energy Consumption Performance of Buildings, and then converted into CO₂ emissions. CO₂ emission factors refer to those specified in the Act on Promotion of Global Warming Countermeasures(*2). For non-housing buildings (in Japan), primary energy consumption is calculated by multiplying floor area by energy consumption per unit floor area for each building use, or by a process analogous to that for housing using the abovementioned program, and then converted to CO₂. Energy consumption per unit floor area by building type and energy type primary energy composition rate are based on the 2021 SDGs-compliant version of CASBEE for New Construction (Institute for Built Environment and Carbon Neutral for SDGs). For housing (U.S.), the energy calculation results obtained in the calculation process of the Home Energy Rating System® (HERS) Index score (excluding surplus electricity sold from the power generated by photovoltaic panels installed on the housing) or residential energy consumption simulation results published by the U.S. Department of Energy (DOE) are converted to CO₂ emissions. The CO₂ emission factor is the value published by the U.S. Environmental Protection Agency (EPA). For housing (Australia), CO₂ emissions are calculated based on the Energy Score of BASIX, an index used under New South Wales legislation to assess the reduction rate of residential energy consumption, or by converting data on residential energy consumption published by the Australian Energy Regulator (AER) into CO₂ emissions. CO₂ emission factor uses the values published by the Australian Department of Climate Change, Energy, the Environment and Water (DCCEEW).

*1 Housing designed with the aim of achieving net zero annual primary energy consumption by significantly improving the insulation performance of the external skin and using high-efficiency systems to greatly reduce energy use while maintaining the quality of the indoor environment, as well as utilizing renewable energy, etc.

*2 Electricity emission factors are based on the national averages of the factors by electric utility in “Emission Factors by Electric Utility (for Calculation of Greenhouse Gas Emissions by Specific Emitters) FY2024 Results” (Ministry of the Environment and Ministry of Economy, Trade and Industry; January 9, 2026, partially updated on February 25, 2026). For city gas emission factors, use the alternative emission factors (ministerial ordinance emission factors) from the “Emission Factors by Gas Supplier (for Calculation of Greenhouse Gas Emissions by Specific Emitters) FY2024 Supply Results” (Ministry of the Environment and Ministry of Economy, Trade and Industry; June 30, 2025).

8. Calculated to reflect the expansion of the scope of aggregation (addition of housing sales subsidiaries under M.D.C. Holdings, Inc. (currently SEKISUI HOUSE U.S., Inc.)) and the revision of the calculation criteria (changing the reference date from the date of obtaining the certificate of confirmation to the date of delivery).

* For detailed information disclosure in line with the TCFD recommendations, please refer to ESG Fact Book 2026 on the Company’s website.

<ESG Fact Book 2026>

https://www.sekisuihouse.co.jp/english/company/sustainable/library/2026/ESG_factbook_en.pdf

In addition, the GHG emissions for Scope 1, Scope 2, and Scope 3 Category 11 in the table above are provisional values as of the time of the preparation of the annual securities report, and the final values, calculation standards, and GHG emissions for other Scope 3 categories will be disclosed in the ESG Data Book 2026 (final version), which is scheduled to be published at the end of May 2026.

(3) Initiatives related to natural capital and biodiversity (disclosure in line with the TNFD recommendations)

<Six general requirements under TNFD>

1. Application of materiality

The Group has positioned “Contributing to a Sustainable Society” as one of its material issues. In addition, under the Seventh Mid-Term Management Plan, we have set the basic policy of “Become a leading company in ESG management creating new value,” and place strong emphasis on nature-related responses. In our TNFD disclosures and analysis based on the LEAP approach, we apply a double materiality approach that considers both impacts and dependencies on nature.

2. Scope of disclosure

We assessed the impacts and dependencies associated with the direct operations of all businesses within the Group’s business portfolio and analyzed related risks and opportunities. In addition, taking into consideration the scale of our business and the magnitude of the financial impact on the Company, we also evaluated upstream impacts and dependencies and analyzed risks and opportunities in the housing business. Furthermore, within the upstream value chain, we are conducting a detailed analysis of impacts and dependencies related to wood in raw material procurement, which represents a particularly significant source of impacts and dependencies on nature.

3. Locations of nature-related issues

In upstream raw material procurement within the value chain, we have identified priority areas related to wood procurement, which has particularly high impacts and dependencies on nature. We will continue to deepen our analysis of priority areas in other raw material procurement and direct operations, and conduct impact assessments accordingly.

4. Integration with other sustainability-related disclosures

This disclosure is based on the TNFD recommendations. We are conducting our analysis while examining alignment, synergies, and trade-offs with various environmental issues such as climate change, resource circulation, and water risks. Going forward, we will also consider integrating this disclosure with such other sustainability-related information.

5. Time horizons considered

The time horizons used in this disclosure are defined as follows: short term: 3 years from 2025; medium term: up to 2030; long term: up to 2050.

6. Engagement with Indigenous Peoples, local communities, and affected stakeholders in identifying and assessing the organization’s nature-related issues

The Group emphasizes “coexistence with local communities” as one of the elements of its material issue, “Contributing to a Sustainable Society.” By accurately understanding the needs and challenges of local communities and building trust-based relationships with local stakeholders, we appropriately adjust our business and activity plans and establish strong partnerships with local communities. In addition, we conduct risk management to address challenges faced by local communities and implement initiatives that consider impacts on the local environment, thereby supporting the development of sustainable business activities.

i. Governance

In our group, the ESG Promotion Committee has positioned the response to nature-related issues as one of the important agenda items as well as climate change responses. The Committee evaluates the appropriateness of action policies and progress, and reports important matters to the Board of Directors.

In addition, the Sekisui House Group Human Rights Policy respects international norms, such as the International Bill of Human Rights, the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work, and UN Guiding Principles on Business and Human Rights, and supports the Ten Principles of the UN Global Compact. Additionally, the CSR Procurement Guidelines and the Wood Procurement Guidelines have established policies and standards aimed at preventing human rights violations. By following these policies and guidelines, we strive to have zero human rights violations in our business activities and procurement. In particular, the Wood Procurement Guidelines stipulate that FPIC (Note 1) of stakeholders including all indigenous peoples near procurement sites be followed.

Additionally, we have established and are implementing wood procurement policies that do not allow for any conflicts in the supply chain.

(Note) 1. FPIC (Free, Prior, and Informed Consent): Consent that is given freely, prior to any activity, and based on full and adequate information.

ii. Strategy

As with climate change, regarding biodiversity conservation and natural capital, the Group works to clarify the appropriateness of its strategy and issues therein by anticipating various situations that may occur in order to make steady progress toward a society in harmony with nature.

The Company considers risks and opportunities related to nature as well as assesses their impact and dependency based on the LEAP approach (Note 2) in the TNFD (Figure 1). First, locating and evaluating impacts and dependencies on nature in the housing business, which is the main business of the Company, were conducted (1-1). Then, the Company organized initiatives and evaluated the priority level of responses to these risks and opportunities according to the scenario analysis (3-1). Secondly, we conducted an advanced analysis of wood procurement in the material procurement process, which is one of the four stages of housing business (material procurement, manufacturing and processing, construction, and demolition) and has particularly high impacts and dependencies on nature, using biodiversity big data possessed by Think Nature Inc. After we identified points of contact with nature and evaluated impacts and dependencies that were particularly important for the Company (1-2, 2-1, 2-2), we assessed the qualitative financial impacts of risks (3-2). Furthermore, we expanded our impact and dependency analysis and evaluation to the direct operations of all our businesses (1-3), and identified risks and opportunities and assessed quantitative financial impacts in all businesses (3-3, 3-4). In FY2025, we discussed and organized responses to the risks and opportunities identified in section 3-3 (3-5).

(Note) 2. LEAP approach: An integrated assessment method for identifying nature-related issues such as an organization's interfaces with nature, dependencies, impacts, risks, and opportunities. Following scoping, the process consists of the four steps of "Locate," "Evaluate," "Assess," and "Prepare" to evaluate impacts and make disclosures accordingly.

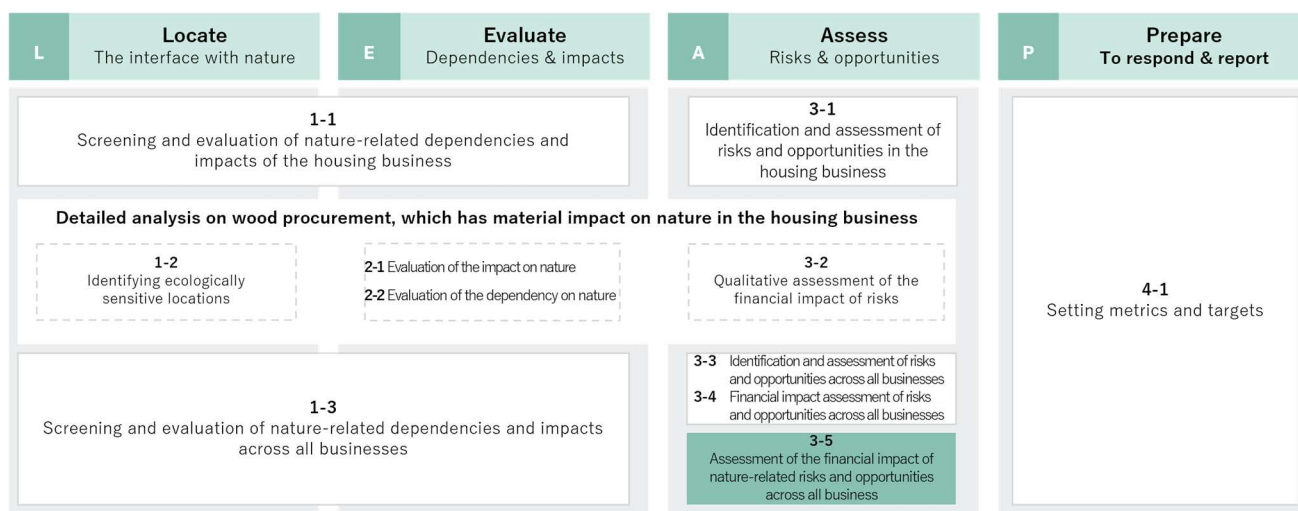


Figure 1: Nature-related management approach in line with the TNFD LEAP

1-1 Locating and evaluating impacts and dependencies of the housing business on nature (Locate/Evaluate)

We located potential impacts and dependencies using ENCORE and other such methods on procurement data for the housing business (detached houses and rental housing). As a result, we found that our material procurement process is potentially dependent on many ecosystem services. We also confirmed the potential impacts on nature due to land conversion in terrestrial, freshwater and ocean areas in lumber harvested and mineral resource mining as well as atmospheric, water, soil and waste pollution.

1-2 Identifying ecologically sensitive locations (Locate)

We evaluated the biodiversity importance and the biodiversity integrity of natural forests, focusing on the top 11 countries that accounted for 90% of our wood procurement in FY2022. In artificial forests, we only evaluated the biodiversity importance. Our findings revealed that, out of the 11 countries evaluated, the highest conservation priority areas for natural forests are Indonesia and Malaysia, and the highest conservation priority areas for artificial forests are Indonesia, Malaysia, Japan and Vietnam. Assessing the impact in these areas is therefore of the utmost importance.

1-3 Locating and evaluating impacts and dependencies of all businesses on nature (Locate/Evaluate)

We assessed impacts and dependencies on nature of direct operations in all business areas of the Group, using ENCORE, by portfolio category. As a result, we found that many of our direct operations are connected to ecosystem services related to the water cycle and soil.

2-1, 2-2 Evaluation of impacts and dependencies of wood procurement on nature (Evaluate)

We analyzed the forestry-related factors as evaluated by ENCORE, which are terrestrial ecosystem use, soil stabilization and erosion control, and pest control, for the top 11 countries from which we procure wood.

3-1, 3-2 Identifying and assessing risks and opportunities in the housing business, and qualitative financial impact assessment of risks

Details of the activities conducted in 3-1 and 3-2 have been omitted, as they are incorporated into the expanded scope of 3-3 and 3-4.

3-3 Identifying and assessing risks and opportunities in all businesses (Assess)

We organized a list of potential risks and opportunities related to items that have high impacts and dependencies on nature in our Group's direct operations (1-3), and potential risks and opportunities related to the material procurement process, which were identified as having high impacts and dependencies on nature in the housing business (1-1). After that, we identified the specific risks and opportunities by sorting out those that are particularly important to the Group from the list. As part of the process of identifying these key risks and opportunities, we established a cross-divisional working group comprising representatives from 23 departments related to the scope of each business within the Group, and held workshops a total of 16 times to create a forum for discussing future risks and opportunities related to nature and resilience.

In holding the workshop, we constructed exploratory scenarios. In the four-quadrant scenario (Figure 2) consisting of two uncertainties as recommended by the TNFD, we titled Scenario 1 as "A World of Sustainable Systems" and Scenario 3 as "A World Headed for Ruin," and based on perspectives of the state of nature in terms of the condition of biodiversity and rise in temperatures (horizontal axis) as well as global trends in technology, society, regulations and politics (vertical axis), we set short-, medium-, long-term time horizons. At the workshop, we discussed the risks and opportunities that the Company could face under each scenario.

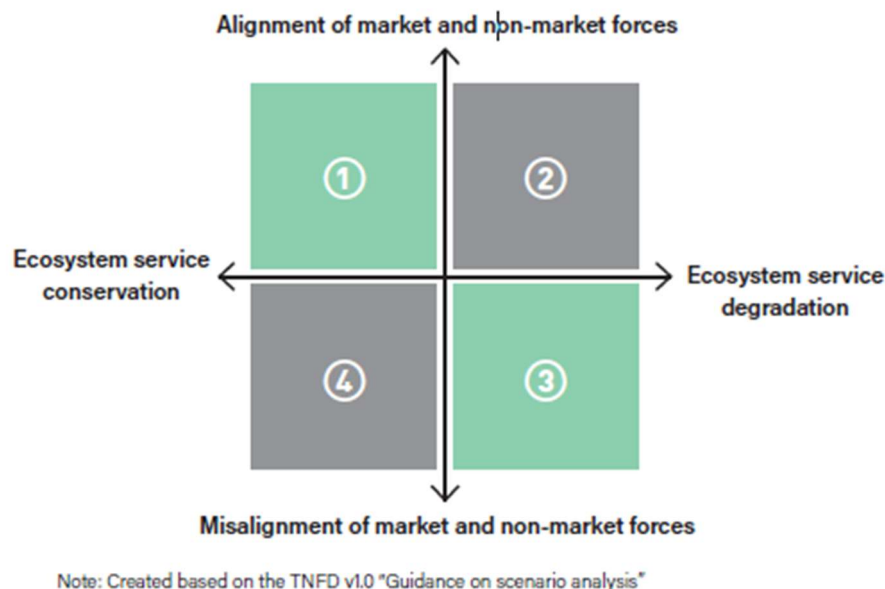


Figure 2: Four-quadrant scenario consisting of two uncertainties as recommended by the TNFD

In constructing the scenarios, we used WWF's Living Planet Report 2022 and IPCC's Sixth Assessment Report (2021) as references to set fixed conditions regarding the state of nature in 2040. In Scenario 1, with the horizontal axis representing the state of nature, the ecosystem is gradually recovering and the global environment is projected to improve due to the achievement of the 1.5°C scenario. The vertical axis represents market and non-market principles moving in the same direction. That is to say, it supposes a world where society, laws, regulations and the economy are all moving in a way that is beneficial for the environment. Scenario 3, on the other hand, envisions a world where ecosystems degrade and climate change-induced rises in temperature continue. The vertical axis shows market and non-market principles running counter to each other and society, laws, regulations and the economy moving in a way that is detrimental or has no impact on the global environment.

3-4 Financial impact assessment of risks and opportunities (Assess)

We calculated the key risks and opportunities and their potential financial impact, which were identified through scenario analysis at company-wide workshops, based on short-, medium-, and long-term time horizons. Going forward, we will further deepen our internal discussions, grasp detailed information on impacts and dependencies on nature related to each risk and opportunity, and closely examine the priority areas and considering approaches. We will also consider action policies for matters that require further responses and further examine the financial impact while taking into account assumptions and uncertainties for each time horizon.

The financial impact is defined as follows.

Financial impact - Large: ¥30.0 billion or more; medium: ¥10.0 billion or more; small: less than ¥10.0 billion

3-5 Responses to risks and opportunities across all businesses (Assess)

We held discussions with 10 departments within the Group that are closely related to the specific risks and opportunities identified in section 3-3. Through these discussions, we organized the initiatives currently being implemented to address these risks and opportunities, as well as the response measures that should be taken going forward. The key risks and opportunities that are expected to have significant financial impacts, along with our responses, are outlined below.

Responses to major transition risks and physical risks

Risk classification		Impact/ Dependency	Type of Impact/ Dependency	Explanation of Impact/ Dependency	Response	Financial impact	Assumed time
Transition	Reputational	Impact	Contaminated soil and water from spills and waste accumulation	As interest in ecosystem conservation grows, dishonest environmental responses lead to a loss of trust, and the resulting reputational risk for the Company causes projects to be canceled, sales to shrink, and stock prices to fall.	Although we regularly implement various initiatives to prevent dishonest environmental responses, the Risk Management Committee conducts periodic crisis response drills for relevant departments so that we can respond promptly and appropriately in the unlikely event of an environmental emergency. Through this, we aim to enhance the precision of our initial response and prevent the expansion of reputational risks.	Large	Medium term

Risk classification		Impact/ Dependency	Type of Impact/ Dependency	Explanation of Impact/ Dependency	Response	Financial impact	Assumed time
Physical	Acute	Dependency	Protection from floods, storms, landslides and soil erosion	As a result of the degradation of nature caused by development activities, landslides, storm damage and floods occur, and development activities are associated with disasters, resulting in liability for compensation.	In accordance with laws and regulations, we consider natural environmental conditions and disaster risks at the planning, design, and construction stages. We also conduct prior investigations of the natural environment and topographical characteristics of the target sites and surrounding areas. If surveys indicate potential environmental impacts or high disaster risk, we carefully reconsider development plans and may avoid land acquisition when necessary to prevent natural disasters associated with development activities.	Large	Long term
	Chronic	Dependency	Sourcing of construction materials	As ecosystems decline, it becomes difficult to procure raw materials related to the habitats of endangered species and supply chain products with high environmental impacts, which has a complex impact on the supply capacity of housing.	With respect to wood, we promote the procurement of eco-friendly and socially fair “Fair Wood” in accordance with the principles set forth in the Wood Procurement Guidelines independently established by the Company. In addition, for other raw materials that are important to the Company, such as cement, steel, and aluminum, we have begun collecting information to establish eco-friendly procurement systems similar to those for wood.	Large	Long term
	Chronic	Dependency	Sourcing of construction materials (Timber)	The occurrence of forest fires impacts the stable procurement of timber, and the procurement price of materials soars.	To address the risk of suspension of raw material supply, the Company strives to secure multiple procurement channels for each type of raw material. This approach helps prevent a complete suspension of raw material supply even in the event of forest fires, thereby supporting business continuity and mitigating potential financial impacts.	Large	Medium term

Major opportunities

Risk classification		Impact/Dependency	Type of Impact/Dependency	Explanation of Impact/Dependency	Response	Financial impact	Assumed time
Sustainability performance	Resource use	Impact	General	Through initiatives such as the reuse of construction materials, recognition as a leading company implementing a circular economy strategy increases, and its reputation among customers and in the market also improves.	Since 2024, the Company has launched the “House to House” project aimed at facilitating the transition to a circular economy. Through this project, we aim to provide housing products constructed entirely from renewable materials and components by 2050. To achieve this goal, we are promoting housing design that incorporates recycling, reuse, and renewable materials from the design stage, improving recycling capabilities at Resource Recycling Centers, and building networks with suppliers and universities.	Large	Short term
Business / Sustainability performance	Products/Services	Impact	Land cultivation Habitat fragmentation and degradation	We will promote greening in residential environments and improve the value of green spaces in urban areas, leading to the development of new businesses.	In June 2024, the Company jointly developed a “Biodiversity Visualization Tool” with Think Nature Inc. that recommends trees and other plants capable of maximizing biodiversity conservation effects in residential gardens. By utilizing this tool, we aim to enhance the quantity and quality of green spaces in residential environments, and improve the value of green spaces in urban areas. Through these initiatives, we will promote the creation of residential environments in harmony with nature, leading to the development of new business opportunities related to urban greening.	Large	Medium term
Business performance	Market/Reputation	Impact	Production of building materials	By replacing virgin raw materials with alternative products made from waste and loss, the company’s reputation as an environmentally conscious company is enhanced, and its business partners also become more environmentally aware. This will lead to the development of new business and an increase in sales.	Since 2024, the Company has been working with suppliers to horizontally recycle offcuts from resin pipes for water and hot water supply used in our housing that are generated during the construction of new housing into materials of the same product. Regarding other components and parts used in housing, we will also actively promote initiatives in collaboration with suppliers to support the effective use of resources and the transition to a circular economy.	Large	Short to medium term

iii. Risk and impact management

As part of the Group-wide risk management process, the Group conducts assessments to determine nature-related risks and opportunities as well as impact and dependency assessment based on the TNFD's LEAP approach. First, we identified activities across the entire mapped value chain that have potential nature-related impacts and dependencies. Using detailed procurement information on wood, we identified geographic points of interface with ecologically sensitive locations. After identifying impacts and dependencies, we evaluated importance based on qualitative and quantitative analyses.

Risks and opportunities are identified using scenario analysis for the entire Group, led by the principal department of each business, and the results are aggregated by the Environmental Subcommittee under the ESG Promotion Committee, which conducts a financial impact assessment. Major risks and opportunities that are identified based on this process are shared with the Board of Directors, which considers risk mitigation and responses, as required. Matters related to operational risks and hazard risks are appropriately shared with the Risk Management Committee, and are examined and managed within the group-wide risk management structure.

Furthermore, we will continue to strengthen our engagement with main stakeholders, including suppliers involved in business activities of the Company.

iv. Metrics and targets

The Group aims to properly evaluate and manage risks and opportunities that have high nature-related impacts and dependencies. To achieve this, we establish appropriate assessment metrics in line with recommendations from the TNFD and disclose actual results, mainly focused on core global disclosure metrics in disclosure metrics. For actual results for FY2025, refer to the ESG Fact Book 2026 (Note 3).

Going forward, we will continue to calculate actual results for additional global disclosure metrics that include core global disclosure metrics that have not been disclosed this time and important assessment metrics. We are considering setting targets and monitoring them, centered on the metrics related to the risks and opportunities that we have identified from assessment metrics in the future.

Furthermore, as a target other than the metrics, we have set the zero deforestation ratio as a KPI since FY2023 to manage progress toward achieving zero deforestation in natural forests by 2030 as stated in the Wood Procurement Policy.

In FY2025, in light of recent international sustainability standards and stakeholder expectations, we revised this KPI to the Deforestation and Conversion Free (DCF) ratio and are monitoring and managing progress. In order to achieve our targets, we are promoting a variety of initiatives, including strengthening supplier engagement, conducting detailed on-site due diligence, and switching raw materials by specification changes.

Category	Metric No.	Overview of TNFD metrics	Company-established metrics
Climate change		GHG emissions	Results for GHG emissions (Scope 1 and 2) (t-CO2e)
Land/freshwater/ocean-use change	C1.0	Total spatial footprint	Total area of manufacturing sites
	C1.1	Area of land/freshwater/ocean-use change	Area of Nationally Certified Sustainability Managed Natural Sites Construction area over a certain period of time
Pollution/pollution removal	C2.0	Pollutants released to soil split by type	Hazardous waste discharged into the environment (including soil) from direct operations
	C2.1	Wastewater discharged	Wastewater volume and its concentration of pollutants Group-wide
	C2.2	Waste generation and disposal	Quantity of waste generated in manufacturing and processing, construction, demolition and office-related activities
			Quantity and rate of recycling in manufacturing and processing, construction, demolition and office-related activities
			Recycling rate in new construction
	C2.3	Plastic pollution	Material recycling rate of plastics in new construction
Resource use/replenishment	C2.4	Non-GHG air pollutants	Quantity of non-GHG air pollutants from manufacturing and processing activities
	C3.0	Water withdrawal and consumption from areas of water scarcity	Quantity of water withdrawal and consumption from water-stressed areas in manufacturing and processing activities
	C3.1	Quantity of high-risk natural commodities sourced from land/ocean/freshwater	Quantity of wood procured from tree species other than those at risk, such as threatened species (Sustainable wood procurement amount)
Invasive alien species and other	C4.0	Placeholder indicator: Measures against unintentional introduction of invasive alien species (IAS)	Risk of IAS introduction through implementation of the <i>Gohon no Ki</i> Project
State of nature	C5.0	Placeholder indicator: Ecosystem condition	Areas with high impacts and dependencies on wood production
			Increase in the biodiversity integration index for Japan's big three metropolitan areas as a result of the <i>Gohon no Ki</i> Project

(Note) 3. For detailed information disclosure in line with the TCFD recommendations, please refer to ESG Fact Book 2026 on the Company's website.
 <ESG Fact Book 2026>
https://www.sekisuihouse.co.jp/english/company/sustainable/library/2026/ESG_factbook_en.pdf

(4) Initiatives related to human capital

i. Governance

Important matters related to human capital policies are discussed, based on content, by the Personnel Affairs and Remuneration Committee, the ESG Promotion Committee or the Risk Management Committee, all advisory bodies to the Board of Directors. The results are then presented at the Management Meetings or the Board of Directors meetings, and Company-wide measures are implemented and managed. To promote our human resources strategy, the Human Resources and General Affairs Department, the Human Resources Development Department, the Diversity and Inclusion Promotion Department, and other related departments of the Company implement policies and manage KPI progress. Coordination between departments is fostered through discussions in the Social Improvement Subcommittee, which operates under the ESG Promotion Committee. We have also created a Group-wide system in which the aforementioned relevant departments receive reports on the issues and progress of KPIs for each group company, thereby managing the entire group comprehensively.

ii. Strategy

Fundamental mindset to implementing the fundamental policy for human resource development and the policy for developing working environments

Employee autonomy relies on each individual utilizing the resources of our Group, taking proactive steps, and continuously focusing on their career development. Accordingly, we are focused on building systems and environments that support sustainable growth for both employees and the Company. We also promote the creation of environments and systems that enable individuals to fully develop and utilize their abilities while working in their own way, regardless of age, gender, nationality, or disability. We continue to proactively implement and operate highly flexible working systems suitable for various workstyles. While systematically nurturing high-integrity leaders, we also strive to recruit the talent necessary for our business strategies and ensure they are appropriately allocated.

Fundamental policy for human resource development

To achieve the Sekisui House Group's global vision of "Make Home the Happiest Place in the World," with its policy of "maximizing the value of human capital and driving business growth through D&I of knowledge and experience," we will promote initiatives aimed at talent development.

Policy for developing working environments

In order to realize the global vision, we believe it is important that Sekisui House, where our employees, who are the driving force, gather, is the happiest company in the world. Aiming to become a company where everyone can feel their work is meaningful and satisfactory, we will develop a working environment that encourages the promotion of key themes such as support for self-directed career development, promotion of D&I and diverse workstyles, and building a foundation for well-being.

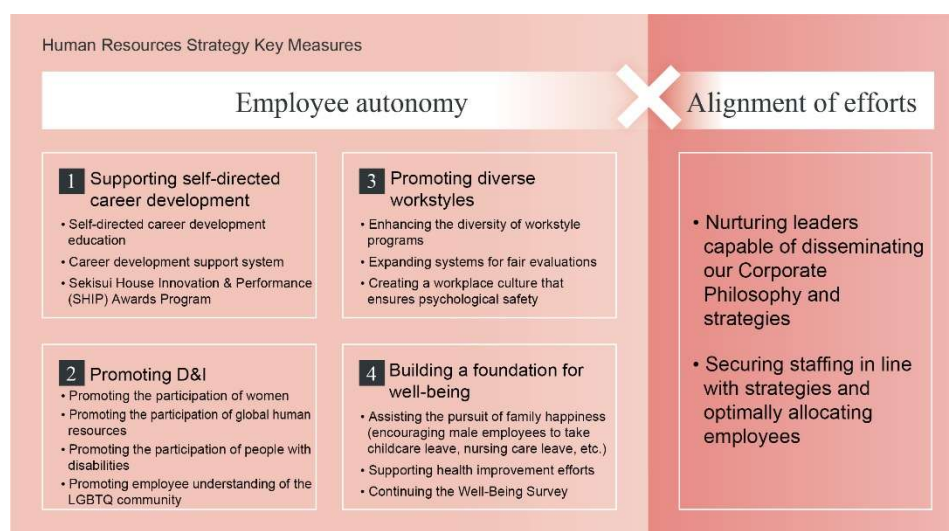
Human capital management strategy of the Sixth Mid-Term Management Plan (FY2023 to FY2025)

Improving human capital value is a driver of corporate growth.

We believe that enhancing human capital value comes from employee autonomy (Note 1) and an aligned efforts (Note 2), and we have organized the key themes of the human capital management strategy as shown in the following diagram. Based on the four themes: 1. Supporting self-directed career development, 2. Promoting D&I, 3. Fostering diverse workstyles, and 4. Building a foundation for well-being, we will support and promote employee autonomy while strategically implementing measures such as reforming systems, building corporate culture, and promoting relevant initiatives. Moreover, in order for the autonomous employees created through these initiatives to empathize with the direction that the Sekisui House Group is aiming for and to take action on their own, we will train leaders who will promote and implement our Corporate Philosophy and strategies, and recruit and optimally allocate employees in line with strategies.

With regard to “Improvement in human capital value = employee autonomy × aligned efforts,” it is important to understand that this is a multiplication process, and by aiming for a high standard in both employee autonomy and aligned efforts, human capital value will be further improved, and the value provided to society will also increase. What the Company wants to achieve is to maximize the value provided to society, and we will steadily invest in the human resources that support this.

- (Notes)
1. Employee autonomy: Each employee thinks and acts independently.
 2. Aligned efforts: The company’s vision and strategy are understood and embraced by employees.



[Initiatives for employee autonomy]

1. Supporting self-directed career development

Under the slogan “Innovation & Communication,” we support the career autonomy of each individual by cultivating a corporate culture of innovation and performance in which employees generate new innovations through exchanging ideas and active communication, and by creating opportunities for employees to demonstrate their own initiative. Various training programs to cultivate an awareness of career autonomy, which began in 2003, have been attended by a total of 23,066 employees (as of January 31, 2026), and are increasing motivation for career development that takes into account the entire life, not just work. In addition to disclosing to employees the job descriptions that define the scope of responsibility, the duties and the knowledge and skills required for managerial positions, we also provide support for acquiring major qualifications required for their work.

Examples of recent initiatives

- 2021: Launch of Sekisui House Innovation & Performance (SHIP) Awards
- 2022: Renewal of the internal job posting program
- 2023: Launch of Advanced Professional Learning Support Program for autonomous learning, such as MBAs, and self-directed career development leave, and expansion of the self-directed career development course
- 2024: Launch of trial of online learning services, career coach qualification program for those in managerial positions, English learning program, and visualization of skills and experience through My Career Sheet
- 2025: Launch of the Work Area Continuity System (fair-type), which enables employees to continue working in the same area for a certain period without relocation regardless of the reason; launch of programs to develop human resources capable of driving DX initiatives, including Business Translators and AI Experts.

2. Promoting D&I (Note 3)

i) Promoting women's active participation and advancement

The mission of the Group is to continue to provide new value to our customers and society as partners in happiness, and we believe that the participation of women in all fields is essential in the creation of homes, which require diverse values, a sense of beauty and perspectives. Based on this, we recognized the need to support the participation of women as a management issue, and in 2006, we established the Diversity Development Team (currently the Diversity and Inclusion Promotion Department) within the Corporate Management Planning Department, and have continued to implement the following measures to support the participation of women in recruitment, retention, and training.

As part of measures to retain female sales representatives, we have implemented measures tailored to the issues faced by each type of job, and have held the Company-wide Women's Sales Representative Conference since 2007 to create a network among female sales representatives. As the high turnover rate among female sales representatives during their first three years of employment was an issue, in addition to on-the-job training, we introduced interviews with the Diversity and Inclusion Promotion Department for female sales representatives during their first three years of employment. Through this, we provide close individualized support and work to identify problems faced by female sales representatives early and make improvements as necessary. For female onsite supervisors, we have held the Company-wide Women's Onsite Supervisor Conference every year since 2014, and for female designers, who account for over 30% of the designer positions, we are supporting the development of diverse careers by strengthening their expertise and horizontally deploying role models for balancing work and childcare throughout the country. Starting in 2025, we also launched the Company-wide Women's Architect Conference, planned by female Chief Architects with advanced design skills, aiming to enhance horizontal connections and raise awareness toward acquiring advanced design skills. In addition, we continue to include the "Women's Participation and Advancement Index" in the ESG indicators, which serve as the criteria for business site awards, thereby promoting women's advancement at our business sites.

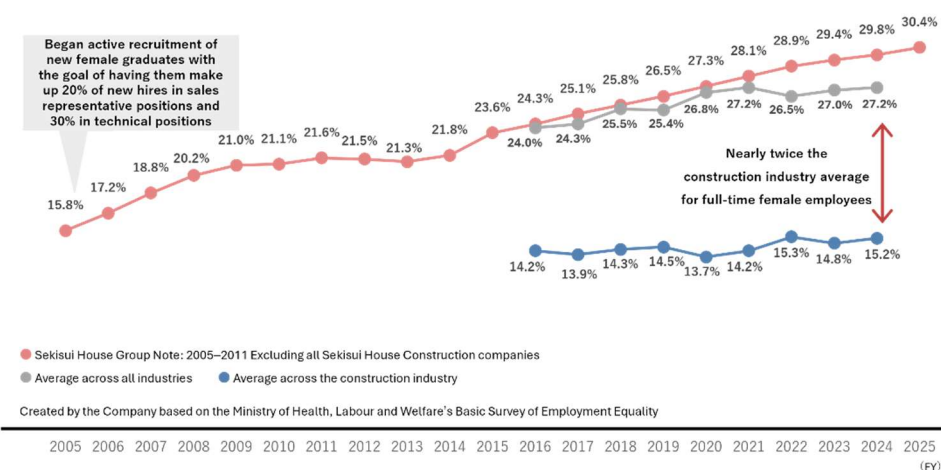
The Group set the target of appointing at least 310 female employees in managerial positions (Note 4) by FY2025 in the action plan (formulated in 2021) based on the Act on Promotion of Women's Participation and Advancement in the Workplace, and has also focused on training female managerial candidates. The Sekisui House Women's College, serving as training for managerial candidates, has been held since 2014. Every year, we provide a practical program of on-the-job training and organizational problem solving for about two years to approximately 20 participants who have been selected through self-endorsements and recommendations from their managers, and this leads to their development and promotion that match the individual goals of our employees. From the start of the course, the representative director of the Board has personally had the opportunity to conduct direct dialogues with participants in the program, and since 2018, a female outside director of the Board has also participated in the program to directly encourage participants, which has become a great boost to the development of female managers. As a result of our efforts to recruit, retain and train female employees, in FY2025, newly hired female graduates made up 35.4% and 27.2% of hires for sales representative positions and technical positions, respectively, in the Company and its domestic consolidated subsidiaries. In addition, the ratio of full-time female employees in the Company and its main domestic subsidiaries (excluding Konoike Construction Co., Ltd., Note 5) was 30.4%, nearly twice that of the average in the construction industry (Note 6). Of the 192 female employees who have graduated from the Sekisui House Women's College, 146 are currently working in managerial positions, and the number of women in managerial positions in the Company and its domestic consolidated subsidiaries was 475 (as of January 31, 2026).

As a result of continuing to implement various measures to promote the participation of women, the number of full-time female employees and the number of female managerial candidates have been increasing, and we

will continue to strongly promote various initiatives and work to reduce the gender pay gap among employees.

- (Notes)3. The Group had previously used the term “DE&I” in its human capital strategy under the Sixth Mid-Term Management Plan formulated in March 2023. However, in light of international variations in the perception of the concept of “Equity” and to ensure consistency with the Group’s material issues “Diversity and Inclusion,” we have decided to use the term “D&I.”
4. Appointing at least 310 female employees in managerial positions was the target at the time of formulating the plan. The target as of the submission date is 380 persons or more.
 5. Total is for the Company, Sekisui House Real Estate Group companies, Sekisui House Construction Group companies, and Sekisui House Remodeling, Ltd., Sekisui House Support Plus, Ltd.
 6. Source: FY2024 Basic Survey of Employment Equality, Appendix Statistical Table, Survey of Companies, Table 1: Percentage of Full-Time Employees by Gender and Job Type (the Ministry of Health, Labour and Welfare)

Percentage of the Group's Full-time Female Employees



*The ratio of full-time female employees is for the companies shown in Note 5.

ii) Promoting the engagement and success of global talent

We are promoting the recruitment of human resources regardless of nationality and the appointment of employees based on their abilities and aptitudes. At overseas subsidiaries, we make efforts in hiring to reinforce local organizational capabilities, and promote capable locally-hired employees to important positions.

iii) Promoting the participation of people with disabilities

As of January 31, 2026, the employment rate of people with disabilities at the Company was 2.83%, and the rate at the 30 domestic consolidated subsidiaries (including the Company) legally mandated to hire people with disabilities was 2.89%. Although we are currently exceeding the legally mandated 2.50% (to be revised to 2.70% in July 2026), we will continue to actively promote the employment of people with disabilities, aiming to achieve the legally mandated hiring figures at each headquarters of Sekisui House, Ltd. (non-consolidated) and at each Group company. As part of initiatives to support their activities, we have held annual diversity meet-and-greet events since 2015 for employees with disabilities, their supervisors and colleagues with the aim of establishing a network that transcends departmental boundaries, building relationships that

facilitate mutual communication and consultation, and improving our work environments. In 2025, in addition to an in-person event in Osaka, the event was also held online at a later date.

In addition, we are promoting initiatives for customers who require special considerations due to disabilities or other conditions from both facility and customer service perspectives. From the facilities perspective, we have established guidelines to ensure that new construction and renovation of internal facilities (such as housing exhibition sites and offices) incorporate designs that take disabilities and other needs into consideration, and we continuously improve these guidelines through their implementation. From the customer service perspective, we have appointed employees at each branch of the detached housing business division (120 employees nationwide) who can respond to customer requests for special considerations and adjustments. These employees receive certification training conducted by the Japan Universal Manners Association and participate in internal training programs aimed at deepening understanding and fostering awareness.

Furthermore, for new employees in the detached housing business division, we conduct training that includes disability simulation experiences to promote greater understanding of disabilities. We are also working to improve accessibility through our website and TV commercials, including enhancing the accessibility of our official website in accordance with our Web Accessibility Policy and providing subtitles for TV commercials using the closed captioning method.

iv) Promoting employee understanding of the LGBTQ+ community

In order to promote LGBTQ+ understanding within the Company, we have incorporated LGBTQ+-related themes into the annual Human Relations Training every year since 2014, providing opportunities for learning, discussion, and information sharing. We hold regular seminars and events, and the number of allies who understand and support this community is increasing within the Company. In addition, under the leadership of allies, we have continued to send out messages to promote understanding in society, and have received the Gold certification in the PRIDE Index for eight consecutive years. We have also received the Rainbow Certification for four consecutive years. We aim to create a society where all individuals can feel secure and free to work in their own manner.

3. Fostering diverse workstyles

To ensure that each employee can work to their fullest potential, we promote diverse working styles that allow for flexibility and autonomy, free from constraints of time and place. In order to promote diverse working styles, it is first necessary to establish a workplace culture that provides peace of mind and safety based on a relationship of trust, and we are working to create a workplace culture that ensures high psychological safety by providing opportunities for all employees, regardless of their position or employment status, to interact in small groups. Furthermore, we introduced line care training for personnel responsible for general affairs and managers starting in 2024, and an organizational development support program for each department starting in 2025. We monitor these initiatives using the score for Workplace Happiness in the Well-Being Survey, which the Company conducts.

We have also developed various systems to support employees' work-life balance and provided relevant information, such as the work-from-home system that allows employees to work from anywhere, the Staggered Working Hours System (working hour arrangements) that allows employees to work at different times of the day, and the work area continuation system (care-type), which enables employees to continue working in the same area for a certain period without relocation depending on circumstances such as medical treatment, nursing care, and child-rearing, in order to ensure that employees can work with peace of mind without compromising their careers due to child-rearing, nursing care, or medical treatment.

4. Building a foundation for well-being

i) Supporting the pursuit of family happiness

In order to ensure the happiness of employees and their families, since 2018, we have encouraged male employees to take at least one month of childcare leave (Note 7). As a result of activities such as reforming consciousness throughout the Company, developing systems, and developing communication tools for use with family and the workplace, since the full-scale implementation of the program in February 2019, all eligible employees who reached the deadline (2,633 employees as of January 31, 2026) have taken at least one month of childcare leave (all employees of Group companies have taken leave since April 2021), and the rate of spousal satisfaction with male employees who took childcare leave in FY2025 has grown to 97.8%, proving that this program contributes to the happiness of families. We have also actively shared information with the outside of the Company since 2019, with the aim of creating a society that makes paternity leave the norm in Japan. In 2025, we shared information together with 174 companies and organizations that support our initiatives, and contributed to creating momentum for promoting the taking of paternity leave.

(Note) 7. Male employees with children under the age of three taking childcare leave for one month or more.

ii) Supporting health improvement efforts

The Group believes that the source of employee happiness is the maintenance and promotion of health, and we have named this *Well being management* to strategically address activities aimed at maintaining and promoting health as an important management issue. Based on the annual targets and plans approved by the ESG Promotion Committee under the Board of Directors, a working group formed across related departments cooperates with health insurance unions, industrial physicians, etc. to identify issues, formulate Company-wide policies, and plan specific measures, and works with each business office to promote awareness and understanding of these measures among all employees.

As a result of working on *Well being management*, including the use of an AI-based service that utilizes medical checkup results and the implementation of seminars for employees by subject matter, the Group has been certified as a Health and Productivity Management Outstanding Organization. (White 500 for 2020–2024)

iii) Continuing the Well-Being Survey

In order to realize the happiness of each and every employee, we have conducted the Well-Being Survey for all employees since November 2020, and the sixth survey was completed in October 2025. Under the supervision of Professor Takashi Maeno, Dean of the Faculty of Well-Being at Musashino University and Professor Emeritus at Keio University, a leading expert in business administration focused on employee well-being, we became the first company in Japan to undertake and analyze the multilateral measurement of employee and workplace well-being, and to visualize happiness. We review the results of this survey and use them to implement specific measures, such as discussions on well-being in the workplace.

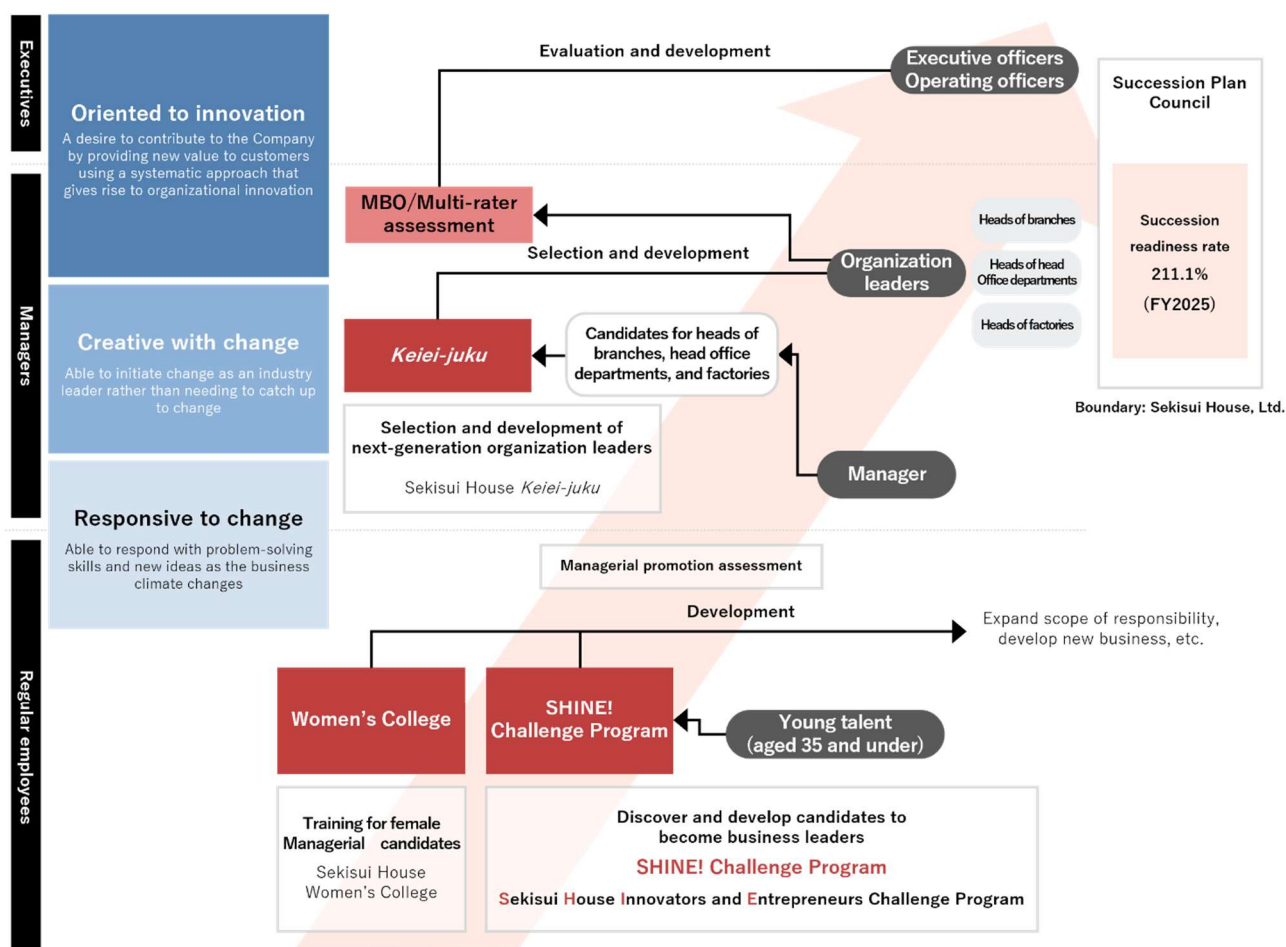
[Initiatives for alignment of efforts]

- Nurturing leaders capable of disseminating our Corporate Philosophy and strategies

In order for the Group to deliver happiness to our customers and society, it is essential to spread the corporate philosophy and business strategies to the autonomous employees and to have leaders who can create organizational strength, and it is necessary to systematically nurture such leaders for the sustainable growth of the company.

We provide training for management by position to strengthen organizational performance-generating capabilities, human resource development capabilities, and organizational revitalization capabilities. In addition, we are continuing to create a foundation for systematically producing the next generation of business leaders through the *Keiei-juku* management training program, which has been held since 2018 with the aim of selecting and developing candidates for organizational leadership positions such as heads of branches, head office departments and factories, and the SHINE! Challenge Program, which was launched in 2019 to train young leader candidates (at the age of 35 or younger). Since 2021, we have held the Succession Plan Council to identify candidates for executive officers, operating officers, and others in key positions. The council aims to deliberate the nomination of these candidates in a highly transparent manner from a diverse, Company-wide perspective. Specifically, the council prepares individual training plans for all candidates, conducts periodic progress checks to further enhance our leadership pipeline, and monitors the succession readiness rate (Note 8). We also conduct the multi-rater assessment of all managers at the group leader level and above. Based on the results of the feedback, we prepare action plans for reforming management behavior, and we are working to improve management skills through regular coaching and self-reflection.

Leadership Pipeline for Cultivating the Next Generation of Business Leaders



(Note) 8. Succession readiness rate = (number of candidates ÷ number of leadership positions) × 100

- Strategic workforce planning and optimal talent allocation

We are working to secure the human resources capable of developing existing businesses and taking on the challenge of new businesses, while also identifying the human resource needs of each business unit based on their business strategies and systematically recruiting and training the human resources needed for sustainable growth in order to achieve optimal allocation. In particular, under the policy of strengthening diversity and expertise, we are focusing on mid-career recruitment as part of the overall employee recruitment, and the number of mid-career hires has been steadily increasing. In particular, in response to the major change of expanding the overseas business, we have strengthened the recruitment of human resources, mainly in the corporate division. At the same time, we plan to further examine the scale and skills required for globalization in the future.

We also launched the Welcome Home Program (alumni program, Note 9) in 2024. We are working to strengthen our recruitment capabilities by utilizing a variety of methods and channels, including referral recruitment (Note 10).

In FY2025, 632 mid-career hires were hired, and the percentage of mid-career hires to the total number of hires was 39.7% (Note 11). We have expanded the onboarding program (Note 12) to support employees' active participation from the time they join the company to support their early success.

(Notes) 9. A rehiring system that allows former employees to be re-employed.

10. A hiring system based on referrals or recommendations from current employees.

11. Total is for the Company and its domestic consolidated subsidiaries.

12. A framework to support newly hired employees in adapting to the company's culture and work environment so they can succeed early on.

Overview of Human Capital Management Strategy in the Seventh Mid-Term Management Plan (FY2026–FY2028)

In the Seventh Mid-Term Management Plan, we will continue to aim for sustainable corporate growth under the fundamental policy of “enhancing human capital value = autonomy of employees × alignment of efforts.” Under “autonomy of employees,” we will further promote individual growth by expanding learning opportunities, such as logical and analytical thinking, AI/DX utilization, and English language learning support, while backing personnel transfers between Group companies and global challenges. We will also work on expanding workstyle programs, empowering diverse talent, fostering an organizational culture for demonstrating value creation, and creating places for value creation. Under “alignment of efforts,” we will strengthen human capital management and promote developing leaders to drive strategy, recruiting and optimally allocating human resources, and enhancing the leadership pipeline. Overseas, we aim to improve engagement by fostering a sense of unity, strengthening the HR infrastructure, building systems for technology transfer, and providing growth opportunities for local human resources. Through these efforts, we will advance the sharing of philosophy and values and the global integration of human resource development.

iii. Risk management

As for risks and opportunities related to human capital, the related departments, such as the Human Resources Development Department, the Human Resources and General Affairs Department, and the Diversity and Inclusion Promotion Department, analyze risks and opportunities and consider countermeasures, and the Social Improvement Subcommittee under the ESG Promotion Committee holds discussions and then promotes cross-divisional cooperation. Risks and opportunities, which are determined to be especially important through this process, are reported to the Board of Directors and reflected in the formulation of our medium- to long-term strategic plans. The Company monitors the risk maps prepared by each group company, and after reporting on important matters to the Risk Management Committee as appropriate, such as those related to securing human resources, they conduct studies and management through the Group-wide risk management structure.

For our group to achieve sustainable growth, it is essential to secure excellent human resources both in Japan and overseas who are capable of developing existing businesses and taking on challenges in new businesses. If the

recruitment competitiveness declines or the outflow of human resources due to job turnover worsens, the growth potential may be weakened and the social reputation may decline. By formulating our human resources plan, we further clarify the human resources necessary to execute our business strategies. We are proactively enhancing our branding as an employer of choice, diversifying our recruitment pipeline and selection methods, and employing human resources regardless of age, gender, nationality, or disability.

iv. Metrics and targets

In order to accelerate the improvement of human capital value, we have set the following targets for each key theme and are working towards them.

Initiatives to accelerate the improvement of human capital value (objectives)		Metrics	FY2025 targets	FY2025 results
Supporting self-directed career development	Cultivating and spreading an awareness of self-directed career development	Cumulative number of participants in career autonomy training (Note 1)	22,030 persons	23,066 persons
	Implementation of Sekisui House Innovation & Performance (SHIP) Awards	SHIP registration rate (Note 2)	—	—
		SHIP number of posts (Note 3)	3,000	2,318
	Promoting the acquisition of major qualifications required for the work	Number of workers who have acquired major qualifications (Notes 1 and 4)	25,100 persons	25,003 persons
Promoting D&I	Promoting measures to support the participation of women	Number of female directors of the Board (Note 1)	3 persons or more	3 persons
		Number of female managers (Note 3)	380 persons	475 persons
		Ratio of full-time female employees (Notes 5 and 6)	29.8%	30.4%
		Ratio of female new graduates hired (Note 7)	40%	34.2%
	Promoting the participation of people with disabilities	Employment rate of persons with disabilities (the Company) (Note 1)	2.72%	2.83%
		Employment rate of persons with disabilities (domestic consolidated companies) (Note 8)	2.66%	2.89%
Promoting diverse workstyles	Promoting and monitoring the creation of workplaces with high psychological safety	Well-Being Survey “Workplace Happiness” (Notes 9 and 10)	—	67.39 pt
Building a foundation for well-being	Supporting and monitoring the pursuit of family happiness	Take-up rate for eligible male employee at least one month of childcare leave (Note 5)	100%	100%
		Rate of spousal satisfaction with male employees who took childcare leave (Notes 5, 10 and 11)	—	97.8%
	Quantifying employee happiness through Well-Being Survey	Well-Being Circle total score (Notes 10 and 12)	—	66.44 pt
Alignment of efforts	Expanding the leadership pipeline through the Succession Plan Council	Succession readiness rate for key positions (Notes 1 and 10)	—	211.1%
Investment in human resource development		Educational and training expenses (Note 13)	¥2,400 million	¥2,207 million

- (Notes)
1. Total is for the Company.
 2. This metric was initially established to promote participation in initiatives embodying innovation and communication; however, as participation has consistently exceeded a certain level, it has been removed as a metric.
 3. Total is for the Company and its domestic consolidated subsidiaries.
 4. Eleven qualifications required for work, including first-class architects, building operation and management engineers, second-class financial planners, and registered real estate transaction agents.
 5. Total is for the Company, Sekisui House Real Estate Group, Sekisui House Construction Group, Sekisui House Remodeling, Ltd., and Sekisui House Support Plus, Ltd.
 6. When the total is limited to the Company and its domestic consolidated subsidiaries, the result is 29.4%.
 7. Total is for the Company, Sekisui House Real Estate Group, Sekisui House Construction Group, Sekisui House Remodeling, Ltd., Sekisui House Support Plus, Ltd., Konoike Construction Co., Ltd. and its domestic consolidated subsidiaries. When the total is limited to the Company and its domestic consolidated subsidiaries, the result is 34.4%.
 8. The total is for the Company and its 30 domestic consolidated subsidiaries legally mandated to hire people with disabilities.
 9. The total is for the Company and its domestic consolidated subsidiaries (excluding Konoike Construction Co., Ltd. and its domestic consolidated subsidiaries). The average values for the culture of safety and security, an atmosphere of workplace trust, an atmosphere that encourages challenge, and willingness to recommend the current workplace, in the Well-Being Circle, which measures and quantifies diverse happiness from multiple perspectives.
 10. Only the results are disclosed.
 11. The percentage of respondents who answered “good” or “fairly good” in the spouse survey out of all respondents to the survey.
 12. The total is for the Company and its domestic consolidated subsidiaries (excluding Konoike Construction Co., Ltd. and its domestic consolidated subsidiaries). The average of the 34 items in the Well-Being Circle.
 13. Total is for the Group.

(5) Initiatives related to respect for human rights

i. Governance

As set forth in the Sekisui House Group Human Rights Policy (hereafter, the “Human Rights Policy”) announced in April 2020, at the Group, the Board of Directors oversees compliance with and initiatives related to the policy. The Management Meetings, ESG Promotion Committee and Risk Management Committee all exist under the Board of Directors and function organically in creating a Group-wide promotion structure for respecting human rights.

Guided by the ESG Promotion Committee, the Governance Subcommittee determines key issues and policies related to human rights within the Group. The Governance Subcommittee has established the Human Rights Due Diligence Meeting (hereafter, the “Human Rights DD Meeting,” secretariat: Human Rights and Compliance Promotion Department) that involves multiple related departments. These related departments work together to share information and exchange opinions, etc., in order to promote respect for human rights within the Group. (Note 1)

Initiatives to promote respect for human rights are also regularly reported to the Risk Management Committee. The Risk Management Committee discusses topics related to human rights, mainly strategic initiatives related to the labor and health of Group employees, harassment and work-related accidents, all from the perspective of risk management.

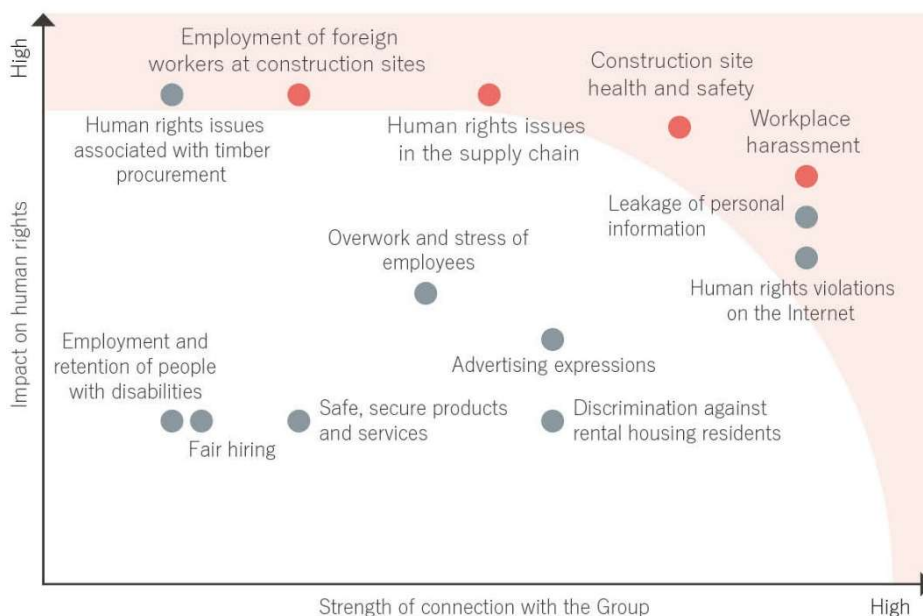
(Note) 1. Until FY2025, these matters were addressed by the Social Improvement Subcommittee under the ESG Promotion Committee.

ii. Strategy

In the Human Rights Policy, the Group expresses its commitment to respecting the human rights of all stakeholders, including employees and suppliers, who may be affected by its business activities. In addition, at the Human Rights DD Meeting, we identify important human rights issues through the creation of a map of human rights risks every year, and we regularly verify them.

The red points on the map below indicate the key issues that were identified in FY2025.

Map of Human Rights Risks Related to Group Businesses (2025)



- Identified key issues:
1. Workplace harassment
 2. Construction site health and safety
 3. Human rights issues in the supply chain
 4. Employment of foreign workers at construction sites

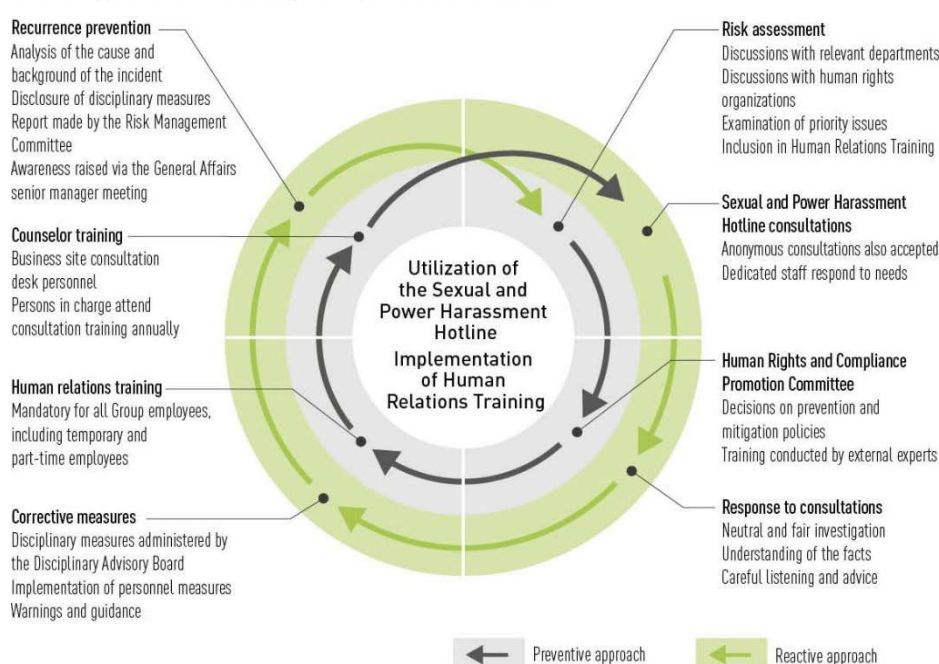
In order to address the identified key issues, the Group is promoting the following initiatives.

1. Workplace harassment

For the Group, where many employees work, the development of an appropriate working environment that ensures psychological safety is one of the priority issues we must address.

To ensure a safe and secure working environment for employees, we have established the Sexual and Power Harassment Hotline to receive consultations and reports regarding various types of harassment and human rights violations, and we respond promptly to such cases. When necessary, we conduct investigations and take corrective, remedial and recurrence prevention measures. The analysis results of these consultations and report cases are reflected in the themes of the Human Relations Training (the respect for human rights part of the Human Rights and Compliance Training) conducted for all employees, thereby helping to prevent harassment and ensure appropriate responses when incidents occur.

Due diligence concerning workplace harassment



2. Construction site health and safety

Construction site work environments are hazardous and missteps can readily lead to life-threatening accidents. Accordingly, occupational health and safety are the highest priorities of the Group. We have various measures in place to ensure that construction workers can work in a safe environment.

The Company has established the Health and Safety Management Regulations based on occupational health and safety laws and regulations and its Rules of Employment. These regulations set out the Company's fundamental tenets of health and safety management and are designed to help create a pleasant work environment and ensure health and safety at workplaces including construction sites. For partner building constructors and construction workers, the Construction Management Department administers system operations as the specified principal employer. The Construction Management Department formulates Company-wide annual health and safety plans and occupational accident prevention measures as needed.

3. Human rights issues in the supply chain

The Group recognizes that “human rights and labor” in our supply chain are also important issues. We have announced the Human Rights Policy and expressed our expectations that our business partners will understand and support this human rights policy. We are promoting initiatives to expand the circle of respect for human rights in the supply chain.

Upon signing the U N Global Compact in 2018, the Company joined the supply chain subcommittee of the Global Compact Network Japan (GCNJ). We established the CSR Procurement Guidelines, which are compliant with the GCNJ’s self-assessment questionnaire (SAQ). The CSR Procurement Guidelines state that with regard to respect for human rights, discrimination based on nationality or race, inhumane treatment, forced or compulsory labor, and child labor, etc. are prohibited, and appropriate management of employee health and safety is also required.

Since then, we have asked main suppliers to submit a signed agreement to confirm their understanding and compliance with the purpose and content of the guidelines, as well as cooperation with checks regarding their efforts, etc., and have shared the significance and importance of CSR procurement with them at our annual action policy briefings held each spring.

4. Employment of foreign workers at construction sites

Recognizing that the incidence rate of occupational accidents among foreign workers is higher than that of Japanese workers, the Group is working to establish a safe and comfortable working environment for them. We believe that one of the main causes of occupational accidents may be that hazard information is not sufficiently communicated due to limited Japanese language proficiency and communication barriers. To address these challenges, we have adopted standardized safety signs (10 types) developed by the Japan Construction Occupational Safety and Health Association (JCOSHA) that use pictograms and multilingual descriptions. In addition, we have prepared supplementary materials for “orientation training materials” using multiple languages and “easy Japanese,” enabling foreign workers to more easily understand safety training. Through these initiatives, we are striving to prevent occupational accidents and promote respect for human rights.

In addition, for technical trainees, we have established consultation desks for technical trainees and our construction partner companies. For Vietnamese technical trainees in particular, who account for a large proportion of the trainees, we provide support not only for their training but also for their daily lives. Our staff conducts regular interviews in cooperation with supervising organizations. By conducting dialogue from a standpoint different from that of the employer, we confirm their Japanese language learning progress and provide advice, thereby striving to create an environment where they can work with peace of mind.

iii. Risk management

Specific initiatives addressing human rights issues are handled by the relevant departments, offices, Group companies, etc. (hereinafter, the “relevant departments, etc.”) depending on the nature of the issue. These departments identify specific risks and implement awareness-raising activities and countermeasures in accordance with the analysis of their causes, based on information collected through direct dialogue with stakeholders, as well as information and advice provided by experts and various organizations and institutions representing the interests of stakeholders.

Information on such initiatives undertaken by the relevant departments, etc. is shared and consolidated within the respective business divisions and at the Human Rights DD Meeting, where the content is verified. These matters are then reported through the Governance Subcommittee to the ESG Promotion Committee, which includes outside expert members, where they receive review and advice. They are also reported to the Risk Management Committee as appropriate.

iv. Metrics and targets

The KPIs established by the Group as metrics for addressing the key issues identified in the risk map and their results are as follows.

Human Rights Inquiries on Public Website

	FY2023	FY2024	FY2025
Number of inquiries	32	10	8

* Since the Human Rights Policy was formulated in April 2020, we accept both internal and external inquiries related to human rights via our public website. We have looked into and responded to all inquiries received, and we did not identify any potential human rights violations that would affect the Company's business.

Sexual and Power Harassment Hotline (Note 2)

	FY2023	FY2024	FY2025
Total number of consultations received	253	258	309
Of which, cases regarding harassment complaints	131	150	196
Of which, cases involving corrective action (Note 3)	76	83	130

- (Notes)
2. The total is for the Company and its domestic consolidated subsidiaries. In addition, in June 2024, the scope of the Sexual and Power Harassment Hotline, which had been available to officers and employees of the Company and its domestic consolidated subsidiaries, was expanded to include business partners of the Company and its domestic consolidated subsidiaries.
 3. The number of cases in which we responded to a consultation after hearing the details of the consultation and the intentions of the person making the consultation, and deciding that it was a problem that the organization should respond to. In addition to this, we also provide support such as advice to the person making the consultation, depending on the content.

3. Business Risks

◆ Risk Management Structure

The Group has established a structure to accurately identify major risks that may arise in our business activities and to take appropriate measures to reduce the impact of such risks on the Group's business in the event that they materialize.

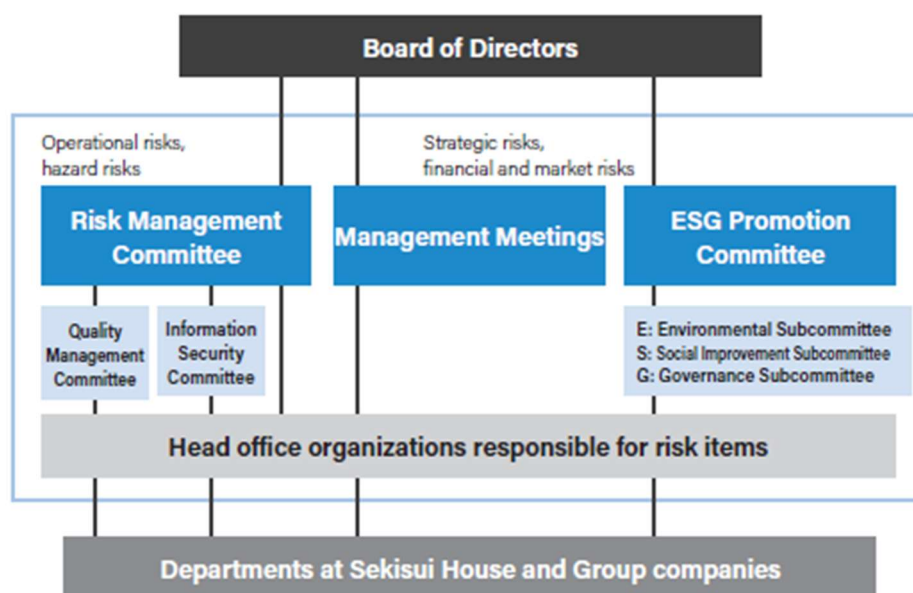
'Strategic risks' and 'financial and market risks' are reviewed at the Board of Directors meetings, Management Meetings, and meetings of other bodies responsible for discussing management policies, management strategies, and important business execution. In addition, 'operational risks' and 'hazard risks' are monitored by the Risk Management Committee, chaired by the Representative Director of the Board, Executive Vice President and Executive Officer. This committee has been established as an advisory body to the Board of Directors to continuously oversee the status of risk management.

The Risk Management Committee mainly consists of members appointed via a resolution by the Board of Directors and meets once a month, in principle. To address the material risk items it has identified, the Risk Management Committee monitors risk management status at organizations responsible for such risk items, including specialized departments at the head office and various meeting bodies. Through these endeavors, the committee summarizes and verifies the development status of the Company's risk management structure, with reference to findings from the monitoring mentioned above, while giving necessary advice. Also, the committee reports on its deliberations to the Board of Directors twice a year. Members of the committee include representatives from the Internal Audit Division to coordinate its activities with the content of periodic audits.

Moreover, in line with our recognition of the importance of quality control and information security, we established the Quality Management Committee and the Information Security Committee within the Risk Management Committee. These committees take a professional, cross-divisional approach to reviewing risks as well as countermeasures, and report their response policies and deliberations to the Risk Management Committee three times each year.

For details on risk management related to ESG management, please refer to "2. Disclosure of Sustainability-Related Financial Information."

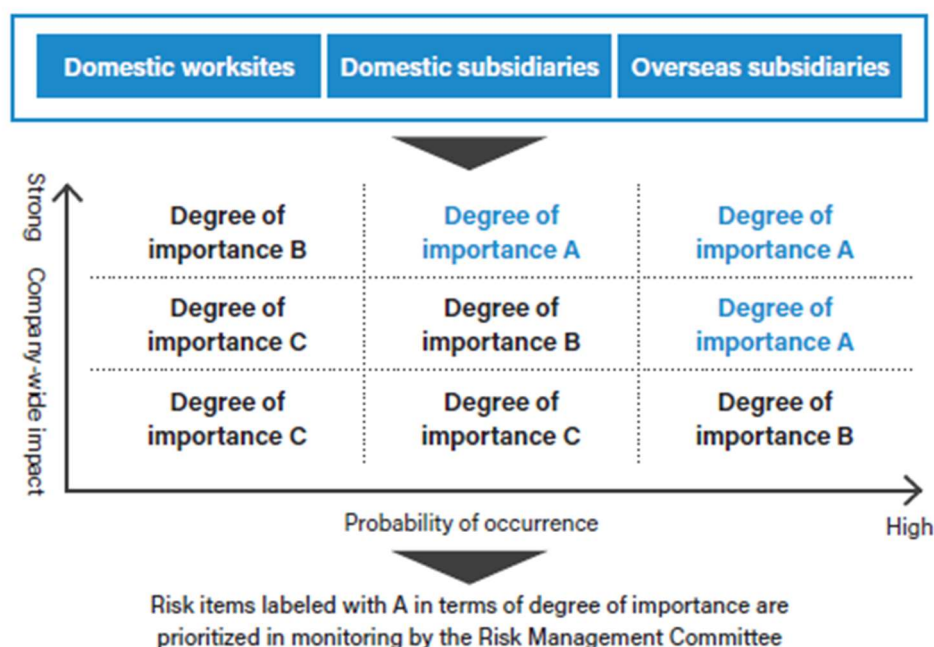
Risk Management System Diagram



◆ Risk Management Process

“Strategic risks” and “financial and market risks” identified by departments responsible for such risks at the Group companies are deliberated on by the Board of Directors and at Management Meetings, as well as by other bodies in conjunction with agenda items related to the Company’s overall business strategies, including its Mid-Term Management Plan, as well as discussions regarding individual projects. These bodies conduct risk evaluation and formulate countermeasures while exercising monitoring aimed at detecting an incident that could materially impact the Company’s business operations.

The Risk Management Committee identifies risk issues, especially those associated with operational risks and hazard risks, by drawing on findings from monitoring conducted in the preceding fiscal year over Group business bases in Japan and domestic and overseas subsidiaries as well as from interviews with each head office department. The Risk Management Committee then evaluates these risk issues to determine the probability of occurrence and degree of their impact on the Group, and based on this evaluation, a risk map is prepared to select material risk items. The departments and meeting bodies responsible for each important risk theme formulate a basic risk management plan at the beginning of each fiscal year, report on progress to the Risk Management Committee, and make improvements based on the opinions and advice offered by the committee, in this way using a PDCA cycle for risk management.



With regard to risk management for Group companies, we have clarified administrative departments charged with overall business management for each Group member as well as specialized departments charged with taking a cross-sectional approach to risk management in each field of specialty. Under this structure, we promote matrix-based risk management. To obtain risk information from sources across the Group, we also strive to develop a governance network that will, in turn, help strengthen check-and-balance functions provided by individuals responsible for general affairs at each domestic and overseas Group company and invigorate information sharing involving specialized departments at the head office. As for key business subsidiaries, we require them to acquire the approval of the Company or a resolution of the Board of Directors when they make decisions on the execution of businesses that involve a certain degree of importance. Furthermore, these key Group companies prepare risk maps similar to those prepared by the Company, with the aim of evaluating important risks. In order to understand risk recognition at these companies, the content of their risk maps is shared by and discussed at the Risk Management Committee.

If an incident that could impact the overall operations of the Company occurs, the head office administrative department reports to the Risk Management Committee in accordance with the Crisis Response Manual. As soon as such reports are delivered, the Risk Management Committee determines the crisis level of said incident based on standards set forth in the manual. When the incident is considered to entail a degree of seriousness that exceeds the crisis level threshold defined by the manual, the Crisis Countermeasure Headquarters will, upon judgment by the chairperson of the Risk Management Committee, be launched. The headquarters will act as a dedicated team responsible for preventing any additional fallout from the incident and developing a structure aimed at formulating specific countermeasures in order to ensure early resolution. In addition, crisis response drills are periodically conducted to verify the manual and improve its content.

◆Individual Risk

Among the items related to the sections of Overview of Business and Financial Information as stated in the annual securities report, the following are items that may have a significant impact on investor decisions.

These were judged as of the filing date.

Strategic risks/Financial and market risks

1. Risk related to changes in the housing and real estate market environment

Risk scenario

The Sekisui House Group is engaged in business activities centered on the provision of housing and real estate in Japan and overseas. Accordingly, the Group's business performance is highly susceptible to changes in personal consumption, interest rates, land prices, material prices, energy prices, transportation costs, and labor costs, housing-related government policies and taxation systems as well as rent prices that may fluctuate due to the aforementioned factors, along with economic trends. In addition, uncertainty in political, economic, and social conditions in each country may lead to changes in the business environment, and these factors could affect the Group's operating results.

Countermeasures

In Japan, to counter the risks described above, the Group pursues the flexible implementation of various measures aimed at adapting to changes in the market environment. To that end, meeting bodies led by heads of business headquarters and sales administration headquarters help ensure that all relevant individuals are on the same page about the status of progress in measures undertaken to counter market trends as well as issues identified in the course of frontline operations, while formulating fresh measures aligned with the evolving situation based on conclusions from their discussions. In addition, measures considered to be of particular importance are also discussed robustly at the Management Meetings.

We also maintain ongoing informational coordination between each overseas business base and the Company's head office to update the latter about the market environment and other conditions in countries in which we pursue business expansion. Based on input afforded by this coordination, specialized departments engage in market analysis and strategic planning.

2. Risk related to corporate acquisition and business reorganization

Risk scenario

Based on its strategies for domestic and overseas operations, the Group is expanding the scale of its business by, for example, acquiring corporations and businesses and reorganizing its corporate structure. However, if these measures fail to yield expected outcomes in the course of or following the execution of organizational integration procedures, or if profit arising from these measures falls short of the estimate due to unpredictable changes in the business environment, the Group's operating results and financial position could be materially affected by factors such as the recording of impairment losses on intangible assets including goodwill.

Countermeasures

When considering acquisition, reorganization and other similar measures, specialized departments conduct preliminary due diligence and stock price evaluation in collaboration with external experts in order to appropriately assess such matters as the corporate value of the potential acquiree and the feasibility of its business plans. To inform judgment on an acquisition, the potential deal is then discussed at Management Meetings and by the Board of Directors, as well as by other meeting bodies. Then, after an acquisition is completed, each specialized department promotes post-merger integration (PMI), the process of integrating management, operations, and organizations after an acquisition, to ensure that the acquired business is smoothly integrated into the Group while maximizing synergies. After the objective of the PMI is fulfilled, administrative departments take the lead in pursuing synergies as part of efforts to realize sustainable improvement in corporate value for the entire Group.

In April 2024, we acquired M.D.C. Holdings, Inc., a listed homebuilder in the United States, and promoted PMI aimed at integrating it with the existing U.S. Group homebuilders, while advancing the establishment of a business management framework and the integration of operational aspects such as strategies and systems. Currently, following the organizational restructuring and the company's name change to SEKISUI HOUSE U.S., Inc., business operations are conducted in cooperation with the head office.

3. Risk related to assets held by the Group

Risk scenario

The Sekisui House Group holds real estate for sale, non-current assets, investment securities and other business assets in Japan and overseas. The Group may record impairment losses or valuation losses in connection with these assets due to plunges in their market value or other reasons. Fluctuations in foreign exchange rates could also affect the value of these assets. The Group's operating results and financial position could therefore be impacted by changes in asset value.

In particular, real estate for sale may take a long time from acquisition to delivery, and it takes a certain amount of time to recover the investment. During the course of the project, there is a possibility that unexpected expenses may arise, or that the development schedule may be delayed or canceled due to changes in the real estate market, delays in obtaining permits and licenses, rises in materials prices and labor costs, natural disasters, or other unforeseen events.

Countermeasures

When the value of an investment project in Japan or overseas exceeds a certain amount, the Group carefully considers whether to invest by evaluating the business potential and risks of each project through the approval process at Sekisui House's head office, as well as deliberations at the Management Meetings and the Board of Directors. For projects that require a long time to recover the investment, the internal rate of return (IRR) is used as the key metric.

With regard to real estate, we endeavor to stably manage it by acquiring excellent properties and enhancing the asset turnover ratio. As for cross-shareholdings, we maintain a basic policy of restricting the volume of such shareholdings to a bare minimum level from the perspective of improving capital and asset efficiency. The appropriateness of such shareholdings is annually verified by the Board of Directors. At the same time, we strive for the phased reduction of cross-shareholdings under quantitative targets. To mitigate the impact of foreign exchange fluctuations, we utilize forward exchange contracts and other hedging procedures as necessary. In addition, we conduct periodic assessments of the risk of impairment or valuation losses associated with our asset holdings and ensure that the occurrence of such losses is properly accounted for as necessary.

4. Risk related to fundraising costs

Risk scenario

The Sekisui House Group procures funds through borrowings from financial institutions, the issuance of bonds and other measures. Fundraising costs may possibly increase upon the occurrence of such events as major fluctuations in market interest rates, turmoil in financial markets or the radical downgrading of the Company's ratings by rating agencies. This could, in turn, impact the Group's operating results and financial position.

Countermeasures

To address these risks, we focus on practicing financial discipline and maintaining our ratings at an appropriate level, with the aim of reducing fundraising costs. We also endeavor to mitigate interest rate fluctuation risks by pursuing the diversification of fundraising vehicles and the dispersion of their maturities.

5. Risk related to retirement benefit obligations

Risk scenario

Retirement benefit obligations and expenses associated with the Sekisui House Group employees are calculated based on such actuarial assumptions as the discount rate and expected return on pension assets. If these assumptions are revised, or if actual conditions differ widely from such assumptions, the Group's operating results and financial position could be materially affected.

Countermeasures

The Group periodically verifies and reviews its estimates on retirement benefit obligations based on the past track record. Taking heed of advice from external consultants, the Group engages in pension asset management via dispersed investment encompassing multiple asset classes with differing risk-return characteristics and employing diverse asset management styles. Moreover, the effectiveness of this dispersed investment is evaluated via the periodic risk-return analysis targeting the

Group's pension assets as a whole. Having announced the adoption of the Stewardship Code in the area of corporate pension fund management, the Group is stepping up its monitoring of asset managers. In addition, the Asset Management Committee, which serves as a consultative body specialized in this area, holds periodic discussions regarding the market environment, asset management status and other topics.

Operational risks, hazard risks

1. Risk related to laws and regulations

Risk scenario

In Japan, the Group obtains permits and licenses based on major laws and regulations such as the Real Estate Brokerage Act, the Construction Business Act, the Act on Architects and Building Engineers, and the Housing Quality Assurance Act. At the same time, we conduct business activities based on administrative regulations, as well as laws and other regulations related to construction, labor, the environment and other matters involved in executing business. Our overseas operations are similarly subject to laws and regulations enforced in each country. Violation of laws and regulations related to construction in particular could incur significant expenses for remediation or administrative sanctions, such as suspension of business that could affect the Group's business performance.

Countermeasures

In the domestic contracting business, measures to prevent compliance violations include a legal and regulatory check system to verify mistakes and omissions of procedures for design, according to the Building Standard Law, and we have structured a double check system for business bases and the head office to prevent the occurrence of mistakes for type approval. In addition, to ensure the effective assignment of full-time supervising technicians under the Construction Business Act, we check their assignment status and continue to secure qualified personnel and improve their skills.

Overseas, we continuously monitor trends in local laws and regulations and establish a system that enables prompt responses to regulatory revisions through coordination with local legal departments and external experts.

Also, each specialized department is engaged in information gathering and analysis to stay up-to-date with the latest trends in legal regulations in Japan and overseas and, if necessary, relays its insight to relevant departments within the Group in order to support an appropriate response to such trends.

2. Risk related to quality control

Risk scenario

The Group takes all possible measures to ensure the quality of design, production and construction. It also implements a long-term warranty system and regular inspection service for our detached houses and multi-unit buildings, which are our core products. If serious quality problems occur due to unexpected human errors or other factors during our long support period, substantial costs could be incurred or the reputation of the Group could be severely damaged, which may affect the business performance of the Group.

Countermeasures

In Japan, the Quality Management Committee within the Risk Management Committee promotes unified quality management as an organization that brings together five study groups for products, design, production, construction, and customer satisfaction. In particular, the Quality Management Committee helps prevent construction quality defects through improvements to the quality control priorities that are based on the annual construction quality management plan formulated at the beginning of each fiscal year. This committee also deliberates the verification of product safety, verifications related to inspections and quality at production sites, compliance with laws and regulations, and the enhancement of customer services while delivering periodic reports on the status of its discussions to the Risk Management Committee.

Overseas, in the U.S. homebuilding business, we are also strengthening and standardizing the quality management framework with the aim of realizing Sekisui House quality. To improve design quality, construction quality, and component quality, the number of engineers dispatched from Japan to each location has been increased, and local sites and the head office are collaborating to address these matters.

3. Risk related to the decline in the number of construction professionals

Risk scenario

In the domestic construction industry, the aging of construction professionals and the decline in the number of young workers have been progressing, and the securing of a stable workforce has become an issue. In addition, in the construction industries

of the United States and Australia, where the Group operates its overseas business, it continues to be difficult to secure human resources due to the aging of construction professionals, the decline in the number of young workers, and immigration restrictions, in addition to competition for acquiring a workforce. Under these circumstances, if we are unable to secure a sufficient number of construction professionals and find it difficult to maintain the construction system, there is a possibility that the Group's business performance will be affected mainly due to delays in the start of construction of ordered properties, prolonged construction periods, and soaring labor costs.

Countermeasures

We maintain a responsible construction system through the Sekisui House Association, consisting of Sekisui House Construction companies, which are our Group companies, and partner building contractors, and intend to maintain a construction environment that provides high construction quality and fosters the development of construction techniques. In addition, aiming to ensure construction expertise, we are taking a multi-faceted approach, including securing and equalizing the amount of work, improving worksite productivity through the promotion of DX, actively training construction professionals, and communicating the attractiveness of work. Furthermore, Sekisui House Construction companies are working to recruit and develop skilled housing technicians, known as "crafters," primarily targeting graduating high school students, while also reviewing compensation systems and HR policies.

Overseas, we are promoting labor-saving through standardization, while dispatching engineers from Japan, and promoting the transfer of Sekisui House technologies. In the United States, where the homebuilding business is expanding, we are working to strengthen relationships with partner companies through the integration and reorganization of Group companies to ensure stable construction capabilities. At the same time, by leveraging scale merits resulting from business expansion and utilizing digital technologies, we are optimizing construction planning and workforce allocation to enable efficient use of construction professionals and leveling of construction capacity.

4. Risk related to information security

Risk scenario

The Group faces the risk that infection by computer viruses and advanced cyberattacks could allow personal information and confidential information to leak or be tampered with, or cause system shutdowns. If such incidents occur, they could result in the incurrence of costs associated with customer responses and system restoration, loss of business opportunities, and a decline in trust from customers and the market, which could affect the Group's business performance.

Countermeasures

The Group formulates and implements information security measures, centered on the Information Security Committee, established under the Risk Management Committee, based on the Information Security Policy and internal regulations regarding the management of confidential information. We have established defense lines based on internal controls and are strengthening our internal system while conducting regular security assessments by external organizations to continuously improve our governance structure.

We also strive to raise IT literacy among employees by implementing drills on targeted email attacks, information security training, and information security audits. Regarding the protection of personal information, we manage customer information in accordance with the Sekisui House, Ltd. Information Security Policy, with each organizational unit assigning a manager responsible for handling personal information, and promoting the thorough implementation of safety measures. At the same time, through continuous e-learning for all employees, we raise awareness of the roles and responsibilities of each employee regarding the protection of personal information.

From a technical perspective, we strengthen our systems for controlling internal and external access to prevent computer viruses, cyberattacks, and the leakage or tampering of information. Moreover, the CSIRT is in place within the Information Security Systems Office of the IT Design Department to serve as a dedicated team to counter security incidents. To raise our incident response capabilities, we periodically implement drills in which each department participates. Furthermore, the Information Security Promotion Subcommittee is established under the Information Security Committee, striving to raise security awareness from senior management to employees while ensuring the thorough implementation of security measures.

At our overseas subsidiaries as well, we are strengthening information security measures under unified rules and guidelines. In addition to striving to raise the IT literacy of local employees through multilingual education programs and drills on targeted email attacks, we are also promoting the establishment of an IT governance system and improvement activities through on-site surveys and web conferences. We also periodically conduct maturity assessments for each base, and implement continuous improvements based on the evaluation results.

5. Risk related to accident in the course of construction work

Risk scenario

At construction sites, accidents could occur due to flaws in operational environment, procedures and methods. If such accidents involve fatalities or other serious consequences, the Company may be held liable for resulting damages and thus lose society's trust, in addition to being affected by the suspension of construction work or the prolongation of the construction period.

Countermeasures

In Japan, to prevent the occurrence of accidents at construction sites, each organizational unit holds health and safety committee meetings to implement periodic inspections of accident prevention measures, conduct safety patrols, examine actual cases of accidents, formulate fresh measures aimed at preventing recurrences and promote other activities. In addition, the Division of Technology and Production cooperates to improve the work environment by setting up and maintaining unique safety temporary materials, etc. A particular emphasis at construction sites is creating a safe and secure work environment based on the annual Company-wide construction health and safety plan formulated at the beginning of each fiscal year. Under the direction of the Construction Headquarters at the head office, we also endeavor to reduce high-frequency accidents with serious consequences through such counter-measures as sharing case studies to prevent similar accidents, and strengthening guidance on compliance with operational methods and worksite confirmation systems through the promotion of DX.

In the U.S. business as well, we have established safety committees and strengthened employee training to continuously share information on site supervision and accident cases and to examine improvement measures. We also work to identify risks at an early stage through objective evaluations by third-party inspection organizations.

6. Risk related to labor management

Risk scenario

Long working hours for employees can lead to non-compliance with various labor-related laws, the violation of the "Article 36 Agreement" and other agreements between the Company and the labor union, as well as the development of health problems, including mental illness, which occasionally lead to extended leaves of absence. In some cases, this could also result in labor disputes.

Countermeasures

To curb total working hours, each department has set its target for monthly average total working hours per employee, while each organizational unit strives to improve workstyles. In addition, we promote Group-wide initiatives aimed at enabling the planned utilization of annual paid leave as part of efforts to create a workplace environment supportive of autonomous workstyles. Moreover, we have made it a rule to confirm the status of work at each organizational unit. In addition, the Human Resources and General Affairs Department promotes effective labor management by implementing monitoring and labor management training as necessary.

Overseas as well, we have established labor management systems that comply with local labor-related laws and regulations and strive to ensure appropriate labor management.

7. Risk related to suspension of raw material supply

Risk scenario

If the Group's suppliers sustain damage from a major natural disaster or social disorder (war, infectious disease pandemic,

cyberattacks, geopolitical risk, etc.), the Group may be forced to suspend construction underway and delay the contracted construction period as these phenomena could make it difficult for them to maintain the supply of materials. The Group could be confronted by similar consequences when the procurement of raw materials is outpaced by growth in the volume of orders.

Countermeasures

To counter these risks, the Sekisui House Group promotes preparatory measures from three aspects described below, assuming such scenarios as a major disaster and the resulting disruption of supply from a certain supplier, and an order volume increase.

- Supply chain: We strive to secure multiple lineups of components, utilize multiple suppliers and establish multiple production bases while strengthening our domestic supply bases. We have also established a system for sharing information on orders and supplies with each department.
- Specifications: We promote a shift to materials that are readily available. For example, we incorporate components made using general-purpose materials. We also endeavor to revise product specifications to ease material procurement.
- Information: We develop a supplier database to secure a structure supporting swift response to emergencies.

Furthermore, we have created a risk map based on analyses of risks associated with raw material procurement and their magnitude in order to strengthen specific risk countermeasures, with the aim of clarifying targets of risk management activities. This map also helps employees to raise their risk awareness. In addition, we ask our suppliers to raise their awareness and strengthen their own supply chains through security study sessions and self-assessments. This, in turn, makes our entire supply chain more resilient, with a growing number of suppliers striving to secure their preparedness against emergencies.

8. Risk related to large scale natural disasters, etc.

Risk scenario

Delays in the initial response due to unclear response plans during large scale natural disasters, infectious disease pandemics or other emergencies could impair business continuity at our locations. This could, in turn, affect the Group's business performance.

Countermeasures

The Group has developed "BCP documentation" based on the Sekisui House Group Basic Policy Concerning Business Continuity Planning, designed to ensure that our core operations remain ongoing in the face of an emergency impacting business continuity, or can be restored at the earliest possible date even when suspended. If business operations at the head office become difficult to continue, we will maintain critical operations by utilizing alternative locations (Tokyo site: Akasaka, Minato-ku, Tokyo) and a telework environment.

In preparation for large-scale natural disasters and other emergencies, the Group has established the Sekisui House Group Basic Policy Concerning Disaster Countermeasures, and each organizational unit has developed a Disaster Countermeasures Manual to facilitate information gathering and ensure safety at business sites in the event of a disaster. In addition, we have developed an Initial Response Manual and a Disaster Countermeasure Headquarters Operation Manual, which stipulate the establishment of the Disaster Countermeasure Headquarters and the chain of command, thereby enabling a prompt initial response.

Overseas as well, we are promoting the development of business continuity plans and the strengthening of disaster response systems. Placing the highest priority on ensuring the safety of employees, we strive to minimize human casualties in the event of a disaster through the establishment of emergency contact systems and the implementation of evacuation drills. We are also building a system that enables the early restoration of business operations and the continuous provision of services even in the event of large-scale natural disasters or other emergencies.

* Risk related to climate change, risk related to natural capital and biodiversity, risk related to human capital, and risk related to respect for human rights, which are related to sustainability, are described in "2. Disclosure of Sustainability-Related Financial Information."

4. Management Analysis of Financial Position, Operating Results and Cash Flows

(1) Overview of operating results, etc.

The following is an overview of the financial position, operating results and cash flows (hereinafter, “operating results, etc.”) of the Group for the fiscal year ended January 31, 2026.

i. Financial position and operating results

During the fiscal year under review, the outlook for the global economy became increasingly uncertain due to factors including developments surrounding the tariff policies of the United States. This, together with persistent geopolitical risks, made it necessary to continue to closely monitor the price situation, as influenced by the monetary and trade policies of various countries, as well as fluctuations in international financial and capital markets. In Japan, while it was necessary to keep in mind the risk of a downturn in business conditions due to factors such as the impact of the tariff policies of the United States, and although an impact on consumer sentiment was seen due to price hikes and other factors, the Japanese economy showed signs of a pickup in personal consumption, supported by ongoing improvements in the employment and income environment.

In Japan’s housing market, despite indications of a rush in demand in anticipation of the revision of the Building Energy Efficiency Act, the number of new housing starts of owner-occupied houses and rental houses weakened, partly due to a pullback from the rush in demand and the impact of soaring construction costs. On the other hand, in the United States, although there remains strong latent demand for new housing against the backdrop of a chronic shortage of housing supply, new housing starts lacked confidence due to rising construction costs and other factors in addition to a slowdown in demand caused by customers continuing to take a wait-and-see attitude because of the uncertain outlook from factors such as falling mortgage rates and tariff policies.

In such a business environment, to achieve the Group’s Global Vision for 2050 “Make Home the Happiest Place in the World,” we have actively promoted various high-value-added proposals and other initiatives that integrate technologies, lifestyle design and service, based on the Sixth Mid-Term Management Plan (FY2023 to FY2025), which sets “Stable Growth in Japan and Proactive Growth Overseas” as its fundamental policy.

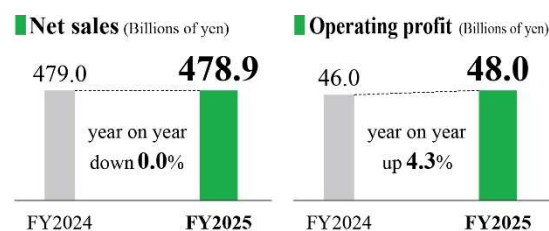
In the fiscal year ended January 31, 2026, which is the final year of the Sixth Mid-Term Management Plan (FY2023 to FY2025), consolidated orders received were ¥4,247,762 million (up 4.8% year on year), and consolidated net sales were ¥4,197,922 million (up 3.4% year on year).

In terms of profits, consolidated operating profit was ¥341,402 million (up 3.0% year on year), consolidated ordinary profit was ¥327,800 million (up 8.7% year on year), and profit attributable to owners of parent was ¥232,095 million (up 6.6% year on year).

In addition, results over the three years of the Sixth Mid-Term Management Plan exceeded the plan formulated at the time of its establishment.

Net sales		Operating profit	
75th FY2025	¥4,197,922 million	75th FY2025	¥341,402 million
	Up 3.4% year on year 		Up 3.0% year on year 
74th FY2024	¥4,058,583 million	74th FY2024	¥331,366 million
Ordinary profit		Profit attributable to owners of parent	
75th FY2025	¥327,800 million	75th FY2025	¥232,095 million
	Up 8.7% year on year 		Up 6.6% year on year 
74th FY2024	¥301,627 million	74th FY2024	¥217,705 million

The operating results by segment are as follows.



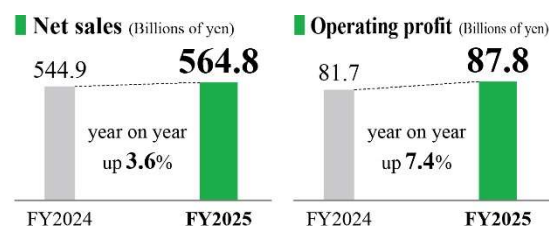
The Custom Detached Houses Business recorded net sales of ¥478,952 million (down 0.0% year on year), and operating profit of ¥48,035 million (up 4.3% year on year), for the fiscal year ended January 31, 2026.

We worked on initiatives such as utilizing “life knit design,” a system for proposing designs that reflect each customer’s sense of beauty in housing, enhancing proposal capabilities through Group cooperation, and strengthening our production system on a house-by-house basis that extends from production to shipment. Our efforts were also boosted by Japanese government measures such as the Green Housing for Child-rearing Support Project. As a result, orders remained steady.

As part of our strategy by price range, we focused on expanding the sale of mid- to high-end products, including integrated proposals combining land and 2nd-range products, as well as branding initiatives for 3rd-range products led by our DESIGN OFFICE team. In 1st-range products, we have contributed to the creation of high-quality housing stock in Japan by actively promoting the SI*¹ Business, a joint construction business where the Group companies undertake the construction of the foundations and structural frame-work of wooden houses built by partner companies. Through proposals for high-value-added houses and services such as “Green First ZERO” net zero energy houses (ZEH), which achieved a record-high 96% ratio of detached ZEH homes*² in FY2024, the Family Suite large living room, “PLATFORM HOUSE touch” smart home service linked to floor plans, and furniture and interior design, we promoted the enhancement of the custom detached housing brand.

*1 SI: “S” refers to skeleton or structural frame-work and “I” refers to infill or exterior and interior.

*2 Ratio of detached homes ZEH: This indicator shows the portion of custom detached houses (excluding contracted and for-sale housing in Hokkaido) that the Company built during the fiscal year that were ZEH (Net Zero Energy House). Period was from April 1, 2024 to March 31, 2025.

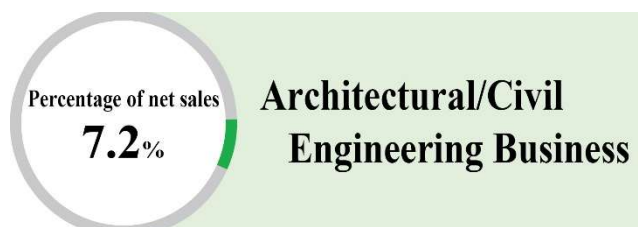


The Rental Housing and Commercial Buildings Business recorded net sales of ¥564,813 million (up 3.6% year on year), and operating profit of ¥87,826 million (up 7.4% year on year), for the fiscal year ended January 31, 2026.

We promoted business expansion in strategically chosen urban areas (S and A areas) where occupancy demand is expected to increase over the long term, and within these areas, especially in highly convenient areas proximate to stations (S areas), we focused on expanding the sale of three- to four-story rental housing builds created using our original construction method and adoption of net zero energy rental housing Sha Maison ZEH. Through our price leader strategies based on these area marketing initiatives and proposals for long-term stable management backed by high occupancy rates and rent levels, orders for rental housing remained solid. In particular, in Sha Maison ZEH, residents appreciate being able to realize the benefits of savings in utility costs thanks to systems in which photovoltaic panels are connected to each unit so that residents can sell their own electricity individually. This has led to high occupancy rates. As a result, the proportion of orders for ZEH residential units across all of our rental

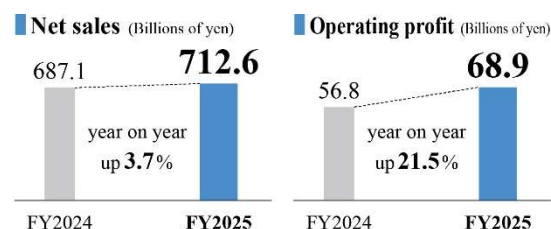
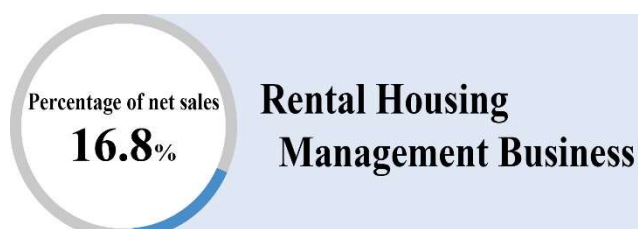
housing orders reached 77%.

Orders in corporate and public real estate (CRE and PRE) businesses also remained strong due to the enhancement of proposals for ESG solutions and strengthened efforts to address corporate business succession needs. We promoted the enhancement of proposals in non-residential construction such as “Green First Office” zero energy building (ZEB), which leverages our expertise and technologies developed in the custom detached houses business for office spaces, etc.



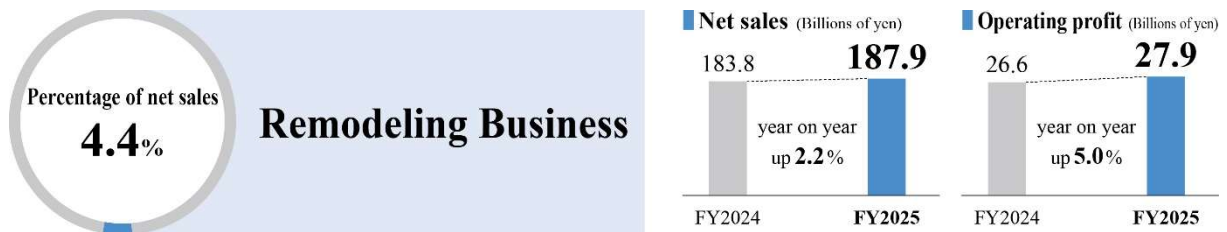
The Architectural/Civil Engineering Business recorded net sales of ¥302,293 million (down 7.0% year on year), and operating profit of ¥22,049 million (up 44.9% year on year), for the fiscal year ended January 31, 2026.

Both architectural and civil engineering businesses saw improved profitability due to solid progress in large-scale construction projects and the acquisition of additional and modified projects, etc. In the architectural business, especially, profitability improved for large-scale government buildings, in addition to the progress in passing on soaring materials costs and rising personnel expenses in order prices. The environment for order volumes also remained favorable and orders were strong for large-scale government buildings in the architectural business and private-sector projects in the civil engineering business.



The Rental Housing Management Business recorded net sales of ¥712,621 million (up 3.7% year on year), and operating profit of ¥68,996 million (up 21.5% year on year), for the fiscal year ended January 31, 2026.

The number of housing units under management increased due to continued orders for Sha Maison rental housing supplied in prime locations, mainly in the S and A areas, as well as progress in establishing systems to enable the provision of more detailed services to owners and residents by Sekisui House Sha Maison PM companies, which began offering its services this fiscal year as group companies specializing in the rental business. For existing managed properties, we are maintaining a high occupancy rate through strategic leasing activities aimed at shortening the duration of vacancies, such as the time required for restoration work after move-outs and the period between new applications and actual move-ins. At the same time, we are focusing on increasing the rent by implementing value-enhancing renovations and other measures at the time of tenant change. We also worked to enhance customer satisfaction and the “Sha Maison” brand value by promoting DX, including one-stop handling of move-in and move-out procedures using apps and blockchain technology, as well as expanding post-move-in troubleshooting services, etc.



The Remodeling Business recorded net sales of ¥187,958 million (up 2.2% year on year), and operating profit of ¥27,966 million (up 5.0% year on year), for the fiscal year ended January 31, 2026.

In the custom detached houses business, Sekisui House Support Plus, Ltd., which is responsible for the Group's after-sale service business, began offering its services this fiscal year. This has further strengthened collaboration within the Group and improved communication with owners. In particular, we strengthened our large-scale renovation proposals incorporating the "life knit design" concept in lifestyle proposal remodeling that meets changes in family structure and lifestyles. We also strengthened our proposals for environment friendly remodeling, such as insulation renovations and the introduction of the latest energy-saving, energy-generating, and energy-storing equipment, by utilizing government and other subsidies. These efforts focused on Idocoro Dan-netsu thermal insulation upgrades, which target the areas of the home where customers spend the most time, as well as insulation improvements around doors and windows. For rental housing, we focus on conducting market analysis by area, layout, and building age, and on providing proposals for full renovations, such as layout alterations, which contribute to enhancing owners' asset value. As a result of these efforts, overall orders in our remodeling business remained strong.

Development Business

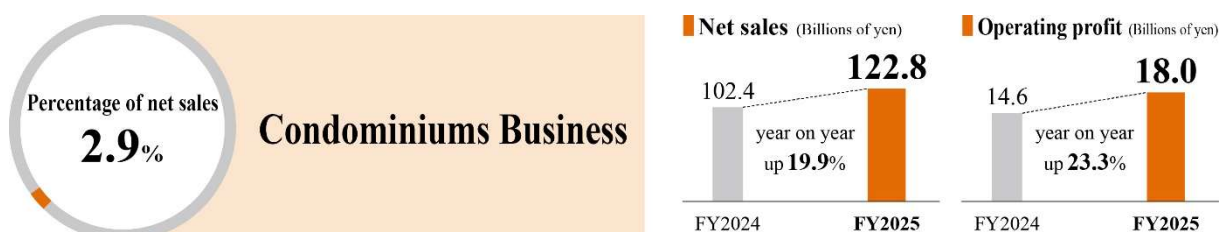
The Development Business recorded net sales of ¥681,989 million (up 17.1% year on year), and operating profit of ¥94,970 million (up 35.1% year on year), for the fiscal year ended January 31, 2026. The operating results of the Real Estate and Brokerage Business, the Condominiums Business, and the Urban Redevelopment Business integrated into the Development Business were as follows.



The Real Estate and Brokerage Business recorded net sales of ¥394,509 million (up 10.8% year on year), and operating profit of ¥30,915 million (up 6.7% year on year), for the fiscal year ended January 31, 2026.

In particular, at Sekisui House Real Estate, Ltd., which began offering its services this fiscal year as a group company specializing in the real estate and brokerage business, the integration of the business, aiming to become “the top regional real estate company specializing in housing,” which had been divided among six companies until the previous fiscal year, into a single entity led to the development of an enhanced organizational structure that enabled faster sharing of information and issues necessary to strengthen the purchase of high-quality real estate for sale and the development of sales channels. In the real estate business, the sale of real estate for sale, particularly land for housing, progressed solidly as a result of efforts to expand and deepen channels for inquiries from business corporations, financial institutions, and other organizations.

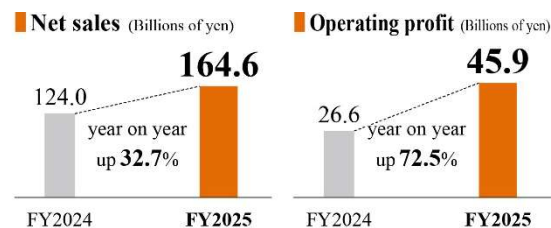
The brokerage business also remained steady through the use of the Group’s nationwide network and diverse sales channels, in addition to collaboration within the Group.



The Condominiums Business recorded net sales of ¥122,844 million (up 19.9% year on year), and operating profit of ¥18,062 million (up 23.3% year on year), for the fiscal year ended January 31, 2026.

The delivery of properties sold progressed as planned, with smooth progress in the delivery of Grande Maison Musashi-kosugi no Mori (Nakahara-ku, Kawasaki City) and Grande Maison Fukuoka The Central Luxe (Chuo-ku, Fukuoka City).

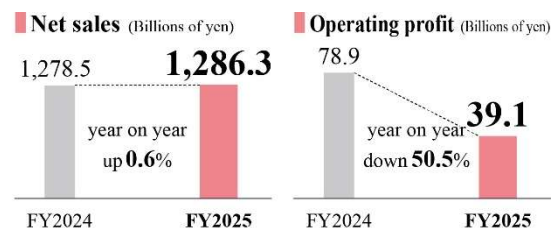
For the Grande Maison condominiums, stable demand has continued, supported by our focus on and intensive development in the central areas of Tokyo, Nagoya, Osaka, and Fukuoka. In addition, we adopted ZEH specifications for all units to contribute to the decarbonization of the residential sector, and steadily accumulated achievements in obtaining “Long-Life Quality Housing” certifications, as part of our efforts to prolong the longevity of buildings. Furthermore, we formulated plans that make the most of the attractiveness of each rental housing property, and sequentially opened GM BASE as information hubs rooted in each strategic area. Through these efforts, the presence of Grande Maison has been steadily advancing. These efforts proved effective, and the sale of Grande Maison One Ohori Park (Chuo-ku, Fukuoka City) and Grande Maison THE Shirokanedai (Minato-ku, Tokyo), among others, remained strong.



The Urban Redevelopment Business recorded net sales of ¥164,634 million (up 32.7% year on year), and operating profit of ¥45,992 million (up 72.5% year on year), for the fiscal year ended January 31, 2026.

As our strategy of focusing on the central areas of Tokyo, Nagoya, Osaka, and Fukuoka as areas for urban development proved effective, and under the resulting favorable sales environment, the sale of several properties, including our ownership interest in large-scale properties, progressed beyond the plan. Furthermore, the occupancy rate remained steady for Prime Maison and other properties that we continue to own.

In addition, special purpose companies in which we have a partial equity interest completed delivery of real estate holdings, from which we recorded a share of profit of entities accounted for using equity method.

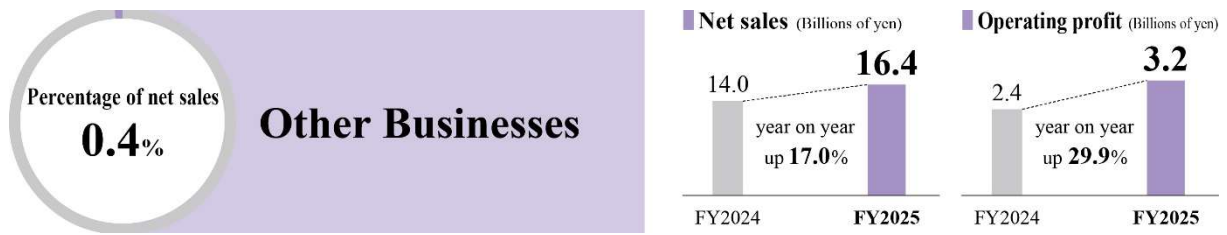


The Overseas Business recorded net sales of ¥1,286,358 million (up 0.6% year on year), and operating profit of ¥39,102 million (down 50.5% year on year), for the fiscal year ended January 31, 2026.

In our U.S. homebuilding business, although the performance of M.D.C. Holdings, Inc.*, which we acquired in April 2024, contributed from the beginning of the current fiscal year, we increased incentives as customers continued to take a wait-and-see attitude due to uncertainty over the outlook for the U.S. economy, and our profit decreased together with the recording of a loss on valuation of inventory assets, etc., resulting in decreased operating profit. In our U.S. master-planned community business, newly acquired properties contributed to earnings, and performed steadily. In our U.S. multifamily business, we completed the additional sale of “City Ridge” (Washington D.C.) to SPCs organized by Sekisui House Reit, Inc., as well as the delivery of the “San Diego Court House Middle Wing” (San Diego).

In Australia, deliveries of the “Orchards Lumia Wing,” “Sanctuary Laguna Wing and Glade Wing,” “Melrose Park Village Wing” in Sydney, and the “West Village Allere Wing” in Brisbane progressed.

* In September 2025, the business name of “M.D.C. Holdings, Inc.” was changed to “SEKISUI HOUSE U.S., Inc.”



Other Businesses recorded net sales of ¥16,451 million (up 17.0% year on year), and operating profit of ¥3,203 million (up 29.9% year on year), for the fiscal year ended January 31, 2026.

ii. Cash flows

Cash and cash equivalents (hereafter as “cash”) for the fiscal year ended January 31, 2026 increased by ¥216,325 million from operating activities, and decreased by ¥73,172 million from investing activities and ¥93,255 million from financing activities. As a result, cash increased by ¥44,618 million compared to the end of the previous fiscal year, and the balance of cash as of January 31, 2026 was ¥434,925 million.

Cash flows from operating activities

Net cash provided by operating activities was ¥216,325 million (an increase of ¥153,440 million year on year). Cash increased mainly due to the recording of profit before income taxes of ¥338,737 million.

Cash flows from investing activities

Net cash used in investing activities was ¥73,172 million (an increase of ¥624,514 million year on year). Cash decreased mainly due to the purchase of property, plant and equipment of ¥66,930 million (an increase of ¥9,763 million year on year).

Cash flows from financing activities

Net cash used in financing activities was ¥93,255 million (a decrease of ¥814,222 million year on year). Cash decreased mainly due to dividends paid of ¥92,712 million (a decrease of ¥9,743 million year on year).

iii. Production, orders received and sales

(a) Production

The business activities of the Group (the Company and its consolidated subsidiaries) are diverse, and since it is difficult to define production results, “Production” is not stated.

(b) Orders received

Orders received by reportable segment in the fiscal year ended January 31, 2026 were as follows.

Reportable segment	Orders received		Order backlogs	
	Amount (Millions of yen)	Year-on-year change (%)	Amount (Millions of yen)	Year-on-year change (%)
Custom Detached Houses Business	481,599	0.5	232,665	1.2
Rental Housing and Commercial Buildings Business	608,715	2.8	607,789	7.8
Architectural/Civil Engineering Business	318,248	(2.0)	416,960	4.0
Rental Housing Management Business	712,621	3.7	—	—
Remodeling Business	193,137	3.8	41,929	14.1
Development Business	703,862	10.5	228,820	10.6
(Real Estate and Brokerage Business)	411,127	11.8	88,994	23.0
(Condominiums Business)	116,136	(14.7)	115,863	(5.5)
(Urban Redevelopment Business)	176,597	32.3	23,963	99.7
Overseas Business	1,243,387	6.1	295,099	(12.7)
Total of reportable segments	4,261,573	4.5	1,823,265	2.6
Other	16,444	17.4	1,030	(0.7)
Eliminations and back office	(30,255)	—	(19,878)	—
Total	4,247,762	4.8	1,804,417	2.8

(c) Sales

Sales by reportable segment in the fiscal year ended January 31, 2026 were as follows.

Reportable segment	Amount (Millions of yen)	Year-on-year change (%)
Custom Detached Houses Business	478,952	(0.0)
Rental Housing and Commercial Buildings Business	564,813	3.6
Architectural/Civil Engineering Business	302,293	(7.0)
Rental Housing Management Business	712,621	3.7
Remodeling Business	187,958	2.2
Development Business	681,989	17.1
(Real Estate and Brokerage Business)	394,509	10.8
(Condominiums Business)	122,844	19.9
(Urban Redevelopment Business)	164,634	32.7
Overseas Business	1,286,358	0.6
Total of reportable segments	4,214,987	3.3
Other	16,451	17.0
Eliminations and back office	(33,516)	—
Total	4,197,922	3.4

(Note) Sales results by major customer have been omitted since the percentage of the relevant sales results to total sales results was less than 10/100.

(Reference) The status of orders received, net sales, and orders brought/carried forward for each business of the reporting company was as follows.

Fiscal year	Business name	Orders brought forward from the previous fiscal year (Millions of yen)	Orders received for the fiscal year ended January 31, 2026 (Millions of yen)	Total (Millions of yen)	Net sales for the fiscal year ended January 31, 2026 (Millions of yen)	Orders carried forward to the following fiscal year (Millions of yen)
						Amount on hand
74th From February 1, 2024 to January 31, 2025	Housing built to order business	731,870	1,071,055	1,802,926	1,016,650	786,275
	Real estate business	112,402	338,017	450,419	295,522	154,897
	Total	844,272	1,409,073	2,253,346	1,312,172	941,173
75th From February 1, 2025 to January 31, 2026	Housing built to order business	786,275	1,073,688	1,859,964	1,027,880	832,084
	Real estate business	154,897	375,597	530,495	369,341	161,154
	Total	941,173	1,449,286	2,390,460	1,397,221	993,238

- (Notes) 1. For orders received prior to the previous fiscal year whose contract amount has changed due to renewal of the contract, the increase or decrease amounts are included in “Orders received for the fiscal year ended January 31, 2026” and “Net sales for the fiscal year ended January 31, 2026.”
2. In the statement of income, the housing built to order business is shown as “Net sales of completed construction contracts” and the real estate business is shown as “Sales in real estate business.”

(2) Analysis and review of operating results, etc., from the perspective of management

The following is a recognition, analysis and review of the Group's operating results, etc. from the perspective of management.

i. Operating results

Consolidated net sales for the fiscal year ended January 31, 2026 increased by ¥139,339 million year on year to ¥4,197,922 million (up 3.4% year on year), as a result of increased net sales in the Supplied Housing Business and the Development Business in the domestic business.

Consolidated operating profit increased by ¥10,036 million year on year to ¥341,402 million (up 3.0% year on year) due to an increase in profit in the Development Business driven by steady sales of real estate for sale, and an increase in profit due to improved profit margins in the Built-to-Order Business and the Supplied Housing Business, although profit decreased in the Overseas Business due to the impact of the severe business environment surrounding the U.S. homebuilding business, etc.

Consolidated ordinary profit increased by ¥26,172 million year on year to ¥327,800 million (up 8.7% year on year) mainly due to the recording of share of profit of entities accounted for using equity method, etc., in addition to the increase in consolidated operating profit.

Profit attributable to owners of parent increased by ¥14,390 million year on year to ¥232,095 million (up 6.6% year on year), mainly because extraordinary losses decreased by ¥18,878 million due to the absence of acquisition-related expenses for M.D.C. Holdings, Inc. recorded in the previous fiscal year, although extraordinary income decreased by ¥11,899 million due to a decrease in gain on sale of investment securities associated with the sale of cross-shareholdings.

(Reference) Consolidated net sales and consolidated operating profit by business model and segment are as follows.

		Net sales			Operating profit		
		FY2024	FY2025	Year-on-year change (%)	FY2024	FY2025	Year-on-year change (%)
		Amount (Millions of yen)	Amount (Millions of yen)		Amount (Millions of yen)	Amount (Millions of yen)	
Built-to-Order Business	Custom Detached Houses Business	479,091	478,952	(0.0)	46,069	48,035	4.3
	Rental Housing and Commercial Buildings Business	544,934	564,813	3.6	81,796	87,826	7.4
	Architectural/Civil Engineering Business	325,024	302,293	(7.0)	15,218	22,049	44.9
	Subtotal	1,349,050	1,346,059	(0.2)	143,084	157,911	10.4
Supplied Housing Business	Rental Housing Management Business	687,119	712,621	3.7	56,804	68,996	21.5
	Remodeling Business	183,868	187,958	2.2	26,624	27,966	5.0
	Subtotal	870,988	900,580	3.4	83,429	96,962	16.2
Development Business	Real Estate and Brokerage Business	356,060	394,509	10.8	28,971	30,915	6.7
	Condominiums Business	102,494	122,844	19.9	14,648	18,062	23.3
	Urban Redevelopment Business	124,021	164,634	32.7	26,665	45,992	72.5
	Total of Development Business	582,576	681,989	17.1	70,285	94,970	35.1
Overseas Business		1,278,511	1,286,358	0.6	78,945	39,102	(50.5)
Other		14,066	16,451	17.0	2,466	3,203	29.9
Eliminations and back office		(36,610)	(33,516)	—	(46,844)	(50,747)	—
Consolidated		4,058,583	4,197,922	3.4	331,366	341,402	3.0

ii. Financial position

Assets, liabilities and net assets

Total assets as of January 31, 2026 increased by 4.1% year on year to ¥5,006,637 million. Current assets increased to ¥3,907,449 million (up 5.3% year on year) due to an increase in real estate for sale. Non-current assets increased to ¥1,099,188 million (up 0.2% year on year) mainly due to an increase in retirement benefit asset.

Total liabilities as of January 31, 2026 increased by 1.0% year on year to ¥2,818,400 million mainly due to an increase in income taxes payable and interest-bearing debt.

Net assets increased to ¥2,188,237 million (up 8.4% year on year) mainly due to an increase in retained earnings through the recording of profit attributable to owners of parent of ¥232,095 million.

iii. Cash flows

An analysis of cash flows for the fiscal year ended January 31, 2026 is as described in “(1) Overview of operating results, etc., ii. Cash flows.”

iv. Financial resources for capital and liquidity of funds

The Group mainly requires funds for working capital as well as for investments such as the acquisition and development of real estate (including inventories).

To meet these fund requirements, working capital comes from internal funds, borrowings or commercial paper, while funds for investment are mainly raised through bonds payable and borrowings. Regarding commercial paper, we increased the issuance limit from ¥150.0 billion to ¥250.0 billion in April 2025 for the purpose of expanding flexible funding methods.

We have also entered into commitment line contracts and overdraft contracts with multiple financial institutions, thereby ensuring sufficient liquidity of funds.

Furthermore, permanent financing for the acquisition of M.D.C. Holdings, Inc. was completed in February 2025. In connection with this permanent financing, by selecting the most suitable funding method from diverse options in a timely manner, including the utilization of borrowings from government-affiliated financial institutions, we secured stable financial resources and reduced financing costs. For long-term funding, we reduce refinancing risk by avoiding the concentration of redemption amounts in any particular fiscal year.

From the next fiscal year onward, with the Seventh Mid-Term Management Plan announced in March 2026 as our fundamental policy, we will implement fund management and financing that contribute to the sustainable enhancement of corporate value while maintaining a balance among shareholder returns, growth investment, and financial soundness.

v. Management policies and strategies, objective metrics for determining the status of achievement of management targets, etc.

Management policies and strategies, objective metrics for determining the status of achievement of management targets, etc. are described in “II. Overview of Business, 1. Management Policy, Business Environment, Issues to Address, (3) Targeted management metrics.”

For the fiscal year ended January 31, 2026, the results were ¥4,197.9 billion in consolidated net sales, ¥341.4 billion in consolidated operating profit, ¥327.8 billion in consolidated ordinary profit, and ¥232.0 billion in profit attributable to owners of parent, compared to the performance targets for the fiscal year ended January 31, 2026, which was revised upward in September 2025, (¥4,331.0 billion in consolidated net sales, ¥340.0 billion in consolidated operating profit, ¥321.0 billion in consolidated ordinary profit, and ¥232.0 billion in profit attributable to owners of parent). EPS was ¥358.07 (target ¥357.97), ROA was 7.7% (target 7.8%), ROE was 11.3% (target 11.9%), dividends per share were ¥144.00 (target ¥144.00), and the dividend payout ratio was 40.2% (target 40.2%). We will continue to achieve the target figures.

vi. Significant accounting estimates and assumptions used in making such estimates

The consolidated financial statements of the Group are prepared in accordance with accounting principles generally accepted in Japan.

In preparing these consolidated financial statements, when there is uncertainty about the reported amounts of assets, liabilities, income and expenses, estimates and assumptions are used to calculate reasonable amounts based on information available at the time of preparation, but the figures based on these estimates and assumptions may differ from actual results.

The accounting estimates and assumptions used in the preparation of the consolidated financial statements, particularly those that are material, are as stated in “(1) Notes to consolidated financial statements (Significant accounting estimates),” in “V. Financial Information, 1. Consolidated Financial Statements, etc.”

5. Material Contracts, etc.

(1) Contract for license of use of the mark (reporting company)

- i. Counterparty Sekisui Chemical Co., Ltd.
- ii. Details of the contract Licensed to use certain marks (including trademarks) owned by the above company.
- iii. Period Three years from August 1, 1990. However, unless there are special circumstances, it will continue for another three years after the period expires, and thereafter it will be as in this example.
- iv. Consideration A certain amount of consideration is paid to the above company.

(2) Loan agreements with financial covenants

Among the borrowings of NASH FINANCING, LLC, a consolidated subsidiary, financial covenants are attached to the following loan agreement. If these covenants are breached and a demand is made by the lender, the borrower will lose the benefit of time. Details of the agreement are as follows.

Name of contracting company	NASH FINANCING, LLC
Address	4225 Executive Square, Suite 1070 - La Jolla, CA 92037
Representative	Hiroaki Takahama, CEO
Counterparty type	City bank, Trust bank
Contract period	July 2021 – November 2025
Maturity	February 2026 – August 2029
Balance at the end of fiscal year	¥536,980 million
Covenants	1) NASH FINANCING, LLC shall maintain net assets of not less than US\$0.00 at all times or at the end of each fiscal year. 2) NASH FINANCING, LLC shall not incur a net loss for two consecutive fiscal years.

(Note) None of the borrowings is secured.

6. Research and Development Activities

The Group (the Company and its consolidated subsidiaries) believes that our mission is to conduct housing research and development that integrates technologies, lifestyle design and services, with the aim of realizing our Global Vision, “Make Home the Happiest Place in the World.” Based on the foundation of the safety, security and comfort technologies we have accumulated since our founding, we will promote design research and development, environmental technology development and original technology development, and also expand into new research and development fields, focusing on the values that should be provided in 2030, namely “health, connectedness, and learning” that lead to the happiness of residents.

As well as being personal property, a house is also a form of social capital, and in order for residences to be passed on to the next generation, it is essential to pursue sustainability, environmental consideration and beauty. To this end, we are actively engaged in research aimed at achieving a decarbonized society by 2050, including the promotion of net zero energy houses (ZEH) and net zero energy buildings (ZEB), as well as research into designs that match the sense of beauty and values of residents, such as townscapes that coexist with nature.

We will then develop these research and development results for both domestic and overseas businesses, and promote Sekisui House technologies to become the de facto standard in the world through the creation of happy homes.

In addition, the Company’s strengths in research and development include the building of evidence through the thorough technical verification of the Comprehensive Housing R&D Institute, as well as the ability to propose a happy living that is conscious of the time axis through the SHIAWASE SUMAI Institute. With the highest technology and quality at the core of technological development, we are conducting research and development with a focus on management strategy as an industry leader.

The Family Suite, which realizes the happiness of families through the integration of technologies and lifestyle design, is one of the results of the Company’s research and development. The original construction method, Dynamic Frame System, is the Company’s own technology that eliminates the need for pillars and supports a large living space with a maximum span of 7 meters. This system is used in more than 60% of new Family Suite detached houses. In addition, the adoption rate of the next-generation indoor environment system SMART-ECS, which takes into consideration pollutants such as viruses and pollens, exceeds 60%.

The Research & Development Headquarters of the Group is working to further promote technological development by managing matters related to the promotion of design, product development, and technology strategies based on housing, in addition to research and development of new construction technologies and human lives by the Comprehensive Housing R&D Institute and the SHIAWASE SUMAI Institute.

We will continue to expand the R&D domain, collect and analyze information in all fields centered on housing, and strengthen the system for promoting research and development while digging deeper into a single event and acquiring a large amount of evidence. Therefore, it is necessary to effectively utilize not only internal resources but also external resources, and we will promote the strengthening of exchanges and collaboration with companies in the same and different industries through open innovation, M&A, etc.

On August 5, 2025, we opened JUNOPARK, a large-scale experimental facility designed as a housing literacy “edutainment” facility that blends education with entertainment. The main experimental area of the facility features original programs and exhibits based on the concept of the “six fields of aesthetic sensitivity nurtured through daily life.”

The following is an overview of research and development activities and results for the fiscal year ended January 31, 2026, and the total amount of research and development expenses was ¥10,520 million. The research and development activities carried out by the Group are common to all of its businesses and cannot be classified into reportable segments. For this reason, the overview of research and development activities is stated by research and development item as follows.

(1) Product development

- In the Flexible β System, which combines the strength of heavy-gauge steel with a high degree of design flexibility, we adopted our proprietary exterior wall panels, Dyne Concrete, starting in April 2025. This enables designs with a strong sense of solidity and diverse expressions, providing exterior designs that harmonize with urban landscapes.
- The design proposal system “life knit design” aims to create a recycling-oriented society where people can live in good quality houses for longer periods of time with fondness, in an era of the 100-year lifespan, and provides housing that values the sense of beauty of customers that do not go in and out of fashion. Since August 2025, the concept of “life knit design” has also been applied to proposals in the Remodeling Business.
- The single-story model house HUE, developed in collaboration with Akira Minagawa, the founder and designer of minā perhonen (located at Tomorrow’s Life Museum Yamaguchi, a hands-on museum of housing), was opened and received the 2025 Good Design Award in October 2025. In addition, HUE, based on the concept of “life knit design,” received the

- 19th Kids Design Award (Design for Children's Creativity and Future, Architecture/Space category) in August 2025, as a housing proposal that stimulates children's five senses and imagination, and nurtures a rich sensibility and vitality.
- At CEATEC 2025, one of Japan's largest digital innovation exhibitions held in October 2025, we set up a living space where visitors could experience PLATFORM HOUSE touch, an app-based service that links home floor plans with functions. Through this space, visitors were able to experience lifestyles enabled by the app, such as locking and unlocking the entrance and remotely controlling lighting and air conditioning, as well as experience our vision for the future of housing utilizing proprietary technologies.
 - In December 2025, we launched sales of the "SH-KP Pile Method," a new ground reinforcement method jointly developed with Kanematsu Sustech Corporation that reduces environmental impact. This method expands the range of applicable ground conditions of the "Kankyo Pile Method," a ground reinforcement method that ensures high durability through high-quality preservative and anti-termite treatments while reducing environmental impact by effectively utilizing domestic wood such as thinned wood. The method received performance certification from the General Building Research Corporation of Japan on July 24, 2025.
 - The ratio of new ZEH detached houses of the Company in FY2025 reached a high level. In addition, in the multi-unit buildings, we have developed rental ZEH under the Sha Maison brand, and the ratio of ZEH units in FY2025 exceeded the FY2025 target of 75% set forth in the Sixth Mid-Term Management Plan. The actual figures for FY2025 are presented in "II. Overview of Business, 2. Disclosure of Sustainability-Related Financial Information, (1) Common sustainability initiatives, iv. Metrics and targets."
 - In the United States, in order to promote the overseas transfer of Sekisui House technologies, the SHAWOOD community Sommers Bend in Southern California, launched in January 2024, has been well received for its excellent comfort and energy efficiency, as well as the high construction precision and quality achieved through the SHAWOOD construction method. In February 2025, the project received the first place, Gold Award, in four categories at The Nationals 2025, hosted by the National Association of Home Builders (NAHB). In addition, in the same month, we opened the SHAWOOD community Arcadia in Las Vegas, which has also been well received.
 - In Australia, we are promoting brand recognition by providing comfortable Japanese-quality housing using our unique SHAWOOD construction method, which is tailored to the local climate, culture and needs, and by expanding development areas in the suburbs of Sydney.

(2) Technological development

- In order to further strengthen our proposal capabilities for renovation and expansion in the Remodeling Business, we expanded the scope of official certification related to structures (Article 1-3 of the Enforcement Regulations of the Building Standard Act) and began its operation in September 2025.
- Based on a joint research project with Chiba University aimed at creating environments that foster healthy lifestyle habits without requiring conscious health effort, known as "zero-order prevention in housing environments," we announced research results in February 2025 indicating that the size of a home and the ceiling height of living rooms are highly likely to contribute to residents' well-being.
- Through a capital and business alliance with TSUCHIYA HOLDINGS CO., LTD., concluded on March 14, 2025, we will combine our nationwide expansion capabilities and technological innovation capabilities with the company's industry-leading high thermal insulation and high airtightness technologies and its commitment to housing quality, aiming to provide high-value-added housing better suited to customer needs.
- Since November 2025, we have been working with Asahi Kasei Corp., Asahi Kasei Homes Corporation, SEKISUI CHEMICAL CO., LTD., and CFP CORPORATION to establish a resource circulation scheme in which construction offcuts of water supply and hot water pipes (cross-linked polyethylene pipe "ESLOPEX") generated at housing construction sites are collected and recycled back into raw materials for piping.
- The International Architectural Education Platform (SEKISUI HOUSE - KUMA LAB), established within the Organization for Interdisciplinary Research Projects at the University of Tokyo through a donation from the Company, is continuing research into the development of next-generation human resources and the realization of housing innovation, utilizing the research facility T-BOX (began operations in October 2021). As part of its key initiative, the Digital Fabrication Center, the project exhibited at the creative festival Tokyo Creative Salon 2025, held from March 13, 2025. In addition, in December 2025, we announced the "Traveling CLT" project, an industry-academia collaboration with SEKISUI HOUSE - KUMA LAB and the University of Tokyo aimed at reusing dismantled materials (CLT: Cross Laminated Timber) from the Japan Pavilion at Expo 2025 Osaka, Kansai. Looking toward nationwide deployment from 2027 onward, the initiative has commenced the verification of systems for residual strength evaluation of CLT panels,

design guidelines, and production and logistics.

- Based on a joint research project with Interfaculty Initiative in Information Studies, The University of Tokyo, we held a joint research presentation in November 2025 on “Social Life” (a new lifestyle concept that reconstructs connections among people and society starting from individual happiness) in the era of the 100-year lifespan. With the aim of social implementation of new lifestyle proposals, we are accelerating research toward finalizing results.
- Based on a comprehensive collaboration with Kyoto University aimed at “expanding and creating knowledge on housing designs that effectively nurture children’s emotional and sensory development,” we are jointly conducting an analysis of the impact of family conversation styles on children’s well-being and non-cognitive skills under the title “Research on the Connection through Conversation between Children and Their Families in the Home.”
- The SHIAWASE SUMAI Institute is located at the InnoCom Square, an open innovation center. The institute believes that further pursuit of happiness in our lives is important in the era of the 100-year lifespan that we will face in the future, and is working on research into “housing where the longer you live, the happier you become” with an awareness of the time axis. It is promoting multiple research themes, including a value verification project toward the commercialization of “living that incorporates art,” a joint research project with Professor Hideaki Kawabata of Keio University.
- The cumulative number of trees planted under the Gohon no Ki Project, which involves planting mainly local native tree species in consideration of the ecosystem in gardens, etc., has reached 21.43 million (as of January 31, 2026).
- To achieve nature positive by 2030, we are jointly promoting biodiversity net gain with Think Nature Inc., a startup company launched by Professor Yasuhiro Kubota of University of the Ryukyus, and have started pilot operation of a tool capable of proposing tree species that are highly effective for biodiversity conservation at construction sites. Based on issues identified during the pilot phase, the tool has been customized for use in the Gohon no Ki Project, with a small-scale rollout beginning in October 2025 and full-scale operation planned for FY2026.

III. Information About Facilities

1. Overview of Capital Expenditures

The amount of capital expenditures for the fiscal year ended January 31, 2026 by the Group (the Company and its consolidated subsidiaries) was 99,696 million yen.

The reporting company made active capital expenditures in the development business, and also made capital expenditures centered on component production equipment in order to improve production efficiency in the custom detached houses business and the rental housing and commercial buildings business.

The breakdown of capital expenditures (on a basis of figures for property, plant and equipment and intangible assets recorded) for the fiscal year ended January 31, 2026 was as follows.

Reportable segment	Fiscal year ended January 31, 2026 Amount (Millions of yen)	Ratio of increase/decrease (%)
Custom Detached Houses Business	3,521	5.4
Rental Housing and Commercial Buildings Business	635	135.7
Architectural/Civil Engineering Business	2,668	48.1
Rental Housing Management Business	808	11.3
Remodeling Business	342	69.1
Development Business	40,102	(38.9)
Overseas Business	12,576	131.4
Other	152	45.2
Total	60,809	(21.6)
Corporate (common)	38,887	74.1
Total	99,696	(0.2)

2. Major Facilities

The major facilities of the Group (the Company and its consolidated subsidiaries) are as follows.

(1) Reporting company

As of January 31, 2026

Office name (location) and details of facilities	Reportable segment	Book value (Millions of yen)							Number of employees (Persons)
		Buildings and structures	Machinery, equipment and vehicles	Land		Tools, furniture and fixtures	Leased assets	Total	
				Area (1,000 m²)	Amount				
Head office Umeda Sky Building *1 (Kita-ku, Osaka)	Corporate (common)	9,445	27	19	21,769	153	–	31,395	1,287
Factories *2 (5 locations)	Corporate (common)	7,648	13,196	885 (57)	9,899	608	197	31,549	884
Comprehensive Housing R&D Institute (Kizugawa-shi, Kyoto)	Corporate (common)	3,241	2	28	2,083	371	–	5,699	59
Real estate for leasing, etc. *3 (85 locations)	Development Business	56,933	346	150 (9)	111,207	786	–	169,273	65

*1 The Umeda Sky Building includes the portion leased to companies other than consolidated companies.

*2 The breakdown of factories is as follows.

As of January 31, 2026

As of January 31, 2020									
Office name (location)	Reportable segment	Book value (Millions of yen)							Number of employees (Persons)
		Buildings and structures	Machinery, equipment and vehicles	Land		Tools, furniture and fixtures	Leased assets	Total	
				Area (1,000 m ²)	Amount				
Kanto Factory (Koga-shi, Ibaraki)	Corporate (common)	2,301	3,503	215 (41)	2,821	177	165	8,969	299
Yamaguchi Factory (Yamaguchi-shi, Yamaguchi)	Corporate (common)	610	1,718	232 (4)	2,150	138	—	4,617	198
Shizuoka Factory (Kakegawa-shi, Shizuoka)	Corporate (common)	1,459	3,236	246 (2)	2,734	59	4	7,493	283
Hyogo Factory (Kato-shi, Hyogo)	Corporate (common)	2,245	3,442	69 (4)	1,074	196	—	6,959	42
Tohoku Factory (Shikama-cho, Kami-gun, Miyagi)	Corporate (common)	1,031	1,295	121 (5)	1,119	36	27	3,510	62

*3 The number of employees refers to the number of people engaged in the development business segment.

The main breakdown of real estate for leasing is as follows.

As of January 31, 2026

Details of facilities	Reportable segment	Location	Book value (Millions of yen)
Apartment buildings for leasing	Development Business	22 locations	32,275
Office for leasing, commercial buildings, etc.	Development Business	21 locations	135,952

(2) Domestic subsidiaries

As of January 31, 2026

As of January 31, 2020										
Company name	Details of facilities	Reportable segment	Book value (Millions of yen)							Number of employees (Persons)*
			Buildings and structures	Machinery, equipment and vehicles	Land		Tools, furniture and fixtures	Leased assets	Total	
					Area (1,000 m ²)	Amount				
Sekisui House Real Estate, Ltd.	Real estate for leasing (351 locations)	Development Business	54,313	356	204 (113)	45,651	235	—	100,556	1,191

*The number of employees at each company is listed.

(Notes) 1. The balance of construction in progress is not included.

2. The figures in parentheses in the “Area” column of the land indicate the area leased from other than consolidated companies.

3. The book values of leasehold interests in land are as follows.

Reporting company Sekisui House, Ltd. Real estate for leasing 1,608 million yen

4. In addition to the above, the following are the main facilities used under a lease contract (finance leases that do not transfer ownership).

As of January 31, 2026

Name	Quantity	Lease payments (annual) (Millions of yen)	Outstanding lease balance (Millions of yen)
Company vehicles	6,370 cars	2,474	7,564

3. Planned Addition, Retirement, and Other Changes of Facilities

The following are the plans for the addition and renovation of significant facilities as of January 31, 2026. There are no plans for retirement, sale, etc. of significant facilities.

(1) Addition

Company name	Reportable segment	Details of facilities, etc.	Budget (Millions of yen)	Amount already paid (Millions of yen)	Financing method	Date work started	Planned date of completion
Sekisui House, Ltd.	Development Business	Offices and other real estate for leasing, etc.	32,865	–	Own funds and borrowings	February 2026	January 2027
Sekisui House, Ltd.	Corporate (common)	Renewal of core systems	17,000	–	Own funds and borrowings	February 2026	January 2027

(2) Renovation, etc. (reporting company)

Office name	Reportable segment	Details of facilities, etc.	Budget (Millions of yen)	Amount already paid (Millions of yen)	Financing method	Date work started	Planned date of completion
Kanto Factory	Corporate (common)	Expansion and rationalization of factory facilities	11,088	1,037	Own funds	November 2024	December 2034
Yamaguchi Factory	Corporate (common)	Expansion and rationalization of factory facilities	1,809	–	Own funds	February 2026	December 2030
Shizuoka Factory	Corporate (common)	Expansion and rationalization of factory facilities	9,264	55	Own funds	November 2025	May 2034
Hyogo Factory	Corporate (common)	Expansion and rationalization of factory facilities	4,707	955	Own funds	September 2024	February 2029
Tohoku Factory	Corporate (common)	Expansion and rationalization of factory facilities	3,049	1,534	Own funds	December 2023	December 2029

IV. Information About Reporting Company

1. Company's Shares, etc.

(1) Total number of shares

i. Total number of shares

Class	Total number of shares authorized (Shares)
Common stock	1,978,281,000
Total	1,978,281,000

ii. Total number of shares issued

Class	Number of shares issued as of the end of the fiscal year (Shares) (January 31, 2026)	Number of shares issued as of the filing date (Shares) (April 16, 2026)	Name of financial instruments exchange on which the Company is listed or names of authorized financial instruments firms associations to which the Company is registered	Description
Common stock	663,122,166	663,122,166	Tokyo Stock Exchange (Prime Market) Nagoya Stock Exchange (Premier Market)	The number of shares per unit is 100 shares.
Total	663,122,166	663,122,166	—	—

- (Notes) 1. Of the shares issued, 79,800 shares were issued as restricted stock compensation in the form of a contribution in kind with monetary remuneration claims (¥262 million) as the purpose of the contribution, based on a resolution of the Board of Directors at a meeting held on May 16, 2025.
2. Of the shares issued, 45,500 shares were issued as performance-based stock compensation in the form of a contribution in kind with the monetary remuneration claims (¥149 million) as the purpose of the contribution, based on a resolution of the Board of Directors at a meeting held on May 16, 2025.

(2) Share acquisition rights

i. Stock options

(No. 7 Share Acquisition Rights (Stock compensation-type stock option))

Date of resolution	May 17, 2012
Category and number of eligible persons (Persons)	Directors of the Board and Executive Officers of the Company: 33
Number of share acquisition rights (Units)*	3 (Note 1)
Class, description and number of shares to be issued upon exercise of share acquisition rights (Shares)*	Common stock: 3,000
Amount to be paid upon exercise of share acquisition rights (Yen)*	1 per share (Note 2)
Exercise period for share acquisition rights*	From June 14, 2012 to June 13, 2032
Issue price of share and amount to be incorporated into the stated capital in the event of issuing shares upon exercise of share acquisition rights (Yen)*	Issue price: 496 Amount to be incorporated into the stated capital: 248
Conditions for exercising share acquisition rights*	(Note 3)
Matters concerning the transfer of share acquisition rights*	When transferring share acquisition rights, approval from the Board of Directors is required.
Matters concerning the issuance of share acquisition rights in connection with organization restructuring actions*	(Note 4)

* The contents as of January 31, 2026 are stated. The statements pertaining to the end of the month preceding the filing date (March 31, 2026) are omitted since there were no changes in the content to be stated from that as of January 31, 2026.

(Notes) 1. The number of shares for each share acquisition right (hereinafter, the “number of shares granted”) is 1,000 shares.

However, in the event that the Company conducts a stock split (including the allotment of shares of the Company’s common stock without consideration; hereinafter the same shall apply to the description of stock splits) or a reverse stock split, the number of shares granted shall be adjusted in accordance with the following formula.

Adjusted number of shares granted = Number of shares granted before adjustment × Ratio of split / reverse split

Adjusted number of shares granted shall be applied on the day following the record date in the case of a stock split, and on the effective date in the case of a reverse stock split. However, if a stock split is conducted on the condition that a proposal to increase share capital or legal capital surplus by reducing the amount of retained earnings is approved at a General Meeting of Shareholders of the Company, and if the record date for the stock split is set as a date prior to the date of the conclusion of the General Meeting of Shareholders, the adjusted number of shares granted shall be applied retroactively to the day following the record date, from the day following the conclusion of the General Meeting of Shareholders.

In addition to the above, if unavoidable events that require adjustment of the number of shares granted arise, the number of shares granted shall be adjusted within reasonable limits.

2. The amount of property to be contributed upon the exercise of each share acquisition right shall be the amount obtained by multiplying the amount to be paid per share to be delivered upon the exercise of the share acquisition right by the number of shares to be granted, with the amount to be paid per share being one yen.

3. Conditions for exercising share acquisition rights

(1) The holders of share acquisition rights may exercise their rights from the day following the day on which they lose their position as a Director of the Board (including an executive officer in the event that the Company transitions to a company with nominating committee, etc. in the future), Audit and Supervisory Board Member or Executive Officer of the Company or its consolidated subsidiaries (hereinafter, the “commencement date of exercise of rights”) within the exercise period of the share acquisition rights described above.

(2) Notwithstanding (1) above, the holders of share acquisition rights may exercise their share acquisition rights only within the period specified in (i) or (ii) below (however, in the case of (ii), this shall not apply in the case where share acquisition rights of the company subject to reorganization are granted to the holders of share acquisition rights in accordance with 4. below).

(i) In the event that the holder of the share acquisition rights does not reach the commencement date of exercise of rights by June 13, 2031

From June 14, 2031 to June 13, 2032

(ii) In the event that a proposal for approval of an agreement for a merger in which the Company will be the

disappearing company, or a proposal for approval of a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, is approved at a General Meeting of Shareholders of the Company (or in the event that a resolution of the Board of Directors of the Company is made in the case where a resolution of the General Meeting of Shareholders is not required)

15 days from the day following the date of the relevant approval

- (3) If the holder of the share acquisition rights waives the share acquisition rights, those share acquisition rights may not be exercised.
 - (4) One share acquisition right may not be exercised in a divided manner.
 - (5) Other conditions shall be as stipulated in the “Agreement on allocation of share acquisition rights” concluded between the Company and the person to whom the share acquisition rights are allocated.
4. Policy on the expiration of share acquisition rights in the event of organizational restructuring and the determination of the features of the issuance of share acquisition rights by the company subject to restructuring

In the event that the Company conducts a merger (limited to cases where the Company disappears in a merger), absorption-type company split, incorporation-type company split, share exchange or share transfer (hereinafter collectively referred to as the “organization restructuring actions”), the Company shall deliver share acquisition rights of a stock company provided for in Article 236, Paragraph 1, Item (8), Subitems (a) to (e) of the Companies Act (hereinafter, the “reorganized company”) to the holders of share acquisition rights who hold share acquisition rights that remain immediately before the effective date of the organization restructuring actions (the effective date of the absorption-type merger for absorption-type mergers, the day of formation of the company incorporated in the consolidation-type merger for consolidation-type mergers, the effective date of the absorption-type company split for absorption-type company splits, the day of formation of the company incorporated in the incorporation-type split for incorporation-type company splits, the effective date of the share exchange for share exchanges, and the incorporation date of wholly-owning parent company incorporated in a share transfer for share transfer) (hereinafter, the “residual share acquisition rights”), in each case, based on the following conditions. In this case, the residual share acquisition rights shall be expired and the reorganized company shall newly issue share acquisition rights. However, this shall be limited to cases where the delivery of share acquisition rights of the reorganized company in accordance with the following conditions is stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan.

- (1) Number of share acquisition rights of the reorganized company to be delivered
The same number as the number of the residual share acquisition rights held by the holder of the share acquisition rights shall be delivered.
- (2) Class of shares of the reorganized company to be issued upon exercise of stock acquisition rights
Common stock of the reorganized company
- (3) Number of shares of the reorganized company to be issued upon exercise of stock acquisition rights
Taking into account the conditions of the organization restructuring actions, the decision will be made in accordance with 1. above.
- (4) The amount of property to be contributed upon the exercise of share acquisition rights
The amount of property to be contributed upon the exercise of each share acquisition right to be issued shall be the amount obtained by multiplying the amount to be paid in after the reorganization as set forth below by the number of shares of the reorganized company to be issued upon the exercise of the relevant share acquisition rights as determined in accordance with (3) above. The amount to be paid in after the reorganization shall be one yen per share of the shares of the reorganized company that may be delivered by exercising each of the share acquisition rights to be delivered.
- (5) Period during which the share acquisition rights may be exercised
From the later of the commencement date of the exercise period of share acquisition rights and the effective date of the organization restructuring actions, as described above, until the expiration date of the exercise period of the share acquisition rights, as described above.
- (6) Matters concerning the share capital and legal capital surplus to be increased in the event of issuing shares upon the exercise of share acquisition rights.
The decision shall be made in accordance with the following.
 - (i) The amount of share capital to be increased when shares are issued upon the exercise of share acquisition rights shall be half the maximum amount of increase in share capital, etc., calculated in accordance with Article 40, Paragraph 1 of the Regulations for Corporate Accounting, with any fraction less than one yen resulting from the calculation being rounded up to the nearest yen.
 - (ii) The amount of legal capital surplus to be increased when shares are issued upon the exercise of share

acquisition rights shall be the amount obtained by subtracting the amount of share capital to be increased as set forth in (i) above from the maximum amount of increase in share capital, etc. as set forth in (i) above.

- (7) Restrictions on the acquisition of share acquisition rights through transfer
The acquisition of share acquisition rights through transfer shall require approval by resolution of the Board of Directors of the reorganized company.
- (8) Terms and conditions for acquisition of share acquisition rights
The decision shall be made in accordance with the following.
In the event that the following proposal (i) , (ii), (iii), (iv) or (v) is approved at a General Meeting of Shareholders of the Company (or in the event that a resolution of the Board of Directors of the Company is made in the case where a resolution of the General Meeting of Shareholders is not required), the Company may acquire the share acquisition rights without consideration on a date separately determined by the Board of Directors.
 - (i) Proposal to approve the merger agreement in which the Company will be the disappearing company.
 - (ii) Proposal to approve the company split agreement or company split plan in which the Company is the split company.
 - (iii) Proposal to approve the share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary.
 - (iv) Proposal to approve the amendment to the Articles of Incorporation to include a provision that the acquisition of the relevant shares through transfer requires the approval of the Company as the content of all shares issued by the Company.
 - (v) Proposal for approval of the amendment to the Articles of Incorporation to include a provision that the acquisition of the relevant shares through transfer requires the approval of the Company as the content of the shares to be issued upon the exercise of the share acquisition rights or that the Company may acquire all of the relevant class of shares by resolution of the General Meeting of Shareholders.
- (9) Other conditions for exercising share acquisition rights
The decision shall be made in accordance with 3. above.

(No. 8 Share Acquisition Rights (Stock compensation-type stock option))

Date of resolution	May 16, 2013
Category and number of eligible persons (Persons)	Directors of the Board and Executive Officers of the Company: 32
Number of share acquisition rights (Units)*	1 (Note 1)
Class, description and number of shares to be issued upon exercise of share acquisition rights (Shares)*	Common stock: 1,000
Amount to be paid upon exercise of share acquisition rights (Yen)*	1 per share (Note 2)
Exercise period for share acquisition rights*	From June 14, 2013 to June 13, 2033
Issue price of share and amount to be incorporated into the stated capital in the event of issuing shares upon exercise of share acquisition rights (Yen)*	Issue price: 1,072 Amount to be incorporated into the stated capital: 536
Conditions for exercising share acquisition rights*	(Note 3)
Matters concerning the transfer of share acquisition rights*	When transferring share acquisition rights, approval from the Board of Directors is required.
Matters concerning the issuance of share acquisition rights in connection with organization restructuring actions*	(Note 4)

* The contents as of January 31, 2026 are stated. Since there were no changes in the details to be stated as of the end of the month preceding the filing date (March 31, 2026) from those as of January 31, 2026, the details as of the end of the month preceding the filing date are omitted.

(Notes) 1. Same as (Note 1) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

2. Same as (Note 2) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

3. Conditions for exercising share acquisition rights

(1) The holders of share acquisition rights may exercise their rights from the day following the day on which they lose their position as a Director of the Board (including an executive officer in the event that the Company transitions to a company with nominating committee, etc. in the future), Audit and Supervisory Board Member or Executive Officer of the Company or its consolidated subsidiaries (hereinafter, the “commencement date of exercise of rights”) within the exercise period of the share acquisition rights described above.

(2) Notwithstanding (1) above, the holders of share acquisition rights may exercise their share acquisition rights only within the period specified in (i) or (ii) below (however, in the case of (ii), this shall not apply in the case where share acquisition rights of the company subject to reorganization are granted to the holders of share acquisition rights in accordance with 4. below).

(i) In the event that the holder of the share acquisition rights does not reach the commencement date of exercise of rights by June 13, 2032

From June 14, 2032 to June 13, 2033

(ii) In the event that a proposal for approval of an agreement for a merger in which the Company will be the disappearing company, or a proposal for approval of a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, is approved at a General Meeting of Shareholders of the Company (or in the event that a resolution of the Board of Directors of the Company is made in the case where a resolution of the General Meeting of Shareholders is not required)

15 days from the day following the date of the relevant approval

(3) If the holder of the share acquisition rights waives the share acquisition rights, those share acquisition rights may not be exercised.

(4) One share acquisition right may not be exercised in a divided manner.

(5) Other conditions shall be as stipulated in the “Agreement on allocation of share acquisition rights” concluded between the Company and the person to whom the share acquisition rights are allocated.

4. Same as (Note 4) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

(No. 9 Share Acquisition Rights (Stock compensation-type stock option))

Date of resolution	May 15, 2014
Category and number of eligible persons (Persons)	Directors of the Board and Executive Officers of the Company: 34
Number of share acquisition rights (Units)*	9 (Note 1)
Class, description and number of shares to be issued upon exercise of share acquisition rights (Shares)*	Common stock: 9,000
Amount to be paid upon exercise of share acquisition rights (Yen)*	1 per share (Note 2)
Exercise period for share acquisition rights*	From June 14, 2014 to June 13, 2034
Issue price of share and amount to be incorporated into the stated capital in the event of issuing shares upon exercise of share acquisition rights (Yen)*	Issue price: 975 Amount to be incorporated into the stated capital: 488
Conditions for exercising share acquisition rights*	(Note 3)
Matters concerning the transfer of share acquisition rights*	When transferring share acquisition rights, approval from the Board of Directors is required.
Matters concerning the issuance of share acquisition rights in connection with organization restructuring actions*	(Note 4)

* The contents as of January 31, 2026 are stated. Since there were no changes in the details to be stated as of the end of the month preceding the filing date (March 31, 2026) from those as of January 31, 2026, the details as of the end of the month preceding the filing date are omitted.

(Notes) 1. Same as (Note 1) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

2. Same as (Note 2) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

3. Conditions for exercising share acquisition rights

(1) The holders of share acquisition rights may exercise their rights from the day following the day on which they lose their position as a Director of the Board (including an executive officer in the event that the Company transitions to a company with nominating committee, etc. in the future), Audit and Supervisory Board Member or Executive Officer of the Company or its consolidated subsidiaries (hereinafter, the “commencement date of exercise of rights”) within the exercise period of the share acquisition rights described above.

(2) Notwithstanding (1) above, the holders of share acquisition rights may exercise their share acquisition rights only within the period specified in (i) or (ii) below (however, in the case of (ii), this shall not apply in the case where share acquisition rights of the company subject to reorganization are granted to the holders of share acquisition rights in accordance with 4. below).

(i) In the event that the holder of the share acquisition rights does not reach the commencement date of exercise of rights by June 13, 2033

From June 14, 2033 to June 13, 2034

(ii) In the event that a proposal for approval of an agreement for a merger in which the Company will be the disappearing company, or a proposal for approval of a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, is approved at a General Meeting of Shareholders of the Company (or in the event that a resolution of the Board of Directors of the Company is made in the case where a resolution of the General Meeting of Shareholders is not required)

15 days from the day following the date of the relevant approval

(3) If the holder of the share acquisition rights waives the share acquisition rights, those share acquisition rights may not be exercised.

(4) One share acquisition right may not be exercised in a divided manner.

(5) Other conditions shall be as stipulated in the “Agreement on allocation of share acquisition rights” concluded between the Company and the person to whom the share acquisition rights are allocated.

4. Same as (Note 4) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

(No. 10 Share Acquisition Rights (Stock compensation-type stock option))

Date of resolution	May 21, 2015
Category and number of eligible persons (Persons)	Directors of the Board and Executive Officers of the Company: 34
Number of share acquisition rights (Units)*	5 (Note 1)
Class, description and number of shares to be issued upon exercise of share acquisition rights (Shares)*	Common stock: 5,000
Amount to be paid upon exercise of share acquisition rights (Yen)*	1 per share (Note 2)
Exercise period for share acquisition rights*	From June 13, 2015 to June 12, 2035
Issue price of share and amount to be incorporated into the stated capital in the event of issuing shares upon exercise of share acquisition rights (Yen)*	Issue price: 1,508 Amount to be incorporated into the stated capital: 754
Conditions for exercising share acquisition rights*	(Note 3)
Matters concerning the transfer of share acquisition rights*	When transferring share acquisition rights, approval from the Board of Directors is required.
Matters concerning the issuance of share acquisition rights in connection with organization restructuring actions*	(Note 4)

* The contents as of January 31, 2026 are stated. Since there were no changes in the details to be stated as of the end of the month preceding the filing date (March 31, 2026) from those as of January 31, 2026, the details as of the end of the month preceding the filing date are omitted.

(Notes) 1. Same as (Note 1) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

2. Same as (Note 2) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

3. Conditions for exercising share acquisition rights

(1) The holders of share acquisition rights may exercise their rights from the day following the day on which they lose their position as a Director of the Board (including an executive officer in the event that the Company transitions to a company with nominating committee, etc. in the future), Audit and Supervisory Board Member or Executive Officer of the Company or its consolidated subsidiaries (hereinafter, the “commencement date of exercise of rights”) within the exercise period of the share acquisition rights described above.

(2) Notwithstanding (1) above, the holders of share acquisition rights may exercise their share acquisition rights only within the period specified in (i) or (ii) below (however, in the case of (ii), this shall not apply in the case where share acquisition rights of the company subject to reorganization are granted to the holders of share acquisition rights in accordance with 4. below).

(i) In the event that the holder of the share acquisition rights does not reach the commencement date of exercise of rights by June 12, 2034

From June 13, 2034 to June 12, 2035

(ii) In the event that a proposal for approval of an agreement for a merger in which the Company will be the disappearing company, or a proposal for approval of a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, is approved at a General Meeting of Shareholders of the Company (or in the event that a resolution of the Board of Directors of the Company is made in the case where a resolution of the General Meeting of Shareholders is not required)

15 days from the day following the date of the relevant approval

(3) If the holder of the share acquisition rights waives the share acquisition rights, those share acquisition rights may not be exercised.

(4) One share acquisition right may not be exercised in a divided manner.

(5) Other conditions shall be as stipulated in the “Agreement on allocation of share acquisition rights” concluded between the Company and the person to whom the share acquisition rights are allocated.

4. Same as (Note 4) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

(No. 11 Share Acquisition Rights (Stock compensation-type stock option))

Date of resolution	May 19, 2016
Category and number of eligible persons (Persons)	Directors of the Board and Executive Officers of the Company: 35
Number of share acquisition rights (Units)*	6 (Note 1)
Class, description and number of shares to be issued upon exercise of share acquisition rights (Shares)*	Common stock: 6,000
Amount to be paid upon exercise of share acquisition rights (Yen)*	1 per share (Note 2)
Exercise period for share acquisition rights*	From June 15, 2016 to June 14, 2036
Issue price of share and amount to be incorporated into the stated capital in the event of issuing shares upon exercise of share acquisition rights (Yen)*	Issue price: 1,357 Amount to be incorporated into the stated capital: 679
Conditions for exercising share acquisition rights*	(Note 3)
Matters concerning the transfer of share acquisition rights*	When transferring share acquisition rights, approval from the Board of Directors is required.
Matters concerning the issuance of share acquisition rights in connection with organization restructuring actions*	(Note 4)

* The contents as of January 31, 2026 are stated. Since there were no changes in the details to be stated as of the end of the month preceding the filing date (March 31, 2026) from those as of January 31, 2026, the details as of the end of the month preceding the filing date are omitted.

(Notes) 1. Same as (Note 1) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

2. Same as (Note 2) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

3. Conditions for exercising share acquisition rights

(1) The holders of share acquisition rights may exercise their rights from the day following the day on which they lose their position as a Director of the Board (including an executive officer in the event that the Company transitions to a company with nominating committee, etc. in the future), Audit and Supervisory Board Member or Executive Officer of the Company or its consolidated subsidiaries (hereinafter, the “commencement date of exercise of rights”) within the exercise period of the share acquisition rights described above.

(2) Notwithstanding (1) above, the holders of share acquisition rights may exercise their share acquisition rights only within the period specified in (i) or (ii) below (however, in the case of (ii), this shall not apply in the case where share acquisition rights of the company subject to reorganization are granted to the holders of share acquisition rights in accordance with 4. below).

(i) In the event that the holder of the share acquisition rights does not reach the commencement date of exercise of rights by June 14, 2035

From June 15, 2035 to June 14, 2036

(ii) In the event that a proposal for approval of an agreement for a merger in which the Company will be the disappearing company, or a proposal for approval of a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, is approved at a General Meeting of Shareholders of the Company (or in the event that a resolution of the Board of Directors of the Company is made in the case where a resolution of the General Meeting of Shareholders is not required)

15 days from the day following the date of the relevant approval

(3) If the holder of the share acquisition rights waives the share acquisition rights, those share acquisition rights may not be exercised.

(4) One share acquisition right may not be exercised in a divided manner.

(5) Other conditions shall be as stipulated in the “Agreement on allocation of share acquisition rights” concluded between the Company and the person to whom the share acquisition rights are allocated.

4. Same as (Note 4) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

(No. 12 Share Acquisition Rights (Stock compensation-type stock option))

Date of resolution	May 18, 2017
Category and number of eligible persons (Persons)	Directors of the Board and Executive Officers of the Company: 35
Number of share acquisition rights (Units)*	8 (Note 1)
Class, description and number of shares to be issued upon exercise of share acquisition rights (Shares)*	Common stock: 8,000
Amount to be paid upon exercise of share acquisition rights (Yen)*	1 per share (Note 2)
Exercise period for share acquisition rights*	From June 15, 2017 to June 14, 2037
Issue price of share and amount to be incorporated into the stated capital in the event of issuing shares upon exercise of share acquisition rights (Yen)*	Issue price: 1,416 Amount to be incorporated into the stated capital: 708
Conditions for exercising share acquisition rights*	(Note 3)
Matters concerning the transfer of share acquisition rights*	When transferring share acquisition rights, approval from the Board of Directors is required.
Matters concerning the issuance of share acquisition rights in connection with organization restructuring actions*	(Note 4)

* The contents as of January 31, 2026 are stated. Since there were no changes in the details to be stated as of the end of the month preceding the filing date (March 31, 2026) from those as of January 31, 2026, the details as of the end of the month preceding the filing date are omitted.

(Notes) 1. Same as (Note 1) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

2. Same as (Note 2) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

3. Conditions for exercising share acquisition rights

(1) The holders of share acquisition rights may exercise their rights from the day following the day on which they lose their position as a Director of the Board (including an executive officer in the event that the Company transitions to a company with nominating committee, etc. in the future), Audit and Supervisory Board Member or Executive Officer of the Company or its consolidated subsidiaries (hereinafter, the “commencement date of exercise of rights”) within the exercise period of the share acquisition rights described above.

(2) Notwithstanding (1) above, the holders of share acquisition rights may exercise their share acquisition rights only within the period specified in (i) or (ii) below (however, in the case of (ii), this shall not apply in the case where share acquisition rights of the company subject to reorganization are granted to the holders of share acquisition rights in accordance with 4. below).

(i) In the event that the holder of the share acquisition rights does not reach the commencement date of exercise of rights by June 14, 2036

From June 15, 2036 to June 14, 2037

(ii) In the event that a proposal for approval of an agreement for a merger in which the Company will be the disappearing company, or a proposal for approval of a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, is approved at a General Meeting of Shareholders of the Company (or in the event that a resolution of the Board of Directors of the Company is made in the case where a resolution of the General Meeting of Shareholders is not required)

15 days from the day following the date of the relevant approval

(3) If the holder of the share acquisition rights waives the share acquisition rights, those share acquisition rights may not be exercised.

(4) One share acquisition right may not be exercised in a divided manner.

(5) Other conditions shall be as stipulated in the “Agreement on allocation of share acquisition rights” concluded between the Company and the person to whom the share acquisition rights are allocated.

4. Same as (Note 4) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

(No. 13 Share Acquisition Rights (Stock compensation-type stock option))

Date of resolution	May 17, 2018
Category and number of eligible persons (Persons)	Directors of the Board and Executive Officers of the Company: 32
Number of share acquisition rights (Units)*	16 (Note 1)
Class, description and number of shares to be issued upon exercise of share acquisition rights (Shares)*	Common stock: 16,000
Amount to be paid upon exercise of share acquisition rights (Yen)*	1 per share (Note 2)
Exercise period for share acquisition rights*	From June 15, 2018 to June 14, 2038
Issue price of share and amount to be incorporated into the stated capital in the event of issuing shares upon exercise of share acquisition rights (Yen)*	Issue price: 1,284 Amount to be incorporated into the stated capital: 642
Conditions for exercising share acquisition rights*	(Note 3)
Matters concerning the transfer of share acquisition rights*	When transferring share acquisition rights, approval from the Board of Directors is required.
Matters concerning the issuance of share acquisition rights in connection with organization restructuring actions*	(Note 4)

* The contents as of January 31, 2026 are stated. The statements pertaining to the end of the month preceding the filing date (March 31, 2026) are omitted since there were no changes in the content to be stated from that as of January 31, 2026.

(Notes) 1. Same as (Note 1) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

2. Same as (Note 2) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

3. Conditions for exercising share acquisition rights

(1) The holders of share acquisition rights may exercise their rights from the day following the day on which they lose their position as a Director of the Board (including an executive officer in the event that the Company transitions to a company with nominating committee, etc. in the future), Audit and Supervisory Board Member or Executive Officer of the Company or its consolidated subsidiaries (hereinafter, the “commencement date of exercise of rights”) within the exercise period of the share acquisition rights described above.

(2) Notwithstanding (1) above, the holders of share acquisition rights may exercise their share acquisition rights only within the period specified in (i) or (ii) below (however, in the case of (ii), this shall not apply in the case where share acquisition rights of the company subject to reorganization are granted to the holders of share acquisition rights in accordance with 4. below).

(i) In the event that the holder of the share acquisition rights does not reach the commencement date of exercise of rights by June 14, 2037

From June 15, 2037 to June 14, 2038

(ii) In the event that a proposal for approval of an agreement for a merger in which the Company will be the disappearing company, or a proposal for approval of a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, is approved at a General Meeting of Shareholders of the Company (or in the event that a resolution of the Board of Directors of the Company is made in the case where a resolution of the General Meeting of Shareholders is not required)

15 days from the day following the date of the relevant approval

(3) If the holder of the share acquisition rights waives the share acquisition rights, those share acquisition rights may not be exercised.

(4) One share acquisition right may not be exercised in a divided manner.

(5) Other conditions shall be as stipulated in the “Agreement on allocation of share acquisition rights” concluded between the Company and the person to whom the share acquisition rights are allocated.

4. Same as (Note 4) of (No. 7 Share Acquisition Rights (Stock compensation-type stock option))

ii. Rights plans

Not applicable.

iii. Other share acquisition rights

Not applicable.

(3) Exercises of moving strike convertible bonds, etc.

Not applicable.

(4) Changes in total number of shares issued, share capital and legal capital surplus

Date	Changes in total number of shares issued (Thousands of shares)	Balance of total number of shares issued (Thousands of shares)	Changes in share capital (Millions of yen)	Balance of share capital (Millions of yen)	Changes in legal capital surplus (Millions of yen)	Balance of legal capital surplus (Millions of yen)
April 26, 2023 (Note 1)	(22,000)	662,683	—	202,591	—	258,344
June 7, 2023 (Note 2)	179	662,862	263	202,854	263	258,608
June 5, 2024 (Note 3)	134	662,996	239	203,094	239	258,847
June 4, 2025 (Note 4)	125	663,122	206	203,300	206	259,054

(Notes) 1. Decrease due to cancellation of treasury shares.

2. This is due to the issuance of new shares as restricted stock compensation and performance-based stock compensation, which was resolved at the Board of Directors meeting held on May 19, 2023.

Issue price ¥2,938.50

Amount to be incorporated into the stated capital ¥1,469.25

3. This is due to the issuance of new shares as restricted stock compensation and performance-based stock compensation, which was resolved at the Board of Directors meeting held on May 17, 2024.

Issue price ¥3,575.00

Amount to be incorporated into the stated capital ¥1,787.50

4. This is due to the issuance of new shares as restricted stock compensation and performance-based stock compensation, which was resolved at the Board of Directors meeting held on May 16, 2025.

Issue price ¥3,295.00

Amount to be incorporated into the stated capital ¥1,647.50

(5) Shareholding by shareholder category

As of January 31, 2026

As of January 31, 2020

Category	Share distribution (Trading unit: 100 shares)								Status of shares less than one unit (Shares)
	National and local governments	Financial institutions	Securities companies	Other Japanese corporations	Foreign corporations, etc.		Individuals and others	Total	
					Other than individuals	Individuals			
Number of shareholders (Persons)	—	166	48	1,815	875	833	325,228	328,965	—
Number of shares held (Unit)	—	2,411,920	306,450	307,269	2,017,505	1,459	1,560,588	6,605,191	2,603,066
Shareholding ratio (%)	—	36.52	4.64	4.65	30.54	0.02	23.63	100	—

(Notes) 1. Out of 14,712,490 treasury shares, 147,124 units are included in “Individuals and others” and 90 shares are included in “Status of shares less than one unit.”

2. “Other Japanese corporations” includes 24 units held in the name of Japan Securities Depository Center, Incorporated. “Status of shares less than one unit” includes 41 shares held in the name of Japan Securities Depository Center, Incorporated.

3. Number of shareholders includes the number of shareholders (110,751 persons) who own only shares of less than one unit.

(6) Major shareholders

As of January 31, 2026

Name	Address	Number of shares held (Thousands of shares)	Percentage of shares held to the total number of shares issued (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1-8-1, Akasaka, Minato-ku, Tokyo	108,393	16.72
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12, Harumi, Chuo-ku, Tokyo	48,906	7.54
Sekisui House Ikushikai	1-1-88, Oyodonaka, Kita-ku, Osaka	22,146	3.42
Sekisui Chemical Co., Ltd.	2-4-4, Nishitemma, Kita-ku, Osaka	14,168	2.19
SMBC Nikko Securities Inc.	3-3-1, Marunouchi, Chiyoda-ku, Tokyo	10,246	1.58
JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (2-15-1, Konan, Minato-ku, Tokyo)	8,903	1.37
JPMorgan Securities Japan Co., Ltd.	2-7-3, Marunouchi, Chiyoda-ku, Tokyo	8,313	1.28
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (2-15-1, Konan, Minato-ku, Tokyo)	7,909	1.22
Japan Securities Finance Co., Ltd.	1-2-10, Nihonbashi-Kayabacho, Chuo-ku, Tokyo	7,689	1.19
The Dai-ichi Life Insurance Company, Limited	1-13-1, Yurakucho, Chiyoda-ku, Tokyo	7,508	1.16
Total	—	244,187	37.66

(Notes) 1. In addition to those listed in the table above, the Company owns 14,712 thousand treasury shares.

2. Of the above number of shares held, the numbers of shares held in securities investment trusts and pension trusts are as follows.

The Master Trust Bank of Japan, Ltd. (Trust Account) 57,026 thousand shares

Custody Bank of Japan, Ltd. (Trust Account) 35,046 thousand shares

3. Sekisui House Ikushikai is the Company's employee stockholders association.

4. In the statements of large-volume holdings (change report) made available to the public on April 18, 2025, Nomura Securities Co., Ltd. stated that it owned jointly 34,254 thousand shares (5.17%) as of April 15, 2025. However, the Company was unable to confirm the number of shares beneficially owned as of January 31, 2026, and therefore, the above table does not include this information. The details of the report are as follows.

Name of large shareholder	Number of shares held (Thousands of shares)	Percentage of shares held to the total number of shares issued (%)
Nomura Securities Co., Ltd.	192	0.03
Nomura International plc	1,760	0.27
Nomura Asset Management Co., Ltd.	32,301	4.87

5. In the statements of large-volume holdings made available to the public on December 1, 2025, Mitsubishi UFJ Financial Group, Inc. stated that it owned jointly 33,257 thousand shares (5.02%) as of November 24, 2025. However, the Company was unable to confirm the number of shares beneficially owned as of January 31, 2026, and therefore, the above table does not include this information. The details of the report are as follows.

Name of large shareholder	Number of shares held (Thousands of shares)	Percentage of shares held to the total number of shares issued (%)
MUFG Bank, Ltd.	4,359	0.66
Mitsubishi UFJ Trust and Banking Corporation	16,288	2.46
Mitsubishi UFJ Asset Management Co., Ltd.	11,479	1.73
MUFG Securities (Canada), Ltd.	1,129	0.17

6. In the statements of large-volume holdings (change report) made available to the public on February 3, 2026, BlackRock Japan Co., Ltd. stated that it owned jointly 49,284 thousand shares (7.43%) as of January 30, 2026. However, the Company was unable to confirm the number of shares beneficially owned as of January 31, 2026, and therefore, the above table does not include this information. The details of the report are as follows.

Name of large shareholder	Number of shares held (Thousands of shares)	Percentage of shares held to the total number of shares issued (%)
BlackRock Japan Co., Ltd.	12,519	1.89
Aperio Group, LLC	1,537	0.23
BlackRock Financial Management, Inc.	992	0.15
BlackRock (Netherlands) BV	1,962	0.30
BlackRock Fund Managers Limited	2,027	0.31
BlackRock Asset Management Canada Limited	1,271	0.19
BlackRock Asset Management Ireland Limited	5,980	0.90
BlackRock Fund Advisors	13,441	2.03
BlackRock Institutional Trust Company, N.A.	8,396	1.27
BlackRock Investment Management (UK) Limited	1,156	0.17

7. In the statements of large-volume holdings (change report) made available to the public on February 5, 2026, Sumitomo Mitsui Trust Bank, Limited stated that it owned jointly 36,315 thousand shares (5.48%) as of January 30, 2026. However, the Company was unable to confirm the number of shares beneficially owned as of January 31, 2026, and therefore, the above table does not include this information. The details of the report are as follows.

Name of large shareholder	Number of shares held (Thousands of shares)	Percentage of shares held to the total number of shares issued (%)
Sumitomo Mitsui Trust Asset Management Co., Ltd.	17,918	2.70
Amova Asset Management Co., Ltd.	18,397	2.77

(7) Voting rights

i. Number of shares issued

As of January 31, 2026

Category	Number of shares (Shares)	Number of voting rights (Units)	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights (Treasury shares, etc.)	—	—	—
Shares with restricted voting rights (Other)	—	—	—
Shares with full voting rights (Treasury shares, etc.)	(Treasury shares) Common stock 14,712,400	—	—
	(Cross-held shares) Common stock 548,500	—	
Shares with full voting rights (Other)	Common stock 645,258,200	6,452,582	—
Shares less than one unit	Common stock 2,603,066	—	—
Total number of shares issued	663,122,166	—	—
Total number of voting rights held by all shareholders	—	6,452,582	—

(Note) The number of shares and voting rights in “Shares with full voting rights (Other)” includes 2,400 shares (24 voting rights) held in the name of Japan Securities Depository Center, Incorporated. “Shares less than one unit” includes 41 shares held in the name of Japan Securities Depository Center, Incorporated.

ii. Treasury shares, etc.

As of January 31, 2026

Name of shareholder	Address of shareholder	Number of shares held under own name (Shares)	Number of shares held under the names of others (Shares)	Total number of shares held (Shares)	Percentage of shares held to the total number of shares issued (%)
(Treasury shares) Sekisui House, Ltd.	1-1-88, Oyodonaka, Kita-ku, Osaka	14,712,400	—	14,712,400	2.22
(Cross-held shares) Almetax Manufacturing Co., Ltd.	1-1-30, Oyodonaka, Kita-ku, Osaka	548,500	—	548,500	0.08
Total	—	15,260,900	—	15,260,900	2.30

2. Acquisition and Disposal of Treasury Shares

Class of shares, etc. Acquisition of common stock in accordance with Article 155, Item 7 and Item 13 of the Companies Act

(1) Acquisition by resolution of the General Meeting of Shareholders

Not applicable.

(2) Acquisition by resolution of the Board of Directors

Not applicable.

(3) Acquisition not based on resolution at the General Meeting of Shareholders or the Board of Directors

Category	Number of shares (Shares)	Total amount (Yen)
Treasury shares acquired in the fiscal year ended January 31, 2026	6,558	14,116,470
Treasury shares acquired in the period after January 31, 2026	963	3,462,432

(Notes) 1. Treasury shares acquired in the fiscal year ended January 31, 2026 include the acquisition of restricted stock compensation (2,300 shares) at no cost.

2. Treasury shares acquired in the period after January 31, 2026 does not include the number of shares acquired through the purchase of shares less than one unit from April 1, 2026 to the filing date of the annual securities report.

(4) Disposal of acquired treasury shares and number of treasury shares held

Category	Fiscal year ended January 31, 2026		Period after January 31, 2026	
	Number of shares (Shares)	Total amount of disposition (Yen)	Number of shares (Shares)	Total amount of disposition (Yen)
Treasury shares acquired for which subscribers were solicited	—	—	—	—
Treasury shares acquired that were cancelled	—	—	—	—
Treasury shares acquired that were transferred due to merger, share exchange, share issuance, or company split	—	—	—	—
Other				
(Treasury shares acquired that were transferred through the exercise of stock options)	24,000	66,457,745	—	—
(Treasury shares acquired that were sold pursuant to requests for additional purchase of shares less than one unit)	30	83,064	—	—
Number of treasury shares held	14,712,490	—	14,713,453	—

(Notes) 1. The column “Total amount of disposition” shows the book value of the treasury shares that were disposed of.

2. The “Other” and “Number of treasury shares held” columns in the period after January 31, 2026 do not include transactions and other similar events that occurred between April 1, 2026 and the filing date of the annual securities report.

3. Dividend Policy

In addition to the policy of maintaining an average dividend payout ratio of at least 40% over the medium term, the minimum dividend per share will be set at 145 yen per year during the term of the Seventh Mid-Term Management Plan (FY2026 - FY2028) in order to further increase the stability of shareholder returns, while also aiming to enhance shareholder value through the flexible purchase of treasury shares.

The Company plans to use internal reserves to strengthen the management foundation in preparation for active business expansion in the future.

In addition, the Company's Articles of Incorporation stipulate that the Company may pay interim dividends as stipulated in Article 454, Paragraph 5 of the Companies Act, and it is our basic policy to pay dividends twice a year, with an interim dividend and a year-end dividend. The decision-making bodies for these dividends are the Board of Directors for the interim dividend and the General Meeting of Shareholders for the year-end dividend.

Dividends of surplus for the fiscal year ended January 31, 2026 were as follows, based on the profit situation and the policy of maintaining a medium-term average dividend payout ratio of 40% or more. The dividend payout ratio (consolidated) was 40.2%.

Date of resolution	Total amount of dividends (Millions of yen)	Dividends per share (Yen)
September 4, 2025 Resolution at the Board of Directors	46,685	72.00
April 23, 2026 Resolution at the Ordinary General Meeting of Shareholders (scheduled)	46,685	72.00

4. Corporate Governance

(1) Outline of corporate governance

Basic approach to corporate governance

- The Group's fundamental philosophy is "Love of Humanity." In accordance with the corporate philosophy of "Truth & Trust," "Deliver the highest quality and technology," and "Create enriching homes and environments," we have positioned corporate governance as a key management challenge. In order to continuously improve corporate value while gaining the trust of all stakeholders, including shareholders and investors, the Group will work to improve the effectiveness of corporate governance, put in place a system that enables speedy and sincere management.
- Sekisui House, Ltd. Basic Policy on Corporate Governance, which lays out the fundamental concept and framework of the Company's corporate governance, is available on the Company's website for stakeholders' perusal.

URL: <https://www.sekisuihouse.co.jp/english/company/info/gov/>

i. Corporate governance structure

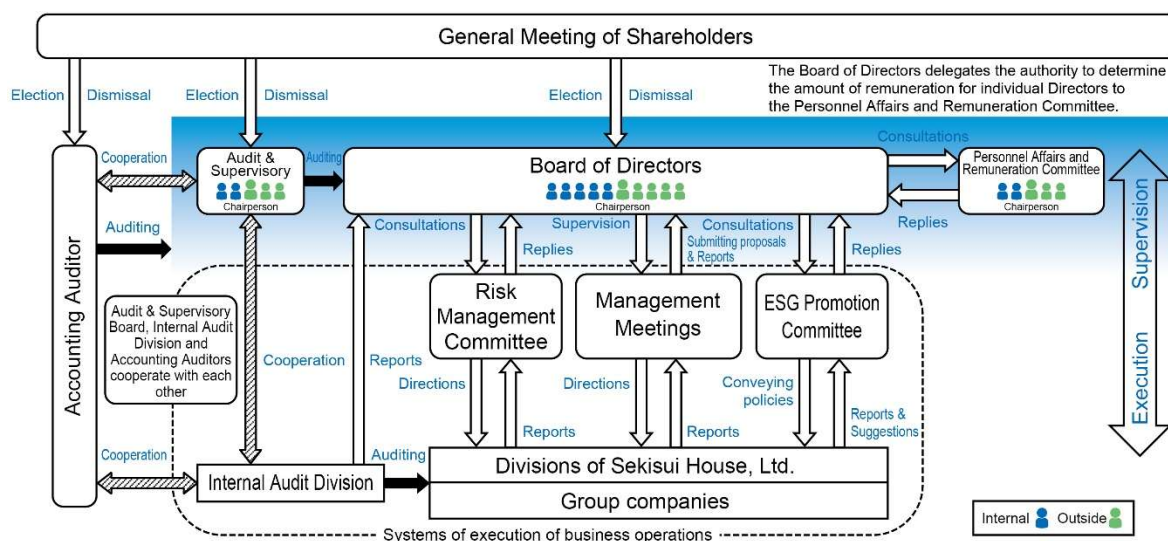
(a) Outline of the current corporate governance structure

Reasons for choosing the current corporate governance structure

- With respect to the organizational design stipulated in the Companies Act, the Company has adopted an Audit and Supervisory Board system, in which Audit and Supervisory Board Members and the Audit and Supervisory Board possess significant independence. In addition, to create a management system that speeds up management decisions and responds properly to rapidly changing economic and market conditions, we have established an executive officer system.

Structure and outline of corporate governance

- The Company's corporate governance structure (as of the filing date) is as follows.



- In April 2021, we created four distinct tiers as part of reforms to the executive officer system: entrusted Executive Officers concurrently serving as Directors of the Board (President, Vice Chairman, Vice President, Senior Managing Officer), entrusted Executive Officers who are Director of the Board candidates (Senior Managing Officer, Managing Officer), employed Executive Officers who maintain their status of employee and therefore can be flexibly appointed, and operating officers who are candidates for the preceding position. We are strengthening the development of management personnel at each division and building a sustainable leadership pipeline through the clarification of roles, personnel requirements, and selection and dismissal processes.
- Also since April 2021, we have expanded the functions of the Management Meetings beyond deliberations on important agenda items to be brought up to the Board of Directors. Entrusted Executive Officers (managing officer and higher) share information and make decisions regarding individual business execution. Furthermore, Outside Directors of the Board and Audit and Supervisory Board Members are welcome to attend as observers.

- The Board of Directors, including Outside Directors of the Board, comes equipped with a skill matrix of diverse knowledge, experience and ability to create business policies and strategies, and management plans, and remains responsible for medium-to-long-term execution of important business. We adopt the above structure aiming to secure moderate separation between management supervision functions and business executive functions by delegating short-term and segment specific business execution functions to Management Meetings and other like conferences.

- As of the filing date, the composition of each organization was as follows.

Organization	Composition	
Board of Directors	[Chairperson] (Internal Directors of the Board) (Outside Directors of the Board) (Ten members, seven males and three females, including five Outside Directors of the Board)	Toshifumi Kitazawa (Outside Director of the Board) Yoshihiro Nakai, Satoshi Tanaka, Toru Ishii, Hiroshi Shinozaki, Yasushi Omura Yukiko Yoshimaru, Toshifumi Kitazawa, Yoshimi Nakajima, Shinichi Abe, Yukiko Kuroda
Audit and Supervisory Board	[Chairperson] (Standing Audit and Supervisory Board Member) (Standing and Outside Audit and Supervisory Board Member) (Outside Audit and Supervisory Board Member) (Five members, four males and one female, including three Outside Audit and Supervisory Board Members)	Ryuichi Tsuruta (Standing and Outside Audit and Supervisory Board Member) Takashi Ogino, Osamu Minagawa Ryuichi Tsuruta Yoritomo Wada, Yuko Tamai
Personnel Affairs and Remuneration Committee	[Chairperson] [Committee members] (Five members including three Outside Directors of the Board)	Yukiko Yoshimaru (Outside Director of the Board) Yoshihiro Nakai, Satoshi Tanaka (Internal Directors of the Board) Yukiko Yoshimaru, Toshifumi Kitazawa, Yukiko Kuroda (Outside Directors of the Board)
Management Meetings	[Chairperson] [Attendees] (Entrusted Executive Officers)	Yoshihiro Nakai (Representative Director of the Board, President, Executive Officer) Yoshihiro Nakai, Satoshi Tanaka, Toru Ishii, Hiroshi Shinozaki, Yasushi Omura, Masaru Noma, Haruhiko Toyoda, Keizo Yoshimoto, Hiroaki Oda, Kohei Hirota, Takahiro Kondo, Toru Tsuji, Hiroaki Yoshida, Norio Adachi, Toru Fujita, Koya Matsumura, Kazunori Ito, Naoki Tamori
ESG Promotion Committee	[Chairperson] (External committee members) (Internal members)	Haruhiko Toyoda (Senior Managing Officer, in charge of Secretariat and ESG Management Promotion, Head of External Affairs Department) Katsuhiko Kokubu (Professor, Graduate School of Business Administration, Kobe University) Hidemi Tomita (Representative Associate Officer, General Incorporated Association Institute for Sustainability Management) Haruhiko Toyoda, Hiroaki Oda, Miwa Yamada, Toshiya Chikada, Kenichi Yamazaki, Naoki Kawamura, Hiroyuki Kawabata, Yuki Isaka, Ayumi Yokoyama, Yukinori Matsuura
Risk Management Committee	[Chairperson] [Vice Chairperson] (Members)	Satoshi Tanaka (Representative Director of the Board, Executive Vice President, Executive Officer) Keizo Yoshimoto Satoshi Tanaka, Keizo Yoshimoto, Masaru Noma, Kohei Hirota, Toru Fujita, Junji Takeuchi, Naoki Kawamura, Takahiro Kishi, Kenji Okazawa, Kenichi Yamazaki, Keiko Yaguchi

- The Company has proposed the “Election of 10 Directors of the Board” and the “Election of Two Audit and Supervisory Board Members” as proposals to be tabled at the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. If these proposals are approved as originally proposed, the composition will be as follows. This includes proposals to be tabled at the meetings of the Board of Directors and the Audit and Supervisory Board scheduled to be held immediately after the said Ordinary General Meeting of Shareholders.

Organization	Composition	
Board of Directors	[Chairperson] (Internal Directors of the Board) (Outside Directors of the Board) (Ten members, seven males and three females, including five Outside Directors of the Board)	Toshifumi Kitazawa (Outside Director of the Board) Yoshihiro Nakai, Satoshi Tanaka, Toru Ishii, Yasushi Omura, Masaru Noma Yukiko Yoshimaru, Toshifumi Kitazawa, Yoshimi Nakajima, Shinichi Abe, Yukiko Kuroda
Audit and Supervisory Board	[Chairperson] (Standing Audit and Supervisory Board Member) (Outside Audit and Supervisory Board Member) (Five members, four males and one female, including three Outside Audit and Supervisory Board Members)	Yoritomo Wada (Outside Audit and Supervisory Board Member) Takashi Ogino, Osamu Minagawa Yoritomo Wada, Yuko Tamai, Nobuo Hanada
Personnel Affairs and Remuneration Committee	[Chairperson] [Committee members] (Five members including three Outside Directors of the Board)	Yukiko Yoshimaru (Outside Director of the Board) Yoshihiro Nakai, Satoshi Tanaka (Internal Directors of the Board) Yukiko Yoshimaru, Toshifumi Kitazawa, Yukiko Kuroda (Outside Directors of the Board)
Management Meetings	[Chairperson] [Attendees] (Entrusted Executive Officers)	Yoshihiro Nakai (Representative Director of the Board, President, Executive Officer) Yoshihiro Nakai, Satoshi Tanaka, Toru Ishii, Yasushi Omura, Masaru Noma, Haruhiko Toyoda, Keizo Yoshimoto, Hiroaki Oda, Kohei Hirota, Takahiro Kondo, Toru Tsuji, Hiroaki Yoshida, Norio Adachi, Toru Fujita, Koya Matsumura, Kazunori Ito, Naoki Tamori
ESG Promotion Committee	[Chairperson] (External committee members) (Internal members)	Haruhiko Toyoda (Senior Managing Officer, in charge of Secretariat and ESG Management Promotion, Head of External Affairs Department) Katsuhiko Kokubu (Professor, Graduate School of Business Administration, Kobe University) Hidemi Tomita (Representative Associate Officer, General Incorporated Association Institute for Sustainability Management) Haruhiko Toyoda, Hiroaki Oda, Miwa Yamada, Toshiya Chikada, Kenichi Yamazaki, Naoki Kawamura, Hiroyuki Kawabata, Yuki Isaka, Ayumi Yokoyama, Yukinori Matsuura
Risk Management Committee	[Chairperson] [Vice Chairperson] (Members)	Satoshi Tanaka (Representative Director of the Board, Executive Vice President, Executive Officer) Keizo Yoshimoto Satoshi Tanaka, Keizo Yoshimoto, Masaru Noma, Kohei Hirota, Toru Fujita, Junji Takeuchi, Naoki Kawamura, Takahiro Kishi, Kenji Okazawa, Kenichi Yamazaki, Keiko Yaguchi

Board of Directors

The Board of Directors consists of ten Directors of the Board (seven males and three females) including five Outside Directors of the Board and meets once a month in principle. To improve corporate value over the medium-to-long term, the Board of Directors shall be responsible mainly for establishing business policies and strategies, and management plans, and making decisions on the execution of important operations, as well as for supervising and evaluating the execution of duties by Directors of the Board and executive officers and for establishing frameworks, such as internal control and risk management structure, to ensure the soundness of management.

In addition, to promote the constructive exchange of opinions, we decided not to combine the positions of Chairperson of the Board of Directors and the convener. Therefore, from May 2021, Outside Director of the Board Toshifumi Kitazawa, has been appointed and currently serves as the Chairperson of the Board of Directors, while Representative Director of the Board, President, Executive Officer (Yoshihiro Nakai) currently serves as the convener.

The Board of Directors shall have the number of members that is considered appropriate for substantive deliberations, and independent Outside Directors of the Board shall be selected so that the ratio of independent outside directors on the Board of Directors is one-third or more. Moreover, we formulate a skill matrix based on business strategies and management plans to help ensure the Board of Directors shall have a well-balanced composition of members with full awareness of the skills required for the Board of Directors. Members shall include experts 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 suitable diversity and proper headcount.

We have also established the Office of Directors of the Board as an organization for assisting Outside Directors of the Board in their duties, and assigned several employees to it, including full-time staff.

(Note) The Company has proposed the “Election of 10 Directors of the Board” as a proposal to be tabled at the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. Even if the proposal is approved as originally proposed, the Board of Directors will continue to consist of 10 Directors of the Board (seven males and three females), including five Outside Directors of the Board, and the Chairperson of the Board of Directors and convener are expected to remain unchanged.

Skill Matrix for the Board of Directors (as of the filing date)

Name	Corporate management Business strategy	International business Overseas insight	Finance strategy and accounting	Technology and environment Innovation	Improvement in sociability Human resources development Diversity	Governance Risk management Compliance
Yoshihiro Nakai	●		●		●	●
Satoshi Tanaka	●	●	●		●	●
Toru Ishii	●	●			●	
Hiroshi Shinozaki	●			●		●
Yasushi Omura	●			●		●
Yukiko Yoshimaru	●	●			●	●
Toshifumi Kitazawa	●	●	●			●
Yoshimi Nakajima	●	●	●		●	
Shinichi Abe	●	●		●	●	
Yukiko Kuroda	●	●			●	●

- The Company has proposed the “Election of 10 Directors of the Board” as proposals to be tabled at the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. If these proposals are approved as originally proposed, the composition will be as follows.

Skill Matrix for the Board of Directors
(after the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026)

Name	Corporate management Business strategy	International business Overseas insight	Finance strategy and accounting	Technology and environment Innovation	Improvement in sociability Human resources development Diversity	Governance Risk management Compliance
Yoshihiro Nakai	●		●		●	●
Satoshi Tanaka	●	●	●		●	●
Toru Ishii	●	●			●	
Yasushi Omura	●			●		●
Masaru Noma	●			●		●
Yukiko Yoshimaru	●	●			●	●
Toshifumi Kitazawa	●	●	●			●
Yoshimi Nakajima	●	●	●		●	
Shinichi Abe	●	●		●	●	
Yukiko Kuroda	●	●			●	●

Reasons for selecting each item in the skill matrix for the Board of Directors

Skill items	Reasons for selection
Corporate management Business strategy	The Company is a leading company in the housing industry with the total number of houses built exceeding 2.70 million worldwide. In order to formulate a sustainable growth strategy amidst a drastically changing business environment, Directors of the Board 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 of the Board with experience in different industries, especially management experience and a proven track in the consumer service sector 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 of the Board who have experience in overseas business management and extensive knowledge and experience in overseas cultural life and business environment.
Finance strategy and accounting	Directors of the Board 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 environment Innovation	In order to realize the supply of high-quality housing that combines safety and peace of mind, and comfort with advanced technology, and to further advance and develop our advanced environmental technology and solid construction capabilities, the Company needs Directors of the Board 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.
Improvement in sociability Human resources development Diversity	In order to provide homes that make our customers feel more content and address various social challenges through its business activities, the Company needs to develop human capital management strategies that enable each employee to maximize their potential, and the Company needs Directors of the Board with solid knowledge and experience in the field of human resources development, including the promotion of diversity and inclusion.
Governance Risk management Compliance	The establishment of an appropriate governance structure 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 of the Board with solid knowledge and experience in the fields of corporate governance, risk management, and compliance are needed.

Activity status

During the fiscal year ended January 31, 2026, the Board of Directors was held 13 times, with each meeting lasting 1 hour and 59 minutes. The attendance at meetings of the Board of Directors was as follows.

Official title or position	Name	Rate of attendance at meetings of the Board of Directors during the fiscal year ended January 31, 2026
Representative Director of the Board, CEO, President, Executive Officer	Yoshihiro Nakai	100% (13/13)
Representative Director of the Board, Vice Chairman, Executive Officer	Yosuke Horiuchi	100% (4/4)
Representative Director of the Board, Executive Vice President, Executive Officer	Satoshi Tanaka	100% (13/13)
Director of the Board, Senior Managing Officer	Toru Ishii	100% (13/13)
Director of the Board, Senior Managing Officer	Hiroshi Shinozaki	100% (13/13)
Director of the Board, Senior Managing Officer	Yasushi Omura	100% (9/9)
Outside Director of the Board	Yukiko Yoshimaru	100% (13/13)
Outside Director of the Board	Toshifumi Kitazawa	100% (13/13)
Outside Director of the Board	Yoshimi Nakajima	100% (13/13)
Outside Director of the Board	Keiko Takegawa	75% (3/4)
Outside Director of the Board	Shinichi Abe	100% (13/13)
Outside Director of the Board	Yukiko Kuroda	100% (9/9)

(Note) Mr. Yosuke Horiuchi and Ms. Keiko Takegawa retired from their positions on April 23, 2025.

Number of agenda items and main contents

74 Resolutions: Board of Directors effectiveness evaluations for the 73th fiscal year as well as external disclosure, financial results for the 73th fiscal year, income plan for the 74th fiscal year, revision of the remuneration composition ratio, submission of the Annual Securities Report for the 74th fiscal year prior to the Ordinary General Meeting of Shareholders, policy for reorganization of the corporate structure in the U.S. homebuilding business, revision of the Basic Policy on Corporate Governance, revision of the Board of Director Proposal Standard, revision of the Group Administrative Regulations, etc.

69 Reports: Status of formulation of the Seventh Mid-Term Management Plan, Personnel Affairs and Remuneration Committee status of activities, Risk Management Committee status of activities, audit policies and plans, Audit and Supervisory Board effectiveness evaluations, implementation of dialogue with institutional investors, implementation status of internal audits, response to the revision of lease accounting standard, PMI progress in the U.S. homebuilding business, operation of the whistleblowing and counseling hotline systems, human rights due diligence activities, verification of cross-shareholdings, status of initiatives regarding the Group's capital cost management, summaries of Management Meetings, etc.

Results of evaluation of the effectiveness of the Board of Directors

1. Evaluation method

As in the fiscal year ended January 31, 2025, the Company hired a third-party independent evaluation company to implement an evaluation for the fiscal year ended January 31, 2026 using the method described below.

- (1) Questionnaire-based survey of all Directors of the Board and Audit and Supervisory Board Members (the questionnaire was prepared, distributed, and collected by the third-party organization)
- (2) Interviews of all Directors of the Board and Audit and Supervisory Board Members, carried out by the third-party organization (approximately one hour interview per interviewee)
- (3) Examination of the materials and minutes of meetings of the Board of Directors

Questionnaire items

- Overall evaluation of the Board of Directors
- Composition of the Board of Directors
- Preparations for the meetings of the Board of Directors
- Management of the meetings of the Board of Directors
- Debate in the meetings of the Board of Directors
- Personnel Affairs and Remuneration Committee
- Supervision of business execution
- Importance of agenda items and the sufficiency of discussion

The third-party organization implemented an evaluation and compiled the results into a report. At a meeting of the Board of Directors held in February 2026, the content of the report was explained by the evaluation company and discussed among the attendees of the meeting.

2. Outline of the evaluation

(1) Conclusion

The Board of Directors evaluated and confirmed that a sufficiently high level of effectiveness has been achieved by the Board of Directors. Moreover, it confirmed that progress had been generally made on the issues indicated in the evaluation of effectiveness of the Board of Directors in the previous fiscal year.

	Issues for the Fiscal Year Ended January 31, 2026	Initiatives / Issues Confirmed Through the Board of Directors Evaluation	Progress
1	Further strengthening of governance from a group/global perspective	- Through PMI in the United States, opportunities have increased for substantive discussions on group management from the perspective of improving corporate value (including on-site inspections and discussions in the United States, as well as observation reports prepared by Outside Directors of the Board). - The CFO function, centered on finance specialists, has also been strengthened, and opportunities for discussion were expanded by holding a meeting of the business investment council in December 2025 to discuss investments and finances. - Regarding timely and sufficient sharing of information with Directors of the Board, no particular issues were raised. - On the other hand, as the number of agenda items at the Board of Directors meetings has increased, there were continued requests for improvements in Board operations to ensure sufficient time for strategic themes.	Improving
2	Enhancement of discussions on succession to ensure the continued high effectiveness of the Board of Directors	- Regarding board succession, the onboarding of newly appointed Directors of the Board who took office this fiscal year is underway, but it remains an important issue to continue efforts, including the search for candidates with a view to the transition of “leadership roles” in the Company’s governance. - Regarding CEO succession, the Personnel Affairs and Remuneration Committee has made progress in initiatives such as establishing opportunities for engagement with internal succession candidates, but initiatives remain ongoing and further efforts are required.	Improving

(2) Strengths supporting the effectiveness of the Board of Directors

Based on the evaluation made by the third-party organization, the Board of Directors confirmed that its effectiveness was supported by the “strengths” shown in items 1 to 3 below.

	Strengths	Details of Strengths (Observations by the Third-party Organization)
1	Presence of leaders to ensure effective governance	Many Directors of the Board who play leadership roles, including the Chairperson (as well as newly appointed members), are able to balance supervision and business execution at a high level.
2	Strong commitment of Independent Outside Directors of the Board	- Proactive recommendations on business execution based on the premise of “moderate separation of supervision and execution.” - Guided by the belief that “seeing is believing,” a strong willingness to gain a deep understanding of operations by engaging with Management Meetings and business sites, together with a strong time commitment.
3	Further enhanced system to support the Board of Directors Office	Proactive and prompt preparation and response by the Board of Directors Office and its commitment to further strengthening its functions.

(3) Issues for the further enhancement of effectiveness

Based on the findings and proposals made by the third-party organization, the Board of Directors confirmed that the items shown below are the issues and initiatives for consideration in the fiscal year ending January 31, 2027.

	Issues for the Fiscal Year Ending January 31, 2027		Details of Issues (Observations by the Third-party Organization)	Initiatives for Consideration
1	Further strengthening of the monitoring function		- As the reinforcement of our executive team progresses and the scope of management to be covered has expanded both domestically and internationally, conditions are in place to further delegate authority to the executive team and strengthen the monitoring function. - Among Directors of the Board and Audit and Supervisory Board Members, there has been an increasing view that the “moderate separation of supervision and execution” should be further promoted to strengthen the monitoring function.	To consider the direction and options for the future, with reference to practices at other companies.
2	Prioritization of agenda items to enable focused discussions of strategically important themes	a. Securing opportunities to discuss important themes	- There were calls to expand opportunities to discuss important themes from the perspective of improving corporate value (e.g., governance of overseas business and long-term vision). - Regarding individual agenda items, there were also requests for a deeper understanding of the strategic positioning and management’s intent from an execution standpoint.	- To discuss and agree on the selection of important themes. - To reflect them in the annual discussion schedule. - To establish forums outside the Board of Directors meetings.
		b. Creating time by making the operations of the Board of Directors more efficient	- As the number of agenda items at the Board of Directors meetings has increased, concerns were expressed that time constraints may affect the depth of discussions. - Although efforts have been made to improve the setting of agenda items and the efficiency of Board operations, there were views that further improvements remain possible.	- To utilize written resolutions. - To further review criteria for submission of agenda items. - To prioritize the allocation of time.
3	Strengthening initiatives regarding succession	a. Succession and integration of Outside Directors of the Board	- Steps are underway toward the replacement of Outside Directors of the Board who have played leading roles in the Company’s governance. - Regarding succession, including the integration of newly appointed Outside Directors of the Board, careful consideration is required to ensure that the high level of commitment by Outside Directors of the Board, which is a characteristic of the Company’s governance, is inherited and further evolved.	To hold off-site meetings for Outside Directors of the Board aimed at the inheritance and evolution of governance.
		b. Succession of the executive team	As the Company continues to pursue new challenges both domestically and internationally, the succession of the executive team, which has led reforms across both execution and governance, is important.	- To reconfirm the succession plan within the Personnel Affairs and Remuneration Committee. - To enhance reporting to the Board of Directors.

Audit and Supervisory Board

The Audit and Supervisory Board has five members (four males and one female), of whom three are Outside Audit and Supervisory Board Members. It formulates audit plans and, based on those plans, receives reports from Directors of the Board, Executive Officers, key office heads, the directors of subsidiaries and others regarding risks and issues related to other issues pertaining to their assigned duties, requests explanations as necessary, and expresses opinions as appropriate. In addition, the Audit and Supervisory Board periodically exchanges opinions with the President, Representative Director of the Board and Outside Directors.

In addition, Audit and Supervisory Board Members exchange opinions and work closely with the internal audit division, hold regular meetings with the accounting auditor and engage in mutual cooperation to ensure that each auditing operation is carried out efficiently and effectively.

Furthermore, we established the Office of Audit and Supervisory Board Members as a dedicated organization to which several employees including full-time staff are assigned to assist in Audit and Supervisory Board Members' operations. Employees assigned concurrently to the Office of Audit and Supervisory Board Members shall maintain their independence, such as by ensuring that such employees must not be influenced by directions or orders from their own departments regarding their duties in the Office of Audit and Supervisory Board Members, and that the Audit and Supervisory Board Members' opinions shall be respected in terms of personnel-related decisions on such employees.

(Note) The Company has proposed the "Election of Two Audit and Supervisory Board Members" as a proposal to be tabled at the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. If the proposal is approved as originally proposed, the Audit and Supervisory Board will continue to consist of five Audit and Supervisory Board Members (four males and one female), including three Outside Audit and Supervisory Board Members.

Skill Matrix for the Audit and Supervisory Board (as of the filing date)

Name	Corporate management	International business Overseas insight	Quality and technology Business process	Finance and accounting Disclosure	Legal affairs	Governance Risk management Compliance
Takashi Ogino	●		●			●
Osamu Minagawa	●		●			●
Ryuichi Tsuruta	●	●		●		●
Yoritomo Wada		●		●		●
Yuko Tamai		●		●	●	●

- The Company has proposed the "Election of Two Audit and Supervisory Board Members" as proposals to be tabled at the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. If these proposals are approved as originally proposed, the composition will be as follows.

Skill Matrix for the Audit and Supervisory Board

(after the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026)

Name	Corporate management	International business Overseas insight	Quality and technology Business process	Finance and accounting Disclosure	Legal affairs	Governance Risk management Compliance
Takashi Ogino	●		●			●
Osamu Minagawa	●		●			●
Yoritomo Wada		●		●		●
Yuko Tamai		●		●	●	●
Nobuo Hanada		●		●		●

Reasons for selecting each item in the skill matrix for the Audit and Supervisory Board

Skill items	Reasons for selection
Corporate management	In order to ensure an appropriate audit system through exchange of opinions with senior management, the Company needs Audit and Supervisory Board Members who have management experience in the housing, construction, and urban development fields and who have acquired a sufficient understanding of the Company's corporate culture and values through their experience.
International business Overseas insight	Amidst the expansion of international business, the Company needs Audit and Supervisory Board Members who possess abundant knowledge and experience that contribute to audits of overseas business, such as coordinating with internal audit divisions and Accounting Auditors of overseas subsidiaries.
Quality and technology Business process	The Company needs Audit and Supervisory Board Members who have a sufficient understanding of the Company's technical expertise and construction expertise for supplying high-quality housing, etc. that ensures safety, peace of mind, and comfort as well as its business processes (including internal control).
Finance and accounting Disclosure	The Company needs Audit and Supervisory Board Members who possess sufficient knowledge regarding financial accounting necessary for auditing financial reporting and coordinating with the Accounting Auditor, as well as abundant knowledge and experience in the disclosure field such as domestic and overseas disclosure regulations.
Legal affairs	In order to strengthen the Company's audit system, including the one for international business which is a growth area, the Company needs Audit and Supervisory Board Members who have solid knowledge and experience regarding trends in domestic and overseas laws and regulations.
Governance Risk management Compliance	As an independent body responsible for corporate governance, this is a base skill necessary for all Audit and Supervisory Board Members to strive to monitor and verify the establishment and operation of the internal control system and contribute to the sound and sustainable growth of the Company.

Results of evaluation of the effectiveness of the Audit and Supervisory Board

For the results of evaluation of the effectiveness of the Audit and Supervisory Board, please refer to "IV. Information About Reporting Company, 4. Corporate Governance, (3) Audits, i. Status of audits by Audit and Supervisory Board Members."

Personnel Affairs and Remuneration Committee

As an advisory body to the Board of Directors, the Personnel Affairs and Remuneration Committee provides opinions to the Board of Directors to ensure fairness and transparency with regard to the personnel affairs and remuneration of the Directors of the Board and Executive Officers. In addition, the committee, based on delegation from the Board of Directors, determines the amount of remuneration for individual Directors of the Board and entrusted Executive Officers.

The committee is chaired by an independent Outside Director of the Board and the majority of its membership consists of independent Outside Directors of the Board. As of the filing date, the committee members are comprised of two Representative Directors of the Board and three independent Outside Directors of the Board, with independent Outside Director of the Board (Yukiko Yoshimaru) serving as the chairperson.

For the activity status of the Personnel Affairs and Remuneration Committee, please refer to “4. Corporate Governance, (4) Remuneration, etc. for directors (and other officers), v. Details of activities of the Personnel Affairs and Remuneration Committee.”

(Note) The Company has proposed the “Election of 10 Directors of the Board” as a proposal to be tabled at the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. If the proposal is approved as originally proposed, the Personnel Affairs and Remuneration Committee will continue to consist of two Representative Directors of the Board and three Independent Outside Directors of the Board, and the Chairperson is expected to remain unchanged.

Management Meetings

This body was established to promote the active exchange of 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 business policies and strategies, and sharing information on business execution policies and issues. Management Meetings are participated by entrusted Executive Officers and also welcome the attendance of Outside Directors of the Board and Audit and Supervisory Board Members who act as observers. Additionally, depending on the matter at hand, the attendance of employed Executive Officers and Operating Officers is requested for an active exchange of opinions.

ESG Promotion Committee

The Company has set out the global vision “Make Home the Happiest Place in the World” and aims to becoming a “leading company in ESG (Environment, Society and Governance) management.”

The committee consists of at least two external committee members who bring specialist insight and skills, Executive Officers and managers for business execution. The committee thus enhances the effectiveness of ESG efforts through means such as exchanging opinions on the progress of ESG management initiatives and issues.

The committee was held five times during the fiscal year ended January 31, 2026 and discussed the following.

Date			Main agenda
21st meeting	2025	March	• Progress report on KPIs related to Material Issues • Policy for “Value Report 2025”
22nd meeting		May	• ESG management in the Sekisui House Construction Group • Final report on KPIs related to material issues • Revision of the remuneration system • Disclosure of the Annual Securities Report prior to the General Meeting of Shareholders and English disclosure • Pre-publication report on “Value Report 2025”
23rd meeting		July	• Report on initiatives of the project regarding the utilization of wood • Update on the wood procurement policy • Current status and future direction of well being management • Level of penetration of “SEKISUI HOUSE-SHIP” • Value creation through effectuation
24th meeting		October	• ESG management at Sekisui House Remodeling • Progress of human rights due diligence at overseas group companies • Health and Well-being Declaration • Progress report on KPIs related to Material Issues • Reassessment of Material Issues
25th meeting	2026	January	• Review of the 75th fiscal year and policies for the 76th fiscal year of the three ESG subcommittees • Follow-up status of the 4th “SHIP” and progress of the 5th “SHIP” • Initiatives to improve ESG evaluations in FY2025

Risk Management Committee

As an advisory body to the Board of Directors, this committee strives to develop an appropriate risk management structure and secure the effectiveness of its operations. To this end, the Risk Management Committee gains an understanding of the risk management status of the entire Group and provides opinions to the Board of Directors as necessary. The committee’s risk assessment process includes risk mapping on the two axes of the frequency of risk materialization and the magnitude of impact on the Group. By doing so, the committee identifies important risk items and holds monthly meetings to monitor and verify these risk items.

Also, the Quality Management Committee and the Information Security Committee are placed under the Risk Management Committee to engage in discussions employing specialist viewpoints and report their conclusions to the Risk Management Committee.

(b) Other matters related to corporate governance

- Based on the Companies Act and the Regulation for Enforcement of the Companies Act, the Company developed and manages an internal control system, with basic policies deliberated by the Board of Directors, as follows.

Fundamental policies of the development of the internal control system (as of the filing date)

- 1) Systems to ensure that execution of duties by the Directors of the Board, Executive Officers, and employees of the Company and its subsidiaries comply with laws and regulations and the Articles of Incorporation
 - i. The Group (the Company and its consolidated subsidiaries) shall practice its Corporate Philosophy as well as

actions based on the Corporate Philosophy. The Group shall comply with laws and regulations, the Articles of Incorporation and other corporate ethics, and shall establish the Sekisui House Group Integrity Code as the practice of specific actions based on the Corporate Philosophy. In addition to sharing these with all officers and employees (including through electronic means), the Group shall implement training to ensure thorough compliance with laws and regulations, the Articles of Incorporation and other corporate ethics. It shall also implement annual employee awareness surveys to ascertain the current situation. The Board of Directors of the Company shall evaluate the results of these surveys with an emphasis on the spread of the Corporate Philosophy, etc.

- ii. The Board of Directors of the Company shall formulate and revise fundamental policies of the development of the internal control system as stipulated by the Companies Act and supervise the status of implementation of these systems through various approaches such as leveraging the internal audit division.
 - iii. The Audit and Supervisory Board Members and the Audit and Supervisory Board of the Company shall audit the establishment and operation of internal control systems from an independent standpoint. To ensure the effectiveness of the above procedures, the Audit and Supervisory Board Members and the Audit and Supervisory Board shall make every effort to share information and cooperate with Outside Directors of the Board, the internal audit division, the accounting auditor, the Audit and Supervisory Board Members of the Company's subsidiaries, and others.
 - iv. Internal audit divisions of the Company and its subsidiaries shall regularly audit the operations of the Company and its subsidiaries.
 - v. The Board of Directors of the Company shall supervise the execution of duties by Directors of the Board and Executive Officers, and decide on personnel matters, including appointment and dismissal, the remuneration system and other matters for Directors of the Board and Executive Officers, based on the recommendations of the Personnel Affairs and Remuneration Committee, the majority of members of which are Outside Directors of the Board. Decisions on the amounts of remuneration paid to individual Directors of the Board and entrusted Executive Officers shall be made by the Personnel Affairs and Remuneration Committee, based on the delegation of authority by the Company's Board of Directors, to ensure the fairness and transparency of these decisions.
 - vi. The Board of Directors of the Company shall establish the ESG Promotion Committee, which includes outside experts, and promote ESG management with the aim of contributing to the building of a sustainable society.
 - vii. The Board of Directors of the Company shall establish an appropriate system for the whistleblowing system, shall receive reports on a regular basis, and appropriately oversee the management of the system.
- 2) Systems to maintain and control information regarding execution of duties by the Directors of the Board and Executive Officers

Directors of the Board and Executive Officers shall duly maintain and control the following documents (including electronic records; the same shall apply hereinafter) and relevant materials relating to the execution of duties upon condition that Directors of the Board and Audit and Supervisory Board Members, etc. may inspect them whenever necessary.

- a. Minutes of the General Meeting of Shareholders, meetings of the Board of Directors, Management Meetings, and other important meetings
 - b. Important documents (approval documents, etc.) by which Directors of the Board and Executive Officers decided the execution of duties
 - c. Other important documents relating to execution of duties by Directors of the Board and Executive Officers
- 3) Systems to control risks for loss of the Company and its subsidiaries
- i. The Board of Directors of the Company shall endeavor to supervise the establishment and effective operation of enterprise risk management systems, including through reports and recommendations by the Risk Management Committee, an advisory body, and reports by the internal audit division. The Risk Management

- Committee shall summarize and verify the status of the implementation of risk management systems within the Group, including issues related to internal control associated with the compliance and financial reporting, before reporting on this status to the Board of Directors and providing advice on the establishment and operation of risk management systems.
- ii. The Company and its subsidiaries shall prepare response manuals and make them known to officers and employees with regard to the risk control system to deal with natural disasters or any emergency which may cause the company incurred material loss and damage.
 - iii. The Board of Directors of the Company shall establish an information security policy and an appropriate information asset management system in order to safely protect and manage information assets and to fulfill the trust of the Group's customers and other stakeholders.
- 4) Systems to ensure the efficient execution of duties by the Directors of the Board, etc. of the Company and its subsidiaries
- i. Based on the understanding that its main role is establishing business policies and strategies, and management plans, the Board of Directors of the Company shall delegate decision-making on the execution of specific operations to Management Meetings, Directors of the Board and Executive Officers where possible.
 - ii. The Company shall establish Management Meetings composed of entrusted Executive Officers to deliberate, make decisions, and share information on certain operation matters.
 - iii. Before resolutions or approvals at the Boards of Directors of the Company and its subsidiaries, the Management Meetings of the Company shall actively exchange opinions on important matters to ensure appropriate decision-making.
 - iv. As for the approval, rules that maintain effective deliberation and swift decision-making function shall be established and operated.
 - v. The Company and its subsidiaries shall set forth internal regulations for segregation of duties to clarify duties and responsibilities.
- 5) Systems to report information regarding execution of duties by the Directors of the Board, etc. of the Company's subsidiaries to the Company
- i. The Company shall determine the section responsible for the business management of each subsidiary, which manages and supervises its business activities, based on the business segment. The Company shall establish and operate a dual management system where a specialized department with relevant expertise provides assistance and also leads the management of any highly specialized business operations.
 - ii. The Company's subsidiaries shall report information regarding management status and execution of important duties to the Company as necessary or regularly, through the Directors of the Board or Audit and Supervisory Board Members dispatched from the Company.
 - iii. The Company's subsidiaries shall report to the Company immediately in an emergency.
- 6) Matters related to employees who assist duties of Audit and Supervisory Board Members of the Company and matters related to the independence of such employees from Directors of the Board of the Company
- i. The Company shall establish the Office of Audit and Supervisory Board Members to which several employees including full-time staff are assigned to assist duties of Audit and Supervisory Board Members.
 - ii. The selection, etc. of employees to be assigned to the Office of Audit and Supervisory Board Members shall be determined upon mutual consultation, respecting the intentions of the Audit and Supervisory Board.
 - iii. Employees assigned concurrently to the Office of Audit and Supervisory Board Members shall maintain their independence, such as by ensuring that such employees must not be influenced by directions or orders from their own departments regarding their duties in the Office of Audit and Supervisory Board Members, and that the Audit and Supervisory Board Members' opinions shall be respected in terms of personnel-related decisions on such employees.

7) Systems to report to Audit and Supervisory Board Members of the Company

- i. The Directors of the Board and Executive Officers of the Company shall report the status of execution of their duties at any time at the meetings of the Board of Directors and other important meetings of the Company attended by the Audit and Supervisory Board Members.
- ii. The Directors of the Board, Executive Officers and employees of the Company shall immediately report to the Audit and Supervisory Board Members whenever finding any fact which might cause material loss and damage to the Company or its subsidiaries.
- iii. The secretariat of the whistleblowing system shall immediately report to the Audit and Supervisory Board Members of the Company whenever receiving any report of finding any fact which might cause material loss and damage to the Company or its subsidiaries.
- iv. The Company and its subsidiaries shall not treat disadvantageously any person who made a report as set forth in the preceding two items or the whistleblower for the reason of such report or whistleblowing.
- v. The Company shall circulate to the Audit and Supervisory Board Members of the Company the approval documents, minutes of important meetings such as the Board of Directors meetings, audit reports prepared by the internal audit division, and other important documents related to the auditing operations of Audit and Supervisory Board Members.

8) Matters concerning policies for the procedure for expenses or liabilities incurred for the execution of duties by the Audit and Supervisory Board Members

The Company shall handle promptly the request for prepayment or reimbursement of the expenses or liabilities incurred for the execution of duties made by Audit and Supervisory Board Members, excluding when the expenses or liabilities are proved to be unnecessary for the execution of their duties.

9) Other systems to ensure that the audit work of Audit and Supervisory Board Members is conducted efficiently

- i. Audit and Supervisory Board Members and the internal audit division shall maintain close cooperation through frequent exchange of opinions, and shall cooperate with each other to ensure that each auditing operation is conducted efficiently and effectively.
- ii. Audit and Supervisory Board Members and the accounting auditor of the Company shall have meetings regularly and cooperate with each other to ensure that each auditing operation is conducted efficiently and effectively.

Status of operations of the internal control system

1) Initiatives for compliance and risk management

- The Company formulated the Sekisui House Group Integrity Code, replacing the previous Corporate Code of Conduct and Corporate Ethics Guidelines, to set forth specific actions based on the Corporate Philosophy of “Love of Humanity” and “Truth & Trust,” following the solicitation of opinions from, and dialogue with, Group officers and employees (effective February 1, 2026).
- The Company conducts Human Rights and Compliance Training for all employees of the Group with the aim of building compliance awareness, enhancing knowledge and moral awareness related to human rights issues, and improving workplace environments through dialogue.
- As whistleblowing systems, the Company has set up the Sekisui House Group Compliance Helpline for officers and employees of the Group and its regular business partners, the Sekisui House Global Helpline for officers and employees of overseas subsidiaries, and the Sexual and Power Harassment Hotline as a contact point for sexual harassment, power harassment, and other human rights issues. In accordance with the Whistleblower Protection Act, the Human Rights and Compliance Promotion Department receives consultations and reports on relevant matters. The Board of Directors of the Company receives periodic reports on the operation of these systems and appropriately supervises their implementation.
- During the fiscal year ended January 31, 2026, the Risk Management Committee was held 11 times to monitor key risks at the Group. The Risk Management Committee also engaged in activities such as monitoring the Quality Management Committee and the Information Security Committee, placed under its umbrella, and conducted risk management training for senior management employees aimed at boosting their risk responsiveness. It reported on the status of these activities to the Board of Directors.

2) Initiatives for ensuring efficient execution of duties

- During the fiscal year ended January 31, 2026, the Management Meetings was held 11 times. Entrusted Executive Officers participated in these meetings, which were also attended by Outside Directors of the Board and Audit and Supervisory Board Members as observers on a voluntary basis. Executive Officers and others were also requested to attend based on the agenda items discussed. Participants actively exchanged 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 business strategies, and sharing information on business execution policies and issues.

3) Initiatives related to the management of Group companies

- In order to strengthen the Group’s internal control through the development of regulations at each Group company, the Company revised the Group Administrative Regulations (which stipulate the Company’s responsibilities and authority with respect to Group companies and the management structure) by resolution of the Board of Directors, with the aim of clarifying the key regulations to be introduced by each company and the departments responsible for their implementation.
- The Company convenes regular “Sekisui House Group Audit and Supervisory Board Collaborative Meeting” for the purposes such as exchanging information and sharing issues between the audit and supervisory board members of the Company’s subsidiaries (including members concurrently serving as officers and employees of the Company).

Outline of liability limitation agreements

The Company has entered into liability limitation agreements with all Outside Directors of the Board and all Outside Audit and Supervisory Board Members. Under the agreement, even if they cause damage to the Company due to negligence in the execution of their duties as Outside Directors of the Board or Outside Audit and Supervisory Board Members, they shall be exempt from liability up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that they act in good faith without gross negligence in

the execution of their duties.

Outline of directors and officers liability insurance agreements

The Company has entered into a directors and officers liability insurance agreement with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. All insurance premiums are to be borne by the Company. The insurance agreement covers damages that the insured Directors of the Board, Audit and Supervisory Board Members, Executive Officers, etc. (including retired officers) of the Company are liable for the execution of their duties, or that are caused when their liabilities are questioned and claims are made. However, there are certain exemptions to ensure the appropriateness of the execution of duties by the insured person; for example, damage caused as a result of any criminal act of the insured shall not be covered.

ii. Outline of the provisions in the Articles of Incorporation of the Company (as of the filing date)

- In order to promote the delegation of authority regarding business execution, to promote constructive discussion and expedite decision-making at Board of Directors meetings, and to maintain an appropriate corporate governance structure, it is stipulated that the number of Directors of the Board shall be no more than 12.
- Regarding the resolution to elect Directors of the Board at the General Meeting of Shareholders, it is stipulated that the resolution shall be made by a majority of the voting rights of the shareholders present at the meeting, where the shareholders holding one third or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present, and that cumulative voting shall not be used.
- In order to enhance information sharing and maintain flexible auditing activities at the Audit and Supervisory Board, and also to ensure a balance with the maximum number of Directors of the Board, it is stipulated that the number of Audit and Supervisory Board Members shall be no more than seven.
- In order to enable implementation of flexible capital policies with regard to the purchase of treasury shares, it is stipulated that the Company may purchase treasury shares through market transactions, etc., based on a resolution of the Board of Directors in accordance with Article 165, Paragraph 2 of the Companies Act.
- In order to provide stable returns to shareholders, it is stipulated that the Board of Directors may resolve to pay an interim dividend with the record date of July 31st each year.
- In order to ensure the smooth operation of the General Meeting of Shareholders by relaxing the quorum requirement for special resolutions, it is stipulated that a resolution shall be adopted by a two-thirds majority of the voting rights of the shareholders present at the meeting, where the shareholders holding one-third or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present.

(2) Directors (and other officers)

i. Directors of the Board and Audit and Supervisory Board Members

(a) Status of Directors and other officers as of the filing date

The status of Directors and other officers as of the filing date is as follows.

11 males and 4 females (Ratio of female Directors (and other officers) 26.7%)

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Representative Director of the Board, CEO, President, Executive Officer	Yoshihiro Nakai	April 30, 1965	Apr. 1988 Feb. 2012 Apr. 2014 Apr. 2016 Apr. 2016 Feb. 2018 Apr. 2021 Apr. 2025	Joined the Company Head of Corporate Management Planning Department of the Company Executive Officer, Acting Head of Corporate Management Planning Department of the Company Managing Officer of the Company, in charge of Corporate Management Planning and Accounting & Finance Director of the Board of the Company President, Representative Director of the Board of the Company Representative Director of the Board, President, Executive Officer, CEO of the Company In charge of Business Strategy Division and Division of Built-to-Order Business Representative Director of the Board, CEO, President, Executive Officer of the Company (current position)	(Note 3)	164

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Representative Director of the Board, Executive Vice President, Executive Officer, Managing Finance Division, Human Resources Division and Auditing, in charge of Administration Division	Satoshi Tanaka	February 27, 1958	Apr. 1981 Apr. 2004 Apr. 2007 July 2010 Apr. 2011 Apr. 2013 Apr. 2015 Apr. 2017 June 2017 June 2019 Mar. 2020 Apr. 2020 Jan. 2021 Apr. 2021 Apr. 2025	Joined MITSUI & CO., LTD. General Manager of Investor Relations Division of MITSUI & CO., LTD. General Manager of Corporate Planning & Strategy Division of MITSUI & CO., LTD. Deputy General Manager of Consumer Service Business Unit of MITSUI & CO., LTD. Executive Officer; General Manager of Consumer Service Business Unit of MITSUI & CO., LTD. Managing Officer; General Manager of Consumer Service Business Unit of MITSUI & CO., LTD. Senior Managing Officer; President of Asia Pacific Business Unit of MITSUI & CO., LTD. and President of MITSUI & CO. (ASIA PACIFIC) PTE. LTD. Vice President & Executive Officer; CAO (Chief Administrative Officer); CIO (Chief Information Officer); CPO (Chief Privacy Officer) of MITSUI & CO., LTD. Representative Director; Vice President and Executive Officer of MITSUI & CO., LTD. Counselor of MITSUI & CO., LTD. Outside Director of Kuraray Co., Ltd. (current position) Outside Director of the Board of the Company Outside Director of IHH Healthcare Berhad (current position) Representative Director of the Board, Executive Vice President, Executive Officer of the Company (current position) In charge of Administration Division and Human Resources Managing Finance Division, Human Resources Division and Auditing, in charge of Administration Division (current position)	(Note 3)	71

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Director of the Board, Senior Managing Officer, in charge of Division of Development Business, Head of International Business	Toru Ishii	November 3, 1966	Apr. 1990 May 2012 Apr. 2014 Apr. 2016 Feb. 2019 Feb. 2020 Apr. 2020 Apr. 2020 Feb. 2021 May 2024	Joined the Company Head of Development Department of the Company Executive Officer, Acting Head of Development Department of the Company Managing Officer of the Company In charge of Development Business, Acting Head of International Business Department In charge of Development and Condominiums Businesses, Acting Head of International Business Department Senior Managing Officer of the Company (current position) In charge of Development, Condominiums, and International Businesses Director of the Board of the Company (current position) In charge of Division of Development Business (current position) Acting Head of International Business (current position)	(Note 3)	52
Director of the Board, Senior Managing Officer	Hiroshi Shinozaki	April 12, 1963	Apr. 1987 Feb. 2010 Aug. 2018 Apr. 2020 Feb. 2021 Apr. 2021 Feb. 2023 Apr. 2023 Apr. 2023 Apr. 2024 May 2024	Joined the Company Head of Tokyo-Tokken Building Projects Branch of the Company Head of East Japan Building Sales Administration Headquarters Executive Officer, Acting Head of East Japan Building Sales Administration Headquarters of the Company In charge of Building Sales Administration Managing Officer of the Company In charge of Building Sales Administration and TKC Project Executive Vice President, Director of the Board of Sekisui House Real Estate Holdings, Ltd. Senior Managing Officer of the Company (current position) Director of the Board of the Company (current position) President, Representative Director of the Board of Sekisui House Real Estate Holdings, Ltd. (current position) Managing Building Sales Administration, in charge of TKC Project	(Note 3)	27

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Director of the Board, Senior Managing Officer, Managing Detached Housing Business in charge of Remodeling Business	Yasushi Omura	December 1, 1968	Apr. 1991 Aug. 2008 Aug. 2009 Feb. 2014 Apr. 2018 Feb. 2019 Feb. 2021 Apr. 2021 Apr. 2023 Feb. 2024 Apr. 2025 Apr. 2025 Feb. 2026	Joined the Company Head of Tottori Branch of the Company Head of Okayama SHAWOOD-Home Branch of the Company Head of Okayama Branch of the Company Head of East Shikoku Branch of the Company Head of Kansai Daini Sales Administration Headquarters of the Company Head of Sekiwa Construction Business Headquarters of the Company Executive Officer, Acting Head of Sekiwa Construction Business Headquarters of the Company Managing Officer of the Company Acting Head of Sekisui House Construction Business Headquarters of the Company President, Representative Director of the Board of Sekisui House Construction Holdings, Ltd. Senior Managing Officer of the Company, Managing Detached Housing Business (current position) Director of the Board of the Company (current position) In charge of Remodeling Business (current position)	(Note 3)	20
Outside Director of the Board	Yukiko Yoshimaru	February 1, 1960	Apr. 1982 Apr. 1998 Oct. 2004 Apr. 2008 June 2011 Apr. 2018 June 2019 June 2021 June 2024	Joined Oki Electric Industry Co., Ltd. Director of Oki America Inc., Head of New York Office of Oki Electric Industry Co., Ltd. Chief Manager of Diversity Development Office of NISSAN MOTOR CO., LTD. Joined Nifco Inc. Executive Officer of Nifco Inc. Outside Director of the Board of the Company (current position) Outside Director of Mitsui Chemicals, Inc. Outside Director of Daiwabo Holdings Co., Ltd. (current position) Outside Director of Nichirei Corporation (current position)	(Note 3)	10

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Outside Director of the Board	Toshifumi Kitazawa	November 18, 1953	Apr. 1977	Joined Tokio Marine & Fire Insurance Co., Ltd.	(Note 3)	4
			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.		
			June 2019	Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee) of MUFG Bank, Ltd.		
			June 2019	Outside Director of Mitsubishi Logistics Corporation (current position)		
			Apr. 2020	Outside Director of the Board of the Company (current position)		
			Apr. 2022	Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. (current position)		
Outside Director of the Board	Yoshimi Nakajima	December 16, 1956	Apr. 1980	Joined The Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)	(Note 3)	3
			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)		
			Apr. 2021	Outside Director of the Board of the Company (current position)		

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Outside Director of the Board	Shinichi Abe	August 7, 1968	May 1993 Nov. 1995 Jan. 1998 Nov. 2003 Apr. 2005 Dec. 2005 Aug. 2006 Feb. 2011 Jan. 2017 Apr. 2020 Apr. 2022 Jun. 2025	Joined Axiomatics Corporation Joined Asahi Audit Corporation Joined J.D. Edwards Japan K.K. Joined PeopleSoft Japan K.K. Director, International Business, Availvs Corporation Director, Applications Business Group, Oracle Information Systems Japan K.K. Vice President in charge of Applications Business Headquarters and General Manager of Global Strategic Accounts of Oracle Corporation Japan Managing Director, Enterprise Business, Google Japan, G.K. Managing Director of Google Cloud Japan, G.K. Representative Director, President and CEO of MNES Inc. (current position) Outside Director of the Board of the Company (current position) Outside Director of MACNICA HOLDINGS, INC. (current position)	(Note 3)	2
Outside Director of the Board	Yukiko Kuroda	September 24, 1963	Apr. 1986 Jan. 1991 Jun. 2010 Mar. 2011 Apr. 2012 Jun. 2013 Jun. 2015 Jun. 2018 Jun. 2018 Jun. 2022 Aug. 2022 Mar. 2024 Apr. 2025 Jun. 2025	Joined Sony Corporation Representative Director of People Focus Consulting Co., Ltd. Outside Audit & Supervisory Board Member of Astellas Pharma Inc. Outside Director of CAC Co., Ltd. (currently CAC Holdings Corporation) Director and Founder of People Focus Consulting Co., Ltd. Outside Director of Marubeni Corporation Outside Director of Mitsui Chemicals, Inc. Outside Director of Seven Bank, Ltd. Independent Director of Terumo Corporation Independent Director of Obayashi Corporation (current position) Outside Director of ORACLE CORPORATION JAPAN (current position) Advisor and Founder of People Focus Consulting Co., Ltd. (current position) Outside Director of the Board of the Company (current position) Outside Director of Santen Pharmaceutical Co., Ltd. (current position)	(Note 3)	0
Standing Audit and Supervisory Board Member	Takashi Ogino	November 25, 1959	Apr. 1982 Aug. 2014 Feb. 2020 Feb. 2021 Apr. 2021 Apr. 2022	Joined the Company Head of Utsunomiya Branch of the Company Deputy Head of Auditing Department of the Company Head of Auditing Department of the Company Operating Officer of the Company Standing Audit and Supervisory Board Member of the Company (current position)	(Note 4)	6

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Standing Audit and Supervisory Board Member	Osamu Minagawa	September 19, 1962	Jan. 1991 Aug. 2004 Aug. 2009 Apr. 2012 Apr. 2018 Aug. 2019 Feb. 2021 Feb. 2022 Feb. 2025 Apr. 2025 Apr. 2025	Joined the Company Head of Tokyo Minami Branch Head of Tokyo Sales Administration Headquarters Executive Officer, Acting Head of Tokyo Sales Administration Headquarters of the Company Managing Officer of the Company In charge of administrative control of subsidiary & affiliated companies, Acting Head of Auditing Department In charge of Auditing, Human Resources and Real Estate In charge of Auditing, Human Resources Development, Human Resources and General Affairs and Real Estate In charge of Auditing, Human Resources Development and Human Resources and General Affairs In charge of Human Resources Division Standing Audit and Supervisory Board Member of the Company (current position)	(Note 6)	35
Standing and Outside Audit and Supervisory Board Member	Ryuichi Tsuruta	November 24, 1954	Apr. 1978 Oct. 2000 Apr. 2007 Jan. 2011 Nov. 2014 May 2015 Apr. 2018 Apr. 2018 Jan. 2019 Apr. 2022	Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation) Manager of IR Office of Corporate Finance & IR Group of Matsushita Electric Industrial Co., Ltd. General Manager of Corporate International Affairs Group of Matsushita Electric Industrial Co., Ltd. Chief Manager of Office of Audit and Supervisory Board Member of Panasonic Corporation Corporate Advisor of Panasonic Corporation Outside Audit & Supervisory Board Member of ZUIKO CORPORATION Outside Audit and Supervisory Board Member of the Company (current position) Representative of CG Consulting (current position) Special Instructor of The Graduate School of Project Design (current position) Standing Audit and Supervisory Board Member of the Company (current position)	(Note 4)	—
Outside Audit and Supervisory Board Member	Yoritomo Wada	October 23, 1955	Apr. 1978 June 1996 June 2019 Apr. 2020 Mar. 2023	Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) Partner of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) External Statutory Corporate Auditor of NIPPON SHOKUBAI CO., LTD. Outside Audit and Supervisory Board Member of the Company (current position) Outside Auditor of TRUSCO NAKAYAMA Corporation (current position)	(Note 5)	—

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Outside Audit and Supervisory Board Member	Yuko Tamai	November 28, 1965	Apr. 1994 Sep. 2000 May 2001 Jan. 2003 Jun. 2015 Jun. 2017 Jun. 2022 Apr. 2025	Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu) Worked at Covington & Burling LLP Returned to Nagashima Ohno & Tsunematsu Partner of Nagashima Ohno & Tsunematsu (current position) Outside Audit and Supervisory Board Member of Japan Bank for International Cooperation External Director of Mitsui Sugar Co., Ltd. (currently Mitsui DM Sugar Holdings Co., Ltd.) External Audit & Supervisory Board Member of MITSUI & CO., LTD. (current position) Outside Audit and Supervisory Board Member of the Company (current position)	(Note 6)	—
Total						400

- (Notes) 1. Directors of the Board Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima, Mr. Shinichi Abe, and Ms. Yukiko Kuroda are Outside Directors of the Board.
2. Audit and Supervisory Board Members Mr. Ryuichi Tsuruta, Mr. Yoritomo Wada, and Ms. Yuko Tamai are Outside Audit and Supervisory Board Members.
3. The term of office of the Directors of the Board is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended January 31, 2025 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended January 31, 2026.
4. The term of office of the Audit and Supervisory Board Members Mr. Takashi Ogino and Mr. Ryuichi Tsuruta is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended January 31, 2022 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending January 31, 2026.
5. The term of office of the Audit and Supervisory Board Member Mr. Yoritomo Wada is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended January 31, 2024 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending January 31, 2028.
6. The term of office of the Audit and Supervisory Board Members Mr. Osamu Minagawa and Ms. Yuko Tamai is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended January 31, 2025 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending January 31, 2029.
7. “Number of shares held” does not include the number of shares purchased by the officers’ shareholding association in April 2026.
8. In addition to the Executive Officers who concurrently serve as Directors of the Board listed above, there are 34 full-time Executive Officers, and their positions, names and responsibilities are as follows.

Entrusted Executive Officers

Position	Name	Responsibilities
Senior Managing Officer	Masaru Noma	Managing Division of Technology and Production
Senior Managing Officer	Haruhiko Toyoda	In charge of Secretariat and ESG Management Promotion, Head of External Affairs Department
Senior Managing Officer	Keizo Yoshimoto	Head of Corporate Administration Headquarters
Managing Officer	Hiroaki Oda	Executive Assistant to the President, in charge of General Policy
Managing Officer	Kohei Hirota	In charge of Corporate Management Strategy
Managing Officer	Takahiro Kondo	In charge of Detached Housing Business, Head of Kansai Daiichi Sales Administration Headquarters
Managing Officer	Toru Tsuji	Head of International Development Department
Managing Officer	Hiroaki Yoshida	Head of Platform House Promotion Department
Managing Officer	Norio Adachi	Head of Communication Design Department, CX Design Office Lead
Managing Officer	Toru Fujita	In charge of Finance Division
Managing Officer	Koya Matsumura	In charge of Division of Technology and Production
Managing Officer	Kazunori Ito	CEO of SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED
Managing Officer	Naoki Tamori	Head of Condominium and Development Strategy Headquarters

Employed Executive Officers

Position	Name	Responsibilities
Executive Officer	Takumi Nukanobu	Head of Joshinetsu Sales Administration Headquarters
Executive Officer	Motomichi Shozu	Head of Chubu Daiichi Sales Administration Headquarters
Executive Officer	Kazuhiro Imaru	Head of Chubu Daini Sales Administration Headquarters
Executive Officer	Yoshiyuki Kamiya	CSO of SEKISUI HOUSE U.S., Inc.
Executive Officer	Yuji Yoshiyasu	Attached to International Business Headquarters
Executive Officer	Kenichi Kumemoto	CEO of NORTH AMERICA SEKISUI HOUSE, LLC
Executive Officer	Hideaki Yasunobu	Head of Corporate Management Strategy Headquarters
Executive Officer	Naoya Matsui	Head of Platform House Promotion Department
Executive Officer	Yoichi Komatsu	Head of IT Design Department
Executive Officer	Miwa Yamada	Head of ESG Management Promotion Headquarters
Executive Officer	Masahiro Kikuchi	Head of Group Corporate Management Control Department
Executive Officer	Junji Takeuchi	In charge of Human Resources Division and Auditing, Head of Human Resources Development Department
Executive Officer	Naoki Kawamura	Head of Corporate Institutional Management Department
Executive Officer	Takahiro Kishi	Head of Auditing Department
Executive Officer	Hidehiko Nakayama	Head of Research & Development Headquarters
Executive Officer	Kenji Okazawa	Head of Technology Management Headquarters
Executive Officer	Hideaki Kono	Head of Technical Human Resources Development Department
Executive Officer	Atsushi Nakata	Head of Production and Procurement Headquarters
Executive Officer	Atsushi Yoshida	Director of the Board of Sekisui House Real Estate Holdings, Ltd., in charge of Accounting and Finance, Head of Accounting and Finance Department

Position	Name	Responsibilities
Executive Officer	Ichiro Otaka	President, Representative Director of the Board of Sekisui House Real Estate, Ltd.
Executive Officer	Yoshitaka Iwata	Executive Vice President, Director of the Board of Sekisui House Remodeling, Ltd.

(b) Status of Directors and other officers after the Ordinary General Meeting of Shareholders

The Company has proposed the “Election of 10 Directors of the Board” and the “Election of Two Audit and Supervisory Board Members” as proposals to be tabled at the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. If these proposals are approved as originally proposed, the composition will be as follows. This includes proposals to be tabled at the meetings of the Board of Directors and the Audit and Supervisory Board scheduled to be held immediately after the said Ordinary General Meeting of Shareholders.

11 males and 4 females (Ratio of female directors (and other officers) 26.7%)

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Representative Director of the Board, CEO, President, Executive Officer	Yoshihiro Nakai	April 30, 1965	Apr. 1988 Feb. 2012 Apr. 2014 Apr. 2016 Apr. 2016 Feb. 2018 Apr. 2021 Apr. 2025	Joined the Company Head of Corporate Management Planning Department of the Company Executive Officer, Acting Head of Corporate Management Planning Department of the Company Managing Officer of the Company, in charge of Corporate Management Planning and Accounting & Finance Director of the Board of the Company President, Representative Director of the Board of the Company Representative Director of the Board, President, Executive Officer, CEO of the Company In charge of Business Strategy Division and Division of Built-to-Order Business Representative Director of the Board, CEO, President, Executive Officer of the Company (current position)	(Note 3)	164

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Representative Director of the Board, Executive Vice President, Executive Officer, Managing Finance Division, Human Resources Division and Auditing, in charge of Administration Division	Satoshi Tanaka	February 27, 1958	Apr. 1981 Apr. 2004 Apr. 2007 July 2010 Apr. 2011 Apr. 2013 Apr. 2015 Apr. 2017 June 2017 June 2019 Mar. 2020 Apr. 2020 Jan. 2021 Apr. 2021 Apr. 2025	Joined MITSUI & CO., LTD. General Manager of Investor Relations Division of MITSUI & CO., LTD. General Manager of Corporate Planning & Strategy Division of MITSUI & CO., LTD. Deputy General Manager of Consumer Service Business Unit of MITSUI & CO., LTD. Executive Officer; General Manager of Consumer Service Business Unit of MITSUI & CO., LTD. Managing Officer; General Manager of Consumer Service Business Unit of MITSUI & CO., LTD. Senior Managing Officer; President of Asia Pacific Business Unit of MITSUI & CO., LTD. and President of MITSUI & CO. (ASIA PACIFIC) PTE. LTD. Vice President & Executive Officer; CAO (Chief Administrative Officer); CIO (Chief Information Officer); CPO (Chief Privacy Officer) of MITSUI & CO., LTD. Representative Director; Vice President and Executive Officer of MITSUI & CO., LTD. Counselor of MITSUI & CO., LTD. Outside Director of Kuraray Co., Ltd. (current position) Outside Director of the Board of the Company Outside Director of IHH Healthcare Berhad (current position) Representative Director of the Board, Executive Vice President, Executive Officer of the Company (current position) In charge of Administration Division and Human Resources Managing Finance Division, Human Resources Division and Auditing, in charge of Administration Division (current position)	(Note 3)	71

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Director of the Board, Senior Managing Officer, in charge of Division of Development Business, Head of International Business	Toru Ishii	November 3, 1966	Apr. 1990 May 2012 Apr. 2014 Apr. 2016 Feb. 2019 Feb. 2020 Apr. 2020 Apr. 2020 Feb. 2021 May 2024	Joined the Company Head of Development Department of the Company Executive Officer, Acting Head of Development Department of the Company Managing Officer of the Company In charge of Development Business, Acting Head of International Business Department In charge of Development and Condominiums Businesses, Acting Head of International Business Department Senior Managing Officer of the Company (current position) In charge of Development, Condominiums, and International Businesses Director of the Board of the Company (current position) In charge of Division of Development Business (current position) Acting Head of International Business (current position)	(Note 3)	52
Director of the Board, Senior Managing Officer, Managing Detached Housing Business, in charge of Remodeling Business	Yasushi Omura	December 1, 1968	Apr. 1991 Aug. 2008 Aug. 2009 Feb. 2014 Apr. 2018 Feb. 2019 Feb. 2021 Apr. 2021 Apr. 2023 Feb. 2024 Apr. 2025 Apr. 2025 Feb. 2026	Joined the Company Head of Tottori Branch of the Company Head of Okayama SHAWOOD-Home Branch of the Company Head of Okayama Branch of the Company Head of East Shikoku Branch of the Company Head of Kansai Daini Sales Administration Headquarters of the Company Head of Sekiwa Construction Business Headquarters of the Company Executive Officer, Acting Head of Sekiwa Construction Business Headquarters of the Company Managing Officer, Acting Head of Sekisui House Construction Business Headquarters of the Company President, Representative Director of the Board of Sekisui House Construction Holdings, Ltd. Senior Managing Officer, Managing Detached Housing Business of the Company (current position) Director of the Board of the Company (current position) In charge of Remodeling Business (current position)	(Note 3)	20

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Director of the Board, Senior Managing Officer, Managing Division of Technology and Production	Masaru Noma	September 13, 1963	Apr. 1988 Nov. 2019 Apr. 2021 Oct. 2021 Apr. 2022 Sep. 2023 Apr. 2024 Feb. 2025 Feb. 2026 Apr. 2026	Joined the Company Head of Comprehensive Housing R&D Institute of the Company Executive Officer, Acting Head of Comprehensive Housing R&D Institute of the Company Acting Head of Research & Development Headquarters Managing Officer of the Company In charge of Production and Procurement, Acting Head of Research & Development Headquarters Senior Managing Officer of the Company (current position) In charge of Division of Technology and Production, Acting Head of Research & Development Headquarters In charge of Division of Technology and Production Managing Division of Technology and Production (current position) Director of the Board of the Company (current position)	(Note 3)	15
Outside Director of the Board	Yukiko Yoshimaru	February 1, 1960	Apr. 1982 Apr. 1998 Oct. 2004 Apr. 2008 June 2011 Apr. 2018 June 2019 June 2021 June 2024	Joined Oki Electric Industry Co., Ltd. Director of Oki America Inc., Head of New York Office of Oki Electric Industry Co., Ltd. Chief Manager of Diversity Development Office of NISSAN MOTOR CO., LTD. Joined Nifco Inc. Executive Officer of Nifco Inc. Outside Director of the Board of the Company (current position) Outside Director of Mitsui Chemicals, Inc. Outside Director of Daiwabo Holdings Co., Ltd. (current position) Outside Director of Nichirei Corporation (current position)	(Note 3)	10

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Outside Director of the Board	Toshifumi Kitazawa	November 18, 1953	Apr. 1977	Joined Tokio Marine & Fire Insurance Co., Ltd.	(Note 3)	4
			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.		
			June 2019	Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee) of MUFG Bank, Ltd.		
			June 2019	Outside Director of Mitsubishi Logistics Corporation (current position)		
			Apr. 2020	Outside Director of the Board of the Company (current position)		
			Apr. 2022	Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. (current position)		

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Outside Director of the Board	Yoshimi Nakajima	December 16, 1956	Apr. 1980	Joined The Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)	(Note 3)	3
			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)		
			Apr. 2021	Outside Director of the Board of the Company (current position)		
Outside Director of the Board	Shinichi Abe	August 7, 1968	May 1993	Joined Axiomatics Corporation	(Note 3)	2
			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)		
			Apr. 2022	Outside Director of the Board of the Company (current position)		
			Jun. 2025	Outside Director of MACNICA HOLDINGS, INC. (current position)		

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Outside Director of the Board	Yukiko Kuroda	September 24, 1963	Apr. 1986 Jan. 1991 June 2010 Mar. 2011 Apr. 2012 June 2013 June 2015 June 2018 June 2018 June 2022 Aug. 2022 Mar. 2024 Apr. 2025 June 2025	Joined Sony Corporation Representative Director of People Focus Consulting Co., Ltd. Outside Audit & Supervisory Board Member of Astellas Pharma Inc. Outside Director of CAC Co., Ltd. (currently CAC Holdings Corporation) Director and Founder of People Focus Consulting Co., Ltd. Outside Director of Marubeni Corporation Outside Director of Mitsui Chemicals, Inc. Outside Director of Seven Bank, Ltd. (current position) Independent Director of Terumo Corporation Independent Director of Obayashi Corporation (current position) Outside Director of ORACLE CORPORATION JAPAN (current position) Advisor and Founder of People Focus Consulting Co., Ltd. (current position) Outside Director of the Board of the Company (current position) Outside Director of Santen Pharmaceutical Co., Ltd. (current position)	(Note 3)	0
Standing Audit and Supervisory Board Member	Takashi Ogino	November 25, 1959	Apr. 1982 Aug. 2014 Feb. 2020 Feb. 2021 Apr. 2021 Apr. 2022	Joined the Company Head of Utsunomiya Branch of the Company Deputy Head of Auditing Department of the Company Head of Auditing Department of the Company Operating Officer of the Company Standing Audit and Supervisory Board Member of the Company (current position)	(Note 6)	6
Standing Audit and Supervisory Board Member	Osamu Minagawa	September 19, 1962	Jan. 1991 Aug. 2004 Aug. 2009 Apr. 2012 Apr. 2018 Aug. 2019 Feb. 2021 Feb. 2022 Feb. 2025 Apr. 2025 Apr. 2025	Joined the Company Head of Tokyo Minami Branch Head of Tokyo Sales Administration Headquarters Executive Officer, Acting Head of Tokyo Sales Administration Headquarters of the Company Managing Officer of the Company In charge of administrative control of subsidiary & affiliated companies, Acting Head of Auditing Department In charge of Auditing, Human Resources and Real Estate In charge of Auditing, Human Resources Development, Human Resources and General Affairs and Real Estate In charge of Auditing, Human Resources Development and Human Resources and General Affairs In charge of Human Resources Division Standing Audit and Supervisory Board Member of the Company (current position)	(Note 5)	35

Official title or position	Name	Date of birth	Career summary		Term of office	Number of shares held (Thousands of shares)
Outside Audit and Supervisory Board Member	Yoritomo Wada	October 23, 1955	Apr. 1978 June 1996 June 2019 Apr. 2020 Mar. 2023	Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) Partner of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) External Statutory Corporate Auditor of NIPPON SHOKUBAI CO., LTD. Outside Audit and Supervisory Board Member of the Company (current position) Outside Auditor of TRUSCO NAKAYAMA Corporation (current position)	(Note 4)	—
Outside Audit and Supervisory Board Member	Yuko Tamai	November 28, 1965	Apr. 1994 Sep. 2000 May 2001 Jan. 2003 June 2015 June 2017 June 2022 Apr. 2025	Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu) Worked at Covington & Burling LLP Returned to Nagashima Ohno & Tsunematsu Partner of Nagashima Ohno & Tsunematsu (current position) Outside Audit and Supervisory Board Member of Japan Bank for International Cooperation External Director of Mitsui Sugar Co., Ltd. (currently Mitsui DM Sugar Holdings Co., Ltd.) External Audit & Supervisory Board Member of MITSUI & CO., LTD. (current position) Outside Audit and Supervisory Board Member of the Company (current position)	(Note 5)	—
Outside Audit and Supervisory Board Member	Nobuo Hanada	April 8, 1960	Apr. 1983 Oct. 2006 Nov. 2012 Jun. 2013 Sep. 2017 Jun. 2020 Apr. 2026	Joined Fuji Photo Film Co., Ltd. (currently FUJIFILM Holdings Corporation) Senior Operations Manager, Accounting and Finance Division of FUJIFILM Corporation Senior Operations Manager, Accounting Group, Corporate Planning Division of FUJIFILM Holdings Corporation General Manager, Audit Division of FUJIFILM Holdings Corporation General Manager, Audit Division of FUJIFILM Corporation General Manager, Global Audit Division of FUJIFILM Holdings Corporation Full-time Audit & Supervisory Board Member of FUJIFILM Holdings Corporation Audit & Supervisory Board Member of FUJIFILM Corporation Outside Audit and Supervisory Board Member of the Company (current position)	(Note 6)	—
Total						388

- (Notes) 1. Directors of the Board Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima, Mr. Shinichi Abe, and Ms. Yukiko Kuroda are Outside Directors of the Board.
2. Audit and Supervisory Board Members Mr. Yoritomo Wada, Ms. Yuko Tamai, and Mr. Nobuo Hanada are Outside Audit and Supervisory Board Members.
3. The term of office of the Directors of the Board is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended January 31, 2026 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending January 31, 2027.
4. The term of office of the Audit and Supervisory Board Member Mr. Yoritomo Wada is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended January 31, 2024 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending January 31, 2028.
5. The term of office of the Audit and Supervisory Board Members Mr. Osamu Minagawa and Ms. Yuko Tamai is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended January 31, 2025 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending January 31, 2029.

6. The term of office of the Audit and Supervisory Board Members Mr. Takashi Ogino and Mr. Nobuo Hanada is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended January 31, 2026 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending January 31, 2030.
7. “Number of shares held” does not include the number of shares purchased by the officers’ shareholding association in April 2026.
8. In addition to the Executive Officers who concurrently serve as Directors of the Board listed above, there are 33 full-time Executive Officers, and their positions, names and responsibilities are as follows.

Entrusted Executive Officers

Position	Name	Responsibilities
Senior Managing Officer	Haruhiko Toyoda	In charge of Secretariat and ESG Management Promotion, Head of External Affairs Department
Senior Managing Officer	Keizo Yoshimoto	Head of Corporate Administration Headquarters
Managing Officer	Hiroaki Oda	Executive Assistant to the President, in charge of General Policy
Managing Officer	Kohei Hirota	In charge of Corporate Management Strategy
Managing Officer	Takahiro Kondo	In charge of Detached Housing Business, Head of Kansai Daiichi Sales Administration Headquarters
Managing Officer	Toru Tsuji	Head of International Development Department
Managing Officer	Hiroaki Yoshida	Head of Platform House Promotion Department
Managing Officer	Norio Adachi	Head of Communication Design Department, CX Design Office Lead
Managing Officer	Toru Fujita	In charge of Finance Division
Managing Officer	Koya Matsumura	In charge of Division of Technology and Production
Managing Officer	Kazunori Ito	CEO of SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED
Managing Officer	Naoki Tamori	Head of Condominium and Development Strategy Headquarters

Employed Executive Officers

Position	Name	Responsibilities
Executive Officer	Takumi Nukanobu	Head of Joshinetsu Sales Administration Headquarters
Executive Officer	Motomichi Shozu	Head of Chubu Daiichi Sales Administration Headquarters
Executive Officer	Kazuhiro Imaru	Head of Chubu Daini Sales Administration Headquarters
Executive Officer	Yoshiyuki Kamiya	CSO of SEKISUI HOUSE U.S., Inc.
Executive Officer	Yuji Yoshiyasu	Attached to International Business Headquarters
Executive Officer	Kenichi Kumemoto	CEO of NORTH AMERICA SEKISUI HOUSE, LLC
Executive Officer	Hideaki Yasunobu	Head of Corporate Management Strategy Headquarters
Executive Officer	Naoya Matsui	Head of Platform House Promotion Department
Executive Officer	Yoichi Komatsu	Head of IT Design Department
Executive Officer	Miwa Yamada	Head of ESG Management Promotion Headquarters
Executive Officer	Masahiro Kikuchi	Head of Group Corporate Management Control Department
Executive Officer	Junji Takeuchi	In charge of Human Resources Division and Auditing, Head of Human Resources Development Department
Executive Officer	Naoki Kawamura	Head of Corporate Institutional Management Department
Executive Officer	Takahiro Kishi	Head of Auditing Department
Executive Officer	Hidehiko Nakayama	Head of Research & Development Headquarters
Executive Officer	Kenji Okazawa	Head of Technology Management Headquarters

Position	Name	Responsibilities
Executive Officer	Hideaki Kono	Head of Technical Human Resources Development Department
Executive Officer	Atsushi Nakata	Head of Production and Procurement Headquarters
Executive Officer	Atsushi Yoshida	Director of the Board of Sekisui House Real Estate Holdings, Ltd., in charge of Accounting and Finance, Head of Accounting and Finance Department
Executive Officer	Ichiro Otaka	President, Representative Director of the Board of Sekisui House Real Estate, Ltd.
Executive Officer	Yoshitaka Iwata	Executive Vice President, Director of the Board of Sekisui House Remodeling, Ltd.

ii. Outside officers

(a) Outside Directors of the Board

As of the filing date, the Company has following five Outside Directors of the Board.

(Yukiko Yoshimaru)

- She has a wide range of global experience including management experience as a director of domestic and overseas companies and M&A experience at a U.S. subsidiary of the major Japanese company. In particular, she has a wealth of knowledge and experience in human resources management, diversity and corporate governance. The Company has appointed her as an Outside Director of the Board in order to utilize her extensive knowledge and experience to strengthen the management supervision functions of the Company.
- She holds the Company's shares, and the number of shares held is stated in "i. Directors of the Board and Audit and Supervisory Board Members."

(Toshifumi Kitazawa)

- 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 gained from holding key positions at a major insurance company. The Company has appointed him as an Outside Director of the Board in order to utilize his extensive knowledge and experience to strengthen the management supervision functions of the Company.
- He holds the Company's shares, and the number of shares held is stated in "i. Directors of the Board and Audit and Supervisory Board Members."

(Yoshimi Nakajima)

- She has abundant achievements and experience as a manager gained from holding key positions in domestic and overseas companies (in particular, 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). Also, she has embodied diversity in corporate management in an environment where diversity in senior management is considered to be natural. The Company has appointed her as an Outside Director of the Board in order to utilize her extensive achievements and experience to strengthen the management supervision functions of the Company.
- She holds the Company's shares, and the number of shares held is stated in "i. Directors of the Board and Audit and Supervisory Board Members."

(Shinichi Abe)

- 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. The Company has appointed him as an Outside Director of the Board in order to utilize his extensive knowledge and experience to strengthen the management supervision functions of the Company.
- He holds the Company's shares, and the number of shares held is stated in "i. Directors of the Board and Audit and Supervisory Board Members."

(Yukiko Kuroda)

- She has experience in consulting businesses such as organizational development, global human resource development, and diversity promotion as a manager, and she has also gained knowledge of corporate management in a wide range of industries and business types by serving as an outside director of multiple listed companies. The Company has appointed her as an Outside Director of the Board in order to utilize her extensive knowledge and experience to strengthen the management supervisory functions of the Company.

The Company has proposed the “Election of 10 Directors of the Board” as a proposal to be tabled at the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. If the proposal is approved as originally proposed, Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima, Mr. Shinichi Abe, and Ms. Yukiko Kuroda will be reappointed. As a result, the Company will have five Outside Directors of the Board.

(b) Outside Audit and Supervisory Board Members

As of the filing date, the Company has following three Outside Audit and Supervisory Board Members.

(Ryuichi Tsuruta)

- The Company has appointed him as an Outside Audit and Supervisory Board Member in order to utilize his extensive knowledge and experience in areas such as finance and accounting, information disclosure, auditing, and overseas business, as well as his experience as an auditor at other companies, to strengthen the Company’s auditing system.

(Yoritomo Wada)

- The Company has appointed him as an Outside Audit and Supervisory Board Member in order to utilize his specialized knowledge in finance and accounting as a certified public accountant as well as his knowledge and experience as an outside auditor at other companies, to strengthen the Company’s auditing framework.

(Yuko Tamai)

- The Company has appointed her as an Outside Audit and Supervisory Board Member in order to utilize her specialized knowledge and extensive experience as a lawyer, to strengthen the Company’s auditing framework.

The Company has proposed the “Election of Two Audit and Supervisory Board Members” as a proposal to be tabled at the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. If the proposal is approved as originally proposed, Mr. Nobuo Hanada will newly assume the position of Outside Audit and Supervisory Board Member in place of Mr. Ryuichi Tsuruta, who will retire upon the expiration of his term of office. As a result, the Company will have three Outside Audit and Supervisory Board Members.

(Nobuo Hanada)

- The Company has appointed him as an Outside Audit and Supervisory Board Member in order to utilize his track record in a wide range of operations, including accounting and financial reporting, corporate management planning, and global auditing at a specialty chemicals manufacturer, as well as his knowledge and experience as a Standing Audit and Supervisory Board Member, to strengthen the Company’s auditing framework.

(c) Independence standards for Outside Directors of the Board and Outside Audit and Supervisory Board Members

- Concerning the election of Outside Directors of the Board and Outside Audit and Supervisory Board Members, the Sekisui House, Ltd. Basic Policy on Corporate Governance sets out the standards for independence from the Company. In addition, as it can be objectively said that there is no risk of a conflict of interest with general shareholders in light of the criteria for the independent director/auditor system based on the rules of the Tokyo Stock Exchange, etc., all of Outside Directors of the Board and Outside Audit and Supervisory Board Members have been designated as independent officers and registered accordingly.

- iii. Mutual cooperation between supervision or audits by Outside Directors of the Board or Outside Audit and Supervisory Board Members and internal audits, audits by Audit and Supervisory Board Members and accounting audits, as well as the relationship between supervision or audits by Outside Directors of the Board or Outside Audit and Supervisory Board Members and the internal control division

Outside Directors of the Board attend the Board of Directors meetings and play the role expected as Outside Directors of the Board in the decision-making of the Board of Directors and in supervising the business execution by Executive Officers and the internal control division, etc.

Outside Audit and Supervisory Board Members attend meetings of the Board of Directors and the Audit and Supervisory Board, receive reports on the status of business execution, work with the internal audit division and accounting auditor, and play the role expected as Outside Audit and Supervisory Board Members in monitoring the status of execution of duties by Directors of the Board. In principle, when holding meetings of the Board of Directors or other important meetings attended by Outside Audit and Supervisory Board Members, materials for the meeting are distributed to them in advance, and the Board of Directors secretariat provides a summary presentation.

(3) Audits

i. Status of audits by Audit and Supervisory Board Members

(a) Organization and personnel of audits by Audit and Supervisory Board Members

- The Company is a company with a board of auditors, and is composed of five Audit and Supervisory Board Members (four males and one female), including three Outside Audit and Supervisory Board Members who are a certified public accountant, a lawyer, and a person with specialized knowledge into corporate management and finance, etc.

Official title or position	Name	Date of appointment
Standing Audit and Supervisory Board Member	Takashi Ogino	April 2022
Standing Audit and Supervisory Board Member	Osamu Minagawa	April 2025
Standing and Outside Audit and Supervisory Board Member	Ryuichi Tsuruta	April 2018 (Outside Audit and Supervisory Board Member) April 2022 (Standing Audit and Supervisory Board Member)
Outside Audit and Supervisory Board Member	Yoritomo Wada	April 2020
Outside Audit and Supervisory Board Member	Yuko Tamai	April 2025

- (Notes) 1. The Company has proposed the “Election of Two Audit and Supervisory Board Members” as a proposal to be tabled at the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. If the proposal is approved as originally proposed, Mr. Takashi Ogino will be reappointed, Mr. Ryuichi Tsuruta will retire, and Mr. Nobuo Hanada are expected to newly assume the position of Audit and Supervisory Board Member.
2. For the career summary of each Audit and Supervisory Board Member, please refer to “IV. Information About Reporting Company, 4. Corporate Governance, (2) Directors (and other officers), i. Directors of the Board and Audit and Supervisory Board Members.”

Concerning the election of Outside Audit and Supervisory Board Members, we strive to ensure a balanced composition of Audit and Supervisory Board Members by selecting people with knowledge of legal affairs, finance and accounting, and corporate management, etc.

- As a system to assist the duties of Audit and Supervisory Board Members, the Office of Audit and Supervisory Board Members (9 members, including 5 full-time staff) has been established to assist with matters necessary for the execution of the duties of Audit and Supervisory Board Members, such as the operation of the secretariat of the Audit and Supervisory Board and the request for reports to Audit and Supervisory Board Members. For those who concurrently serve in the Office of Audit and Supervisory Board Members, highly specialized staff members from the Accounting Department, Corporate Institutional Management Department, Overseas Business, and Research & Development Headquarters are assigned. For matters such as personnel transfers of the relevant staff of the Office

of Audit and Supervisory Board Members, including those who hold concurrent positions, the consent of Audit and Supervisory Board Members must be obtained to ensure such staff's independence from the business execution officers.

(b) Activity status of Audit and Supervisory Board Members and the Audit and Supervisory Board

The composition and activities of the Audit and Supervisory Board Members during the fiscal year under review are as follows.

Official title or position	Name	Experience, activities, etc.
Standing Audit and Supervisory Board Member	Takashi Ogino	After serving in various positions in the Company's sales division, including as a branch manager, he worked to strengthen the internal audit division and build a governance structure as the head of the Auditing Department. He has contributed to strengthening the audit system of the Company by pointing out issues related to governance, compliance, information security, etc., utilizing his information gathering capabilities cultivated in the internal audit division.
Standing Audit and Supervisory Board Member	Osamu Minagawa	After serving in various positions in the Company's sales division, including as a branch manager and Head of Sales Administration Headquarters, he assumed the position of Head of the Auditing Department, and subsequently took charge of human resources and real estate, making broad efforts to strengthen Group governance. In addition to his management track record in the sales and head office departments, he points out issues based on his experience cultivated in internal audits, human resources development, etc., thereby contributing to strengthening the audit framework of the Company.
Standing and Outside Audit and Supervisory Board Member	Ryuichi Tsuruta	He has track record in a diverse range of operations, including finance and accounting, information disclosure, auditing and overseas business, as well as experience as an outside audit and supervisory board member at other companies. Although he is an Outside Audit and Supervisory Board Member, he also serves as the full-time chairperson of the Audit and Supervisory Board. He has contributed to strengthening the supervisory functions and ensuring transparency of the Board of Directors, etc., by providing unfettered opinions regarding ideals for the Company's corporate governance structure, etc. (Independent auditor, Chairperson of the Audit and Supervisory Board)
Outside Audit and Supervisory Board Member	Yoritomo Wada	He has specialist expertise in finance and accounting as a certified public accountant, background in an audit firm including overseas operations, and experience as an outside auditor at other companies. He has contributed to strengthening the supervisory functions and ensuring transparency of the Board of Directors by accurately spotting issues associated with the Group governance structure. (Independent auditor)
Outside Audit and Supervisory Board Member	Yuko Tamai	As a lawyer, she has been involved in business integrations and M&A of domestic and overseas companies. She is well versed in corporate law, including the development of internal control and governance-related systems and crisis response. In addition, she has served as an outside officer of other companies and a member of government councils. By providing insightful opinions based on her extensive experience and knowledge, she contributes to the strengthening of the Company's management supervisory functions and the development of a governance structure. (Independent auditor)

Main activities of Audit and Supervisory Board Members

- In accordance with audit policies and the assignment of duties, etc., determined by the Audit and Supervisory Board, Audit and Supervisory Board Members attend meetings of the Board of Directors and other important meetings, receive reports from Directors of the Board, Executive Officers, employees, etc., regarding the status of execution of their duties, request explanations as necessary, and express their opinions as appropriate. During the fiscal year ended January 31, 2026, exchanges of opinions were held 6 times with Representative Directors of the Board and 4 times with Outside Directors of the Board.
- Standing Audit and Supervisory Board Members conduct on-site audits of offices, subsidiaries, etc., based on the audit plan, etc., together with Outside Audit and Supervisory Board Members when necessary. During on-site audits, they receive reports on the status of execution of duties from Executive Officers, key employees, and Directors of the Board of subsidiaries, etc., request explanations as appropriate, and express their opinions. They also work to improve the effectiveness of audits by reviewing important approval documents, etc.
- For cooperation with the internal audit division, the Audit and Supervisory Board receives an audit results report once a year and Standing Audit and Supervisory Board Members receive an audit results report every month, and close exchange of information is conducted.
- For communication with the accounting auditor, Audit and Supervisory Board Members receive an explanation of the audit plan for the fiscal year, audit report for each quarter during the fiscal year, and an explanation of the audit results at the end of the fiscal year, and exchange opinions. With regard to key audit matters (KAM), Audit and Supervisory Board Members discuss with the accounting auditor, receive reports on the implementation status of the audit, and exchange opinions. In addition, in order to ensure that each auditing operation is conducted efficiently and effectively in cooperation with the internal audit division and the accounting auditor, the “Three-Way Auditing Collaboration Meeting” was held four times to promote mutual cooperation and strengthen collaboration through in-depth information exchange, etc. Furthermore, Audit and Supervisory Board Members actively exchanged opinions during interviews regarding audit activities conducted by Ernst & Young ShinNihon LLC, the accounting auditor. The main communication opportunities between Audit and Supervisory Board Members and the accounting auditor are as follows.

Main communication opportunities with the accounting auditor	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Audit plan		○										
Audit report for each quarter		○			○			○				
Audit results report (Companies Act, Financial Instruments and Exchange Act)											○	○
Three-Way Auditing Collaboration Meeting				○			○		○			○
Interviews regarding audit activities conducted by audit corporation				○								
Attend the discussion between Outside Director of the Board and the accounting auditor			○							○		
Other (KAM, consultation on remuneration, etc.)	○	○		○	○	○	○	○	○		○	○

Activities of the Audit and Supervisory Board

- During the fiscal year ended January 31, 2026, the Audit and Supervisory Board was held 18 times, with each meeting lasting an average of 2 hours and 49 minutes. The attendances at meetings of the Audit and Supervisory Board and the Board of Directors were as follows, and Audit and Supervisory Board Members actively spoke at the Board of Directors meetings.

Official title or position	Standing Audit and Supervisory Board Member	Standing Audit and Supervisory Board Member	Standing and Outside Audit and Supervisory Board Member	Outside Audit and Supervisory Board Member	Outside Audit and Supervisory Board Member
Name	Takashi Ogino	Osamu Minagawa	Ryuichi Tsuruta	Yoritomo Wada	Yuko Tamai
Audit and Supervisory Board	100% (18/18)	100% (10/10)	100% (18/18)	100% (18/18)	100% (10/10)
Board of Directors	100% (13/13)	100% (9/9)	100% (13/13)	100% (13/13)	100% (9/9)

(Note) Mr. Osamu Minagawa and Ms. Yuko Tamai were elected at the Ordinary General Meeting of Shareholders held on April 23, 2025, and therefore their attendance at meetings of the Audit and Supervisory Board and the Board of Directors held on or after the same date is stated.

In addition, the attendance of Ms. Midori Ito and Mr. Takashi Kobayashi, who retired at the conclusion of the said General Meeting of Shareholders, at meetings of the Audit and Supervisory Board and the Board of Directors held during their term of office in the current fiscal year is as follows.

Official title or position	Standing Audit and Supervisory Board Member	Outside Audit and Supervisory Board Member
Name	Midori Ito	Takashi Kobayashi
Audit and Supervisory Board	100% (8/8)	100% (8/8)
Board of Directors	100% (4/4)	75% (3/4)

- Number of agenda items and main contents at the Audit and Supervisory Board were as follows.

18 resolutions	Audit policies and plans, assignment of duties of Audit and Supervisory Board Members, election of chairperson of the Audit and Supervisory Board, remuneration for Audit and Supervisory Board Members (consultation), reappointment of the accounting auditor, consent to the audit remuneration for the accounting auditor, partial revision of internal rules regarding Audit and Supervisory Board Members, audit reports of the Audit and Supervisory Board
45 deliberations	Rationality of management decision-making at the Board of Directors, evaluation of internal control over financial reporting, report on the results of the accounting audit, evaluation of the accounting auditor, evaluation of the effectiveness of the Audit and Supervisory Board
63 reports	Audit activities by Audit and Supervisory Board Members (monthly), written confirmation of the execution of duties by Directors of the Board, disciplinary cases, prior approval of non-assurance services by the accounting auditor, contents of the corporate governance report, reports from the Information Security Committee

- Other activities were as follows.

Main activities		Frequency of events, etc.	Assignment of duties	
			Standing Audit and Supervisory Board Member	Outside Audit and Supervisory Board Member
Attendance at important meetings	Management Meetings	11 times	○	○
	Risk Management Committee	11 times	○	○
	Information Security Committee	6 times	○	
	Personnel Affairs and Remuneration Committee	10 times	○	
	ESG Promotion Committee	4 times	○	○
	Three-Way Auditing Collaboration Meeting	4 times	○	
Exchange of opinions with Outside Directors of the Board		4 times	○	○
Hearing with the heads of the main units on occasions other than the Audit and Supervisory Board		36 times	○	
On-site audits of domestic Group companies, etc.		34 times	○	
On-site audits of overseas Group companies		7 companies	○	○
Report of internal audits (the Audit and Supervisory Board)		1 time	○	○
Monthly report of internal audits		12 times	○	
Accompanying and observing internal audits		6 locations	○	
Observing accounting audits		7 times	○	
Reports from the internal audit divisions of Group companies		16 times	○	
Reports from the Heads of Administration Divisions of Group companies		14 times	○	
Reports from Standing Audit and Supervisory Board Members of Group companies		12 times	○	
Group Company Audit and Supervisory Board Members Collaboration Meeting		2 times	○	○
Orientation for new Audit and Supervisory Board Members of Group companies		2 times	○	
Individual interviews with Audit and Supervisory Board Members of Group companies		31 times	○	

* Mr. Ryuichi Tsuruta, a Standing and Outside Audit and Supervisory Board Member, performs the duties of a “Standing Audit and Supervisory Board Member.”

(c) Evaluation of effectiveness of the Audit and Supervisory Board

(Evaluation method)

The Company hired a third-party organization to implement an evaluation for the fiscal year ended January 31, 2026, as it did in the fiscal year ended January 31, 2025, using the method described below.

- (1) Questionnaire-based survey of all Audit and Supervisory Board Members (the questionnaire was prepared, distributed, and collected by the third-party organization)
- (2) Interviews of all Audit and Supervisory Board Members; Director of the Board managing the Finance Division, Human Resources and Auditing, in charge of the Administration Division; Director of the Board managing the Building Sales Administration, in charge of TKC Project; Head of the Corporate Administration Headquarters; Head of the Auditing Department; International Auditing Office Lead; and the Accounting Auditor, carried out by the third-party organization (approximately one hour interview per interviewee)

* To gain new insights based on the opinions of collaborators and audit subjects, the interviewees were partially changed in the fiscal year ended January 31, 2026, and Director of the Board managing the Building Sales Administration, in charge of TKC Project, and Head of Corporate Administration Headquarters became new subjects to the interview.

- (3) Examination of the materials and minutes of meetings of the Audit and Supervisory Board

Major questionnaire items

- Audit policy and plans
- Recommendations for senior management and audits of the execution of duties
- Internal audit framework
- Auditing framework at subsidiaries
- Fraud detection framework
- Accounting audit framework
- Cooperation through the three-pillar audit system
- Audits of the establishment and operation of the internal control system
- Operation of the Audit and Supervisory Board, etc.

The third-party organization implemented an evaluation and compiled the results into a report. The Audit and Supervisory Board was briefed on the content of the report by the third-party organization and deliberated on this content at the meetings held in January and February 2026.

Outline of the evaluation

(1) Conclusion

The Audit and Supervisory Board confirmed that a high level of effectiveness has been ensured for the auditing activities of the Audit and Supervisory Board and Audit and Supervisory Board Members, based on analysis of the results of the questionnaire and interviews and the recommendations of the third-party organization.

Moreover, the Audit and Supervisory Board confirmed that, in addition to its normal auditing activities, the issues raised in the previous fiscal year's evaluation of the effectiveness of the Audit and Supervisory Board had been generally improved or progress had been made toward improvement.

	Issues for the Fiscal Year Ended January 31, 2026	Initiatives / Issues Confirmed Through the Evaluation of the Audit and Supervisory Board	Progress
1	Confirmation of the adequacy of controls in response to the expansion of the U.S. business	During on-site audits and visits to the U.S. subsidiaries, Audit and Supervisory Board Members (including Outside Audit and Supervisory Board Members) conducted interviews with local senior management regarding the outlook for the U.S. homebuilding business, the status of PMI following the acquisition of M.D.C. Holdings, Inc., and progress toward becoming "One Company." They also conducted interviews with the Audit Committee and Internal Audit of the U.S. subsidiaries, and discussed the level of controls in light of business practices in the U.S. Based on this, in cooperation with the executive team (Overseas Business, Accounting Department, Auditing Department, and International Auditing Office) and the Accounting Auditor (in Japan and the U.S.), Audit and Supervisory Board Members and the Audit and Supervisory Board confirmed the progress of the executive team's initiatives regarding priority audit items.	Improved
2	Confirmation of the adequacy of system and information security controls	• Q&A sessions regarding reports from the Information Security Committee were conducted at Audit and Supervisory Board meetings, and ongoing discussions were held between the Standing Audit and Supervisory Board Members and the secretariat of the Information Security Committee. The progress of the executive team's initiatives (including the development of information security personnel) to ensure the adequacy of controls related to information security across the Group, and the implementation of an information security assessment by a third-party organization were confirmed, and a certain degree of improvement was made regarding the issues pointed out by the Audit and Supervisory Board. • On the other hand, given the increasing information security threats in the external environment, the Audit and Supervisory Board will continue to closely monitor the adequacy of information security controls.	Improving
3	Identification of the skills and experience expected for future members of the Audit and Supervisory Board	Through repeated deliberations at the Audit and Supervisory Board meetings, the optimal combination of skills and experience required for the Audit and Supervisory Board, considering the medium- to long-term business expansion of the Group, was organized, and it was confirmed that this would be utilized when considering future candidates for Audit and Supervisory Board Members.	Improved

* For the skill matrix of the Audit and Supervisory Board, please refer to "IV. Information About Reporting Company, 4. Corporate Governance, (1) Outline of corporate governance, i. Corporate governance structure, (a) Outline of the current corporate governance structure."

(2) Strengths supporting the effectiveness of the Audit and Supervisory Board

Based on the evaluation made by the third-party organization, the Audit and Supervisory Board confirmed that its effectiveness was supported by the “strengths” shown below.

	Strengths	Details of Strengths
1	Exchange of opinions with and recommendations to senior management	• In exchanging opinions with senior management, Audit and Supervisory Board Members maintain an appropriate distance from the executive team. Rather than merely communicating concerns, they provide findings and recommendations based on a sufficient understanding of operations through on-site audits and interviews. • As a result, a relationship of trust between senior management and Audit and Supervisory Board Members has been built, allowing for frank exchanges of opinions and recommendations. An organizational culture has also taken root in which senior management positively accepts and responds to matters pointed out by Audit and Supervisory Board Members.
2	Cooperation with the internal audit divisions and the Accounting Auditor	• The presence of the General Manager of the Auditing Department and the Accounting Auditor at interviews with the executive team conducted by Audit and Supervisory Board Members has increased opportunities for information sharing and cooperation, leading to further enhancement of the three-pillar audit system. • At the Three-pillar Audit System Cooperation Meetings, which started in the fiscal year ended January 31, 2024, discussions and information sharing reflecting the respective perspectives of Audit and Supervisory Board Members, the Auditing Department, and the Accounting Auditor are conducted, serving not merely as a forum for reporting but as an opportunity to further strengthen the substantive value of cooperation.
3	Appropriateness of the audit plan	• Through exchanges of opinions with senior management and discussions with the Auditing Department and the Accounting Auditor, audit plans are formulated by considering internal and external environmental changes and taking into account the impact of risk factors on the auditing environment. • Based on the issues identified in the annual analysis and evaluation of the effectiveness of the Audit and Supervisory Board, priority audit items are identified and reflected in the audit plans. • Audit and Supervisory Board Members share the annual audit policy (including matters discussed at the Audit and Supervisory Board meetings) with senior management and confirm the progress in addressing audit findings from previous fiscal years. As this enables senior management to reconfirm the Audit and Supervisory Board’s recognition of issues, exchanges of opinions with Audit and Supervisory Board Members are regarded as a meaningful opportunity.

(3) Issues for the further enhancement of effectiveness

Based on the issues for consideration to further improve effectiveness indicated by the third-party organization, the Audit and Supervisory Board confirmed that the items shown below are key issues for consideration going forward.

	Issues for the Fiscal Year Ending January 31, 2027	Details of Issues	Initiatives for Consideration
1	Further confirmation of the adequacy of controls in response to the organizational restructuring of the U.S. business	Continue to confirm the adequacy of controls at each stage, given that the U.S. business is in a transitional phase of organizational restructuring, including the move toward “One Company.”	To continue conducting audits by the Audit Committee and Internal Audit of the U.S. subsidiaries and to cooperate with relevant departments, and to continue confirming the progress of the executive team’s initiatives regarding risk assessment at each stage and the adequacy of controls in response to changes in the business environment.
2	Confirmation of the adequacy of system and information security controls	Continue to confirm the adequacy of controls related to information security, in light of the organizational restructuring regarding information security management (including the separation of the second and third lines).	To confirm in greater detail the executive team’s initiatives to ensure the adequacy of controls through monitoring the activities of the Information Security Committee and conducting interviews with information security departments (including those of domestic and overseas subsidiaries).

ii. Status of internal audits

(a) Organization and personnel

The Company has established the Auditing Department as an organization tasked with conducting internal audits, including internal audits of Group companies, to help optimize their operations. Employees equipped with robust knowledge and skills are assigned to this department as dedicated staff charged with internal auditing. In this way, we strive to develop a global auditing framework encompassing Group companies domestically and overseas.

The Company's Auditing Department consists of 50 employees (as of January 31, 2026; including 10 employees at the International Auditing Office) and is engaged in audits of the Company itself as well as domestic Group companies without internal auditing departments and overseas Group companies.

Internal auditing departments are also in place at Sekisui House Real Estate Holdings, Ltd., Sekisui House Trust, Ltd., Sekisui House Construction Holdings, Ltd., Sekisui House Remodeling, Ltd., Sekisui House Financial Services Co., Ltd., Sekisui House Asset Management, Ltd., Konoike Construction Co., Ltd., SEKISUI HOUSE U.S., Inc. (hereinafter, "SHUS"), Sekisui House Sha Maison Partners, Ltd., and Sekisui House Sha Maison SAST Insurance, Ltd. These departments conduct internal audits even as they share the status of audits with and otherwise act in cooperation with the Company's Auditing Department.

In addition, the Company is dispatching staff from the Auditing Department to the United States in line with its aim of "Enhancing our internal auditing structure for global auditing," as part of ESG strategies under the Sixth Mid-Term Management Plan.

The number of personnel in the Group-wide internal audit divisions was 117 (as of January 31, 2026).

(b) Outline of activities

The Company defines internal audits as "objective assurance and consulting activities that add value to and improve the operation of the company," and as a professional internal auditing organization, evaluations and improvements of the effectiveness of risk management, control and governance processes are conducted in a disciplined and systematic manner.

The Company's Auditing Department conducts internal audits, once every two years in principle, in accordance with Internal Audit Guidelines and annual audit plans, targeting the Company's sales offices and other bases as well as domestic Group companies. Moreover, the department audits overseas Group companies every year in principle. Sekisui House Real Estate Holdings, Ltd., Sekisui House Trust, Ltd., Sekisui House Construction Holdings, Ltd., Sekisui House Remodeling, Ltd., Sekisui House Financial Services Co., Ltd., Sekisui House Asset Management, Ltd., Konoike Construction Co., Ltd., SHUS, Sekisui House Sha Maison Partners, Ltd., and Sekisui House Sha Maison SAST Insurance, Ltd. have also formulated annual audit plans, and conduct audits of each company's sales offices and other bases.

The implementation status for the fiscal year ended January 31, 2026 was as follows.

Internal audit divisions	Audit targets	Number of implementations, etc.
Auditing Department of the Company	Sales offices and other bases of the Company	62 locations
	Domestic Group companies	9 locations
	Overseas Group companies	2 countries
Auditing Department of Sekisui House Real Estate Holdings, Ltd.	Sales offices and other bases of Sekisui House Real Estate companies and Sekisui House Sha Maison PM companies	100 locations
Internal Audit Department of Sekisui House Trust, Ltd.	Headquarters	1 location
Auditing Department of Sekisui House Construction Holdings, Ltd.	Sales offices and other bases of Sekisui House Construction companies	5 locations
Auditing Department of Sekisui House Remodeling, Ltd.	Sales offices and other bases of Sekisui House Remodeling, Ltd.	22 locations
Business Management Department of Sekisui House Financial Services Co., Ltd.	Headquarters	1 location
Internal Control Promotion Office of Sekisui House Asset Management, Ltd.	Headquarters	1 location
Auditing Office of Konoike Construction Co., Ltd.	Sales offices and other bases of Konoike Construction Co., Ltd.	76 locations

Internal Audit Department of SHUS	Sales offices and other bases of SHUS	21 locations
Audit Team of Sekisui House Sha Maison Partners, Ltd.	Sales offices and other bases of Sekisui House Sha Maison Partners, Ltd.	12 locations
Internal Audit Department of Sekisui House Sha Maison SAST Insurance, Ltd.	Headquarters	1 location

In addition, the Auditing Department of the Company conducts an assessment of the effectiveness of internal controls over financial reporting based on the Financial Instruments and Exchange Act.

Furthermore, it conducts monthly, ongoing, Company-wide monitoring of important matters related to laws and regulations and financial statements based on data from internal systems, and focuses on early detection of operational deficiencies and timely instructions for improvement and guidance.

The results of the audit are reported in an audit report, and a system has been established for reporting these results directly to the Board of Directors, which includes reports to Directors of the Board and relevant departments in a timely manner and reports to the Board of Directors twice a year. Important or urgent matters, in particular, are fed back to the relevant departments in a timely manner, and it works to prevent recurrences by quickly formulating improvement measures and sharing them horizontally.

(c) Cooperation with Audit and Supervisory Board Members and the accounting auditor

For cooperation between Audit and Supervisory Board Members and the accounting auditor, the Three-Way Auditing Collaboration Meeting is held four times a year, and the three-way auditing cooperation, such as sharing the audit reports, risk information, and audit schedules of Audit and Supervisory Board Members, the accounting auditor, and the Auditing Department, is firmly implemented.

In addition, a system has been established for reporting directly to the Audit and Supervisory Board Members and the Audit and Supervisory Board, which includes providing the Standing Audit and Supervisory Board Members with monthly audit reports and timely reports on risk issues, etc., and reporting the results of the audit to the Audit and Supervisory Board once a year.

(d) Effectiveness of internal audits

In order to ensure the effectiveness of internal audits, the Auditing Department has established a follow-up process in which the Audit Department confirms what corrective measures have been taken by the relevant departments, etc. with regard to matters requiring improvement based on the results of internal audits, by receiving regular reports on the status of audit improvements after the audits have been conducted. In addition, re-audits and operational training are carried out as necessary based on the audit results.

Furthermore, by using the results of internal audits as one of the metrics for the President's business office award, we intend to strengthen the effectiveness of internal audits.

(e) Cooperation with the Risk Management Committee

The Head of Auditing Department participates as a member of the Risk Management Committee, and works to strengthen cooperation by reviewing the discussions and information from the committee.

iii. Status of accounting audits

(a) Name of audit corporation

Ernst & Young ShinNihon LLC

(b) Continuous audit period

Since August 1, 1970

(c) Engagement certified public accountants

Yusaku Iriyama

Masashi Kobayashi

Naoki Nakazawa

(d) Composition of assistants for auditing operations

The assistants for accounting audit work for the Company consisted of 30 certified public accountants and 47 other persons.

(e) Selection policy and reasons for selection of the audit corporation

The Audit and Supervisory Board of the Company has established the selection criteria for the accounting auditor, and the policy is to determine the appointment and reappointment of the accounting auditor based on a comprehensive evaluation of the quality control system, independence, professionalism, audit planning, audit system, and estimated audit fees, etc. of the accounting auditor.

If the accounting auditor is found to fall under any of the items of Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Board shall dismiss the accounting auditor based on the unanimous consent of Audit and Supervisory Board Members. In addition, if it is deemed that there are reasons that the accounting auditor is unable to perform its duties, the Audit and Supervisory Board shall decide the content of the proposal for the dismissal or non-reappointment of the accounting auditor to be submitted to the General Meeting of Shareholders.

Based on the above, as a result of evaluating Ernst & Young ShinNihon LLC, the Audit and Supervisory Board has determined to reappoint them as the accounting auditor.

(f) Evaluation of the audit corporation by Audit and Supervisory Board Members and the Audit and Supervisory Board

The Company's Audit and Supervisory Board Members and the Audit and Supervisory Board evaluate the audit corporation. The Audit and Supervisory Board has established evaluation criteria for the accounting auditor, and it conducts a comprehensive evaluation by receiving reports on activities and details of audit from the audit corporation, receiving reports on the audit corporation from related departments of the Company, and having the Audit and Supervisory Board Members attend the audit corporation's audit and verify the audit procedures, etc.

iv. Details of audit fees, etc.

(a) Fees for the certified public accountants, etc.

Category	Fiscal year ended January 31, 2025		Fiscal year ended January 31, 2026	
	Fees for audit services (Millions of yen)	Fees for non-audit services (Millions of yen)	Fees for audit services (Millions of yen)	Fees for non-audit services (Millions of yen)
Reporting company	208	38	213	25
Consolidated subsidiaries	135	—	160	—
Total	343	38	374	25

Fiscal year ended January 31, 2025 (From February 1, 2024 to January 31, 2025)

Non-audit services at the Company include advisory work related to promoting ESG management.

Fiscal year ended January 31, 2026 (From February 1, 2025 to January 31, 2026)

Non-audit services at the Company include the preparation of comfort letters related to the issuance of bonds.

(b) Fees for organizations belonging to the same network as the certified public accountant, etc. (excluding (a)).

Category	Fiscal year ended January 31, 2025		Fiscal year ended January 31, 2026	
	Fees for audit services (Millions of yen)	Fees for non-audit services (Millions of yen)	Fees for audit services (Millions of yen)	Fees for non-audit services (Millions of yen)
Reporting company	—	4	—	2
Consolidated subsidiaries	490	47	475	39
Total	490	51	475	41

Fiscal year ended January 31, 2025 (From February 1, 2024 to January 31, 2025)

Non-audit services at the Company include tax advisory work related to transfer pricing taxation.

Non-audit services at consolidated subsidiaries include tax advisory work related to transfer pricing taxation.

Fiscal year ended January 31, 2026 (From February 1, 2025 to January 31, 2026)

Non-audit services at the Company include tax advisory work related to transfer pricing taxation.

Non-audit services at consolidated subsidiaries include tax return preparation services, etc.

(c) Details of fees for other important audit services

Not applicable.

(d) Policy for determining audit fees

Audit fees to the accounting auditor are determined with the consent of the Audit and Supervisory Board, by taking into consideration the size and characteristics of the Company, the number of audit days, and other factors.

(e) Reasons for the Audit and Supervisory Board's consent to the fees, etc. of the accounting auditor

The Audit and Supervisory Board determined that the fees, etc. of the accounting auditor was appropriate, and provided its consent as stipulated in Article 399, Paragraph 1 of the Companies Act, as a result of obtaining necessary materials and reports from Directors of the Board, relevant departments and the accounting auditor, and conducting necessary verification and deliberation on whether the content of the audit plan of the accounting auditor, the status of execution of duties of the accounting audit and the basis for calculating the estimated fees, etc. were appropriate.

(4) Remuneration, etc. for officers

i. Policies on determination of the amount and the calculation method of remuneration, etc. for officers

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

Basic remuneration policies

- [1] To be fair to all the stakeholders, including shareholders, investors, customers and employees, in accordance with our Corporate Philosophy of “Love of Humanity,” a high degree of governance shall be applied in determining remuneration to ensure objectivity, transparency and full accountability.
 - [2] In order to become a leading company in ESG management, we shall focus on social significance and make a clear commitment to consistently executing innovative growth strategies, and our remuneration system shall provide sound incentives for consistently increasing corporate value over the long term.
 - [3] We shall emphasize the link between remuneration and the development and evaluation of the senior management team, motivate the next generation of managers to grow, and increase the organizational vitality of the Group over the long term.
-
- The Company has established the Personnel Affairs and Remuneration Committee as an advisory 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 of the Board 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 of the Board or the policy for determining such amount in the Officer Remuneration Rules. The Board of Directors confirms that the remuneration, etc. of Directors of the Board 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 of the Board 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 of the Board to the Personnel Affairs and Remuneration Committee. The Personnel Affairs and Remuneration Committee engages in deliberations with a full grasp of the recent environment and public trends related to management remuneration, utilizing collected information and advice from external expert agencies with global experience and insight, from the perspective of enhancing the effective performance of the functions delegated to it by the Board of Directors while ensuring the independence of decision-making.

Composition, etc. of the Personnel Affairs and Remuneration Committee

Composition	The majority of the Committee members shall be independent Outside Directors of the Board and the Committee shall be chaired by an independent Outside Director of the Board. Five members (including three Outside Directors of the Board) [Chairperson] (Outside Director of the Board) Yukiko Yoshimaru [Committee members] (Outside Directors of the Board) Toshifumi Kitazawa and Yukiko Kuroda (Internal Directors of the Board) Yoshihiro Nakai, Representative Director of the Board, CEO, President, Executive Officer Satoshi Tanaka, Representative Director of the Board, Executive Vice President, Executive Officer
Authority	As an advisory 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 of the Board and Executive Officers and their remuneration, and determines the amount of remuneration for each individual Director of the Board.

Remuneration, etc. for Directors of the Board (excluding Outside Directors of the Board, hereinafter, “Directors of the Board who supervise business execution”)

Remuneration level

For the remuneration level for Directors of the Board who supervise business execution, using objective remuneration market survey data from an external specialist organization, we select a group of companies to serve as a benchmark for remuneration and set the amount of remuneration at an appropriate level commensurate with the size of operations or financial results of the Group.

The group of companies to serve as a benchmark for remuneration are selected from among major domestic companies (excluding companies with significantly different industries or business environments) that are of a similar scale to the Group in terms of either net sales, ordinary profit, or market capitalization at the time of reference.

Overview of remuneration and incentive remuneration framework

Remuneration for Directors of the Board who supervise business execution consists of basic remuneration (fixed amount) and incentive remuneration (variable amount). The latter consists of three components: performance-based bonus (linked with short-term operating results), performance-based stock compensation (linked with medium-term operating results) and restricted stock compensation (linked with long-term operating results).

As for the remuneration composition ratio, with the aim of providing sound incentives to pursue long term, sustainable improvement of corporate value, in addition to single-year operating results targets, the specific ratio for each Director of the Board is set in line with their position-based roles and responsibilities. Based on this policy, the ratio of basic remuneration, performance-based bonus and share-based remuneration for the CEO is set at about 1:1.4:1.8, and for other Representative Directors of the Board at about 1:1.2:1.4 (provided that the Company achieves base performance).

[Exhibit 1] Overview of remuneration and incentive remuneration framework for Directors of the Board who supervise business execution

Type of remuneration, etc.			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-based bonus	Consolidated ordinary profit	The amount to be paid shall be calculated by multiplying consolidated ordinary profit, which is one of the key management indicators for each fiscal year, by a predetermined bonus coefficient for each position of Directors of the Board who supervise business execution. The bonuses shall not be paid if profit attributable to owners of parent is less than ¥160 billion.
	Medium term	Performance-based stock compensation (PSU)	ROE and ESG management indicators	ROE (a key financial indicator for the medium term) and non-financial ESG management indicators are used as performance indicators. The reference number of share units corresponding to predetermined standards for each position of Directors of the Board who supervise business execution 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 evaluation period spanning three consecutive fiscal years. 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.
	Long term	Restricted stock compensation (RS)	—	Shares of the Company's common stock (with transfer restrictions) shall be granted corresponding to the predetermined basic amount set for each position of Directors of the Board who supervise business execution. The transfer restrictions shall be lifted in the event that a Director of the Board or Executive Officer stops serving in his or her position.

(Note) PSU stands for Performance-based Stock Compensation and RS for Restricted Stock.

[Exhibit 2] Image of remuneration composition ratio for the CEO at the base performance

	Fixed Remuneration	Variable Remuneration		
		Performance-Based		
		Short-Term	Medium-Term	Long-Term
Remuneration Composition Ratio*1	Basic Remuneration: Approx. 24%	Performance-Based Bonus: Approx. 33%	Performance-Based Stock Compensation Approx. 43%*2	Restricted Stock Compensation
Payment Form	Cash	Stock + Cash*3		Stock

*1 The remuneration composition ratio will vary depending on position, the Company's performance and the achievement of KPIs.

The remuneration composition ratio for Representative Directors of the Board at base performance is presented.

*2 The composition ratio of performance-based stock compensation to restricted stock compensation is approximately 2.7:1 (at base performance).

*3 50% of the performance-based stock compensation will be paid in cash for the purpose of appropriation to funds for tax payments.

(Note) It is intended that a portion of the performance-based bonus and performance-based stock compensation (performance-based stock compensation) for Directors of the Board who supervise business execution (the ROE-linked portion which is equivalent to 80% of the number of share units granted) shall be treated as performance-linked remuneration under the Corporation Tax Act, and the calculation method is as described in following (i) and (ii).

(i) Performance-based bonus

The amount of the bonus shall be calculated by multiplying the consolidated ordinary profit for the fiscal year ending January 31, 2027 by a bonus coefficient for each position of the Director of the Board of the Company as determined in advance by the Board of Directors of the Company, and the details of the calculation formula are as follows.

Consolidated ordinary profit for the fiscal year ending January 31, 2027 is planned to be ¥314.0 billion.

(a) Eligible for payment

This plan is for the Director of the Board of the Company who is an "executive officer" as defined in Article 34, Paragraph 1, item (3) of the Corporation Tax Act (hereinafter, the "eligible director").

(b) Maximum total payment amount

The maximum amount shall be the smaller of 1) ¥864,000 thousand or 2) the total of the maximum individual bonus amount for each position as specified in the Table i below multiplied by the number of persons in each position (*) after the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026.

* The Company is proposing "Election of 10 Directors of the Board" as a proposal to be tabled (resolution item) for the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. The number of persons in each position is shown, assuming that the proposal is approved, and that the Representative Directors of the Board will be selected at the Board of Directors meeting scheduled to be held immediately after the Ordinary General Meeting of Shareholders.

(c) Method for calculating the payment amount of individual bonuses

Payment amount of individual bonuses = consolidated ordinary profit x bonus coefficient for the position (Table i below)

[Table i] Bonus coefficient for the position and maximum individual bonus amount for each position

Position	Bonus coefficient for the position	Maximum individual bonus amount for each position (Thousands of yen)
Representative Director of the Board, CEO, President, Executive Officer	0.0405%	195,000
Representative Director of the Board, Executive Vice President, Executive Officer	0.0205%	99,000
Director of the Board, Senior Managing Officer	0.0140%	68,000

*1 If a fraction of less than one million yen arises, it will be rounded to the nearest million.

*2 If profit attributable to owners of parent for the fiscal year ending January 31, 2027 is less than ¥160 billion, the amount of the payment shall be zero.

*3 If an eligible director retires (or loses both positions of Director of the Board and Executive Officer of the Company) during the period for which performance-based bonus are paid (the period from the day of the Ordinary General Meeting of Shareholders for the fiscal year ended January 31, 2026 to the day preceding the day of the Ordinary General Meeting of Shareholders for the fiscal year ending January 31, 2027), the performance-related bonus for the retired eligible director shall not be paid.

(ii) Performance-based stock compensation (the ROE-linked portion which is equivalent to 80% of the number of share units granted)

Of the number of share units corresponding to the standard amount for the position of Director of the Board as determined in advance by the Board of Directors of the Company, with respect to the number of units corresponding to the ROE-linked portion, 80% of the number of share units (hereinafter, the “number of share units (ROE-linked portion),” the number of units to be granted shall be determined within the range of 0% to 150% at the end of the evaluation period, depending on the degree of achievement of the ROE target for the three consecutive fiscal years from the fiscal year ending January 31, 2027 to the fiscal year ending January 31, 2029 (hereinafter, the “target evaluation period”), and 50% of the number of units to be granted shall be delivered in the form of the Company’s common stock (hereinafter, the “stock”) and the remaining portion shall be paid in cash. The details of the calculation formula are as follows.

(a) Eligible for payment

This plan is for the Director of the Board of the Company who is an “executive officer” as defined in Article 34, Paragraph 1, item (3) of the Corporation Tax Act (hereinafter, the “eligible director”).

(b) Maximum total number of shares to be delivered and maximum total amount of cash to be paid

The maximum total number of shares of the Company’s common stock to be delivered shall be the smaller of 1) 108,000 shares or 2) the total of the individual maximum number of shares specified for each position in the Table ii below multiplied by the number of persons in each position (*) after the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026.

The maximum total amount of cash to be paid shall be the smaller of 1) ¥918,000 thousand or 2) the total of the individual maximum amount of cash to be paid specified for each position in the Table ii below multiplied by the number of persons in each position (*) after the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026.

* The Company is proposing “Election of 10 Directors of the Board” as a proposal to be tabled (resolution item) for the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. The number of persons in each position is shown, assuming that the proposal is approved, and that the Representative Directors of the Board will be selected at the Board of Directors meeting scheduled to be held immediately after the Ordinary General Meeting of Shareholders.

[Table ii] Individual maximum number of shares to be delivered and individual maximum amount of cash to be paid

Position	Individual maximum number of shares to be delivered (Shares)	Individual maximum amount of cash to be paid (Thousands of yen)
Representative Director of the Board, CEO, President, Executive Officer	21,000	179,000
Representative Director of the Board, Executive Vice President, Executive Officer	8,500	73,000
Director of the Board, Senior Managing Officer	3,800	33,000

(c) Method for calculating individual number of shares to be delivered and individual amount of cash to be paid

At the start of the target evaluation period, the number of share units specified for each position in the table (A) below shall be granted. With respect to the number of share units (ROE-linked portion) equivalent to 80% of the number of share units, the number of units to be granted shall be determined within the range of 0% to 150% at the end of the target evaluation period, depending on the degree of achievement of the ROE target for each fiscal year during the target evaluation period. 50% of the number of units to be granted thus determined shall be calculated as the individual number of shares to be delivered, and the remaining portion shall be calculated as the individual amount of cash to be paid.

(A) The number of share units specified for each position (one share per unit)

Position	The number of share units (Shares)
Representative Director of the Board, CEO, President, Executive Officer	35,000
Representative Director of the Board, Executive Vice President, Executive Officer	14,200
Director of the Board, Senior Managing Officer	6,300

(B) Individual number of shares to be delivered

The number of share units $\times$ 80% $\times$ Payment ratio (*1) $\times$ 50%

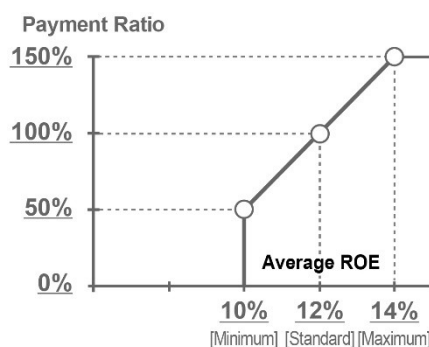
(C) Individual amount of cash to be paid

(The number of share units $\times$ 80% $\times$ Payment ratio (*1) — Individual number of shares to be delivered calculated in (B) above) $\times$ Stock price at the time of delivery (*2)

*1 The payment ratio is calculated using the following formula, which uses the average of the ROE results for each fiscal year during the target evaluation period (hereinafter, the “average ROE”). When calculating the ROE results and the average ROE, fractions less than two decimal places as a percentage are rounded down. In addition, when calculating the payment ratio, the first decimal place as a percentage is rounded off.

- When the average ROE is less than 10.00% : 0%
- When the average ROE is 10.00% to less than 12.00% : $50\% + 50 \times (\text{average ROE} - 10.00)/2\%$
- When the average ROE is 12.00% to less than 14.00% : $100\% + 50 \times (\text{average ROE} - 12.00)/2\%$
- When the average ROE is 14.00% or more : 150%

[Exhibit 3] Average ROE and payment ratio



*2 The stock price at the time of delivery shall be the closing price of the Company’s stock on the Tokyo Stock Exchange on the business day immediately prior to the date of the resolution by the Board of Directors of the Company concerning the issuance of new shares or disposal of treasury shares in connection with the delivery of shares under the performance-based stock compensation plan after the end of the target evaluation period (if no transaction is made on that day, the closing price on the most recent trading day prior to that date).

(d) Procedures for the case where the eligible director retired during the target evaluation period

a. In the case of retirement for justifiable reasons

In the case of a justifiable reason such as the expiration of a term of office (excluding the case where it is a transfer to a competitor that has not received the approval of the Company), the calculation method (A) to (C) in (c) above shall be applied. This means that at the end of the target evaluation period, the payment ratio is calculated according to the calculation formula, and the shares shall be delivered and the cash shall be paid. However, if the period from the start of the first term to the time of retirement of the eligible director during the target evaluation period is less than one year, the number of units initially granted shall be prorated using the factor obtained by dividing the actual number of months of service until the time of retirement by 12 months, and the payment ratio shall be calculated at the end of the target evaluation period in accordance with the calculation formula. If the period is less than one month, it shall be calculated as one month.

b. In the case of retirement due to death

In the case of retirement due to death, instead of the shares and cash to be provided as performance-based stock compensation, the amount of cash (rounded up to the nearest 100 yen) calculated based on the following calculation formula shall be paid to the heirs of the eligible director immediately after the date of retirement due to death. However, if the period from the start of the first term to the time of retirement of the eligible director during the target evaluation period is less than one year, the number of units initially granted shall be prorated using the factor obtained by dividing the actual number of months of service until the time of retirement by 12 months (hereinafter, the “number of share units prorated”). If the period is less than one month, it shall be calculated as one month. The maximum total amount of cash to be paid shall be the smaller of 1) ¥1,224,000 thousand or 2) the total of the individual maximum amount of cash to be paid specified for each position in the Table iii below multiplied by the number of persons in each position (*) after the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026.

* The Company is proposing “Election of 10 Directors of the Board” as a proposal to be tabled (resolution item) for the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. The number of persons in each position is shown, assuming that the proposal is approved, and that the Representative Directors of the Board will be selected at the Board of Directors meeting scheduled to be held immediately after the Ordinary General Meeting of Shareholders.

The number of share units (or the number of share units prorated) × 80% × The Company’s stock price (*)

* The closing price of the Company’s stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the retirement (if no transaction is made on that day, the closing price on the most recent trading day prior to that date).

[Table iii] Individual maximum amount of cash to be paid in the case of retirement due to death

Position	Individual maximum amount of cash to be paid (Thousands of yen)
Representative Director of the Board, CEO, President, Executive Officer	238,000
Representative Director of the Board, Executive Vice President, Executive Officer	97,000
Director of the Board, Senior Managing Officer	43,000

c. In the case of retirement due to engaging in business that competes with the business of the Company or its subsidiaries, or due to assuming the position of an officer or employee of a corporation or other organization that competes with the Company (except in cases where prior written consent has been obtained from the Company), or in the case of dismissal due to disciplinary action

The initial number of units granted shall be entirely forfeited.

(e) Procedures for the case where organizational restructuring is implemented during the target evaluation period

In the event that a merger agreement in which the Company becomes the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other matters related to organizational restructuring, etc. are approved at the Company’s General Meeting of Shareholders (or, in the case where approval by the Company’s General Meeting of Shareholders is not required for the relevant organizational

restructuring, etc., at the Board of Directors Meeting), the amount of cash (rounded up to the nearest 100 yen) calculated based on the following calculation formula shall be paid to the eligible directors instead of the shares and cash to be provided as performance-based stock compensation, prior to the effective date of the relevant organizational restructuring, etc. However, if the period from the start of the first term to the time of retirement of the eligible director during the target evaluation period is less than one year, the number of units initially granted shall be prorated using the factor obtained by dividing the actual number of months of service until the time of retirement by 12 months (hereinafter, the “number of share units prorated”). If the period is less than one month, it shall be calculated as one month. The maximum total amount of cash to be paid shall be the smaller of 1) ¥1,836,000 thousand or 2) the total of the individual maximum amount of cash to be paid specified for each position in the Table iv below multiplied by the number of persons in each position (*) after the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026.

* The Company is proposing “Election of 10 Directors of the Board” as a proposal to be tabled (resolution item) for the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026. The number of persons in each position is shown, assuming that the proposal is approved, and that the Representative Directors of the Board will be selected at the Board of Directors meeting scheduled to be held immediately after the Ordinary General Meeting of Shareholders.

$$\begin{array}{ccccccc} \text{The number of share units (or} & & & & \text{The payment ratio based on the evaluation from the start of} & & \text{The} \\ \text{the number of share units} & \times & 80\% & \times & \text{the evaluation to the fiscal year preceding the fiscal year in} & \times & \text{Company's} \\ \text{prorated)} & & & & \text{which the effective date of the reorganization, etc. falls} & & \text{stock price (*)} \end{array}$$

* The closing price of the Company’s stock on the Tokyo Stock Exchange in the month immediately prior to the month in which the date when the matters related to organizational restructuring, etc. was approved at the Company’s General Meeting of Shareholders (or, in the case where approval by the Company’s General Meeting of Shareholders is not required for the relevant organizational restructuring, etc., at the Board of Directors Meeting) falls (if no transaction is made on that day, the closing price on the most recent trading day prior to that date).

[Table iv] Individual maximum amount of cash to be paid in the case of organizational restructuring, etc.

Position	Individual maximum amount of cash to be paid (Thousands of yen)
Representative Director of the Board, CEO, President, Executive Officer	357,000
Representative Director of the Board, Executive Vice President, Executive Officer	145,000
Director of the Board, Senior Managing Officer	65,000

(f) Other adjustments

If the total number of shares issued of the Company increases or decreases due to a reverse stock split or a stock split (including an allotment of shares without consideration) before the delivery of shares or payment of cash, the number of shares to be delivered and the maximum number of shares to be delivered, as well as the amount of cash to be paid and the maximum amount of cash to be paid, which are calculated based on the performance-linked share system, shall be adjusted by multiplying the ratio of the reverse stock split or the stock split.

(iii) Performance-based stock compensation (the ESG management indicators-linked portion which is equivalent to 20% of the number of share units granted)

With respect to the number of units linked to ESG management indicators, which is equivalent to 20% of the number of share units, same as (ii) the number of share units (ROE-linked portion), the number of units to be granted shall be determined within the range of 0% to 150% at the end of the evaluation period, depending on the degree of achievement of the ESG management indicators for the three consecutive fiscal years from the fiscal year ending January 31, 2027 to the fiscal year ending January 31, 2029, and 50% of the number of units to be granted thus

determined shall be delivered in the form of the Company's common stocks, and the remaining portion shall be paid in cash. With respect to ESG management indicators, in order to improve the objectivity and transparency of the process for setting targets and conducting evaluations, a rigorous review is conducted by the Personnel Affairs and Remuneration Committee.

The ESG management indicators and target values for the performance-based stock compensation, for which the evaluation period is the three consecutive fiscal years from the fiscal year ended January 31, 2026 to the fiscal year ending January 31, 2028, are as follows.

ESG management indicators	Target values (as of January 31, 2028)	Weighting
- Customer satisfaction level for detached houses	88.0%	15%
- Number of contracts concluded through referrals among Group companies	14,000 cases or more	15%
- Rate of reduced CO ₂ emissions from business activities	65%	15%
- Ratio of Sha Maison ZEH	85%	15%
- Ratio of female managers	6.4%	15%
- Take-up rate for annual paid leave	83% or higher	10%
- Business site audits	90 points or higher	15%

Remuneration, etc. for Outside Directors of the Board

Remuneration, etc. for Outside Directors of the Board of the Company shall be composed of basic remuneration (fixed remuneration) and various allowances for positions including Chairperson of the Board of Directors, Chairperson or Member of the Personnel Affairs and Remuneration Committee, in light of the role to supervise the management of the Company from the objective and independent standpoint. The level of basic remuneration and allowances shall be set with reference to data such as objective remuneration market survey data from external specialized agencies.

Remuneration, etc. for Audit and Supervisory Board Members

Remuneration, etc. for Audit and 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 set in accordance with the duties and responsibilities of each Audit and Supervisory Board Member, with reference to data such as objective remuneration market survey data from external specialized agencies.

The basic policy of the remuneration system and remuneration structure for Audit and Supervisory Board Members, and the amount of remuneration paid to individual Audit and Supervisory Board Members, shall be determined upon consultation among the Audit and Supervisory Board Members at meeting of the Audit and Supervisory Board within the limits established by resolution of the General Meeting of Shareholders.

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

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

Type of remuneration, etc.	Internal Directors of the Board	Outside Directors of the Board	Audit and 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-based bonus	Up to 0.18% of consolidated ordinary profit of each fiscal year (for 8 persons, resolved at the 69th Ordinary General Meeting of Shareholders)	—	—
Performance-based stock compensation (PSU)	Up to the amount calculated by multiplying the upper limit of the number of share units defined of 270,000 shares per annum by the stock price at the time of delivery, and up to 135,000 shares per annum (for 8 persons, resolved at the 69th Ordinary General Meeting of Shareholders)	—	—
Restricted stock compensation (RS)	Up to ¥180 million and 180,000 shares 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 of the Board or Audit and Supervisory Board Members eligible for the remuneration, etc. at the conclusion of the relevant General Meeting of Shareholders.

Shareholding guidelines

For the Company to become a leader in ESG management, the Company believes that in addition to setting a portion of the PSUs that reflect appraisals by ESG management indicators, it is important to guarantee the sharing of value with our shareholders in a long-term and sustainable manner. To do this, we established shareholding guidelines, and Directors of the Board who supervise business execution are, during their term in office as Directors of the Board of the Company, obliged to maintain ownership of Company shares equivalent to baseline monetary values (based on current stock price). In order to strengthen ownership of such shares among Directors of the Board, after reaching the baseline, we will require continuous ownership of Company shares over the baseline monetary values.

The baseline monetary value is triple annual basic remuneration for the CEO, twice annual basic remuneration for other Representative Directors of the Board, and equal to annual basic remuneration for other eligible directors (excluding Outside Directors of the Board).

Stock Remuneration Return (Malus and Clawback Provisions)

In order to control excessive risk-taking by Directors of the Board who supervise business execution and to ensure sound management, we established malus and clawback provisions in the rules for officer remuneration. These provisions enable the Company to acquire shares or share units allotted to such directors as stock remuneration without consideration, forfeit such remuneration or demand the return of it in full or in part or the substantial amount of cash if the recipient was found to be involved in such serious events as fraudulent acts, violations of laws and regulations, etc., in the course of, or in connection with, the execution and other actions of his/her duties. The invocation of these provisions requires a resolution of the Board of Directors following deliberations by the Personnel Affairs and Remuneration Committee.

*Reference: Remuneration, etc. for Executive Officers who do not concurrently serve as Directors of the Board

The remuneration, etc. of Executive Officers of the Company who do not concurrently serve as Directors of Board shall be in accordance with the remuneration system for Directors of the Board who supervise business execution. However, in the case of performance-based bonus (linked with short-term operating results), in addition to the evaluation based on consolidated ordinary profit, etc., which is the same as for Directors of the Board, the results of the performance evaluation of the department in charge and the individual performance evaluation shall be reflected to determine the amount of individual payment.

ii. Total amount of remuneration, etc. by category of officers, total amount of remuneration, etc. by type, and number of applicable officers of the Company

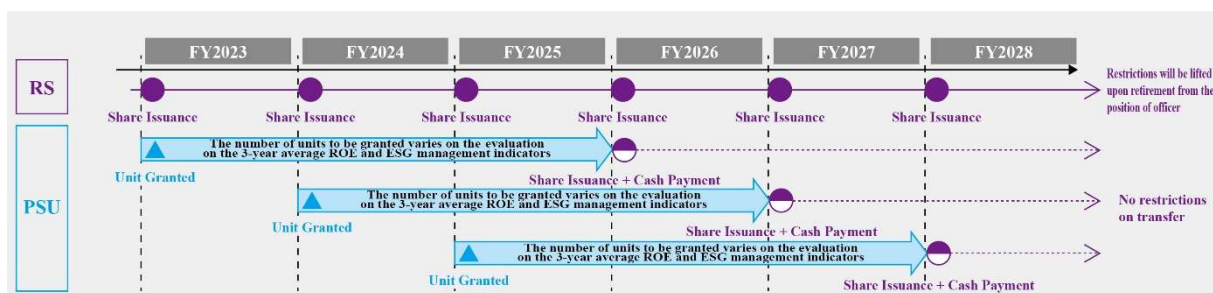
Category of officers	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type (Millions of yen)				Number of applicable officers
		Basic remuneration	Performance-based bonus	Performance-based stock compensation	Restricted stock compensation	
Directors of the Board (excluding Outside Directors of the Board)	745	268	282	89	105	7 Persons
Audit and Supervisory Board Members (excluding Outside Audit and Supervisory Board Members)	88	88	—	—	—	3 Persons
Outside Officers	197	197	—	—	—	10 Persons

(Note) The above includes one Director of the Board who retired as of the conclusion of the 72nd Ordinary General Meeting of Shareholders held on April 25, 2023, and one Director of the Board, one Outside Director of the Board, one Audit and Supervisory Board Member, and one Outside Audit and Supervisory Board Member who retired as of the conclusion of the 74th Ordinary General Meeting of Shareholders held on April 23, 2025.

iii. Targets and results for performance-related remuneration indicators

The amount of performance-based bonus to be paid shall be calculated by multiplying consolidated ordinary profit by a predetermined bonus coefficient for each position of Directors of the Board who supervise business execution. The initial target for consolidated ordinary profit for the fiscal year ended January 31, 2026 was ¥339,000 million, and the result was ¥327,800 million.

Performance-based stock compensation (PSU) shall be determined, depending on the degree of achievement of ROE and ESG management indicators during the evaluation period of three consecutive fiscal years. Since the payments of performance-based stock compensation (PSU) are made for the evaluation period of three consecutive fiscal years, the value of performance indicators will be determined after the end of each evaluation period.



The targets and results for the fourth payment of performance-based stock compensation (PSU) (evaluation period: from the fiscal year ended January 31, 2024 to the fiscal year ended January 31, 2026) were as follows.

KPI	Weighting	Changes in payment ratio	Target value		Results	Payment ratio by indicator
ROE (3-year average)	80%	0%–150%	Maximum	13.00%	11.65%	116%
			Standard	11.00%		
			Minimum	9.00%		
ESG management indicators	20%	0%–150%	*			131%

* The ESG management indicator used in the determination of the amount of PSU consists of targets determined for the following items; E (Environment): i. Rate of CO₂ emissions reduction from business; ii. Ratio of detached house ZEH; iii. Ratio of Sha Maison ZEH units; S (Social): iii. Number of female managers; iv. Take-up rate for eligible male employee paternity leave; v. Take-up rate for annual paid leave; G (Governance): vi. Strengthening information security systems; vii. Establishing group governance in the U.S. The degree of achievement in items named above was evaluated by the Personnel Affairs and Remuneration Committee.

iv. Total amount of consolidated remuneration, etc. by each officer

Name	Category of officers	Company name	Amounts of remuneration, etc. by type				Total amount of remuneration, etc.
			Basic remuneration	Performance-based bonus	Performance-based stock compensation	Restricted stock compensation	
Yoshihiro Nakai	Director of the Board	Reporting company	82 million yen	101 million yen	36 million yen	40 million yen	261 million yen
Satoshi Tanaka	Director of the Board	Reporting company	49 million yen	61 million yen	20 million yen	24 million yen	156 million yen
Toru Ishii	Director of the Board	Reporting company	41 million yen	40 million yen	10 million yen	12 million yen	103 million yen
Hiroshi Shinozaki	Director of the Board	Reporting company	41 million yen	40 million yen	12 million yen	12 million yen	105 million yen
Yasushi Omura	Director of the Board	Reporting company	38 million yen	40 million yen	10 million yen	8 million yen	97 million yen

(Note) This information is presented for those whose total consolidated remuneration, etc., was ¥100 million or more and who were Directors of the Board (excluding Outside Directors of the Board) of the reporting company as of January 31, 2026.

v. Details of activities of the Personnel Affairs and Remuneration Committee

The details of activities of the Personnel Affairs and Remuneration Committee for the 75th fiscal year were as follows.

(a) Number of meetings of the Personnel Affairs and Remuneration Committee: 11 (February 2025 to January 2026)

	Name	Attendance at committee meetings during FY2025
Chairperson	Yukiko Yoshimaru	100% (11/11)
Committee member	Yoshihiro Nakai	100% (11/11)
Committee member	Satoshi Tanaka	100% (10/10)
Committee member	Toshifumi Kitazawa	100% (11/11)
Committee member	Keiko Takegawa	100% (5/5)
Committee member	Yukiko Kuroda	100% (6/6)

* The number of meetings of the Personnel Affairs and Remuneration Committee includes CEO evaluation meetings (attended by three external committee members and the CEO, President, Executive Officer, as the person being evaluated).

(b) Main subjects discussed

(related to nomination)

- CEO evaluation meetings
- Preparation of a selection plan for candidates for Directors based on a skills matrix
- Consideration of succession plans for Independent Outside Directors of the Board
- Holding of the CEO Succession Planning Council

(related to remuneration)

- Consideration of the executive compensation system during the period of the Seventh Mid-Term Management Plan (applicable from the fiscal year ending January 31, 2027)

- Evaluation of officer performance for the 74th fiscal year and the determination of bonuses to be paid to individual recipients

- Inclusion of 75th fiscal year performance-based bonus and performance-based stock compensation into deductible items for tax purposes

- Number of share units, etc. to be applied to the performance-based stock compensation

- Determination of KPIs (ESG-related items) for the performance-based stock compensation and target values for such indicators

(c) Composition of the Personnel Affairs and Remuneration Committee for the 75th fiscal year (from February 2025 to January 2026)

Prior to the Ordinary General Meeting of Shareholders on April 23, 2025

Chairperson: Yukiko Yoshimaru (Outside Director of the Board)

Committee members: Toshifumi Kitazawa (Outside Director of the Board), Keiko Takegawa (Outside Director of the Board), Yoshihiro Nakai (Representative Director of the Board, CEO, President, Executive Officer), Satoshi Tanaka (Representative Director of the Board, Executive Vice President, Executive Officer)

After the Ordinary General Meeting of Shareholders on April 23, 2025

Chairperson: Yukiko Yoshimaru (Outside Director of the Board)

Committee members: Toshifumi Kitazawa (Outside Director of the Board), Yukiko Kuroda (Outside Director of the Board), Yoshihiro Nakai (Representative Director of the Board, CEO, President, Executive Officer), Satoshi Tanaka (Representative Director of the Board, Executive Vice President, Executive Officer)

(d) Status of external advisors' involvement in the determination of remuneration

The Company has appointed WTW as an external remuneration advisor.

(5) Shareholdings

i. Criteria for and approach to classification of stocks for investment

The Company classifies stocks for investment into two categories: stocks for investment held for the pure investment purpose of earning profits from fluctuations in share value or dividends related to shares, and stocks for investment held for the pure investment purpose as well as for the purposes other than pure investment, which are judged to contribute to the improvement of corporate value in the medium to long term by maintaining and strengthening stable business relationships. In principle, we do not hold stocks for investment for pure investment purposes.

ii. Stocks for investment held for purposes other than pure investment

(a) Holding policy, method for verifying rationality of holdings, and details of verification by the Board of Directors, etc. of the appropriateness of holding individual issues

The Company shall not enter into cross-shareholdings with business partners unless it judges that it will be helpful to medium- and long-term increases in the corporate value through the stable maintenance and strengthening of relationships with them. 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. 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 objectives 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.

(b) Number of issues and balance sheet amount

	Number of issues (issues)	Total balance sheet amount (Millions of yen)
Unlisted stocks	29	2,820
Stocks other than unlisted stocks	13	49,157

Issues whose number of shares increased in the fiscal year ended January 31, 2026

	Number of issues (issues)	Total acquisition cost for increased shares (Millions of yen)	Reason for increase in number of shares
Unlisted stocks	—	—	—
Stocks other than unlisted stocks	1	371	Acquired shares based on the judgment that synergies in research and development and other fields resulting from the share acquisition would contribute to enhancing corporate value.

Issues whose number of shares decreased in the fiscal year ended January 31, 2026

	Number of issues (issues)	Total sale amount for decreased shares (Millions of yen)
Unlisted stocks	1	3,978
Stocks other than unlisted stocks	4	12,704

(c) Information on number of shares, balance sheet amount, etc. of specified investment shares and deemed holdings of shares by issues

Specified investment shares

Issues	Fiscal year ended January 31, 2026	Fiscal year ended January 31, 2025	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding, and reason for increase in number of shares	Shareholding in the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
Sekisui Chemical Co., Ltd.	7,998,405	7,998,405	The purpose is to maintain and strengthen stable business relationships with the company as a major supplier of housing equipment in the future.	Yes
	21,859	20,627		
Mitsubishi UFJ Financial Group, Inc.	2,335,820	2,335,820	As a main financial institution, we receive cooperation in financial transactions and business promotion, centered on domestic and international fund procurement, and the purpose is to maintain and strengthen stable business relationships with the company in the future.	Yes (Note 1)
	6,550	4,621		
Sumitomo Mitsui Financial Group, Inc.	1,094,112	1,094,112	As a main financial institution, we receive cooperation in financial transactions and business promotion, centered on domestic and international fund procurement, and the purpose is to maintain and strengthen stable business relationships with the company in the future.	Yes (Note 1)
	5,986	4,232		
SENKO Group Holdings Co., Ltd.	2,209,411	2,209,411	The purpose is to maintain and strengthen stable business relationships with the company as a major customer in housing-related logistics operations in the future.	Yes
	4,249	3,442		
TOTO LTD.	801,600	1,424,900	The purpose is to maintain and strengthen stable business relationships with the company as a major supplier of housing equipment in the future.	Yes
	3,896	5,427		
Sekisui Jushi Corporation	991,516	991,516	The purpose is to maintain and strengthen stable business relationships with the company as a supplier of housing-related materials in the future.	Yes
	2,060	1,950		
T&D Holdings, Inc.	444,600	444,600	As a major life insurance company, we receive cooperation in insurance transactions and business promotion in Japan, and the purpose is to maintain and strengthen stable business relationships with the company in the future.	Yes (Note 1)
	1,690	1,318		
TKC Corporation	400,000	400,000	We receive cooperation from the company in promoting business, such as the provision of customer and real estate information, and the purpose is to maintain and strengthen stable business relationships with the company in the future.	No
	1,626	1,526		
Mizuho Financial Group, Inc.	72,426	72,426	As a main financial institution, we receive cooperation in financial transactions and business promotion, centered on domestic and international fund procurement, and the purpose is to maintain and strengthen stable business relationships with the company in the future.	Yes (Note 1)
	491	311		
TSUCHIYA HOLDINGS CO., LTD.	1,585,800	–	The purpose is to maintain and strengthen stable business relationships with the company as a partner in the housing research and development field, etc. in the future. The shares were acquired based on the judgment that synergies in the research and development field, etc. resulting from the share acquisition would contribute to enhancing corporate value.	No
	358	–		
Resona Holdings, Inc.	110,400	110,400	As a main financial institution, we receive cooperation in financial transactions and business promotion, centered on fund procurement in Japan, and the purpose is to maintain and strengthen stable business relationships with the company in the future.	Yes (Note 1)
	197	127		

Issues	Fiscal year ended January 31, 2026	Fiscal year ended January 31, 2025	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding, and reason for increase in number of shares	Shareholding in the Company
	Number of shares (Shares)	Number of shares (Shares)		
	Balance sheet amount (Millions of yen)	Balance sheet amount (Millions of yen)		
MS&AD Insurance Group Holdings, Inc.	37,500	65,600	As a major non-life insurance company, we receive cooperation in insurance transactions and business promotion in Japan, and the purpose is to maintain and strengthen stable business relationships with the company in the future.	Yes (Note 1)
	147	213		
Sekisui Kasei Co., Ltd.	100,000	100,000	The purpose is to maintain and strengthen stable business relationships with the company as a supplier of housing-related materials in the future.	Yes
	42	35		
DAIKIN INDUSTRIES, LTD.	—	350,800	—	No
	—	6,444		
DAIHATSU DIESEL MFG. CO., LTD.	—	2,000,000	—	No
	—	4,630		

(Notes) 1. Includes cases held by group companies of the issuing company.

2. The quantitative effects of shareholding are not stated because it is difficult to describe them from the perspective of information management and confidentiality in business relationships, etc. With respect to the rationality of holdings, we conducted a comprehensive examination of the significance of owning them based on the status of shareholding, risk and return (stock price divergence, dividend yields, ROE, credit rating, etc.), and the importance of the transaction.

Deemed holdings of shares

Not applicable.

iii. Stocks for investment held for pure investment

Not applicable.

iv. Stocks for investment reclassified from held for pure investment to held for purposes other than pure investment during the fiscal year ended January 31, 2026

Not applicable.

v. Stocks for investment reclassified from held for purposes other than pure investment to held for pure investment during the fiscal year ended January 31, 2026 and the preceding four fiscal years

Not applicable.

V. Financial Information

1. Basis of preparation of consolidated financial statements and non-consolidated financial statements

- (1) Consolidated financial statements of the Company have been prepared in accordance with the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976, hereinafter as the “Regulation on Consolidated Financial Statements”), and recorded in accordance with the Regulations for Enforcement of the Construction Business Act (Ministry of Construction Order No. 14 of 1949).
- (2) Non-consolidated financial statements of the Company have been prepared based on Article 2 of the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963), and in accordance with such Regulation and the Regulations for Enforcement of the Construction Business Act (Ministry of Construction Order No. 14 of 1949).

2. Note on independent audit

The Company’s consolidated financial statements for the fiscal year from February 1, 2025 to January 31, 2026 and the non-consolidated financial statements for the fiscal year from February 1, 2025 to January 31, 2026 have been audited by Ernst & Young ShinNihon LLC in accordance with the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act.

3. Remarkable efforts to ensure fair presentation of consolidated financial statements, etc.

The Company has undertaken remarkable efforts to ensure the appropriateness of its consolidated financial statements, etc. Specifically, in order to develop a system that can properly understand the content of accounting standards and related rules, or accurately respond to changes in accounting standards and related rules, the Company has joined the Financial Accounting Standards Foundation and participates in seminars, etc., conducted by the Foundation, etc.

1. Consolidated balance sheet, etc.

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Assets		
Current assets		
Cash and deposits	¥ 390,559	¥ 435,177
Notes receivable, accounts receivable from completed construction contracts and other	*1 211,114	*1 203,890
Costs on construction contracts in progress	14,127	13,405
Buildings for sale	*4,*6,*8 1,068,926	*4,*6 1,093,574
Land for sale in lots	*4,*6 1,374,237	*4,*6 1,507,781
Undeveloped land for sale	*4 396,123	433,304
Other inventories	*2 12,164	*2 11,930
Other	*5 245,867	*5 209,387
Allowance for doubtful accounts	(1,013)	(1,000)
Total current assets	3,712,106	3,907,449
Non-current assets		
Property, plant and equipment		
Buildings and structures	*4,*6 346,487	*4,*6 352,613
Machinery, equipment and vehicles	*4 76,430	*4 81,626
Tools, furniture and fixtures	*4 47,408	*4 55,925
Land	*4,*6 258,559	*4,*6 214,036
Leased assets	27,826	38,759
Construction in progress	*4 45,976	*4 12,168
Other	5,855	3,604
Accumulated depreciation	(274,304)	(292,588)
Total property, plant and equipment	534,240	466,146
Intangible assets		
Goodwill	134,217	114,581
Industrial property	57,903	50,478
Leasehold interests in land	2,986	3,003
Software	*4 25,198	45,677
Right to use facilities	*4 130	*4 108
Telephone subscription right	238	237
Other	1,199	1,087
Total intangible assets	221,873	215,174
Investments and other assets		
Investment securities	*3,*6 205,632	*3,*6 202,295
Long-term loans receivable	13,656	23,266
Retirement benefit asset	46,749	112,861
Deferred tax assets	10,643	18,934
Other	*5 64,994	*5 60,823
Allowance for doubtful accounts	(1,047)	(313)
Total investments and other assets	340,628	417,867
Total non-current assets	1,096,742	1,099,188
Total assets	¥ 4,808,848	¥ 5,006,637

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Liabilities		
Current liabilities		
Notes payable and accounts payable for construction contracts	¥ 195,028	¥ 162,376
Electronically recorded obligations - operating	79,360	67,638
Short-term bonds payable	40,000	—
Short-term borrowings	477,840	414,332
Current portion of bonds payable	8	20,000
Current portion of long-term borrowings	*6, *8 252,793	*6 161,032
Income taxes payable	44,652	67,868
Advances received on construction contracts in progress	*9 220,645	*9 236,744
Provision for bonuses	39,706	46,734
Provision for bonuses for directors (and other officers)	6,675	4,901
Provision for warranties for completed construction	14,073	15,575
Other	184,863	200,968
Total current liabilities	1,555,648	1,398,171
Non-current liabilities		
Bonds payable	620,121	738,811
Long-term borrowings	*6 456,321	*6 514,714
Long-term leasehold and guarantee deposits received	*6 52,626	*6 44,785
Deferred tax liabilities	13,443	24,634
Provision for retirement benefits for directors (and other officers)	862	823
Retirement benefit liability	31,632	27,517
Other	59,593	68,941
Total non-current liabilities	1,234,601	1,420,228
Total liabilities	2,790,249	2,818,400
Net assets		
Shareholders' equity		
Share capital	203,094	203,300
Capital surplus	260,297	259,595
Retained earnings	1,266,985	1,407,164
Treasury shares	(40,957)	(40,905)
Total shareholders' equity	1,689,420	1,829,156
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,610	36,079
Deferred gains or losses on hedges	(123)	(442)
Foreign currency translation adjustment	215,217	213,570
Remeasurements of defined benefit plans	22,075	61,192
Total accumulated other comprehensive income	272,779	310,399
Share acquisition rights	87	58
Non-controlling interests	56,311	48,622
Total net assets	2,018,599	2,188,237
Total liabilities and net assets	¥ 4,808,848	¥ 5,006,637

Corresponding footnote items are included in Note 7 "Notes related to consolidated balance sheet."

Consolidated statement of income

(Millions of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Net sales	*1 ¥ 4,058,583	*1 ¥ 4,197,922
Cost of sales	*2,*6 3,272,590	*2,*6 3,358,103
Gross profit	785,993	839,819
Selling, general and administrative expenses		
Selling expenses	*3 87,903	*3 89,292
General and administrative expenses	*3,*6 366,723	*3,*6 409,123
Total selling, general and administrative expenses	454,626	498,416
Operating profit	331,366	341,402
Non-operating income		
Interest income	9,287	5,999
Dividend income	2,163	2,151
Foreign exchange gains	3,578	1,289
Share of profit of entities accounted for using equity method	—	26,105
Other	2,839	3,957
Total non-operating income	17,869	39,503
Non-operating expenses		
Interest expenses	33,634	39,183
Share of loss of entities accounted for using equity method	3,085	—
Other	10,887	13,921
Total non-operating expenses	47,607	53,105
Ordinary profit	301,627	327,800
Extraordinary income		
Gain on sale of investment securities	19,312	12,409
Gain on liquidation of subsidiaries and affiliates	3,456	—
Gain on sale of shares of subsidiaries and affiliates	1,540	—
Total extraordinary income	24,309	12,409
Extraordinary losses		
Loss on sale and retirement of non-current assets	*5 1,584	*5 1,473
Acquisition related expenses	18,232	—
Loss on sale of shares of subsidiaries and affiliates	386	—
Impairment losses	*4 147	—
Total extraordinary losses	20,351	1,473
Profit before income taxes	305,586	338,737
Income taxes - current	84,687	117,412
Income taxes - deferred	(358)	(15,254)
Total income taxes	84,328	102,157
Profit	221,257	236,579
Profit attributable to non-controlling interests	3,552	4,484
Profit attributable to owners of parent	¥ 217,705	¥ 232,095

Corresponding footnote items are included in Note 8 “Notes related to consolidated statement of income.”

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Profit	¥ 221,257	¥ 236,579
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,900)	1,663
Foreign currency translation adjustment	84,007	(4,131)
Remeasurements of defined benefit plans, net of tax	(723)	39,170
Share of other comprehensive income of entities accounted for using equity method	(1,824)	2,179
Total other comprehensive income	*1 72,558	*1 38,882
Comprehensive income	¥ 293,815	¥ 275,462
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	¥ 290,175	¥ 270,548
Comprehensive income attributable to non-controlling interests	3,640	4,913

Corresponding footnote items are included in Note 9 “Notes related to consolidated statement of comprehensive income.”

Consolidated statement of changes in equity

Fiscal year ended January 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	¥ 202,854	¥ 260,126	¥ 1,132,275	¥ (40,979)	¥ 1,554,276
Cumulative effects of changes in accounting policies	—	—	—	—	—
Restated balance	202,854	260,126	1,132,275	(40,979)	1,554,276
Changes during period					
Issuance of new shares	239	239	—	—	479
Dividends of surplus	—	—	(82,968)	—	(82,968)
Profit attributable to owners of parent	—	—	217,705	—	217,705
Purchase of treasury shares	—	—	—	(18)	(18)
Disposal of treasury shares	—	—	(26)	38	12
Purchase of shares of consolidated subsidiaries	—	(68)	—	—	(68)
Change in treasury shares arising from change in equity in entities accounted for using equity method	—	—	—	1	1
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	239	171	134,710	21	135,143
Balance at end of period	¥ 203,094	¥ 260,297	¥ 1,266,985	¥ (40,957)	¥ 1,689,420

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	¥ 44,597	¥ —	¥ 132,895	¥ 22,816	¥ 200,309	¥ 100	¥ 39,366	¥ 1,794,052
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	—
Restated balance	44,597	—	132,895	22,816	200,309	100	39,366	1,794,052
Changes during period								
Issuance of new shares	—	—	—	—	—	—	—	479
Dividends of surplus	—	—	—	—	—	—	—	(82,968)
Profit attributable to owners of parent	—	—	—	—	—	—	—	217,705
Purchase of treasury shares	—	—	—	—	—	—	—	(18)
Disposal of treasury shares	—	—	—	—	—	—	—	12
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	—	—	(68)
Change in treasury shares arising from change in equity in entities accounted for using equity method	—	—	—	—	—	—	—	1
Net changes in items other than shareholders' equity	(8,987)	(123)	82,322	(740)	72,470	(12)	16,945	89,403
Total changes during period	(8,987)	(123)	82,322	(740)	72,470	(12)	16,945	224,546
Balance at end of period	¥ 35,610	¥ (123)	¥ 215,217	¥ 22,075	¥ 272,779	¥ 87	¥ 56,311	¥ 2,018,599

Fiscal year ended January 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	¥ 203,094	¥ 260,297	¥ 1,266,985	¥ (40,957)	¥ 1,689,420
Cumulative effects of changes in accounting policies	—	—	833	—	833
Restated balance	203,094	260,297	1,267,819	(40,957)	1,690,253
Changes during period					
Issuance of new shares	206	206	—	—	412
Dividends of surplus	—	—	(92,712)	—	(92,712)
Profit attributable to owners of parent	—	—	232,095	—	232,095
Purchase of treasury shares	—	—	—	(14)	(14)
Disposal of treasury shares	—	—	(37)	66	29
Purchase of shares of consolidated subsidiaries	—	(908)	—	—	(908)
Change in treasury shares arising from change in equity in entities accounted for using equity method	—	—	—	—	—
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	206	(701)	139,345	52	138,902
Balance at end of period	¥ 203,300	¥ 259,595	¥ 1,407,164	¥ (40,905)	¥ 1,829,156

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	¥ 35,610	¥ (123)	¥ 215,217	¥ 22,075	¥ 272,779	¥ 87	¥ 56,311	¥ 2,018,599
Cumulative effects of changes in accounting policies	(833)	—	—	—	(833)	—	—	—
Restated balance	34,776	(123)	215,217	22,075	271,945	87	56,311	2,018,599
Changes during period								
Issuance of new shares	—	—	—	—	—	—	—	412
Dividends of surplus	—	—	—	—	—	—	—	(92,712)
Profit attributable to owners of parent	—	—	—	—	—	—	—	232,095
Purchase of treasury shares	—	—	—	—	—	—	—	(14)
Disposal of treasury shares	—	—	—	—	—	—	—	29
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	—	—	(908)
Change in treasury shares arising from change in equity in entities accounted for using equity method	—	—	—	—	—	—	—	—
Net changes in items other than shareholders' equity	1,302	(318)	(1,646)	39,116	38,453	(29)	(7,689)	30,735
Total changes during period	1,302	(318)	(1,646)	39,116	38,453	(29)	(7,689)	169,637
Balance at end of period	¥ 36,079	¥ (442)	¥ 213,570	¥ 61,192	¥ 310,399	¥ 58	¥ 48,622	¥ 2,188,237

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Cash flows from operating activities		
Profit before income taxes	¥ 305,586	¥ 338,737
Depreciation	35,235	42,761
Impairment losses	147	—
Increase (decrease) in retirement benefit liability	588	(571)
Decrease (increase) in retirement benefit asset	(12,086)	(13,558)
Interest and dividend income	(11,451)	(8,150)
Interest expenses	33,634	39,183
Share of loss (profit) of entities accounted for using equity method	3,085	(26,105)
Loss (gain) on sale of investment securities	(19,312)	(12,409)
Loss (gain) on liquidation of subsidiaries and affiliates	(3,456)	—
Loss (gain) on sale of shares of subsidiaries and affiliates	(1,154)	—
Decrease (increase) in trade receivables	(32,741)	7,899
Decrease (increase) in inventories	(101,081)	(98,963)
Increase (decrease) in trade payables	(11,562)	(26,818)
Increase (decrease) in advances received on construction contracts in progress	5,048	16,078
Other, net	(21,494)	76,536
Subtotal	168,986	334,620
Interest and dividends received	10,680	7,659
Interest paid	(32,756)	(38,632)
Income taxes paid	(84,053)	(87,324)
Income taxes refund	28	2
Net cash provided by (used in) operating activities	62,885	216,325
Cash flows from investing activities		
Purchase of securities	(26,826)	—
Proceeds from redemption of securities	39,374	—
Purchase of property, plant and equipment	(76,693)	(66,930)
Proceeds from sale of property, plant and equipment	798	1,878
Purchase of intangible assets	(14,313)	(28,158)
Purchase of investment securities	(25,229)	(16,163)
Proceeds from sale and redemption of investment securities	38,492	16,811
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (557,022)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	122	—
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(854)	—
Loan advances	(76,849)	(8,190)
Proceeds from collection of loans receivable	2,191	314
Other, net	(878)	27,264
Net cash provided by (used in) investing activities	(697,687)	(73,172)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(12,783)	(91,283)
Net increase (decrease) in short-term bonds payable	40,000	(40,000)
Proceeds from long-term borrowings	464,564	206,630
Repayments of long-term borrowings	(38,875)	(215,548)
Proceeds from issuance of bonds	352,540	140,000
Redemption of bonds	(16)	(8)
Dividends paid	(82,968)	(92,712)
Purchase of treasury shares	(18)	(14)

(Millions of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(180)	(26)
Other, net	(1,295)	(293)
Net cash provided by (used in) financing activities	720,967	(93,255)
Effect of exchange rate change on cash and cash equivalents	11,240	(5,278)
Net increase (decrease) in cash and cash equivalents	97,405	44,618
Cash and cash equivalents at beginning of period	292,901	390,307
Cash and cash equivalents at end of period	*1 ¥ 390,307	*1 ¥ 434,925

Corresponding footnote items are included in Note 11 “Notes related to consolidated statement of cash flows.”

Notes to consolidated financial statements

1. Significant accounting policies for preparation of consolidated financial statements

(1) Scope of consolidation

301 consolidated subsidiaries

One company was newly included in the scope of consolidation due to new establishment. In addition, 76 companies were excluded due to merger, liquidation or other reasons.

Names of major non-consolidated subsidiaries

Otori Insurance Service Co., Ltd. and five other subsidiaries

Reason for exclusion from the scope of consolidation

Non-consolidated subsidiaries are excluded from the scope of consolidation, because they were all small in scale, and any total amount in terms of their total assets, net sales and profit or loss (amount corresponding to the Company's ownership interest) as well as retained earnings (amount corresponding to the Company's ownership interest) and others did not significantly affect the consolidated financial statements.

(2) Application of equity method

36 companies accounted for using equity method (All are affiliates of the Company)

Three companies to which the equity method was applied were newly added as investment, etc. In addition, three companies were excluded due to merger, liquidation or other reasons.

Names of major non-consolidated subsidiaries and affiliates not accounted for using the equity method

Non-consolidated subsidiaries and affiliates: Otori Insurance Service Co., Ltd. and six other companies

Reason for not applying equity method

Non-consolidated subsidiaries and affiliates not accounted for using the equity method were excluded from the scope of application of equity method, because such exclusion had only an immaterial effect on the consolidated financial statements in terms of each company's profit or loss (amount corresponding to the Company's ownership interest) and retained earnings (amount corresponding to the Company's ownership interest), and they were not significant as a whole.

Names of other companies not recognized as affiliates even though the Company holds at least 20% and up to 50% of the voting rights on its own account

Kabusiki Kaisya Sazanami no Mori and two other companies

Reason for not being included in affiliates

Although the Company indirectly held at least 20% and up to 50% of voting rights of the companies above, they were excluded from the scope of affiliates since the Company had no substantial influence on their decision making.

(3) Fiscal years of consolidated subsidiaries

For three consolidated subsidiaries whose fiscal year ends on March 31, the subsidiaries prepare their financial statements based on provisional settlement of accounts as of January 31 to reflect in the consolidated financial statements.

For one other consolidated subsidiary whose fiscal year ends on March 31, the subsidiary prepares its financial statements based on provisional settlement of accounts as of December 31 to reflect in the consolidated financial statements. For material transactions during the period from January 1 and the consolidated balance sheet date, necessary adjustments have been implemented.

For five consolidated subsidiaries whose fiscal year ends on November 30 and 263 consolidated subsidiaries whose fiscal year ends on December 31, the Company uses their financial statements as of their respective fiscal year-end. For material transactions during the respective fiscal year-end and the consolidated balance sheet date, necessary adjustments have been implemented.

2. Accounting policies

- (1) Basis and methods of valuation for significant assets
 - (a) Securities
 - (i) Bonds held to maturity
Stated at amortized cost (straight-line method)
 - (ii) Available-for-sale securities
Securities other than shares with no market price
Stated at fair value
(Valuation differences are recorded directly in a separate component of net assets, and cost of securities sold is determined by the moving-average method)
Shares with no market price
Stated at cost determined by the moving-average method
 - (b) Derivatives
Stated at fair value
 - (c) Inventories
Stated at cost (the carrying amounts are determined based on the method of writing down the book value based on a decline in profitability)

The moving-average method is used for semi-finished goods, raw materials, and work in process and supplies, while the individual cost method is used for costs on construction contracts in progress, buildings for sale, land for sale in lots and undeveloped land for sale.
- (2) Accounting methods for depreciation and amortization of significant depreciable assets
 - (a) Property, plant and equipment (excluding leased assets)
The Company applies the straight-line method to buildings (excluding attached structures) and facilities attached to buildings and structures acquired on and after April 1, 2016, and applies the declining-balance method for other property, plant and equipment.
 - (b) Intangible assets (excluding leased assets)
Amortized by the straight-line method
 - (c) Leased assets
Leased assets in finance lease transactions that do not transfer ownership are depreciated using the straight-line method assuming that lease periods are useful lives and residual values are zero.
- (3) Accounting policy for significant provisions
 - (a) Allowance for doubtful accounts
To prepare for credit losses on receivables, an estimated uncollectable amount is provided at the amount estimated by either using the historical rate of credit loss for general receivables, or based on individual consideration of collectability for specific receivables such as highly doubtful receivables.
 - (b) Provision for bonuses
To provide payment of bonuses to employees, the estimated amount to cover the bonus payment for services provided by employees during the fiscal year is recognized.
 - (c) Provision for bonuses for directors (and other officers)
To provide payment of bonuses to directors (and other officers), the amount expected to be paid as of the consolidated balance sheet date is recognized.
 - (d) Provision for warranties for completed construction
Provisions for losses and guarantee expenses due to defects recognized after delivery are recorded based on historical repair and other costs arising from completed structures and buildings for sale.

- (e) Provision for retirement benefits for directors (and other officers)

To provide for retirement payments for directors (and other officers), the Company provides the required amount at the end of the fiscal year based on internal regulations.

- (4) Accounting methods for retirement benefits

- (a) Method of attributing expected retirement benefits to periods

In the calculation of retirement benefit obligations, expected retirement benefits are attributed to the period up to the end of the fiscal year on a benefit formula basis.

- (b) Method of amortizing actuarial gains and losses and past service cost

Actuarial gains and losses are amortized from the fiscal year following the fiscal year in which they are incurred using the straight-line method over 5 to 14 years. Past service cost is amortized using the straight-line method over 5 to 13 years from the fiscal year in which such cost is incurred.

- (5) Accounting policy for recognition of significant revenues and expenses

- (a) Revenue from contracts with customers

Information about the main performance obligations in key businesses of the Company and its consolidated subsidiaries concerning revenue from contracts with customers and the typical timing for satisfying such performance obligations (that is, when revenue is recognized) is summarized as follows.

- (i) Order-made contract transactions

For order-made contract transactions, the Company enters into a construction contract agreement with the customer, and has a performance obligation to perform building construction and deliver the completed building and others to the customer based on the agreement. For such contracts, the Company's performance obligation is deemed to be fulfilled over a certain period, and the Company recognizes revenue based on the degree of progress made in satisfying the performance obligation. As for the method of estimating progress, the degree of progress is calculated at the proportion of cost incurred to total cost of construction (input method).

For construction contracts with a very short construction period, an alternative treatment is applied whereby revenue is recognized when the performance obligation is fully satisfied.

- (ii) Sale of real estate in lots

For the sale of real estate in lots, the Company has a performance obligation to deliver the property to the customer based on the real estate sales agreement entered into with the customer. For such contracts, the Company's performance obligation is deemed to be fulfilled when the property is delivered, and the Company recognizes revenue when the property is delivered to the customer.

- (b) Other revenue

For real estate lease transactions, revenue is recognized over the lease term in accordance with the "Accounting Standard for Lease Transactions" (Accounting Standards Board of Japan ("ASBJ") Statement No. 13).

- (6) Accounting policy for translation of significant foreign currency assets or liabilities into Japanese yen

Monetary receivables and payables in foreign currencies are translated into Japanese yen at the spot exchange rate prevailing as of the consolidated balance sheet date, and translation differences are recognized in profit or loss. Assets and liabilities of overseas subsidiaries are translated into Japanese yen at the spot exchange rate prevailing as of the balance sheet date of overseas subsidiaries, and their revenue and expenses are translated into Japanese yen at the average exchange rate during the year. Translation differences are included in foreign currency translation adjustment and non-controlling interests under net assets.

- (7) Method of significant hedge accounting

- (a) Hedge accounting

Deferred hedge accounting is applied. For transactions involving forward foreign exchange contracts and currency swaps, designation accounting treatment is applied if the requirements for the treatment are satisfied, and they are recorded in Japanese yen by translation at the foreign exchange rate stipulated in the contract. For transactions involving interest rate-swap, special accounting treatment is applied if the requirements for such treatment are satisfied.

(b) Hedging instruments and hedged items

- (i) The Group hedges monetary receivables and payables in foreign currencies and forecast transactions with forward foreign exchange contracts and currency swaps.
- (ii) The Group hedges loans with interest-rate swaps.

(c) Hedging policy

The Group uses derivative transactions with the aim of avoiding losses from fluctuations in exchange and interest rates. The use of forward foreign exchange contracts does not exceed the amount of foreign currency transactions. The assumed principal balance subject to interest-swap transactions does not exceed the relevant interest-bearing loans outstanding.

(d) Method of assessing hedge effectiveness

The Group assesses if the percentage changes of hedging instruments and hedged items approximately range from 80% to 125%. However, it does not assess the effectiveness of hedging for transactions under forward foreign exchange contracts which satisfy the requirements of designation accounting treatment and transactions involving interest rate-swap which satisfy the requirements of special accounting treatment.

(8) Accounting method and period for amortization of goodwill

Goodwill is amortized over five years or ten years using the straight-line method, beginning in the fiscal year in which it arises, except for cases where the useful life can be estimated, in which case it is amortized over the estimated useful life based on a substantive analysis by the Company. Goodwill is charged to income as incurred if immaterial.

(9) Scope of cash and cash equivalents in consolidated statement of cash flows

Cash and deposits (excluding time deposits with maturities of more than three months) and short-term investments that are redeemable within three months from the acquisition date and that are easily converted into cash and only subject to insignificant risk in terms of price fluctuations.

(10) Other significant matters for preparing consolidated financial statements

(a) Accounting for consumption taxes

Non-deductible consumption taxes subject to non-current assets at consolidated subsidiaries whose main business is real estate leasing are recorded in "Other" under the "Investments and other assets" on the consolidated balance sheet and are amortized by the straight-line method over five years. Other non-deductible consumption taxes are expensed in the fiscal year in which they arise.

(b) Inclusion of interest expenses in acquisition cost

For overseas consolidated subsidiaries, interest expenses related to borrowings used for real estate development projects are included in the acquisition cost in accordance with the accounting standards of the country where they are located. For the current fiscal year, interest expenses in the amount of ¥40,862 million, ¥37,890 million and ¥2,877 million are included in "Buildings for sale," "Land for sale in lots" and "Undeveloped land for sale," respectively. For the previous fiscal year, interest expenses in the amount of ¥38,076 million, ¥26,862 million and ¥1,969 million are included in "Buildings for sale," "Land for sale in lots" and "Undeveloped land for sale," respectively.

3. Significant accounting estimates

(1) Valuation of real estate for sale

(a) Amounts stated in the consolidated financial statements

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Buildings for sale	¥ 1,068,926	¥ 1,093,574
Land for sale in lots	1,374,237	1,507,781
Undeveloped land for sale	396,123	433,304
Loss on valuation (cost of sales)	17,520	19,775

(b) Information on significant accounting estimates for the identified item

- (i) Calculation method for the amount stated in the consolidated financial statements as of January 31, 2026

If the net selling price for real estate for sale at the end of the fiscal year is below the book value, the book value is reduced to the net selling price and the difference is recorded as loss on valuation. When calculating the net selling price, estimates are made in accordance with the sales price for each individual property and future business plans.

- (ii) Key assumptions

Key assumptions used in calculating the net selling price are future earnings and construction costs, with the business plans estimated in light of factors such as the project location, size, marketability, other transactions in similar real estate and the real estate market.

- (iii) Impact on the consolidated financial statements for the next fiscal year

If the key assumptions have changed in the next fiscal year due to economic or market deterioration, additional loss on valuation may need to be recorded.

(2) Valuation of non-current assets

(a) Amounts stated in the consolidated financial statements

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Total property, plant and equipment	¥ 534,240	¥ 466,146
Total intangible assets	221,873	215,174
Impairment losses	147	—

(b) Information on significant accounting estimates for the identified item

- (i) Calculation method for the amount stated in the consolidated financial statements as of January 31, 2026

The Group groups the assets of investment properties by project and groups other assets by operating unit which allows the Group to manage gains and losses in a rational manner. Based on the grouping, impairment can be determined for assets or asset groups that show indications of impairment due to factors such as continuous operating losses and negative cash flows, a pronounced drop in market price or change in usage. In the event impairment losses should be recognized, the book value is written down to the recoverable value and this decrease is recorded as impairment losses. Note that the recoverable value is the net selling value or the value in use, whichever is higher. The net selling value is calculated for major investment properties by obtaining the appraisal value from a real estate appraiser, while the net selling value for the other assets is calculated by using the appraisal value calculated by a method in line with the Real Estate Appraisal Standard, less the estimated cost of disposal. In addition, value in use is calculated at present value by discounting the estimated future cash flows.

- (ii) Key assumptions

Key assumptions in estimating future cash flows and calculating the recoverable value are rent, ADR (Average Daily Rate for guest rooms), vacancy rate, operating rate, discount rate and cap rate. Rent, ADR, vacancy rate and operating rate are determined with comprehensive consideration to factors such as market trends, other transactions in similar real estate and past performance. The discount rate is determined in light of similar transactions and interest rate movements, etc. In addition, the cap rate for major investment properties is obtained from an independent real estate appraiser and applied.

- (iii) Impact on the consolidated financial statements for the next fiscal year

If the key assumptions have changed in the next fiscal year due to economic or market deterioration, impairment losses may need to be recorded.

4. Changes in accounting policies

Adoption of the “Accounting Standard for Current Income Taxes” and other standards

The Company and certain subsidiaries have adopted the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter “Accounting Standard Revised in 2022”) and other standards from the beginning of the current fiscal year.

With regard to the revision to classification to record income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to paragraph 20-3 of the Accounting Standard Revised in 2022 and the transitional treatment provided for in the proviso to paragraph 65-2 (2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter “Guidance Revised in 2022”). The impact on the consolidated financial statements for the current fiscal year is immaterial.

With regard to the revision associated with the review of treatment in the consolidated financial statements in case that gain or loss on sale of shares of a subsidiary, etc. among consolidated companies is deferred for tax purpose, the Guidance Revised in 2022 has been applied from the beginning of the current fiscal year. This change has not been retroactively applied because the impact is immaterial.

5. Accounting standards issued but not yet effective

“Accounting Standard for Leases, etc.”

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024)

In addition, amendments to related Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance

(1) Overview

The standards set forth treatment whereby lessees record assets and liabilities for all leases, etc. consistent with international accounting standards.

(2) Scheduled date of application

These accounting standards and guidance will be applied from the beginning of the fiscal year ending January 31, 2029.

(3) Impact of the application of the accounting standards

The impact of the application of the “Accounting Standard for Leases” on the consolidated financial statements is currently under evaluation.

6. Change in presentation

Consolidated statement of cash flows

“Purchase of intangible assets,” which was included in “Other, net” under “Cash flows from investing activities” in the previous fiscal year, has been presented as a separate account item from the current fiscal year as its quantitative materiality has increased. In order to reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥(15,191) million included in “Other, net” under “Cash flows from investing activities” in the consolidated statement of cash flows for the previous fiscal year, has been reclassified as ¥(14,313) million of “Purchase of intangible assets” and ¥(878) million of “Other, net.”

7. Notes related to consolidated balance sheet

- *1. “Notes receivable, accounts receivable from completed construction contracts and other” include the following receivables and contract assets arising from contracts with customers.

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Notes receivable – trade	¥ 2,580	¥ 5,413
Accounts receivable from completed construction contracts and others	30,901	49,335
Contract assets	176,262	147,727
Total	¥ 209,744	¥ 202,475

- *2. The breakdown of “Other inventories” is as follows.

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Semi-finished goods	¥ 6,592	¥ 6,477
Work in process	901	862
Raw materials and supplies	4,670	4,590
Total	¥ 12,164	¥ 11,930

- *3. Assets pertaining to non-consolidated subsidiaries and affiliates are as follows.

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Investment securities	¥ 109,467	¥ 106,218

- *4. Change in holding purpose

As of January 31, 2025

¥4,187 million of real estate for sale recorded as “Buildings for sale” and “Land for sale in lots” as of January 31, 2024, has been reclassified as “Buildings and structures” and “Land,” respectively. In addition, ¥37,002 million of investment properties, etc. recorded under “Buildings and structures” and “Land” as of January 31, 2024, has been reclassified under “Buildings for sale,” “Land for sale in lots,” etc.

As of January 31, 2026

¥2,079 million of real estate for sale recorded as “Buildings for sale” and “Land for sale in lots” as of January 31, 2025, has been reclassified as “Buildings and structures” and “Land,” respectively. In addition, ¥107,255 million of investment properties, etc. recorded under “Buildings and structures” and “Land” as of January 31, 2025, has been reclassified under “Buildings for sale” and “Land for sale in lots.”

- *5. Assets deposited in accordance with the provisions of the “Act on Assurance of Performance of Specified Housing Defect Warranty” are as follows.

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Other (current assets)	¥ 230	¥ 228
Other (investments and other assets)	8,922	8,995
Total	¥ 9,152	¥ 9,224

*6. Collateralized assets and secured liabilities

Collateralized assets are as follows.

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Buildings for sale	¥ 35,800	¥ 1,240
Land for sale in lots	33,172	29,795
Buildings and structures	1,416	482
Land	4,488	1,536
Investment securities (Note)	345	357
Total	¥ 75,223	¥ 33,411

(Note) Investment securities are provided as collateral against liabilities of investees.

Secured liabilities are as follows.

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Current portion of long-term borrowings	¥ 30,413	¥ 11,482
Long-term borrowings	19,948	2,546
Long-term leasehold and guarantee deposits received	630	596

7. Contingent liabilities

Guarantees for borrowings of clients from financial institutions are as follows.

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Housing purchasers, etc. using housing mortgages	¥ 125,173 [3,404 originations]	¥ 109,706 [2,901 originations]
Subsidiaries and affiliates	53,315	16,578

*8. Non-recourse debt

(1) Non-recourse debt is as follows.

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Current portion of long-term borrowings	¥ 25,491	¥ –

(2) Assets corresponding to non-recourse debt are as follows.

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Buildings for sale	¥ 35,800	¥ –

The above amounts are included in the amounts in “*6. Collateralized assets and secured liabilities.”

*9. “Advances received on construction contracts in progress” include the following contract liabilities.

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Contract liabilities	¥ 167,770	¥ 182,711

10. Commitment line contracts

The Group has entered into commitment line contracts with 29 financial institutions to effectively fund working capital.

The amount borrowed in accordance with these commitment line contracts and total unused amount are as follows.

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Total amount of commitment lines	¥ 838,607	¥ 890,529
Amount borrowed	421,302	530,406
Total unused amount	¥ 417,305	¥ 360,123

8. Notes related to consolidated statement of income

*1. Revenue from contracts with customers

Net sales are not separately presented for revenue from contracts with customers and other revenue. The amount of revenue from contracts with customers is presented in “1. Information on breakdown of revenue from contracts with customers” under the note on “Revenue recognition” in the consolidated financial statements.

*2. The amount of inventories at the end of the fiscal year is evaluated after write downs due to a decline in profitability and the following loss on revaluation of inventories is included in cost of sales.

(Millions of yen)	
Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
¥ 17,520	¥ 19,775

*3. Major items and amounts of selling, general and administrative expenses are as follows.

(1) Selling expenses

(Millions of yen)		
	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Advertising expenses	¥ 30,446	¥ 36,242
Sales promotion expenses	56,598	52,853
Provision of allowance for doubtful accounts	857	196

(2) General and administrative expenses

(Millions of yen)		
	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Employees' salaries and bonuses	¥ 161,888	¥ 178,017
Provision for bonuses	23,068	26,461
Provision for bonuses for directors (and other officers)	4,941	4,156
Retirement benefit expenses	2,465	1,643
Provision for retirement benefits for directors (and other officers)	216	208

*4. Impairment losses

The Group recorded impairment losses for the following asset groups.

Fiscal year ended January 31, 2025

Location	Usage	Type
Sano City, Tochigi, etc.	Business assets, etc.	Buildings, land, etc.

The Group groups investment properties by project and groups other assets by operating unit which allows us to manage gains and losses in a rational manner and considers recognition of impairment losses. For business assets, etc., the book value was written down to the recoverable value as of January 31, 2025 and the amount of the decrease was recorded as impairment losses under extraordinary losses.

(Breakdown of impairment losses)

Type	Amount (Millions of yen)
Buildings and structures	¥ 12
Land	123
Other, net	12
Total	¥ 147

The recoverable value of such assets was calculated mainly on the net selling value. The net selling value is determined based on the estimated disposal value.

Fiscal year ended January 31, 2026

Nothing to report

*5. The breakdown of loss on sale and retirement of non-current assets is as follows.

	(Millions of yen)	
	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Buildings and structures	¥ 1,027	¥ 776
Machinery, equipment and vehicles	43	136
Land	42	53
Other, net	469	505
Total	¥ 1,584	¥ 1,473

*6. The total amount of research and development expenses included in general and administrative expenses and manufacturing costs for the year

	(Millions of yen)	
	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
	¥ 10,581	¥ 10,520

9. Notes related to consolidated statement of comprehensive income

*1. Reclassification adjustments, income taxes and tax effects relating to other comprehensive income

(Millions of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Valuation difference on available-for-sale securities:		
Amount that arose in the current year	¥ 7,144	¥ 13,974
Reclassification adjustment amount	(19,195)	(10,477)
Before income taxes and tax effects	(12,051)	3,496
Income taxes and tax effects	3,151	(1,833)
Valuation difference on available-for-sale securities	(8,900)	1,663
Foreign currency translation adjustment:		
Amount that arose in the current year	87,463	(4,131)
Reclassification adjustment amount	(3,456)	–
Foreign currency translation adjustment	84,007	(4,131)
Remeasurements of defined benefit plans, net of tax:		
Amount that arose in the current year	9,214	67,466
Reclassification adjustment amount	(10,258)	(11,085)
Before income taxes and tax effects	(1,043)	56,381
Income taxes and tax effects	319	(17,210)
Remeasurements of defined benefit plans, net of tax	(723)	39,170
Share of other comprehensive income of entities accounted for using equity method:		
Amount that arose in the current year	3,589	2,219
Reclassification adjustment amount	(5,414)	(40)
Share of other comprehensive income of entities accounted for using equity method	(1,824)	2,179
Total other comprehensive income	¥ 72,558	¥ 38,882

10. Notes related to consolidated statement of changes in equity

Fiscal year ended January 31, 2025

1. Matters concerning the class and total number of issued shares and the type and number of treasury shares

	Number of shares as of February 1, 2024 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of January 31, 2025 (Shares)
Issued shares				
Ordinary shares (Note 1)	662,862,666	134,200	–	662,996,866
Total	662,862,666	134,200	–	662,996,866
Treasury shares				
Ordinary shares (Note 2)	14,911,673	5,153	14,614	14,902,212
Total	14,911,673	5,153	14,614	14,902,212

(Notes) Description of the reasons for the change

1. Breakdown of the number of increased shares is as follows.

Increase due to issuance of new shares as restricted share awards and performance share unit awards 134,200 shares

2. Breakdown of the number of increased shares is as follows.

Increase due to repurchase of fractional shares 5,143 shares

The Company's portion of treasury shares acquired by companies accounted for using equity method 10 shares

Breakdown of the number of decreased shares is as follows.

Decrease due to exercise of share options 14,000 shares

Decrease due to change in equity in entities accounted for using equity method 614 shares

2. Share acquisition rights

Company name	Breakdown	Class of shares issued on exercise of share acquisition rights	Number of shares issued on exercise of share acquisition rights (Thousands of shares)				Balance as of January 31, 2025 (Millions of yen)
			As of February 1, 2024	Increase	Decrease	As of January 31, 2025	
Sekisui House, Ltd.	Share acquisition rights as share options	—	—	—	—	—	¥ 87
Total			—	—	—	—	¥ 87

3. Dividends

(1) Dividends paid

Resolution	Classes of shares	Total amount of dividends (Millions of yen)	Dividend paid per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on April 25, 2024	Ordinary shares	¥ 41,479	¥ 64.00	January 31, 2024	April 26, 2024
Board of Directors meeting held on September 5, 2024	Ordinary shares	41,488	64.00	July 31, 2024	September 30, 2024

(2) Dividends whose record date falls in the current fiscal year but whose effective date falls in the next fiscal year

The following matters are submitted as agenda items (resolution items) for the Ordinary General Meeting of Shareholders to be held on April 23, 2025.

Resolution	Classes of shares	Total amount of dividends (Millions of yen)	Source of funds for dividends	Dividend paid per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on April 23, 2025	Ordinary shares	¥ 46,026	Retained earnings	¥ 71.00	January 31, 2025	April 24, 2025

Fiscal year ended January 31, 2026

1. Matters concerning the class and total number of issued shares and the type and number of treasury shares

	Number of shares as of February 1, 2025 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of January 31, 2026 (Shares)
Issued shares				
Ordinary shares (Note 1)	662,996,866	125,300	—	663,122,166
Total	662,996,866	125,300	—	663,122,166
Treasury shares				
Ordinary shares (Note 2)	14,902,212	6,558	24,030	14,884,740
Total	14,902,212	6,558	24,030	14,884,740

(Notes) Description of the reasons for the change

1. Breakdown of the number of increased shares is as follows.

Increase due to issuance of new shares as restricted share awards and performance share unit awards
125,300 shares

2. Breakdown of the number of increased shares is as follows.

Increase due to repurchase of fractional shares
4,258 shares

Increase due to acquisition of restricted shares
2,300 shares

Breakdown of the number of decreased shares is as follows.

Decrease due to requests for additional purchases of fractional shares
30 shares

Decrease due to exercise of share options
24,000 shares

2. Share acquisition rights

Company name	Breakdown	Class of shares issued on exercise of share acquisition rights	Number of shares issued on exercise of share acquisition rights (Thousands of shares)				Balance as of January 31, 2026
			As of February 1, 2025	Increase	Decrease	As of January 31, 2026	(Millions of yen)
Sekisui House, Ltd.	Share acquisition rights as share options	—	—	—	—	—	¥ 58
Total			—	—	—	—	¥ 58

3. Dividends

(1) Dividends paid

Resolution	Classes of shares	Total amount of dividends (Millions of yen)	Dividend paid per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on April 23, 2025	Ordinary shares	¥ 46,026	¥ 71.00	January 31, 2025	April 24, 2025
Board of Directors meeting held on September 4, 2025	Ordinary shares	46,685	72.00	July 31, 2025	September 30, 2025

(2) Dividends whose record date falls in the current fiscal year but whose effective date falls in the next fiscal year

The following matters are submitted as agenda items (resolution items) for the Ordinary General Meeting of Shareholders to be held on April 23, 2026.

Resolution	Classes of shares	Total amount of dividends (Millions of yen)	Source of funds for dividends	Dividend paid per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on April 23, 2026	Ordinary shares	¥ 46,685	Retained earnings	¥ 72.00	January 31, 2026	April 24, 2026

11. Notes related to consolidated statement of cash flows

- *1. Reconciliation of ending balance of cash and cash equivalents with account balances on consolidated balance sheet

	(Millions of yen)	
	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Cash and deposits	¥ 390,559	¥ 435,177
Time deposits with maturities of more than three months	(252)	(252)
Cash and cash equivalents	¥ 390,307	¥ 434,925

- *2. Major components of assets and liabilities of consolidated subsidiaries acquired by purchase of shares

Fiscal year ended January 31, 2025

The breakdown of the assets and liabilities at the time of initial consolidation of M.D.C. Holdings, Inc. and its subsidiaries through the purchase of shares as well as the relationship between the acquisition cost of shares and the expenditures for the acquisition (net) are as follows.

		(Millions of yen)
Current assets	¥	766,774
Non-current assets		78,203
Goodwill		125,389
Current liabilities		(64,850)
Non-current liabilities		(251,881)
Acquisition cost		653,635
Cash and cash equivalents of subsidiary		(136,905)
Expenditures for the acquisition, net	¥516,729	

Fiscal year ended January 31, 2026

Nothing to report

12. Leases

(As Lessee)

1. Finance leases

Finance lease transactions that do not transfer ownership

(i) Details of leased assets

(a) Property, plant and equipment

Mainly business use vehicles and business use servers

(b) Intangible assets

Software

(ii) Method of depreciation for leased assets

As described in significant accounting policies for preparation of consolidated financial statements “2. Accounting policies, (2) Accounting methods for depreciation and amortization of significant depreciable assets.”

2. Operating leases

Future minimum lease payments under non-cancelable operating leases

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Due within one year	¥ 8,601	¥ 6,853
Due after one year	56,998	55,375
Total	¥ 65,600	¥ 62,228

(As Lessor)

1. Finance leases

(1) Breakdown of investments in leases

Current assets

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Lease receivables	¥ 9,951	¥ 9,461
Residual value	—	—
Unearned interest income	(3,058)	(2,854)
Investments in leases	6,892	6,607

(2) The scheduled collection amount of lease payments receivables related to lease receivables and investments in leases following the fiscal year-end

Current assets

(Millions of yen)

	As of January 31, 2025					
	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Lease receivables	¥ 221	¥ 222	¥ 223	¥ 223	¥ 224	¥ 3,468
Investments in leases	482	480	480	480	480	7,546

(Millions of yen)

	As of January 31, 2026					
	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Lease receivables	¥ 222	¥ 223	¥ 223	¥ 224	¥ 225	¥ 3,243
Investments in leases	480	480	480	474	473	7,071

2. Operating leases

Future minimum lease payments under non-cancelable operating leases

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Due within one year	¥ 2,630	¥ 2,997
Due after one year	20,069	21,884
Total	¥ 22,700	¥ 24,882

3. Investments in leases and lease obligations under sublease transactions that are recorded in the consolidated balance sheet before interest deductions

(1) Investments in leases

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Current assets	¥ 3,540	¥ 3,329

(2) Lease obligations

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Current liabilities	¥ 223	¥ 223
Non-current liabilities	3,693	3,469

13. Financial instruments

1. Matters related to the status of financial instruments

(1) Policy with regard to financial instruments

The Group procures funds required for its business from internal funds to the extent possible. It procures additional necessary funds mainly through borrowings from banks and issuance of bonds, and procures short-term working capital through commercial paper, and other means. The Group manages its funds in highly stable financial assets.

The Group procures funds in Japanese yen-denominated or foreign-denominated currency, and with fixed or variable interest rates. The term of maturity of such funds is decided by comprehensively considering diversification of maturity dates and the financing environment, among other factors.

With regard to derivative transactions, the Group uses transactions to avoid the risks described below, and does not engage in transactions for speculative or trading purposes.

(2) Description of financial instruments and their risks

Notes receivable, accounts receivable from completed construction contracts and other are exposed to customers' credit risk.

Securities and investment securities, primarily stock and investments in special purpose companies (SPC) and partnerships, are exposed to the risk associated with issuing entities' credit and market value fluctuations.

Notes payable, electronically recorded obligations - operating, accounts payable for construction contracts, etc. are due mainly within one year.

Variable-interest-rate borrowings, foreign-currency-denominated borrowings, and foreign-currency-denominated bonds are exposed to risks associated with interest rate fluctuation and foreign exchange fluctuation.

With regard to derivative transactions, the Group uses forward foreign exchange contracts and currency swaps with the aim of hedging the risk associated with monetary receivables and payables in foreign currencies associated with export and import transactions and investment and loans for overseas subsidiaries. The Group also uses interest rate swaps to hedge interest rate fluctuation risk related to borrowings and bonds. Hedging instruments and hedged items, hedging policy, and method of assessing hedge effectiveness are described in significant accounting policies for preparation of consolidated financial statements "2. Accounting policies, (7) Method of significant hedge accounting."

(3) Risk management system for financial instruments

(i) Management of credit risk (counterparties' default risk, etc.)

The Accounting and Finance Departments of the Company, responsible accounting division of each subsidiary and management division of each branch monitor the collection, due dates and outstanding balances by customer. Also, they make efforts to identify, at an early stage, and mitigate risks of default possibilities because of deterioration of financial condition, etc.

(ii) Management of market risk (fluctuation risk of stock price, foreign exchange rate, interest rate, etc.)

With regard to securities and investment securities, the Group continually reviews its status of holdings by periodically examining market prices and financial condition of the issuing entities (business partners).

With regard to foreign exchange fluctuation risk and interest rate fluctuation risk, the Group seeks matching of assets and procurement, and uses derivative transactions, such as currency swaps, interest rate-swap transactions, and forward foreign exchange contracts, as hedge instruments for individual contracts.

The Group executes and manages derivative transactions within the limits of established internal rules and regulations, and reduces credit risk by diversifying its transactions among financial institutions with high credibility.

- (iii) Management of financing liquidity risk (the risk that the Group cannot pay its debt on the due date of payment)

Based on reports from each division of the Group's branch, the Finance Department of the Company and responsible finance division of each subsidiary prepare and update their cash flow plans on a timely basis and maintain appropriate liquidity levels to manage liquidity risk. They also have multiple methods of stable financing, such as entering into commitment line contracts or providing the overdraft. In addition, the Group has funding systems, such as the cash management system, to supply funds to the subsidiaries flexibly.

(4) Supplemental information on the fair value of financial instruments

The fair value of financial instruments includes the value based on market prices, and the reasonably calculated value when no market prices are available. Since such value calculations include variable factors, estimated value is subject to fluctuation due to changes in the underlying assumptions. Furthermore, with regard to contract price, etc. related to derivative transactions in the notes on "15. Derivatives," prices themselves do not indicate market risks of derivative transactions.

2. Matters related to the fair value of financial instruments

Amounts stated in the consolidated balance sheet, fair values and their differences are as follows.

As of January 31, 2025

(Millions of yen)

	Amount stated in consolidated balance sheet	Fair value	Difference
Securities and investment securities			
Bonds held to maturity	¥ 120	¥ 120	¥ -
Securities of subsidiaries and affiliates	3,127	2,230	(897)
Available-for-sale securities	87,011	87,011	-
Total assets	90,259	89,362	(897)
Bonds payable	620,129	610,995	(9,133)
Long-term borrowings	709,115	706,445	(2,669)
Total liabilities	1,329,244	1,317,441	(11,803)
Derivatives (*3)	¥ [3,386]	¥ [3,386]	¥ -

- (*1) Information about "Cash and deposits," "Notes receivable, accounts receivable from completed construction contracts and other," "Notes payable, accounts payable for construction contracts," "Electronically recorded obligations - operating," "Short-term bonds payable," and "Short-term borrowings," is not presented because these items are cash, and the market value approximates the book value mainly due to short-term settlement.

- (*2) Shares, etc. with no market price

(Millions of yen)

Categories	As of January 31, 2025
Unlisted shares	¥ 95,387
Investment in special purpose companies, etc.	19,985

These financial instruments are not included in "Assets, Securities and investment securities." Investment in special purpose companies, etc. is not subject to disclosure of fair value in accordance with paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31).

- (*3) Derivatives are presented as the net amount of assets and liabilities arising from derivative transactions. Values in square parentheses [] indicate net liabilities in total.

As of January 31, 2026

(Millions of yen)

	Amount stated in consolidated balance sheet	Fair value	Difference
Securities and investment securities			
Bonds held to maturity	¥ 120	¥ 120	¥ –
Securities of subsidiaries and affiliates	3,300	2,214	(1,086)
Available-for-sale securities	88,672	88,672	–
Total assets	92,092	91,006	(1,086)
Bonds payable	758,811	733,600	(25,210)
Long-term borrowings	675,746	665,959	(9,787)
Total liabilities	1,434,558	1,399,560	(34,998)
Derivatives (*3)	¥ [3,824]	¥ [3,824]	¥ –

(*1) Information about “Cash and deposits,” “Notes receivable, accounts receivable from completed construction contracts and other,” “Notes payable, accounts payable for construction contracts,” “Electronically recorded obligations - operating,” and “Short-term borrowings,” is not presented because these items are cash, and the market value approximates the book value mainly due to short-term settlement.

(*2) Shares, etc. with no market price

(Millions of yen)

Categories	As of January 31, 2026
Unlisted shares	¥ 94,620
Investment in special purpose companies, etc.	15,582

These financial instruments are not included in “Assets, Securities and investment securities.” Investment in special purpose companies, etc. is not subject to disclosure of fair value in accordance with paragraph 24-16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31).

(*3) Derivatives are presented as the net amount of assets and liabilities arising from derivative transactions. Values in square parentheses [] indicate net liabilities in total.

(Note 1) The scheduled redemption amounts for monetary receivables and securities with fixed maturities following the fiscal year-end

As of January 31, 2025

(Millions of yen)

	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥ 390,559	¥ —	¥ —	¥ —
Notes receivable, accounts receivable from completed construction contracts and other	32,743	268	306	1,533
Securities and investment securities				
Bonds held to maturity				
Bonds payable	—	—	—	120
Total	¥ 423,302	¥ 268	¥ 306	¥ 1,653

As of January 31, 2026

(Millions of yen)

	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥ 435,177	¥ —	¥ —	¥ —
Notes receivable, accounts receivable from completed construction contracts and other	54,146	256	306	1,454
Securities and investment securities				
Bonds held to maturity				
Bonds payable	—	—	—	120
Total	¥ 489,324	¥ 256	¥ 306	¥ 1,574

(Note 2) The scheduled repayment amounts for short-term bonds payable, short-term borrowings, bonds payable and long-term borrowings following the fiscal year-end

As of January 31, 2025

(Millions of yen)

	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term bonds payable	¥ 40,000	¥ —	¥ —	¥ —	¥ —	¥ —
Short-term borrowings	477,840	—	—	—	—	—
Bonds payable	8	20,000	—	30,000	—	570,121
Long-term borrowings	252,793	172,799	93,302	21,158	9,059	160,001
Total	¥ 770,642	¥ 192,799	¥ 93,302	¥ 51,158	¥ 9,059	¥730,122

As of January 31, 2026

(Millions of yen)

	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term borrowings	¥ 414,332	¥ –	¥ –	¥ –	¥ –	¥ –
Bonds payable	20,000	–	70,000	–	173,760	495,050
Long-term borrowings	161,032	124,948	169,899	8,638	51,715	159,513
Total	¥ 595,364	¥ 124,948	¥ 239,899	¥ 8,638	¥ 225,476	¥ 654,563

(Note 3) The amounts stated in the consolidated balance sheet and fair value relating to bonds payable and long-term borrowings include the current portion of bonds payable and the current portion of long-term borrowings.

3. Breakdown by level of fair values of financial instruments

Fair values of financial instruments are categorized into the following three levels on the basis of observability and significance of inputs used to measure fair value.

Level 1 fair value: Fair values measured using quoted prices (unadjusted) of identical assets or liabilities in active markets

Level 2 fair value: Fair values measured using directly or indirectly observable inputs other than Level 1 inputs

Level 3 fair value: Fair values measured using significant unobservable inputs

When several inputs that have significant impact on the measurement of fair value are used, the fair value is categorized into the lowest hierarchy level for the measurement of fair value among those in which each of the inputs belongs.

(1) Financial instruments that are recorded at fair value in the consolidated balance sheet

As of January 31, 2025

(Millions of yen)

Categories	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Equity securities	¥ 87,011	¥ –	¥ –	¥ 87,011
Total assets	87,011	–	–	87,011
Derivatives				
Currency related	–	3,386	–	3,386
Total liabilities	¥ –	¥ 3,386	¥ –	¥ 3,386

As of January 31, 2026

(Millions of yen)

Categories	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Available-for-sale securities				
Equity securities	¥ 88,672	¥ –	¥ –	¥ 88,672
Total assets	88,672	–	–	88,672
Derivatives				
Currency related	–	3,824	–	3,824
Total liabilities	¥ –	¥ 3,824	¥ –	¥ 3,824

(2) Financial instruments that are not recorded at fair value in the consolidated balance sheet

As of January 31, 2025

(Millions of yen)

Categories	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Bonds held to maturity				
Bonds payable	¥ –	¥ 120	¥ –	¥ 120
Securities of subsidiaries and affiliates	2,230	–	–	2,230
Total assets	2,230	120	–	2,350
Bonds payable	–	610,995	–	610,995
Long-term borrowings	–	706,445	–	706,445
Total liabilities	¥ –	¥ 1,317,441	¥ –	¥ 1,317,441

As of January 31, 2026

(Millions of yen)

Categories	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Bonds held to maturity				
Bonds payable	¥ –	¥ 120	¥ –	¥ 120
Securities of subsidiaries and affiliates	2,214	–	–	2,214
Total assets	2,214	120	–	2,334
Bonds payable	–	733,600	–	733,600
Long-term borrowings	–	665,959	–	665,959
Total liabilities	¥ –	¥ 1,399,560	¥ –	¥ 1,399,560

(Note) Explanation of valuation methods and inputs used to calculate fair value and matters related to securities

Securities and investment securities

The fair value of these securities for which quoted prices in an active market can be used is classified as Level 1. The fair value of bonds held to maturity is calculated using the discounted present value method based on the total amount of principal and interest at an interest rate which reflects the remaining term to maturity and credit risk involved, and classified as Level 2 fair value.

Please refer to the notes in “14. Securities” for matters concerning securities classified by holding purpose.

Derivatives

The fair value of derivative transactions is calculated based on the prices provided by counterparty financial institutions, and is classified as Level 2. In addition, since interest-rate swaps subject to special accounting treatment are accounted for together with the long-term borrowings being hedged, their fair value is included in the fair value of the relevant long-term borrowings.

Bonds payable

The fair value is stated based on information such as publicly disclosed prices and yields by industry associations, etc., and classified as Level 2. In addition, the fair value of fixed-interest-rate bonds is calculated based on the present value which is the total principal and interest discounted by the interest rate corresponding to the remaining term, and classified as Level 2.

Long-term borrowings

Long-term borrowings with a floating rate interest are stated at book value because their fair value and book value are approximately identical. In addition, the fair value of fixed-interest-rate long-term borrowings is calculated based on the present value which is the total principal and interest discounted by the interest rate corresponding to the borrowing period, and classified as Level 2. Furthermore, the fair value of long-term borrowings subject to special accounting treatment for interest-rate swaps is calculated using the total amount of the principal and interest accounted for together with the related interest-rate swaps, and is classified as Level 2 fair value.

14. Securities

1. Bonds held to maturity

As of January 31, 2025

Nothing to report

As of January 31, 2026

Nothing to report

2. Available-for-sale securities

As of January 31, 2025

(Millions of yen)

	Type	Amount stated in consolidated balance sheet	Acquisition cost	Difference
Securities whose balance sheet amount exceeds acquisition cost	Equity securities	¥ 86,434	¥ 30,070	¥ 56,364
	Subtotal	86,434	30,070	56,364
Securities whose balance sheet amount does not exceed acquisition cost	Equity securities	577	716	(139)
	Subtotal	577	716	(139)
Total		¥ 87,011	¥ 30,787	¥ 56,224

As of January 31, 2026

(Millions of yen)

	Type	Amount stated in consolidated balance sheet	Acquisition cost	Difference
Securities whose balance sheet amount exceeds acquisition cost	Equity securities	¥ 87,879	¥ 28,000	¥ 59,879
	Subtotal	87,879	28,000	59,879
Securities whose balance sheet amount does not exceed acquisition cost	Equity securities	792	960	(168)
	Subtotal	792	960	(168)
Total		¥ 88,672	¥ 28,961	¥ 59,710

3. Sales of available-for-sale securities

Fiscal year ended January 31, 2025

(Millions of yen)

Type	Proceeds	Total gain on sale	Total loss on sale
Equity securities, etc.	¥23,662	¥19,312	¥ –

(Note) Equity securities, etc. include shares with no market price.

Fiscal year ended January 31, 2026

(Millions of yen)

Type	Proceeds	Total gain on sale	Total loss on sale
Equity securities, etc.	¥16,682	¥12,409	¥ –

(Note) Equity securities, etc. include shares with no market price.

15. Derivatives

1. Derivative transactions to which the hedge accounting method is not applied

As of January 31, 2025

Currency-related

(Millions of yen)

Categories	Transaction type	Notional amount	Due after one year	Fair value	Gains (losses) on valuation
Off-market transactions	Currency swaps	¥ 55,038	¥ 55,038	¥ (3,386)	¥ (3,386)
Total		¥ 55,038	¥ 55,038	¥ (3,386)	¥ (3,386)

(Note) The method of calculating fair value is described in Note 13 “Financial instruments 3. Breakdown by level of fair values of financial instruments (Note) Explanation of valuation methods and inputs used to calculate fair value and matters related to securities.”

As of January 31, 2026

Currency-related

(Millions of yen)

Categories	Transaction type	Notional amount	Due after one year	Fair value	Gains (losses) on valuation
Off-market transactions	Currency swaps	¥ 55,038	¥ 55,038	¥ (3,824)	¥ (3,824)
Total		¥ 55,038	¥ 55,038	¥ (3,824)	¥ (3,824)

(Note) The method of calculating fair value is described in Note 13 “Financial instruments 3. Breakdown by level of fair values of financial instruments (Note) Explanation of valuation methods and inputs used to calculate fair value and matters related to securities.”

2. Derivative transactions to which the hedge accounting method is applied

As of January 31, 2025

Not presented due to immateriality

As of January 31, 2026

Interest rate-related

(Millions of yen)

Method of hedge accounting	Transaction type	Major hedged items	Notional amount	Due after one year	Fair value
Special accounting treatment of interest rate swaps	Interest rate swaps Received/floating and paid/fixed	Long-term borrowings	¥139,161	¥139,161	(Note)
Total			¥139,161	¥139,161	

(Note) Since interest-rate swaps subject to special accounting treatment are accounted for together with the long-term borrowings being hedged, their fair value is included in the fair value of the relevant long-term borrowings.

16. Retirement benefits

1. Overview of the adopted retirement benefits plan

The Company and its consolidated subsidiaries have defined benefit plans, which consist of corporate pension funds and lump-sum payment retirement plan and defined contribution pension plans.

Some consolidated subsidiaries calculate the retirement benefit liability and retirement benefit expenses with the simplified method.

Additional retirement benefits may also be paid when employees retire.

2. Defined benefit plans

(1) Reconciliation of retirement benefit obligations at the beginning and end of year

(Millions of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Retirement benefit obligations at the beginning of year	¥ 306,670	¥ 306,082
Service expenses	12,084	11,670
Interest expenses	5,101	5,090
Unrecognized net actuarial gain or loss incurred	(4,524)	(61,865)
Payments of retirement benefits	(13,151)	(15,526)
Past service cost incurred	(73)	—
Net change due to the change from the simplified method to the principle method	(55)	6
Net change as a result of change in the scope of consolidation	31	—
Retirement benefit obligations at the end of year	¥ 306,082	¥ 245,458

(Note) Includes plans applying the simplified method.

(2) Reconciliation of pension assets at the beginning and end of year

	(Millions of yen)	
	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Pension assets at the beginning of year	¥ 311,394	¥ 321,198
Expected returns on pension assets	7,639	7,907
Unrecognized net actuarial gain or loss incurred	4,616	5,601
Contributions paid by the employer	8,908	8,924
Payments of retirement benefits	(11,208)	(12,830)
Net change due to the change from the simplified method to the principle method	(151)	—
Pension assets at the end of year	¥ 321,198	¥ 330,801

(Note) Includes plans applying the simplified method.

(3) Reconciliation of retirement benefit obligations and pension assets at the end of the year and retirement benefit liability and retirement benefit asset recorded in the consolidated balance sheet

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Funded retirement benefit obligations	¥ 274,449	¥ 217,940
Pension assets	(321,198)	(330,801)
Subtotal	(46,749)	(112,861)
Unfunded retirement benefit obligations	31,632	27,517
Net amount of liability and asset recorded in the consolidated balance sheet	(15,116)	(85,343)
Retirement benefit liability	31,632	27,517
Retirement benefit asset	(46,749)	(112,861)
Net amount of liability and asset recorded in the consolidated balance sheet	¥ (15,116)	¥ (85,343)

(Note) Includes plans applying the simplified method.

(4) Retirement benefit expenses and the breakdown of amounts

	(Millions of yen)	
	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Service expenses (Note 1)	¥ 12,084	¥ 11,670
Interest expenses	5,101	5,090
Expected returns on pension assets	(7,639)	(7,907)
Amortization of actuarial gains and losses	(10,554)	(11,319)
Amortization of past service cost	296	233
Amortization resulting from the change from the simplified method to the principle method	9	6
Other (Note 2)	817	678
Retirement benefit expenses related to the defined benefit plans	¥ 115	¥ (1,546)

(Notes) 1. Retirement benefit expenses of consolidated subsidiaries that apply the simplified method are recorded in service expenses

2. Other is mainly the amount of additional retirement payments.

(5) Remeasurements of defined benefit plans, net of tax

The breakdown of items recorded as remeasurements of defined benefit plans, net of tax (before deducting income taxes and tax effect) is as follows.

	(Millions of yen)	
	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Past service cost	¥ 370	¥ 256
Actuarial gains and losses	(1,413)	56,124
Total	¥ (1,043)	¥ 56,381

(6) Remeasurements of defined benefit plans

The breakdown of items recorded as remeasurements of defined benefit plans (before deducting income taxes and tax effect) is as follows.

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Unrecognized past service cost	¥ (874)	¥ (617)
Unrecognized actuarial gains and losses	32,879	89,003
Total	¥ 32,005	¥ 88,386

(7) Matters concerning pension assets

(i) Major components of pension assets

The proportion of total pension assets by classification is as follows.

	As of January 31, 2025	As of January 31, 2026
Bonds	32%	28%
Credit investing	18	16
Private equity	16	17
General account	13	14
Equity securities	9	8
Cash and deposits	1	2
Other, net	11	15
Total	100%	100%

(ii) Method for setting the long-term expected rate of return

The long-term expected rate of return on pension assets is determined based on the current and forecast allocation of pension assets and the current and expected long-term rates of return on various asset classes that make up the pension assets.

(8) Matters concerning the assumptions for actuarial calculations

Key assumptions for actuarial calculations

	As of January 31, 2025	As of January 31, 2026
Discount rate	Mainly 1.7%	Mainly 3.4%
Long-term expected rate of return	Mainly 2.5%	Mainly 2.5%
Estimated rate of salary increase	Mainly 4.4%	Mainly 4.4%

(Note) Estimated rate of salary increase is calculated based on the point system.

3. Defined contribution plan

The required contributions of the Company and its consolidated subsidiaries to the defined contribution plans were ¥1,603 million and ¥2,820 million in the previous and the current fiscal years, respectively.

17. Share options

1. Amount of share option expenses recorded and item names

Nothing to report

2. Outline of share options, size and change

(1) Outline of share options

Company name	Sekisui House, Ltd.	Sekisui House, Ltd.	Sekisui House, Ltd.	Sekisui House, Ltd.
Date of resolution	May 17, 2012	May 16, 2013	May 15, 2014	May 21, 2015
Categories and number of eligible persons	The Company's Directors and Executive Officers: 33	The Company's Directors and Executive Officers: 32	The Company's Directors and Executive Officers: 34	The Company's Directors and Executive Officers: 34
Classes of shares and number granted	Ordinary shares: 147,000 shares	Ordinary shares: 68,000 shares	Ordinary shares: 100,000 shares	Ordinary shares: 63,000 shares
Grant date	June 13, 2012	June 13, 2013	June 13, 2014	June 12, 2015
Requisite service period	Not specified	Not specified	Not specified	Not specified
Exercise period	From June 14, 2012 to June 13, 2032	From June 14, 2013 to June 13, 2033	From June 14, 2014 to June 13, 2034	From June 13, 2015 to June 12, 2035

Company name	Sekisui House, Ltd.	Sekisui House, Ltd.	Sekisui House, Ltd.
Date of resolution	May 19, 2016	May 18, 2017	May 17, 2018
Categories and number of eligible persons	The Company's Directors and Executive Officers: 35	The Company's Directors and Executive Officers: 35	The Company's Directors and Executive Officers: 32
Classes of shares and number granted	Ordinary shares: 66,000 shares	Ordinary shares: 64,000 shares	Ordinary shares: 69,000 shares
Grant date	June 14, 2016	June 14, 2017	June 14, 2018
Requisite service period	Not specified	Not specified	Not specified
Exercise period	From June 15, 2016 to June 14, 2036	From June 15, 2017 to June 14, 2037	From June 15, 2018 to June 14, 2038

(2) Number of share options and change

(i) Number of share options

Company name	Sekisui House, Ltd.	Sekisui House, Ltd.	Sekisui House, Ltd.	Sekisui House, Ltd.
Date of resolution	May 17, 2012	May 16, 2013	May 15, 2014	May 21, 2015
Unvested				
At the beginning of the fiscal year (Shares)	6,000	2,000	8,000	5,000
Granted (Shares)	—	—	—	—
Forfeited (Shares)	—	—	—	—
Vested (Shares)	3,000	1,000	2,000	2,000
Outstanding (Shares)	3,000	1,000	6,000	3,000
Vested				
At the beginning of the fiscal year (Shares)	—	1,000	3,000	3,000
Vested (Shares)	3,000	1,000	2,000	2,000
Exercised (Shares)	3,000	2,000	2,000	3,000
Forfeited (Shares)	—	—	—	—
Exercisable (Shares)	—	—	3,000	2,000

Company name	Sekisui House, Ltd.	Sekisui House, Ltd.	Sekisui House, Ltd.
Date of resolution	May 19, 2016	May 18, 2017	May 17, 2018
Unvested			
At the beginning of the fiscal year (Shares)	6,000	7,000	17,000
Granted (Shares)	—	—	—
Forfeited (Shares)	—	—	—
Vested (Shares)	2,000	2,000	4,000
Outstanding (Shares)	4,000	5,000	13,000
Vested			
At the beginning of the fiscal year (Shares)	6,000	5,000	3,000
Vested (Shares)	2,000	2,000	4,000
Exercised (Shares)	6,000	4,000	4,000
Forfeited (Shares)	—	—	—
Exercisable (Shares)	2,000	3,000	3,000

(ii) Price information

Company name	Sekisui House, Ltd.	Sekisui House, Ltd.	Sekisui House, Ltd.	Sekisui House, Ltd.
Date of resolution	May 17, 2012	May 16, 2013	May 15, 2014	May 21, 2015
Exercise price (Yen)	¥1 per share	¥1 per share	¥1 per share	¥1 per share
Average exercise price (Yen)	¥ 3,225	¥ 3,202	¥ 3,225	¥ 3,229
Fair value at the grant date (Yen)	¥ 495	¥ 1,071	¥ 974	¥ 1,507

Company name	Sekisui House, Ltd.	Sekisui House, Ltd.	Sekisui House, Ltd.
Date of resolution	May 19, 2016	May 18, 2017	May 17, 2018
Exercise price (Yen)	¥1 per share	¥1 per share	¥1 per share
Average exercise price (Yen)	¥ 3,411	¥ 3,364	¥ 3,210
Fair value at the grant date (Yen)	¥ 1,356	¥ 1,415	¥ 1,283

3. Method of estimating the number of share options vested

Only the actual number of forfeited share options is reflected because it is difficult to rationally estimate the number of share options that will be forfeited in the future.

18. Tax effect accounting

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Deferred tax assets		
Loss on valuation of real estate for sale	¥ 17,564	¥ 19,199
Interest expenses	8,612	18,346
Provision for bonuses	14,503	17,613
Retirement benefit liability	9,187	7,263
Unrealized gain on non-current assets	6,641	6,755
Provision for warranties for completed construction	3,493	4,056
Accrued enterprise tax	2,560	3,706
Accumulated impairment losses	3,957	3,539
Tax loss carry-forward (Note 2)	7,018	3,522
Other, net	19,671	29,766
Deferred tax assets subtotal	93,209	113,769
Valuation allowance for tax loss carry-forward (Note 2)	(3,199)	(3,522)
Valuation allowance for total deductible temporary differences	(8,560)	(10,109)
Valuation allowance (Note 1)	(11,759)	(13,632)
Total deferred tax assets	81,450	100,137
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(17,130)	(18,964)
Other, net	(67,119)	(86,874)
Total deferred tax liabilities	(84,250)	(105,838)
Net of deferred tax assets and deferred tax liabilities	¥ (2,800)	¥ (5,700)

(Notes) 1. The main valuation allowance is accumulated impairment losses that were judged non recoverable.

2. Amount of tax loss carry-forward and deferred tax assets by expiration

As of January 31, 2025

(Millions of yen)

	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years	Total
Tax loss carry-forward*	¥ 6	¥ 5	¥ –	¥ 41	¥ 45	¥ 6,919	¥ 7,018
Valuation allowance	(6)	(5)	–	(41)	(45)	(3,100)	(3,199)
Deferred tax assets	–	–	–	–	–	3,818	3,818

* Tax loss carry-forward is the amount multiplied by the statutory tax rate.

As of January 31, 2026

(Millions of yen)

	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years	Total
Tax loss carry-forward*	¥ 5	¥ –	¥ 41	¥ 45	¥ 110	¥ 3,319	¥ 3,522
Valuation allowance	(5)	–	(41)	(45)	(110)	(3,319)	(3,522)
Deferred tax assets	–	–	–	–	–	–	–

* Tax loss carry-forward is the amount multiplied by the statutory tax rate.

(Change in presentation)

“Interest expenses”, which was included in “Other” under “Deferred tax assets” in the previous fiscal year, has been presented as a separate account item from the current fiscal year as the amount has become material. “Accrued social insurance premium”, which was presented as a separate account item in the previous year, is included in “Other” under “Deferred tax assets” from the current fiscal year as the amount has become immaterial. In order to reflect these changes in presentation, the notes for the previous fiscal year have been reclassified. As a result, ¥1,761 million of “Accrued social insurance premium” and ¥26,521 million of “Other” under “Deferred tax assets” in the previous fiscal year, have been reclassified as ¥8,612 million of “Interest expenses” and ¥19,671 million of “Other.”

2. A breakdown by major items that cause the difference between the statutory tax rate and the effective tax rate after applying tax effect accounting when it is material

	As of January 31, 2025	As of January 31, 2026
Statutory tax rate	30.5%	
(Adjustments)		
Permanently non-deductible expenses, such as entertainment expenses	0.3	
Permanently non-taxable income, such as dividend income	(0.0)	
Per capita inhabitant tax etc.	0.2	
Net change in valuation allowance	(0.6)	
(Gain) loss on liquidation of subsidiaries and affiliates	(0.2)	Notes are omitted as the difference between the statutory tax rate and the effective tax rate after applying tax effect accounting is 5% or less of the statutory tax rate.
Share of loss (profit) of entities accounted for using the equity method	0.3	
Difference in income tax rates of overseas subsidiaries	(0.6)	
Tax credits	(0.8)	
Tax effect on internal reserves of overseas subsidiaries	0.3	
Others	(1.8)	
Income tax rate after applying tax effect accounting	27.6%	

3. Adjustment of deferred tax assets and deferred tax liabilities due to changes in income tax rates

The “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the National Diet on March 31, 2025, under which the Defense Special Corporate Tax will be imposed for fiscal years starting on or after April 1, 2026. Following this, the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities will be changed from the previous 30.5% to 31.4% for temporary differences expected to be resolved in fiscal years starting on or after February 1, 2027.

The effect of this change in statutory tax rate is immaterial.

19. Business combinations

The description of business combinations is omitted because there were no significant transactions during the current fiscal year.

20. Asset retirement obligations

Asset retirement obligations included in the consolidated balance sheet

a. Overview of such asset retirement obligations

Obligations for restoration related to exhibitor contracts for housing exhibition venues and term leasehold contracts on offices and real estate for lease, etc.

b. Method for calculating the amount of such asset retirement obligations

The amount of asset retirement obligations is calculated by estimating the expected useful life of each project and using the risk-free rate at the beginning of the fiscal year as the discount rate.

c. Change in the total amount of such asset retirement obligations

	(Millions of yen)	
	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Balance at beginning of year	¥ 3,641	¥3,712
Increase due to acquisition of property, plant and equipment	202	194
Adjustments due to passage of time	18	21
Decrease due to implementation of asset retirement obligations	(150)	(169)
Other changes	—	(13)
Balance at end of year	¥ 3,712	¥ 3,745

21. Real estate for lease, etc.

The Company and some of its consolidated subsidiaries own rental housing and office buildings for leasing in Tokyo and other areas. For the previous fiscal year, net rental income for such real estate for lease, etc. was ¥3,928 million (rental revenue is recorded as net sales and rental expenses is mainly recorded as cost of sales). For the current fiscal year, net rental income for such real estate for lease, etc. was ¥2,324 million (rental revenue is recorded as net sales and rental expenses is mainly recorded as cost of sales).

The amounts stated in the consolidated balance sheet, changes of the amounts during the year and fair value of the real estate for lease, etc. are as follows.

	(Millions of yen)	
	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Amount stated in consolidated balance sheet		
Balance at beginning of year	¥ 377,931	¥ 394,436
Change during the year	16,505	(77,879)
Balance at end of year	394,436	316,557
Fair value at end of year	480,298	410,518

(Notes) 1. The amounts stated in the consolidated balance sheet are calculated by deducting the relevant accumulated depreciation and impairment losses from the acquisition cost.

2. Changes during the previous fiscal year mainly resulted from increases due to real estate acquisition (¥60,066 million) and decreases due to transfers with inventories (¥35,409 million) and depreciation (¥7,465 million). Changes during the current fiscal year mainly resulted from increases due to real estate acquisition (¥33,765 million) and decreases due to transfers with inventories (¥102,587 million) and depreciation (¥8,154 million).

3. Fair values at the end of the year for major properties are calculated based on real estate appraisal by real estate appraiser. Fair values at the end of the year for other properties are calculated by the Company based on the Real Estate Appraisal Standard.

22. Revenue recognition

1. Information on breakdown of revenue from contracts with customers

Fiscal year ended January 31, 2025

(Millions of yen)

	Reportable segments					
	Custom detached houses Business	Rental housing and commercial buildings Business	Architectural / Civil engineering Business	Rental housing management Business	Remodeling Business	Development Business
Construction and sales	¥ 478,994	¥ 536,984	¥ 322,426	¥ –	¥ 182,369	¥ 509,364
Real estate management and other	4	0	29	680,651	–	57,781
Sales to external customers	478,998	536,984	322,456	680,651	182,369	567,145
Other revenue (Note)	4	0	29	595,305	–	63,969
Revenue from contracts with customers	478,994	536,984	322,426	85,345	182,369	503,175

	Reportable segments	Other	Total
	Overseas Business		
Construction and sales	¥1,257,750	¥ 1,953	¥ 3,289,844
Real estate management and other	20,761	9,510	768,739
Sales to external customers	1,278,511	11,464	4,058,583
Other revenue (Note)	18,531	1,502	679,343
Revenue from contracts with customers	1,259,979	9,962	3,379,239

(Note) Other revenue includes rental income based on the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13), and transferred real estate (including trust beneficiary interests in real estate) to which the “Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies” (Transferred Guidance, No. 10).

Fiscal year ended January 31, 2026

(Millions of yen)

	Reportable segments					
	Custom detached houses Business	Rental housing and commercial buildings Business	Architectural / Civil engineering Business	Rental housing management Business	Remodeling Business	Development Business
Construction and sales	¥ 478,799	¥ 558,081	¥ 298,311	¥ –	¥ 186,719	¥ 614,863
Real estate management and other	–	0	33	707,428	–	55,377
Sales to external customers	478,799	558,082	298,344	707,428	186,719	670,240
Other revenue (Note)	0	0	33	612,581	–	102,493
Revenue from contracts with customers	478,799	558,081	298,311	94,846	186,719	567,746

	Reportable segments	Other	Total
	Overseas Business		
Construction and sales	¥1,259,926	¥ 1,848	¥ 3,398,550
Real estate management and other	26,431	10,100	799,372
Sales to external customers	1,286,358	11,949	4,197,922
Other revenue (Note)	23,943	1,657	740,710
Revenue from contracts with customers	1,262,414	10,291	3,457,211

(Note) Other revenue includes rental income based on the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13), and transferred real estate (including trust beneficiary interests in real estate) to which the “Practical Guidelines on the Accounting by Transferors for the Securitization of Real Estate Using Special-Purpose Companies” (Transferred Guidance, No. 10).

2. Information providing a basis for understanding revenue from contracts with customers

The consideration for major business transactions is received generally within one year from the satisfaction of the performance obligation, and the amount of such consideration does not contain a significant financing component. Moreover, there is no significant variable consideration that could cause fluctuations in the amount of consideration.

(1) Construction and sales

With respect to ordered contract transactions, the Company executes construction contracts with customers and has an obligation to perform construction work and deliver to the customers based on the construction contracts. For such contracts, the Company’s performance obligations are deemed to be satisfied over a certain period of time, and the Company recognizes revenue based on the degree of progress made in satisfying the performance obligation. As for the method of estimating progress, the degree of progress is calculated at the proportion of cost incurred to total cost of construction (input method).

With respect to construction contracts with a very short construction period, etc., an alternative treatment is applied whereby revenue is recognized when the performance obligation is fully satisfied.

With respect to real estate sale transactions, the Company has an obligation to deliver the property to the customer based on the real estate sales contracts. For such contracts, the Company’s performance obligation is deemed to be satisfied when the property is delivered, and the Company recognizes revenue when the property is delivered to the customer.

(2) Real estate management and other

With respect to transactions involving real estate for lease that are the main components of real estate management, revenue is recognized over the lease term in accordance with the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13), and included in “Other revenue.”

Moreover, for real estate management transactions, the Company executes management service contracts with customers and has an obligation to provide building management services based on the contracts. For such contracts, the Company recognizes revenue when the performance obligation is satisfied at a point in time or over a certain period of time as appropriate for the content of the performance obligation.

3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from these contracts, and the amount and timing of revenue expected to be recognized in subsequent fiscal years from contracts with customers that exist at the end of the current fiscal year

(1) Balance of contract assets and contract liabilities

	(Millions of yen)	
	As of January 31, 2025	As of January 31, 2026
Receivables from contracts with customers (Balance at beginning of year)	¥ 33,071	¥ 33,482
Receivables from contracts with customers (Balance at end of year)	33,482	54,748
Contract assets (Balance at beginning of year)	142,138	176,262
Contract assets (Balance at end of year)	176,262	147,727
Contract liabilities (Balance at beginning of year)	159,309	167,770
Contract liabilities (Balance at end of year)	¥ 167,770	¥ 182,711

Contract assets refer to the rights of the Company and its consolidated subsidiaries with respect to the consideration for which revenue has been recognized based on the progress of performance obligations in construction contracts with customers at the end of the year, but which have not yet been invoiced. Contract assets are reclassified to receivables from contracts with customers when the Company and its consolidated subsidiaries' rights to the consideration are unconditional. The consideration relating to such construction contracts is invoiced and received based on the terms and conditions of payment in the contracts.

Contract liabilities refer to the advances received from customers, including advances received on construction contracts in progress and earnest money received from customers under real estate sales contracts. Contract liabilities are reversed upon recognition of revenue.

Of the amount of revenue recognized in the previous fiscal year, the amount included in the balance of contract liabilities at the beginning of the year was ¥155,115 million.

Of the amount of revenue recognized in the current fiscal year, the amount included in the balance of contract liabilities at the beginning of the year was ¥160,381 million.

(2) Transaction price allocated to remaining performance obligations

The total transaction price allocated to the remaining performance obligations in the previous fiscal year was ¥1,754,577 million, and at the longest, this amount is expected to be recognized as revenue within 11 years. The total transaction price allocated to the remaining performance obligations in the current fiscal year was ¥1,804,417 million, and at the longest, this amount is expected to be recognized as revenue within 10 years. The practical expedient is applied and contracts with an initially expected contract term of one year or less are not included in the notes.

23. Segment information

[Segment information]

1. Description of reportable segments

The reportable segments of the Group are constituent units of the Group for which separate financial information is obtainable. These segments are periodically examined by management for the purpose of deciding the allocation of management resources and evaluating operating results.

The Group has established “Make Home the Happiest Place in the World” as its global vision, under the management policy of designating for deployment of growth strategies focused on the residential business domain and set the goal of becoming a global company that provides the integrated technologies, lifestyle designs and services and plans strategies and undertakes business activities in each business domain.

The Group is composed of segments by product and service founded on business domains, and excluding business domains under “Other,” the reportable segments are “Custom detached houses Business,” “Rental housing and commercial buildings Business,” “Architectural / Civil engineering Business,” “Rental housing management Business,” “Remodeling Business,” “Development Business” and “Overseas Business.”

The details of each reportable segment are as follows.

Custom detached houses Business:	Contracting of design and construction, and sales of custom detached houses (Main companies: Sekisui House, Ltd., Sekisui House Construction Group)
Rental housing and commercial buildings Business:	Contracting of design and construction, and sales of rental housing, commercial buildings and other properties (Main companies: Sekisui House, Ltd., Sekisui House Construction Group)
Architectural / Civil engineering Business:	Construction of commercial buildings and other properties and contracting of design and construction of civil engineering works (Main company: Konoike Construction Group)
Rental housing management Business:	Leasing and management operations for rental housing and other properties (Main company: Sekisui House Real Estate Group)

Remodeling Business:	Remodeling of detached houses, rental housing, and other properties (Main companies: Sekisui House Remodeling, Ltd., Sekisui House Support Plus, Ltd., Sekisui House Real Estate Group, Sekisui House Construction Group)
Development Business:	Consists of the three following businesses. Real estate and brokerage Business Brokerage and sales of land for housing, existing homes, real estate for profit, etc. (Main companies: Sekisui House, Ltd., Sekisui House Real Estate Group) Condominiums Business Development, sales and management of condominiums (Main companies: Sekisui House, Ltd., Sekisui House GM Partners. Ltd.) Urban redevelopment Business Development, management, and operation of office buildings, hotels, and rental condominiums (Main companies: Sekisui House, Ltd., Sekisui House Asset Management, Ltd., Sekisui House Hotel Management, Ltd.)
Overseas Business:	Sales of detached houses, development and sales of residential land, and development of condominiums for sales and rent, in overseas market (Main companies: SEKISUI HOUSE US HOLDINGS, LLC, SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED)

2. Method for calculating sales, profit, assets, liabilities, and other items for each reportable segment

The accounting policies for reportable operating segments are the same as noted under “Significant accounting policies for preparation of consolidated financial statements.”

Reportable segment profit is based on operating profit. Intersegment sales or transfers are based on prevailing market prices.

3. Information about sales, profit, assets, liabilities, and other items for each reportable segment

Fiscal year ended January 31, 2025

(Millions of yen)

	Reportable segments					
	Custom detached houses Business	Rental housing and commercial buildings Business	Architectural / Civil engineering Business	Rental housing management Business	Remodeling Business	Development Business
Net sales						
(1) Sales to external customers	¥ 478,998	¥ 536,984	¥ 322,456	¥ 680,651	¥ 182,369	¥ 567,145
(2) Intersegment sales or transfers	93	7,949	2,567	6,468	1,498	15,430
Total	¥ 479,091	¥ 544,934	¥ 325,024	¥ 687,119	¥ 183,868	¥ 582,576
Segment profit	¥ 46,069	¥ 81,796	¥ 15,218	¥ 56,804	¥ 26,624	¥ 70,285
Segment assets	43,592	48,524	277,069	75,132	25,428	1,136,239
Other items						
Depreciation	3,488	450	1,262	446	192	7,104
Investment in affiliates accounted for under the equity method	—	—	—	—	—	20,382
Increase in property, plant and equipment and intangible assets	3,342	269	1,802	726	202	65,676

	Reportable segments		Other (Note 1)	Total	Adjustment (Note 2)	Amount stated in consolidated financial statements (Note 3)
	Overseas Business	Total				
Net sales						
(1) Sales to external customers	¥ 1,278,511	¥ 4,047,118	¥ 6,570	¥ 4,053,689	¥ 4,894	¥ 4,058,583
(2) Intersegment sales or transfers	—	34,007	7,496	41,504	(41,504)	—
Total	¥ 1,278,511	¥ 4,081,126	¥ 14,066	¥ 4,095,193	¥ (36,610)	¥ 4,058,583
Segment profit	¥ 78,945	¥ 375,744	¥ 2,466	¥ 378,211	¥ (46,844)	¥ 331,366
Segment assets	2,874,349	4,480,335	19,671	4,500,007	308,841	4,808,848
Other items						
Depreciation	12,688	25,633	199	25,832	9,402	35,235
Investment in affiliates accounted for under the equity method	83,622	104,004	7,331	111,336	(1,983)	109,352
Increase in property, plant and equipment and intangible assets	5,434	77,455	104	77,560	22,331	99,891

(Notes) 1. The “Other” category is a business segment that is not included in the reporting segments.

2. Adjustments are as follows.

- (1) An adjustment of ¥(46,844) million for segment profit includes an elimination of intersegment transactions of ¥276 million and corporate expenses of ¥(47,120) million that have not been allocated to each segment. Corporate expenses mainly include general and administrative expenses and experimentation and research expenses that do not belong to any reportable segments.
- (2) An adjustment of ¥308,841 million for segment assets is corporate assets. Corporate assets are mainly parent company surplus operating funds (cash and securities), long-term investment funds (investment securities) and assets of the administration division.
- (3) An adjustment of ¥9,402 million for depreciation is depreciation expenses related to corporate assets.
- (4) An adjustment of ¥(1,983) million for investment in affiliates accounted for under the equity method is an elimination of intersegment transactions.
- (5) An adjustment of ¥22,331 million for increase in property, plant and equipment and intangible assets is a capital expenditure mainly for equipment for the headquarters.

3. Segment profit is adjusted to correspond to operating profit in the consolidated financial statements.

Fiscal year ended January 31, 2026

(Millions of yen)

	Reportable segments					
	Custom detached houses Business	Rental housing and commercial buildings Business	Architectural / Civil engineering Business	Rental housing management Business	Remodeling Business	Development Business
Net sales						
(1) Sales to external customers	¥ 478,799	¥ 558,082	¥ 298,344	¥ 707,428	¥ 186,719	¥ 670,240
(2) Intersegment sales or transfers	153	6,730	3,949	5,193	1,238	11,748
Total	¥ 478,952	¥ 564,813	¥ 302,293	¥ 712,621	¥ 187,958	¥ 681,989
Segment profit	¥ 48,035	¥ 87,826	¥ 22,049	¥ 68,996	¥ 27,966	¥ 94,970
Segment assets	69,800	63,037	273,432	114,061	29,004	1,074,296
Other items						
Depreciation	3,424	451	1,453	2,093	217	6,675
Investment in affiliates accounted for under the equity method	—	—	—	—	—	16,160
Increase in property, plant and equipment and intangible assets	3,521	635	2,668	808	342	40,102

	Reportable segments		Other (Note 1)	Total	Adjustment (Note 2)	Amount stated in consolidated financial statements (Note 3)
	Overseas Business	Total				
Net sales						
(1) Sales to external customers	¥ 1,286,358	¥ 4,185,973	¥ 6,215	¥ 4,192,189	¥ 5,733	¥ 4,197,922
(2) Intersegment sales or transfers	—	29,013	10,235	39,249	(39,249)	—
Total	¥ 1,286,358	¥ 4,214,987	¥ 16,451	¥ 4,231,439	¥ (33,516)	¥ 4,197,922
Segment profit	¥ 39,102	¥ 388,947	¥ 3,203	¥ 392,150	¥ (50,747)	¥ 341,402
Segment assets	2,903,678	4,527,311	19,823	4,547,134	459,503	5,006,637
Other items						
Depreciation	15,703	30,018	194	30,213	12,548	42,761
Investment in affiliates accounted for under the equity method	84,001	100,161	7,866	108,027	(1,924)	106,103
Increase in property, plant and equipment and intangible assets	12,576	60,656	152	60,809	38,887	99,696

(Notes) 1. The “Other” category is a business segment that is not included in the reporting segments.

2. Adjustments are as follows.

- (1) An adjustment of ¥(50,747) million for segment profit includes an elimination of intersegment transactions of ¥(312) million and corporate expenses of ¥(50,434) million that have not been allocated to each segment. Corporate expenses mainly include general and administrative expenses and experimentation and research expenses that do not belong to any reportable segments.
- (2) An adjustment of ¥459,503 million for segment assets is corporate assets. Corporate assets are mainly parent company surplus operating funds (cash and securities), long-term investment funds (investment securities) and assets of the administration division.
- (3) An adjustment of ¥12,548 million for depreciation is depreciation expenses related to corporate assets.
- (4) An adjustment of ¥(1,924) million for investment in affiliates accounted for under the equity method is an elimination of intersegment transactions.
- (5) An adjustment of ¥38,887 million for increase in property, plant and equipment and intangible assets is a capital expenditure mainly for equipment for the headquarters.

3. Segment profit is adjusted to correspond to operating profit in the consolidated financial statements.

[Related information]

Fiscal year ended January 31, 2025

1. Information for each product or service

Refer to [Segment information].

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	United States	Other regions	Total
¥ 2,771,950	¥ 1,233,613	¥ 53,019	¥ 4,058,583

(Note) Net sales are classified founded on the region where the business activities are conducted.

(2) Property, plant and equipment

Amount of property, plant and equipment located in Japan accounted for more than 90% of property, plant and equipment in the consolidated balance sheet.

3. Information for each of main customer

No single customer accounted for 10% or more of total sales of all segments.

Fiscal year ended January 31, 2026

1. Information for each product or service

Refer to [Segment information].

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	United States	Other regions	Total
¥ 2,906,880	¥ 1,176,690	¥ 114,351	¥ 4,197,922

(Note) Net sales are classified founded on the region where the business activities are conducted.

(2) Property, plant and equipment

Amount of property, plant and equipment located in Japan accounted for more than 90% of property, plant and equipment in the consolidated balance sheet.

3. Information for each of main customer

No single customer accounted for 10% or more of total sales of all segments.

[Information about impairment losses on non-current assets for each reportable segment]

Fiscal year ended January 31, 2025

(Millions of yen)

	Custom detached houses Business	Rental housing and commercial buildings Business	Architectural / Civil engineering Business	Rental housing management Business	Remodeling Business
Impairment losses	¥ 88	¥ 41	¥ –	¥ 5	¥ –

	Development Business	Overseas Business	Other	Unallocated amounts and elimination	Total
Impairment losses	¥ 0	¥ –	¥ 12	¥ –	¥ 147

Fiscal year ended January 31, 2026

(Millions of yen)

	Custom detached houses Business	Rental housing and commercial buildings Business	Architectural / Civil engineering Business	Rental housing management Business	Remodeling Business
Impairment losses	¥ –	¥ –	¥ –	¥ –	¥ –

	Development Business	Overseas Business	Other	Unallocated amounts and elimination	Total
Impairment losses	¥ –	¥ –	¥ –	¥ –	¥ –

[Information about amortization and unamortized balance of goodwill for each reportable segment]

Fiscal year ended January 31, 2025

(Millions of yen)

	Custom detached houses Business	Rental housing and commercial buildings Business	Architectural / Civil engineering Business	Rental housing management Business	Remodeling Business
Amortization amount for the year	¥ –	¥ –	¥ –	¥ –	¥ –
Balance at end of period	–	–	–	–	–

	Development Business	Overseas Business	Other	Unallocated amounts and elimination	Total
Amortization amount for the year	¥ –	¥ 13,488	¥ 461	¥ –	¥ 13,949
Balance at end of period	–	132,899	1,317	–	134,217

(Note) Other is construction material supply business.

Fiscal year ended January 31, 2026

(Millions of yen)

	Custom detached houses Business	Rental housing and commercial buildings Business	Architectural / Civil engineering Business	Rental housing management Business	Remodeling Business
Amortization amount for the year	¥ –	¥ –	¥ –	¥ –	¥ –
Balance at end of period	–	–	–	–	–

	Development Business	Overseas Business	Other	Unallocated amounts and elimination	Total
Amortization amount for the year	¥ –	¥ 17,116	¥ 461	¥ –	¥ 17,577
Balance at end of period	–	113,724	856	–	114,581

(Note) Other is construction material supply business, etc.

[Information about gain on bargain purchase for each reportable segment]

Fiscal year ended January 31, 2025

Nothing to report

Fiscal year ended January 31, 2026

Nothing to report

[Related party information]

Transactions with related parties

Transactions between the Company and related parties

Directors (and other officers) of the Company and major shareholders (limited to individuals), etc.

Fiscal year ended January 31, 2025

Type	Name of company, etc. or person	Location	Share capital or investments in capital (Millions of yen)	Description of business or occupation	Percentage of owning (owned) voting rights (%)	Relationship with related parties	Description of transaction	Transaction amount (Millions of yen)	Item	Balance at end of year (Millions of yen)
Officer	Yoshihiro Nakai	—	¥ —	The Company's Representative Director of the Board	Directly (owned) 0.02%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note 1)	¥ 79	—	¥ —
Officer	Yosuke Horiuchi	—	—	The Company's Representative Director of the Board	Directly (owned) 0.01%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note 1)	58	—	—
						Sales of condominiums	Sales of condominiums (Note 2)	197	—	—
						Contracting of remodeling work	Contracting of remodeling work (Note 2)	12	—	—
Officer	Satoshi Tanaka	—	—	The Company's Representative Director of the Board	Directly (owned) 0.00%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note 1)	52	—	—
Officer	Toru Ishii	—	—	The Company's Director of the Board	Directly (owned) 0.00%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note 1)	25	—	—
Officer	Hiroshi Shinozaki	—	—	The Company's Director of the Board	Directly (owned) 0.00%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note 1)	18	—	—

(Notes) Transaction terms and policies for determining transaction terms, etc.

1. These items are due to contribution in kind of monetary compensation claims accompanying the restricted share (RS) awards plan and the performance share unit (PSU) awards plan.
2. Sales price of condominiums and contract price of remodeling work are determined in the same way as for general transaction terms.

Fiscal year ended January 31, 2026

Type	Name of company, etc. or person	Location	Share capital or investments in capital (Millions of yen)	Description of business or occupation	Percentage of owning (owned) voting rights (%)	Relationship with related parties	Description of transaction	Transaction amount (Millions of yen)	Item	Balance at end of year (Millions of yen)
Officer	Yoshihiro Nakai	—	¥—	The Company's Representative Director of the Board	Directly (owned) 0.02%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note 1)	¥ 73	—	¥—
Officer	Satoshi Tanaka	—	—	The Company's Representative Director of the Board	Directly (owned) 0.01%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note 1)	47	—	—
Officer	Toru Ishii	—	—	The Company's Director of the Board	Directly (owned) 0.00%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note 1)	23	—	—
Officer	Hiroshi Shinozaki	—	—	The Company's Director of the Board	Directly (owned) 0.00%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note 1)	17	—	—
Officer	Yasushi Omura	—	—	The Company's Director of the Board	Directly (owned) 0.00%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note 1)	11	—	—
Officer and close relatives	Keiko Takegawa and her close relatives (Note 2)	—	—	The Company's Outside Director of the Board	Directly (owned) 0.00%	Custom construction contracts	Custom construction contracts (Note 3)	90	—	—

(Notes) Transaction terms and policies for determining transaction terms, etc.

1. These items are due to contribution in kind of monetary compensation claims accompanying the restricted share (RS) awards plan and the performance share unit (PSU) awards plan.
2. Ms. Keiko Takegawa resigned as Outside Director of the Board on April 23, 2025, and the above indicates the transactions during her term of office.
3. The price for the custom construction contracts is determined in the same way as general transaction terms.

24. Per share information

(Yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Net assets per share	¥ 3,027.64	¥ 3,300.57
Profit per share	335.95	358.07
Diluted profit per share	335.84	357.98

(Notes) Basis for calculation

1. Net assets per share

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Net assets recorded on consolidated balance sheet	¥ 2,018,599	¥ 2,188,237
Difference between net assets recorded on consolidated balance sheet and net assets attributable to ordinary shares	56,399	48,681
[of which, share acquisition rights]	[87]	[58]
[of which, non-controlling interests]	[56,311]	[48,622]
Net assets attributable to ordinary shares	¥ 1,962,199	¥ 2,139,555
Number of ordinary shares outstanding (1,000 shares)	662,996	663,122
Number of ordinary shares held in treasury (1,000 shares)	14,902	14,884
Number of ordinary shares used to calculate net assets per share (1,000 shares)	648,094	648,237

2. Profit per share and diluted profit per share

(Millions of yen)

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Profit per share		
Profit attributable to owners of parent	¥ 217,705	¥ 232,095
Amount not attributable to ordinary shareholders	—	—
Profit attributable to owners of parent related to ordinary shares	¥ 217,705	¥ 232,095
Average number of ordinary shares outstanding during the year (1,000 shares)	648,036	648,185
Diluted profit per share		
Adjustment to profit attributable to owners of parent	¥ —	¥ —
Number of ordinary shares increased (1,000 shares)		
Share acquisition rights	80	55
Performance share unit awards	118	97
Overview of residual securities not included in the calculation of diluted profit per share as they have no dilutive effect	—	—

25. Significant subsequent event

Cancellation of treasury shares

At the Board of Directors meeting held on March 5, 2026, the Company resolved to cancel treasury shares pursuant to Article 178 of the Companies Act.

(1) Reason for share cancellation

To enhance the shareholder value through the reduction in the total number of issued shares

(2) Method of share cancellation

Reduction in retained earnings

(3) Class of shares to be cancelled

Ordinary shares

(4) Number of shares to be cancelled

11,700,000 shares (1.76% of total issued shares before cancellation)

(5) Scheduled date of cancellation

April 24, 2026

(6) Total number of issued shares after cancellation

651,422,166 shares

Other information

[Detailed schedule of bonds]

(Millions of yen)

Company name	Issue	Issue date	Balance at beginning of period	Balance at end of period	Interest rate (%)	Collateral	Maturity date
Sekisui House, Ltd.	Short-term bonds payable	January 6, 2025	40,000 [40,000]	—	0.44	Unsecured	February 28, 2025
Sekisui House, Ltd.	Series 21 unsecured bonds (with limited inter-bond pari-passu clause)	July 14, 2016	20,000	20,000 [20,000]	0.20	Unsecured	July 17, 2026
Sekisui House, Ltd.	Series 22 unsecured bonds (with limited inter-bond pari-passu clause)	June 7, 2023	30,000	30,000	0.36	Unsecured	June 7, 2028
Sekisui House, Ltd.	Series 23 unsecured bonds (with limited inter-bond pari-passu clause)	February 14, 2025	—	40,000	1.06	Unsecured	February 14, 2028
Sekisui House, Ltd.	Series 24 unsecured bonds (with limited inter-bond pari-passu clause)	February 14, 2025	—	50,000	1.21	Unsecured	February 14, 2030
Sekisui House, Ltd.	Series 25 unsecured bonds (with limited inter-bond pari-passu clause)	February 14, 2025	—	25,000	1.35	Unsecured	February 13, 2032
Sekisui House, Ltd.	Series 26 unsecured bonds (with limited inter-bond pari-passu clause)	February 14, 2025	—	25,000	1.61	Unsecured	February 14, 2035
Sekisui House, Ltd.	The 2nd series of unsecured bonds with optional interest payment deferral and early redemption provisions (with a subordination provision)	July 8, 2024	125,000	125,000	1.71 (*1)	Unsecured	July 8, 2059 (*2)
Sekisui House, Ltd.	The 3rd series of unsecured bonds with optional interest payment deferral and early redemption provisions (with a subordination provision)	July 8, 2024	75,000	75,000	2.52 (*3)	Unsecured	July 8, 2064 (*4)
Sekisui House, Ltd.	The 1st series of unsecured straight bonds in U.S. dollars (Note 2)	October 23, 2024	77,168	76,792	4.70	Unsecured	February 23, 2030
Sekisui House, Ltd.	The 2nd series of unsecured straight bonds in U.S. dollars (Note 2)	October 23, 2024	77,018	76,654	5.10	Unsecured	October 23, 2034
AIDA Co., Ltd.	The 1st series of unsecured bonds (with guarantee from Mizuho Bank, Ltd. and limited to qualified institutional investors)	March 31, 2020	8 [8]	—	0.20	Unsecured	March 31, 2025
SEKISUI HOUSE U.S., Inc. (Note 3)	Unsecured straight bonds in U.S. dollars (Note 2)	January 9, 2020	47,454	46,968	3.85	Unsecured	January 15, 2030
SEKISUI HOUSE U.S., Inc. (Note 3)	Unsecured straight bonds in U.S. dollars (Note 2)	January 11, 2021	55,363	54,796	2.50	Unsecured	January 15, 2031
SEKISUI HOUSE U.S., Inc. (Note 3)	Unsecured straight bonds in U.S. dollars (Note 2)	January 10, 2013	57,753	58,803	6.00	Unsecured	January 15, 2043
SEKISUI HOUSE U.S., Inc. (Note 3)	Unsecured straight bonds in U.S. dollars (Note 2)	August 6, 2021	55,363	54,796	3.97	Unsecured	August 6, 2061
Total	—	—	¥660,129 [40,008]	¥758,811 [20,000]	—	—	—

(Notes) 1. Amounts due to mature within one year are shown in square parentheses [].

2. Bonds were issued in foreign countries.

3. M.D.C. Holdings, Inc. changed its corporate name to SEKISUI HOUSE U.S., Inc. effective September 4, 2025.

4. *1 Fixed interest rate will be applied from the day following July 8, 2024 to July 8, 2029 and floating interest rate will be applied on or after the day following July 8, 2029 (“Step-up interest rates” will be applied from the day following July 8, 2034 and July 8, 2049).
- *2 Special clause is set whereby the Company may, at its option, redeem the bonds on any interest payment date on or after July 8, 2029, or upon the occurrence and continuation of a taxation event or a capital event on or after the closing date.
- *3 Fixed interest rate will be applied from the day following July 8, 2024 to July 8, 2034 and floating interest rate will be applied on or after the day following July 8, 2034 (“Step-up interest rates” will be applied from the day following July 8, 2034 and July 8, 2054).
- *4 Special clause is set whereby the Company may, at its option, redeem the bonds on any interest payment date on or after July 8, 2034, or upon the occurrence and continuation of a taxation event or a capital event on or after the closing date.
5. Amounts due to mature during the five years following the fiscal year-end are as follows.

(Millions of yen)

Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
¥ 20,000	¥ –	¥ 70,000	¥ –	¥ 173,760

[Detailed schedule of borrowings]

(Millions of yen)

Categories	Balance at beginning of period	Balance at end of period	Average interest rate (%)	Repayment date
Short-term borrowings	¥ 477,840	¥ 414,332	4.82	—
Current portion of long-term borrowings	227,302	161,032	4.52	—
Current portion of non-recourse long-term borrowings	25,491	—	—	—
Current portion of lease obligations	3,558	4,356	—	—
Long-term borrowings (excluding current portion)	456,321	514,714	3.51	2027 to 2034
Non-recourse long-term borrowings (excluding current portion)	—	—	—	—
Lease obligations (excluding current portion)	26,766	28,462	—	2027 to 2049
Total	¥ 1,217,281	¥ 1,122,897	—	—

- (Notes) 1. The calculation of the average interest rate is disclosed as the weighted average interest rate for the balance at the end of the year based on the interest rate at the end of the year.
2. The average interest rate for lease obligations has not been disclosed since the amount before deducting the amount corresponding to interest included in total lease payments is recorded as lease obligations in the consolidated balance sheet.
3. The amounts of long-term borrowings and lease obligations (excluding current portions) due for repayment during five years following the fiscal year-end are as follows.

(Millions of yen)

	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Long-term borrowings	¥ 124,948	¥ 169,899	¥ 8,638	¥ 51,715
Lease obligations	3,849	3,464	2,597	2,298

[Detailed schedule of asset retirement obligations]

This information is not disclosed pursuant to Article 92-2 of the Regulation on Consolidated Financial Statements since the amount of asset retirement obligations was 1% or less of total liabilities and net assets at the beginning and end of the current fiscal year.

[Other]

Semi-annual information for the fiscal year ended January 31, 2026

(Millions of yen)

	2nd quarter (Six months ended July 31, 2025)	Fiscal year ended January 31, 2026
Net sales	¥ 2,015,408	¥ 4,197,922
Profit before income taxes	147,802	338,737
Profit attributable to owners of parent	101,603	232,095
Profit per share (Yen)	156.76	358.07

2. Non-Consolidated Financial Statements, etc.

(1) Non-consolidated financial statements

i. Non-consolidated balance sheet

	(Millions of yen)	
	Fiscal year ended January 31, 2025 (January 31, 2025)	Fiscal year ended January 31, 2026 (January 31, 2026)
Assets		
Current assets		
Cash and deposits	57,391	151,053
Notes receivable - trade	171	—
Electronically recorded monetary claims - operating	5	9
Accounts receivable from completed construction contracts	44,870	51,859
Accounts receivable - real estate business	2,702	2,918
Costs on construction contracts in progress	2,345	2,390
Buildings for sale	*2 61,867	*2 69,488
Land for sale in lots	*2 312,017	*2 332,891
Undeveloped land for sale	48,079	46,338
Semi-finished goods	4,090	3,725
Raw materials	2,511	2,370
Work in process	797	808
Supplies	1,042	1,032
Advance payments to suppliers	662	1,104
Prepaid expenses	9,074	10,811
Short-term loans receivable from employees	—	153
Loans receivable to subsidiaries and affiliates	239,519	—
Accounts receivable - other	14,739	18,520
Other	8,160	6,411
Allowance for doubtful accounts	(787)	(708)
Total current assets	809,261	701,180
Non-current assets		
Property, plant and equipment		
Buildings	*2 205,353	*2 206,006
Accumulated depreciation	(110,023)	(112,431)
Buildings, net	95,329	93,575
Structures	*2 14,965	*2 14,738
Accumulated depreciation	(10,668)	(10,750)
Structures, net	4,297	3,987
Machinery and equipment	*2 63,064	*2 68,094
Accumulated depreciation	(53,592)	(53,955)
Machinery and equipment, net	9,472	14,138
Vehicles	*2 500	504
Accumulated depreciation	(470)	(447)
Vehicles, net	29	56
Tools, furniture and fixtures	*2 24,429	*2 25,789
Accumulated depreciation	(19,719)	(19,697)
Tools, furniture and fixtures, net	4,710	6,091
Land	*2, *4 194,241	*2, *4 149,935
Leased assets	3,689	3,999
Accumulated depreciation	(2,127)	(2,373)
Leased assets, net	1,561	1,626
Construction in progress	*2 41,803	*2 6,698
Total property, plant and equipment	351,445	276,110

(Millions of yen)

	Fiscal year ended January 31, 2025 (January 31, 2025)	Fiscal year ended January 31, 2026 (January 31, 2026)
Intangible assets		
Industrial property	17	27
Leasehold interests in land	2,517	2,524
Software	*2 22,278	42,671
Right to use facilities	17	11
Telephone subscription right	111	98
Total intangible assets	24,941	45,333
Investments and other assets		
Investment securities	*4 77,342	*4 71,608
Shares of subsidiaries and associates	881,424	882,866
Investments in other securities of subsidiaries and associates	25,589	13,058
Long-term loans receivable	812	726
Long-term loans receivable from employees	996	924
Long-term loans receivable from subsidiaries and associates	133,247	385,574
Leasehold and guarantee deposits	12,937	10,286
Long-term prepaid expenses	1,451	1,086
Prepaid pension costs	10,779	21,851
Deferred tax assets	4,341	2,341
Other	*3 8,394	*3 8,414
Allowance for doubtful accounts	(2,641)	(3,903)
Total investments and other assets	1,154,674	1,394,835
Total non-current assets	1,531,060	1,716,279
Total assets	2,340,322	2,417,460
Liabilities		
Current liabilities		
Notes payable - trade	3,623	880
Electronically recorded obligations - operating	42,120	41,730
Accounts payable - trade	21,641	21,882
Accounts payable for construction contracts	45,958	43,860
Short-term bonds	40,000	—
Short-term borrowings	140,227	—
Current portion of bonds payable	—	20,000
Current portion of long-term borrowings	25,000	10,000
Lease liabilities	263	290
Accounts payable - other	18,620	2,507
Accrued expenses	15,424	17,739
Income taxes payable	16,019	33,074
Accrued consumption taxes	11,394	13,022
Advances received on construction contracts in progress	115,490	114,017
Advances received	16,380	21,184
Deposits received	*1 145,066	*1 153,248
Provision for bonuses	24,815	28,545
Provision for bonuses for directors (and other officers)	286	282
Provision for warranties for completed construction	2,765	2,674
Asset retirement obligations	624	645
Total current liabilities	685,721	525,586

(Millions of yen)

	Fiscal year ended January 31, 2025 (January 31, 2025)	Fiscal year ended January 31, 2026 (January 31, 2026)
Non-current liabilities		
Bonds payable	404,187	523,447
Long-term borrowings	189,936	229,513
Lease liabilities	1,469	1,514
Long-term leasehold and guarantee deposits received	*4 8,238	*4 5,435
Long-term accounts payable - other	249	279
Provision for retirement benefits	21,190	21,116
Asset retirement obligations	842	825
Other	4,493	6,561
Total non-current liabilities	630,607	788,691
Total liabilities	1,316,329	1,314,277
Net assets		
Shareholders' equity		
Share capital	203,094	203,300
Capital surplus		
Legal capital surplus	258,847	259,054
Total capital surplus	258,847	259,054
Retained earnings		
Legal retained earnings	23,128	23,128
Other retained earnings		
Reserve for dividends	18,000	18,000
General reserve	345,800	428,800
Retained earnings brought forward	180,817	178,347
Total retained earnings	567,746	648,276
Treasury shares	(40,788)	(40,736)
Total shareholders' equity	988,900	1,069,895
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	35,005	33,228
Total valuation and translation adjustments	35,005	33,228
Share acquisition rights	87	58
Total net assets	1,023,993	1,103,182
Total liabilities and net assets	2,340,322	2,417,460

ii. Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended January 31, 2025 (From February 1, 2024 to January 31, 2025)	Fiscal year ended January 31, 2026 (From February 1, 2025 to January 31, 2026)
Net sales of completed construction contracts	1,016,650	1,027,880
Cost of sales of completed construction contracts	*2 790,414	*2 791,086
Gross profit on completed construction contracts	226,235	236,793
Sales in real estate business	295,522	369,341
Cost of sales in real estate business	*2 235,211	*2 285,663
Gross profit - real estate business	60,310	83,677
Total net sales	1,312,172	1,397,221
Total cost of sales	1,025,626	1,076,749
Gross profit	286,545	320,471
Selling, general and administrative expenses		
Advertising expenses	13,046	12,800
Promotion expenses	11,072	10,894
Servicing fee	18,188	18,640
Provision of allowance for doubtful accounts	117	66
Remuneration for directors (and other officers)	875	679
Employees' salaries and allowances	49,386	55,745
Employees' bonuses	11,114	4,929
Provision for bonuses	13,755	16,947
Provision for bonuses for directors (and other officers)	285	282
Retirement benefit expenses	(719)	(1,623)
Legal welfare expenses	10,940	10,688
Welfare expenses	4,086	4,418
Travel and transportation expenses	5,585	5,791
Rent expenses	2,924	2,965
Heating and lighting expenses	797	795
Depreciation	8,532	10,583
Supplies expenses	1,312	1,313
Experimentation and research expenses	1,462	575
Investigation expenses	645	773
Insurance expenses	168	193
Taxes and dues	8,026	9,921
Communication expenses	1,068	1,130
Entertainment expenses	1,414	1,307
Trademark fee	*1 180	*1 180
Miscellaneous expenses	20,097	23,997
Total selling, general and administrative expenses	*2 184,364	*2 193,996
Operating profit	102,181	126,474

(Millions of yen)

	Fiscal year ended January 31, 2025 (From February 1, 2024 to January 31, 2025)	Fiscal year ended January 31, 2026 (From February 1, 2025 to January 31, 2026)
Non-operating income		
Interest income	*3 16,546	*3 19,951
Dividend income	*3 80,643	*3 79,035
Foreign exchange gains	3,296	1,198
Other	2,878	2,121
Total non-operating income	103,364	102,307
Non-operating expenses		
Interest expenses	9,810	6,017
Interest expenses on bonds	4,609	13,545
Bond issuance costs	2,196	436
Other	5,157	3,133
Total non-operating expenses	21,774	23,132
Ordinary profit	183,771	205,648
Extraordinary income		
Gain on sale of investment securities	19,312	12,409
Gain on liquidation of subsidiaries and associates	1,564	2,154
Gain on sale of shares of subsidiaries and associates	2,583	—
Total extraordinary income	23,460	14,564
Extraordinary losses		
Loss on sale and retirement of non-current assets	*4 894	*4 621
Loss on valuation of shares of subsidiaries and associates	921	—
Loss on liquidation of subsidiaries and associates	220	—
Impairment losses	28	—
Total extraordinary losses	2,064	621
Profit before income taxes	205,166	219,591
Income taxes - current	24,969	44,476
Income taxes - deferred	2,850	1,836
Total income taxes	27,819	46,312
Profit	177,347	173,279

(a) Statement of cost of sales of completed construction contracts

		Fiscal year ended January 31, 2025 (From February 1, 2024 to January 31, 2025)		Fiscal year ended January 31, 2026 (From February 1, 2025 to January 31, 2026)		Increase/ Decrease (Millions of yen)
Category	Note	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)	
I. Material expenses		186,392	23.6	185,638	23.5	(754)
II. Outsourcing expenses		493,715	62.5	507,975	64.2	14,260
III. Other expenses		110,306	13.9	97,472	12.3	(12,834)
Transportation costs		22,962		22,333		(629)
Personnel expenses		63,029		53,519		(9,509)
Miscellaneous		24,315		21,619		(2,695)
Total		790,414	100.0	791,086	100.0	671

(b) Detailed statement of cost of sales in real estate business

		Fiscal year ended January 31, 2025 (From February 1, 2024 to January 31, 2025)		Fiscal year ended January 31, 2026 (From February 1, 2025 to January 31, 2026)		Increase/ Decrease (Millions of yen)
Category	Note	Amount (Millions of yen)	Composition (%)	Amount (Millions of yen)	Composition (%)	
I. Land purchase costs		123,406	55.6	121,079	55.1	(2,327)
II. Land development construction costs		6,965	3.1	6,775	3.1	(190)
III. Construction materials costs		3,346	1.5	3,465	1.6	119
IV. Construction outsourcing expenses		59,094	26.6	59,847	27.2	753
V. Other expenses		29,128	13.2	28,654	13.0	(473)
Total costs		221,940	100.0	219,823	100.0	(2,117)
Transfer from other account	*1	10,102		92,594		82,492
Balance of buildings for sale at beginning of period		87,067		61,867		
Balance of land for sale in lots at beginning of period		283,657		312,017		
Balance of undeveloped land for sale at beginning of period		54,408		48,079		
Balance of buildings for sale at end of period		61,867		69,488		
Balance of land for sale in lots at end of period		312,017		332,891		
Balance of undeveloped land for sale at end of period		48,079		46,338		
Cost of sales in real estate business, net		235,211		285,663		50,451

(Note) *1. The amount of the transfer from other account in the fiscal year ended January 31, 2025 was the net amount of ¥10,102 million transferred from non-current assets.

The amount of the transfer from other account in the fiscal year ended January 31, 2026 was the net amount of ¥92,594 million transferred from non-current assets.

Cost accounting method

(1) Cost of sales of completed construction contracts

Calculated using the job order costing method for each construction instruction.

(2) Cost of sales in real estate business

Calculated using the job order costing method for each purchased lot for land, and the job order costing method for each construction instruction for buildings.

Adjustment of cost variance

The amount of material expenses for each site is based on the estimated amount, therefore the difference between the actual amount and the estimated amount is calculated as the cost variance and allocated to cost of sales of completed construction contracts, cost of sales in real estate business, costs on construction contracts in progress, and buildings for sale at the end of the fiscal year.

iii. Non-consolidated statement of changes in equity

Fiscal year ended January 31, 2025 (From February 1, 2024 to January 31, 2025)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			
		Legal capital surplus	Total capital surplus		Other retained earnings			Total retained earnings
					Reserve for dividends	General reserve	Retained earnings brought forward	
Balance at beginning of period	202,854	258,608	258,608	23,128	18,000	295,800	136,464	473,393
Changes during period								
Issuance of new shares	239	239	239	—	—	—	—	—
Dividends of surplus	—	—	—	—	—	—	(82,968)	(82,968)
Provision of general reserve	—	—	—	—	—	50,000	(50,000)	—
Profit	—	—	—	—	—	—	177,347	177,347
Purchase of treasury shares	—	—	—	—	—	—	—	—
Disposal of treasury shares	—	—	—	—	—	—	(26)	(26)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes during period	239	239	239	—	—	50,000	44,353	94,353
Balance at end of period	203,094	258,847	258,847	23,128	18,000	345,800	180,817	567,746

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(40,808)	894,046	44,288	44,288	100	938,436
Changes during period						
Issuance of new shares	—	479	—	—	—	479
Dividends of surplus	—	(82,968)	—	—	—	(82,968)
Provision of general reserve	—	—	—	—	—	—
Profit	—	177,347	—	—	—	177,347
Purchase of treasury shares	(18)	(18)	—	—	—	(18)
Disposal of treasury shares	38	12	—	—	—	12
Net changes in items other than shareholders' equity	—	—	(9,283)	(9,283)	(12)	(9,295)
Total changes during period	20	94,853	(9,283)	(9,283)	(12)	85,557
Balance at end of period	(40,788)	988,900	35,005	35,005	87	1,023,993

Fiscal year ended January 31, 2026 (From February 1, 2025 to January 31, 2026)

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for dividends	General reserve	Retained earnings brought forward	
Balance at beginning of period	203,094	258,847	258,847	23,128	18,000	345,800	180,817	567,746
Changes during period								
Issuance of new shares	206	206	206	—	—	—	—	—
Dividends of surplus	—	—	—	—	—	—	(92,712)	(92,712)
Provision of general reserve	—	—	—	—	—	83,000	(83,000)	—
Profit	—	—	—	—	—	—	173,279	173,279
Purchase of treasury shares	—	—	—	—	—	—	—	—
Disposal of treasury shares	—	—	—	—	—	—	(37)	(37)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes during period	206	206	206	—	—	83,000	(2,470)	80,529
Balance at end of period	203,300	259,054	259,054	23,128	18,000	428,800	178,347	648,276

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(40,788)	988,900	35,005	35,005	87	1,023,993
Changes during period						
Issuance of new shares	—	412	—	—	—	412
Dividends of surplus	—	(92,712)	—	—	—	(92,712)
Provision of general reserve	—	—	—	—	—	—
Profit	—	173,279	—	—	—	173,279
Purchase of treasury shares	(14)	(14)	—	—	—	(14)
Disposal of treasury shares	66	29	—	—	—	29
Net changes in items other than shareholders' equity	—	—	(1,776)	(1,776)	(29)	(1,805)
Total changes during period	52	80,995	(1,776)	(1,776)	(29)	79,189
Balance at end of period	(40,736)	1,069,895	33,228	33,228	58	1,103,182

Notes to non-consolidated financial statements

(Significant accounting policies)

1. Basis and methods of valuation of securities

(1) Bonds held to maturity

Stated at amortized cost (straight-line method)

(2) Shares of subsidiaries and associates

Stated at cost determined by the moving-average method

(3) Available-for-sale securities

Securities other than shares with no market price

Stated at fair value

(Valuation differences are recorded directly in a separate component of net assets, and cost of securities sold is determined by the moving-average method)

Shares with no market price

Stated at cost determined by the moving-average method

2. Basis and method of valuation of derivatives

Stated at fair value

3. Basis and method of valuation of inventories

Stated at cost (the carrying amounts are determined based on the method of writing down the book value based on a decline in profitability)

(1) Costs on construction contracts in progress, buildings for sale, land for sale in lots, and undeveloped land for sale

Stated at cost determined by the individual cost method

(2) Semi-finished goods, raw materials, work in process, and supplies

Stated at cost determined by the moving-average method

4. Accounting methods for depreciation and amortization of non-current assets

(1) Property, plant and equipment (excluding leased assets)

The Company applies the straight-line method to buildings (excluding attached structures) and facilities attached to buildings and structures acquired on and after April 1, 2016, and applies the declining-balance method for other property, plant and equipment. The useful life is based on the same criteria as those stipulated in the Corporation Tax Act.

(2) Intangible assets (excluding leased assets)

Amortized by the straight-line method. The useful life is based on the same criteria as those stipulated in the Corporation Tax Act. However, software for internal use is amortized by the straight-line method over the usable period within the Company (5 years).

(3) Leased assets

Leased assets in finance lease transactions that do not transfer ownership are depreciated using the straight-line method assuming that lease periods are useful lives and residual values are zero.

5. Accounting policy for translation of significant foreign currency assets or liabilities into Japanese yen

Monetary receivables and payables in foreign currencies are translated into Japanese yen at the spot exchange rate prevailing at the end of the fiscal year, and translation differences are recognized in profit or loss.

6. Accounting policy for provisions

(1) Allowance for doubtful accounts

To prepare for credit losses on receivables, an estimated uncollectable amount is provided at the amount estimated by either using the historical rate of credit loss for general receivables, or based on individual consideration of collectability for specific receivables such as highly doubtful receivables.

(2) Provision for bonuses

To provide payment of bonuses to employees, the estimated amount to cover the bonus payment for services provided by employees during the current fiscal year is recognized.

(3) Provision for bonuses for directors (and other officers)

To provide payment of bonuses to directors (and other officers), the amount expected to be paid as of the balance sheet date is recognized.

(4) Provision for warranties for completed construction

Provisions for losses and guarantee expenses due to defects recognized after delivery are recorded based on historical repair and other costs arising from completed structures and buildings for sale.

(5) Provision for retirement benefits

To prepare for retirement benefits for employees, an amount is provided based on the estimated retirement benefit obligations and pension assets at the end of the current fiscal year.

i. Method of attributing expected retirement benefits to periods

In the calculation of retirement benefit obligations, expected retirement benefits are attributed to the period up to the end of the current fiscal year on a benefit formula basis.

ii. Method of amortizing actuarial gains and losses and past service cost

Actuarial gains and losses are amortized from the fiscal year following the fiscal year in which they are incurred using the straight-line method over 5 years. Past service cost is amortized using the straight-line method over 5 years from the fiscal year in which such cost is incurred.

7. Accounting policy for recognition of significant revenues and expenses

(1) Revenue from contracts with customers

Information about the main performance obligations in key businesses of the Company concerning revenue from contracts with customers and the typical timing for satisfying such performance obligations (that is, when revenue is recognized) is summarized as follows.

i. Order-made contract transactions

For order-made contract transactions, the Company enters into a construction contract agreement with the customer, and has a performance obligation to perform building construction and deliver the completed building and others to the customer based on the agreement. For such contracts, the Company's performance obligation is deemed to be fulfilled over a certain period, and the Company recognizes revenue based on the degree of progress made in satisfying the performance obligation. As for the method of estimating progress, the degree of progress is calculated as the proportion of cost incurred to the total cost of construction (input method).

For construction contracts with very short construction periods, an alternative treatment is applied whereby revenue is recognized when the performance obligation is fully satisfied.

ii. Sale of real estate in lots

For the sale of real estate in lots, the Company has a performance obligation to deliver the property to the customer based on the real estate sales agreement entered into with the customer. For such contracts, the Company's performance obligation is deemed to be fulfilled when the property is delivered, and the Company recognizes revenue when the property is delivered to the customer.

(2) Other revenue

For real estate lease transactions, revenue is recognized over the lease term in accordance with the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13).

8. Method of hedge accounting

(1) Hedge accounting

Deferred hedge accounting is applied. Transactions involving forward foreign exchange contracts and currency swaps are recorded in Japanese yen by translation at the foreign exchange rate stipulated in the contract (furiate-shori) if the requirements for such treatment are satisfied. For transactions involving interest rate swaps, special treatment (tokurei-shori) is applied if the requirements for such treatment are satisfied.

(2) Hedging instruments and hedged items

- i. The Company hedges monetary receivables and payables in foreign currencies and forecast transactions with forward foreign exchange contracts and currency swaps.
- ii. The Company hedges loans with interest rate swaps.

(3) Hedging policy

The Company uses derivative transactions with the aim of avoiding losses from fluctuations in exchange rates and interest rates. The use of forward foreign exchange contracts does not exceed the amount of foreign currency transactions. The assumed principal balance subject to interest-swap transactions does not exceed the relevant interest-bearing loans outstanding.

(4) Method of assessing hedge effectiveness

An assessment of the effectiveness of hedging is omitted because the important conditions, etc. concerning hedging instruments and hedged items are consistent and the cash flow is fixed.

9. Other significant matters for preparing non-consolidated financial statements

(1) Accounting for retirement benefits

The accounting treatment method for unrecognized actuarial gains and losses and unrecognized past service cost related to retirement benefits differs from the accounting treatment for these items in the consolidated financial statements.

(2) Accounting for consumption taxes

Non-deductible consumption taxes are expensed in the fiscal year in which they arise.

(Significant accounting estimates)

(1) Valuation of real estate for sale

i. Amounts stated in the non-consolidated financial statements

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Buildings for sale	61,867	69,488
Land for sale in lots	312,017	332,891
Undeveloped land for sale	48,079	46,338
Loss on valuation (cost of sales)	1,171	690

ii. Information on significant accounting estimates for the identified item

a. Calculation method for the amount stated in the non-consolidated financial statements as of January 31, 2026

If the net selling price for real estate for sale at the end of the fiscal year is below the book value, the book value is reduced to the net selling price and the difference is recorded as loss on valuation. When calculating the net selling price, estimates are made in accordance with the sales price for each individual property and future business plans.

b. Key assumptions

Key assumptions used in calculating the net selling price are future earnings and construction costs, with the business plans estimated in light of factors such as the project location, size, marketability, other transactions in similar real estate and the real estate market.

c. Impact on the non-consolidated financial statements for the next fiscal year

If the key assumptions have changed in the next fiscal year due to economic or market deterioration, additional loss on valuation may need to be recorded.

(2) Valuation of non-current assets

i. Amounts stated in the non-consolidated financial statements

(Millions of yen)

	As of January 31, 2025	As of January 31, 2026
Total property, plant and equipment	351,445	276,110
Total intangible assets	24,941	45,333
Impairment losses	28	—

ii. Information on significant accounting estimates for the identified item

a. Calculation method for the amount stated in the non-consolidated financial statements as of January 31, 2026

The Group groups the assets of investment properties by project and groups other assets by operating unit which allows the Group to manage gains and losses in a rational manner. Based on the grouping, impairment can be determined for assets or asset groups that show indications of impairment due to factors such as continuous operating losses and negative cash flows, a pronounced drop in market price or a change in usage. In the event that we determine that impairment losses should be recognized, the book value is written down to the recoverable value and this decrease is recorded as impairment losses. Note that the recoverable value is the net selling value or the value in use, whichever is higher. The net selling value is calculated for major investment properties by obtaining the appraised value from a real estate appraiser, while the net selling value for the other assets is calculated by using the appraisal value calculated by a method in line with the Real Estate Appraisal Standard, less the estimated cost of disposal. In addition, value in use is calculated at present value by discounting the estimated future cash flows.

b. Key assumptions

Key assumptions in estimating future cash flows and calculating the recoverable value are rent, ADR (Average Daily Rate for guest rooms), vacancy rate, operating rate, discount rate and cap rate. Rent, ADR, vacancy rate and operating rate are determined with comprehensive consideration to factors such as market trends, other transactions in similar real estate and past performance. The discount rate is determined in light of similar transactions and interest rate movements, etc. In addition, the cap rate for major investment properties is obtained from an independent real estate appraiser and applied.

c. Impact on the non-consolidated financial statements for the next fiscal year

If the key assumptions have changed in the next fiscal year due to economic or market deterioration, impairment losses may need to be recorded.

(Change in accounting policies)

(Adoption of the “Accounting Standard for Current Income Taxes” and other standards)

The Company has adopted the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter “Accounting Standard Revised in 2022”) and other standards from the beginning of the current fiscal year.

With regard to the revision to classification to record income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to Paragraph 20-3 of the Accounting Standard Revised in 2022 and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022). There is no impact on the non-consolidated financial statements for the current fiscal year.

(Change in presentation)

(Non-consolidated statement of income)

“Loss on business of subsidiaries and associates,” which was presented separately under “Non-operating expenses” in the previous fiscal year, has been included in “Other” under “Non-operating expenses” from the current fiscal year as the amount has become immaterial. In order to reflect this change in presentation, the non-consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥68 million, which was presented as “Loss on business of subsidiaries and associates” under “Non-operating expenses” in the non-consolidated statement of income for the previous fiscal year, has been reclassified to “Other.”

(Notes related to non-consolidated balance sheet)

*1. Assets and liabilities to subsidiaries and associates

Assets and liabilities to subsidiaries and associates included in each account, other than those stated separately, are as follows.

	As of January 31, 2025	As of January 31, 2026
Deposits received	127,272 million yen	137,043 million yen

*2. Changes in holding purpose

As of January 31, 2025

¥10,102 million of investment properties recorded as “Buildings” and “Land”, etc. as of January 31, 2024, has been reclassified as “Buildings for sale” and “Land for sale in lots,” respectively.

As of January 31, 2026

¥92,594 million of investment properties recorded as “Buildings” and “Land”, etc. as of January 31, 2025, has been reclassified as “Buildings for sale” and “Land for sale in lots,” respectively.

*3. Assets deposited in accordance with the provisions of the Act on Assurance of Performance of Specified Housing Defect Warranty, etc. are as follows.

	As of January 31, 2025	As of January 31, 2026
Other (investments and other assets)	7,070 million yen	7,070 million yen

*4. Pledged assets and secured liabilities

Pledged assets were as follows.

	As of January 31, 2025	As of January 31, 2026
Land	1,120 million yen	1,045 million yen
Investment securities (Note)	321	321
Total	1,441	1,366

(Note) Investment securities were pledged as collateral for the debts of the investee company.

Secured liabilities were as follows.

	As of January 31, 2025	As of January 31, 2026
Long-term leasehold and guarantee deposits received	427 million yen	393 million yen

5. Contingent liabilities

Guarantees for borrowings of clients from financial institutions, etc. were as follows.

	As of January 31, 2025	As of January 31, 2026
House purchasers who use housing loans, etc.	125,173 million yen (3,404 cases)	109,706 million yen (2,901 cases)
Subsidiaries and associates	531,283	577,408
Total	656,456	687,114

6. Commitment line contracts

The Company has entered into commitment line contracts with 19 financial institutions for effective funding of working capital. The balance of unused amounts based on these contracts, etc. was as follows.

	As of January 31, 2025	As of January 31, 2026
Total amount of commitment lines	50,000 million yen	50,000 million yen
Amount borrowed	—	—
Unused amount	50,000	50,000

(Notes related to non-consolidated statement of income)

*1. Trademark fee

Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
This was the amount payable to Sekisui Chemical Co., Ltd. under the contract for license of use of the mark.	Same as left

*2. Purchases from subsidiaries and associates were included in general and administrative expenses and manufacturing costs for the period as follows.

Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
236,247 million yen	253,817 million yen

*3. Non-operating income includes transactions with subsidiaries and associates as follows.

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Interest income	15,471 million yen	18,368 million yen
Dividend income	78,862	77,369

*4. Breakdown of loss on sale and retirement of non-current assets by asset was as follows.

	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Buildings	769 million yen	488 million yen
Structures	23	18
Machinery and equipment	19	32
Tools, furniture and fixtures	21	23
Land	41	49
Other	17	7
Total	894	621

(Notes related to securities)

Shares of subsidiaries, shares of affiliated companies, and investments in other securities of subsidiaries and associates

As of January 31, 2025

Category	Balance sheet amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
Shares of affiliated companies	1,605	2,230	624

(Note) Balance sheet amount for shares, etc. that do not have a market price, which are not included in the above.

(Millions of yen)

Category	As of January 31, 2025
Shares of subsidiaries	816,419
Shares of affiliated companies	63,399
Investments in other securities of subsidiaries and associates	25,589

As of January 31, 2026

Category	Balance sheet amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
Shares of affiliated companies	1,605	2,214	609

(Note) Balance sheet amount for shares, etc. that do not have a market price, which are not included in the above.

(Millions of yen)

Category	As of January 31, 2026
Shares of subsidiaries	817,738
Shares of affiliated companies	63,522
Investments in other securities of subsidiaries and associates	13,058

(Notes related to tax effect accounting)

1. Significant components of deferred tax assets and liabilities

	As of January 31, 2025	As of January 31, 2026
Deferred tax assets		
Provision for bonuses	7,568 million yen	8,706 million yen
Provision for retirement benefits	6,624	6,750
Loss on valuation of real estate for sale	3,273	3,015
Accumulated impairment loss	3,031	2,913
Accrued enterprise taxes	882	2,028
Allowance for doubtful accounts	1,045	1,444
Accrued social insurance premium	1,127	1,073
Loss on valuation of investment securities	502	279
Loss on valuation of shares of subsidiaries	28	29
Other	4,005	3,444
Subtotal deferred tax assets	28,090	29,686
Valuation allowance	(5,557)	(5,367)
Total deferred tax assets	22,532	24,318
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(14,642)	(14,806)
Other	(3,548)	(7,170)
Total deferred tax liabilities	(18,191)	(21,976)
Net of deferred tax assets and deferred tax liabilities	4,341	2,341

(Note) The main item in the valuation allowance was the accumulated impairment loss that was judged to be non-schedulable.

2. Breakdown of the main items that caused any significant difference between the statutory tax rate and the effective tax rate after the application of tax effect accounting

	As of January 31, 2025	As of January 31, 2026
Statutory tax rate	30.5 %	30.5 %
(Adjustments)		
Permanently non-deductible expenses such as entertainment expenses	0.3	0.3
Permanently non-taxable income such as dividend income	(11.8)	(9.4)
Per capita inhabitant tax etc.	0.2	0.2
Net change in valuation allowance	(4.7)	(0.2)
Tax credits	(0.8)	(0.2)
Other	(0.1)	(0.1)
Effective tax rate after the application of tax effect accounting	13.6	21.1

3. Revision of deferred tax assets and deferred tax liabilities resulting from change in tax rate

The “Act on Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the National Diet on March 31, 2025. As a result, the Defense Special Corporate Tax will be imposed for fiscal years beginning on or after April 1, 2026. Accordingly, the statutory tax rate used for calculating deferred tax assets and liabilities will be revised from the current 30.5% to 31.4% for temporary differences expected to be resolved in fiscal years beginning on or after February 1, 2027.

The impact of this tax rate change is immaterial.

(Business combinations)

The description of business combinations is omitted because there were no significant transactions during the current fiscal year.

(Revenue recognition)

Since the information providing a basis for understanding revenue from contracts with customers is the same as that stated in the “Notes to consolidated financial statements (Revenue recognition),” the notes are omitted.

(Significant Subsequent Event)

(Cancellation of Treasury Stock)

At the Board of Directors meeting held on March 5, 2026, the Company resolved to cancel treasury stock pursuant to Article 178 of the Corporate Act.

(1) Reason for share cancellation

To enhance the shareholder value through the reduction in the number of outstanding shares

(2) Method of share cancellation

Reduction in retained earnings

(3) Class of shares to be cancelled

Common stock

(4) Number of shares to be cancelled

11,700,000 shares (1.76% of total outstanding shares)

(5) Scheduled date of cancellation

April 24, 2026

(6) Total number of outstanding shares after cancellation

651,422,166 shares

iv. Supplementary schedules

Schedule of securities

Shares

Issues	Number of shares (Shares)	Balance sheet amount (Millions of yen)
(Investment securities)		
(Available-for-sale securities)		
Sekisui Chemical Co., Ltd.	7,998,405	21,859
Mitsubishi UFJ Financial Group, Inc.	2,335,820	6,550
Sumitomo Mitsui Financial Group, Inc.	1,094,112	5,986
SENKO Group Holdings Co., Ltd.	2,209,411	4,249
TOTO LTD.	801,600	3,896
Sekisui Jushi Corporation	991,516	2,060
T&D Holdings, Inc.	444,600	1,690
TKC Corporation	400,000	1,626
NIPPON STEEL KOWA REAL ESTATE CO., LTD.	8,547	999
Chuo-Nittochi Group Co., Ltd.	30,000	570
Other 32 issues	2,324,322	2,487
Total	18,638,333	51,978

Debt securities

Issues	Total face value (Millions of yen)	Balance sheet amount (Millions of yen)
(Investment securities)		
(Debt securities held to maturity)		
Corporate bond (1 issue)	120	120
Total	120	120

Other

Type and issue	Number of investment units (Units)	Balance sheet amount (Millions of yen)
(Investment securities)		
(Available-for-sale securities)		
Sekisui House Reit, Inc. investment securities	200,750	18,228
Investment in investment limited partnerships (4 issues)	—	1,281
Total	200,750	19,509

Schedule of property, plant and equipment

Type of assets	Balance at beginning of period (Millions of yen)	Increase during period (Millions of yen)	Decrease during period (Millions of yen)	Balance at end of period (Millions of yen)	Accumulated depreciation or amortization at end of period (Millions of yen)	Depreciation during period (Millions of yen)	Net balance at end of period (Millions of yen)
Property, plant and equipment							
Buildings	205,353	44,741	44,087	206,006	112,431	8,271	93,575
Structures	14,965	875	1,102	14,738	10,750	345	3,987
Machinery and equipment	63,064	8,065	3,035	68,094	53,955	3,000	14,138
Vehicles	500	65	61	504	447	38	56
Tools, furniture and fixtures	24,429	3,536	2,177	25,789	19,697	1,831	6,091
Land	194,241	11,630	55,935	149,935	—	—	149,935
Leased assets	3,689	334	23	3,999	2,373	265	1,626
Construction in progress	41,803	21,446	56,551	6,698	—	—	6,698
Total property, plant and equipment	548,048	90,694	162,975	475,767	199,656	13,752	276,110
Intangible assets							
Industrial property	127	14	—	141	113	4	27
Leasehold interests in land	2,517	7	—	2,524	—	—	2,524
Software	74,702	26,989	1,177	100,514	57,842	6,542	42,671
Leased assets	148	—	—	148	148	—	—
Right to use facilities	136	—	—	136	124	5	11
Telephone subscription right	111	—	12	98	—	—	98
Total intangible assets	77,742	27,010	1,189	103,563	58,229	6,552	45,333
Long-term prepaid expenses	4,148	573	62	4,660	3,573	923	1,086

(Notes) 1. The main items of the increase during period were as follows.

Kita-ku, Osaka	Buildings	¥23,197 million	Land	¥1,487 million (Real estate for leasing)
Toshima-ku, Tokyo	Land	¥5,339 million	Construction in progress	¥10 million (Real estate for leasing)
Kita-ku, Osaka	Software	¥4,036 million		(Software)

2. The main items of the decrease during period (including transfer to inventories) were as follows.

Minato-ku, Tokyo	Land	¥33,710 million	Buildings	¥14,895 million (Real estate for leasing)
Chuo-ku, Fukuoka	Buildings	¥9,067 million	Land	¥4,577 million (Real estate for leasing)
Chuo-ku, Osaka	Buildings	¥4,029 million	Land	¥2,455 million (Real estate for leasing)

Schedule of provisions and allowances

Category	Balance at beginning of period (Millions of yen)	Increase during period (Millions of yen)	Decreased during period (For use) (Millions of yen)	Decreased during period (Others) (Millions of yen)	Balance at end of period (Millions of yen)
Allowance for doubtful accounts	3,428	1,417	13	220	4,611
Provision for bonuses	24,815	28,545	24,815	—	28,545
Provision for bonuses for directors (and other officers)	286	282	286	—	282
Provision for warranties for completed construction	2,765	2,674	2,765	—	2,674

(Note) The decrease during period (others) in the allowance for doubtful accounts was the amount reversed due to the collection of the relevant receivables and the replacement of allowance for doubtful accounts, etc.

(2) Components of major assets and liabilities

This information is omitted since consolidated financial statements are prepared.

(3) Other information

Not applicable.

VI. Outline of Share-Related Administration of Reporting Company

Fiscal year	From February 1 to January 31
Ordinary General Meeting of Shareholders	In April
Record date	January 31
Record date for dividends of surplus	January 31 and July 31
Number of shares per unit	100 shares
Purchase and sale of shares less than one unit	(Notes) 1, 2
Handling office	3-6-3 Fushimimachi, Chuo-ku, Osaka Osaka Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation
Shareholder registry administrator	1-4-5, Marunouchi, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Agent	—
Purchase/sale fee	No charge
Method of public notice	The method of public notice of the Company shall be by electronic public notice. However, in the event that electronic public notice becomes impossible due to unavoidable circumstances, announcements will be posted in the Nikkei. URL for public notice https://www.sekisuihouse.co.jp/company/financial/koukoku/
Special benefits to shareholders	Shareholder Complimentary Gift System has been introduced. (Note) 3

(Notes) 1. The Company's Articles of Incorporation stipulate that shareholders holding shares constituting less than one unit shall not be entitled to exercise any other rights than the following.

- (1) Rights listed in Article 189, Paragraph 2 of the Companies Act
 - (2) Rights to claim based on the provisions of Article 166, Paragraph 1 of the Companies Act
 - (3) Rights to receive allotment of shares for subscription and/or allotment of share acquisition rights commensurate with the number of shares held
 - (4) Rights to request for additional purchase of shares less than one unit
2. In accordance with the enforcement of the Act on the Partial Revision of the Act on Book-Entry Transfer of Company Bonds, etc. for Rationalization of Settlement of Share Transactions, etc. (Act No. 88 of June 9, 2004), the handling of shares, including the purchase and sale of shares of less than one unit, is in principle to be carried out through an account management institution such as a securities company. However, shares recorded in special accounts are handled directly by Mitsubishi UFJ Trust and Banking Corporation, the account management institution for special accounts.
3. The Shareholder Complimentary Gift System is a program that presents "Uonuma Koshihikari" rice to shareholders who hold 1,000 or more shares of the Company's shares as of the end of the fiscal year. The outline of the program is as follows.
- (1) Applicable shareholders
Shareholders holding 1,000 or more shares of the Company's shares, as recorded or registered in the shareholder registry as of January 31 (the end of the fiscal year) each year.
 - (2) Program details
Every year, from late October to early November, 5kg of "Uonuma Koshihikari" (new rice) per shareholder is presented to shareholders as described in (1) above. Depending on the harvest situation, etc., there may be cases where the timing of the gift may be changed or the rice may be changed to Koshihikari (new rice), etc. from any other region than Uonuma.
 - (3) Date of implementation
The program shall be implemented from shareholders recorded or registered in the shareholder registry as of January 31, 2008.

VII. Reference Information of Reporting Company

1. Information About Parent of Reporting Company

The Company has no parent company.

2. Other Reference Information

(1) Documents submitted in the period from the beginning of the fiscal year ended January 31, 2026 to the date of filing of the annual securities report

The following documents were submitted in the period from the beginning of the fiscal year ended January 31, 2026 to the date of filing of the annual securities report.

i.	Annual securities report and attached documents, and confirmation letter	Fiscal year (74th)	From February 1, 2024 to January 31, 2025	Filed to Director-General of the Kanto Local Finance Bureau on April 22, 2025
ii.	Internal control report and attached documents	Fiscal year (74th)	From February 1, 2024 to January 31, 2025	Filed to Director-General of the Kanto Local Finance Bureau on April 22, 2025
iii.	Extraordinary reports	The extraordinary report based on the provisions of Article 19, Paragraph 2, item (2)-2 (issuance of new shares as performance-based stock compensation) of the Cabinet Office Order on Disclosure of Corporate Affairs		Filed to Director-General of the Kanto Local Finance Bureau on April 24, 2025
		The extraordinary report based on the provisions of Article 19, Paragraph 2, item (9)-2 (results of exercise of voting rights at a general meeting of shareholders) of the Cabinet Office Order on Disclosure of Corporate Affairs		Filed to Director-General of the Kanto Local Finance Bureau on April 24, 2025
		The extraordinary report based on the provisions of Article 19, Paragraph 2, item (2)-2 (issuance of new shares as restricted stock compensation) of the Cabinet Office Order on Disclosure of Corporate Affairs		Filed to Director-General of the Kanto Local Finance Bureau on May 16, 2025
		The extraordinary report based on the provisions of Article 19, Paragraph 2, item (3) (change to a specified subsidiary company) of the Cabinet Office Order on Disclosure of Corporate Affairs		Filed to Director-General of the Kanto Local Finance Bureau on September 5, 2025
iv.	Semiannual securities report and confirmation letter	Fiscal year (The interim period of 75th Term)	From February 1, 2025 to July 31, 2025	Filed to Director-General of the Kanto Local Finance Bureau on September 12, 2025
v.	Amended shelf registration statement			Filed to Director-General of the Kanto Local Finance Bureau on April 24, 2025 Filed to Director-General of the Kanto Local Finance Bureau on May 16, 2025 Filed to Director-General of the Kanto Local Finance Bureau on September 5, 2025 Filed to Director-General of the Kanto Local Finance Bureau on March 23, 2026
vi.	Shelf registration supplements (share certificates, corporate bond certificates, etc.) and attached documents			Filed to Director-General of the Kinki Local Finance Bureau on February 7, 2025
vii.	Securities registration statement and attached documents (Issuance of new shares as performance-based stock compensation)			Filed to Director-General of the Kanto Local Finance Bureau on May 16, 2025

viii. Amended annual securities report and confirmation letter	Fiscal year (71st)	From February 1, 2021 to January 31, 2022	Filed to Director-General of the Kanto Local Finance Bureau on March 23, 2026
	Fiscal year (72nd)	From February 1, 2022 to January 31, 2023	Filed to Director-General of the Kanto Local Finance Bureau on March 23, 2026
	Fiscal year (73rd)	From February 1, 2023 to January 31, 2024	Filed to Director-General of the Kanto Local Finance Bureau on March 23, 2026
	Fiscal year (74th)	From February 1, 2024 to January 31, 2025	Filed to Director-General of the Kanto Local Finance Bureau on March 23, 2026

(2) Ratio of female employees in managerial positions, take-up rate for eligible male employee childcare leave, and gender pay gap

Ratio of female employees in managerial positions, take-up rate for eligible male employee childcare leave, and gender pay gap at consolidated subsidiaries included in major domestic groups, as well as at domestic consolidated subsidiaries other than major consolidated subsidiaries, are as follows.

(Notes 5, 6 and 9)

Fiscal year ended January 31, 2026					
Name	Ratio of female employees in managerial positions (%) (Notes 1 and 4)	Take-up rate for eligible male employee childcare leave (%) (Note 2)	Gender pay gap (%) (Notes 1, 4, 7 and 8)		
			Total workers	Regular workers	Non-regular workers
Sekisui House Real Estate Group					
Sekisui House Real Estate Holdings, Ltd.	—	100	51.2	50.7	—
Sekisui House Real Estate, Ltd.	1.6	105	45.1	45.5	41.4
Sekisui House Sha Maison PM Tohoku, Ltd.	—	100	46.0	47.6	—
Sekisui House Sha Maison PM Tokyo, Ltd.	7.7	138	53.4	53.5	36.8
Sekisui House Sha Maison PM Chubu, Ltd.	4.5	120	56.0	55.9	64.2
Sekisui House Sha Maison PM Kansai, Ltd.	5.6	70	50.4	50.3	—
Sekisui House Sha Maison PM Chugoku & Shikoku, Ltd.	—	85	48.3	47.9	—
Sekisui House Sha Maison PM Kyushu, Ltd.	—	166	55.3	55.0	—
Sekisui House Construction Group					
Sekisui House Construction Tohoku Co., Ltd.	—	—	77.3	78.2	41.9
Sekisui House Construction Tokyo Co., Ltd.	8.2	110	79.5	80.8	39.1
Sekisui House Construction Kanto Co., Ltd.	6.9	108	76.4	77.9	54.1
Sekisui House Construction Joshinetsu Co., Ltd.	8.1	133	80.7	81.6	63.2
Sekisui House Construction Chubu Co., Ltd.	5.5	233	75.7	77.2	71.6
Sekisui House Construction Kansai Co., Ltd.	8.2	160	84.0	82.8	125.9
Sekisui House Construction Chugokushikoku Co., Ltd.	2.5	90	78.9	78.2	64.4
Sekisui House Construction Kyushu Co., Ltd.	10.3	50	87.7	85.7	73.2
Sekisui House Umeda Operation Co., Ltd	—	—	48.9	79.4	73.6
Sekisui House GM Partners, Ltd.	—	125	103.3	72.4	89.2
Sekisui House Hotel Management, Ltd. (Note 3)	12.8	142	66.2	81.3	108.3
OHTORIKOGYO CO., LTD. (Note 3)	3.2	120	72.6	70.2	73.8

- (Notes) 1. Calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement.
2. The rate of childcare leave adoption is calculated as set forth in Article 71-6, item (1) of the Ordinance for Enforcement of the Child Care and Nursing Care Leave Act in accordance with the provisions of the Child Care and Nursing Care Leave Act.
3. The ratio of female employees in managerial positions at Sekisui House Hotel Management, Ltd. and OHTORIKOGYO CO., LTD. is based on the most recent fiscal year-end (as of December 31, 2025), and the applicable period for the take-up rate for eligible male employee childcare leave and the gender pay gap is the fiscal year under review (January 1, 2025 to December 31, 2025).
4. The relevant metrics are omitted for consolidated subsidiaries that do not disclose information in

- accordance with the provisions of the Act on Promotion of Women's Participation and Advancement.
5. Seconded employees are counted as employees of the originating company.
 6. Consolidated subsidiaries other than the above are not subject to the obligation to disclose information under the provisions of the Act on Promotion of Women's Participation and Advancement and the Ordinance for Enforcement of the Child Care and Nursing Care Leave Act, therefore, they are omitted from the list.
 7. Pay includes base salary, overtime compensation, and bonuses, excluding commuting allowances.
 8. Non-regular workers are temporary employees (rehired employees, contracted employees, and part-timers). Pay for part-timers is based on amounts actually paid and is not converted to full-time equivalents.
 9. The ratio of female employees in managerial positions based on the Act on Promotion of Women's Participation and Advancement, etc., the take-up rate for eligible male employee childcare leave, and the gender pay gap at the reporting company, main domestic groups and consolidated subsidiaries are described in "I. Overview of Company, 5. Employees, (4) Ratio of female employees in managerial positions, take-up rate for eligible male employee childcare leave, and gender pay gap."

Part 2 Information About Reporting Company's Guarantor, etc.

Not applicable.

[English Translation of the Independent Auditor's Report Originally Issued in Japanese]

Independent Auditor's Report and Internal Control Audit Report

April 16, 2026

The Board of Directors
Sekisui House, Ltd.

Ernst & Young ShinNihon LLC
Osaka Office, Japan

Designated Engagement Partner Certified Public Accountant Yusaku Iriyama

Designated Engagement Partner Certified Public Accountant Masashi Kobayashi

Designated Engagement Partner Certified Public Accountant Naoki Nakazawa

<The Audit of the Consolidated Financial Statements>

Opinion

We have audited the accompanying consolidated financial statements of Sekisui House, Ltd. and its consolidated subsidiaries (the Group) referred to in the "Financial Information" section of this annual securities report for the fiscal year from February 1, 2025 to January 31, 2026, which comprise the consolidated balance sheet as at January 31, 2026, and the consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, significant matters for preparing consolidated financial statements, other notes, and consolidated supplementary schedules in order to certify the audit pursuant to Article 193-2 (1) of the Financial Instruments and Exchange Act.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at January 31, 2026, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition on real estate and real estate trust beneficiary rights transactions in relation to Development Business	
Description of Key Audit Matter	Auditor's Response
In the consolidated statement of income for the fiscal year ended January 31, 2026, the Group recorded net sales of ¥4,197,922 million, which included ¥152,179 million in relation to the Development Business. The Group recognizes revenue from sales transactions of real estate and real estate trust beneficiary rights when substantially all of the risks and rewards of ownership have been transferred. In general, for sales of real estate, each transaction amount is material, and the terms and conditions are highly specific. This is particularly relevant for transactions involving real estate and real estate trust beneficiary rights in the Development Business compared with other businesses. Repurchase and leaseback options may be granted as a transaction condition under sales contracts. In addition, the seller may retain some continuing involvement such as providing management services or partial holding of equity interest after the sales. Moreover, certain real estate securitization schemes may be highly complex. In such cases, careful judgment is required to evaluate whether substantially all of the risks and rewards of ownership have been transferred. In the event that such determination is incorrect, the possibility exists that a significant amount of revenue could be recognized even though substantially all of the risks and rewards of ownership have not been completely transferred. Accordingly, we have determined the revenue recognition on real estate and real estate trust beneficiary rights transactions in relation to the Development Business to be a key audit matter.	We conducted the following procedures for certain transactions that were identified based on audit risks to assess the judgment over the transfer of risks and rewards of ownership regarding revenue recognition on real estate and real estate trust beneficiary rights transactions in relation to the Development Business. • In order to understand the entire transaction scheme, we made inquiries to department in charge and inspected the minutes of Board of Directors' meetings and management committees, the requests for approval and related documents. • In order to verify whether any conditions such as repurchase, leaseback, and continuing involvement exist in relation to the transferred assets, we inspected related contracts such as sales contracts in addition to the minutes of Board of Directors' meetings and management committees, the request for approval and related documents. • In order to evaluate transaction amounts, we made comparisons with other transactions in nearby areas and similar transactions obtained from sources outside the Group and vouched the evidences such as contracts and cash receipts. • In order to substantiate the completion of the transfer of the assets, we inspected supporting evidence such as receipts and delivery confirmations.

Valuation of real estate for sale for which the period from acquisition to delivery is long	
Description of Key Audit Matter	Auditor's Response
The Group recorded “Buildings for sale”, “Land for sale in lots” and “Undeveloped land for sale” in the amounts of ¥1,093,574 million, ¥1,507,781 million and ¥433,304 million, respectively, as real estate for sale in the consolidated balance sheet as of January 31, 2026. Real estate for sale represents assets held primarily in the Real estate and brokerage Business, Condominiums Business, and Overseas Business. Certain projects associated with these businesses involve large-scale development work, coordination and negotiation with other landowners in the project area, and eviction negotiations with tenants of existing buildings. Therefore, it takes a relatively long period of time from acquisition to delivery. With regard to valuation of real estate for sale, as described in Note 2 “Significant accounting estimates (1) Valuation of real estate for sale,” if the net selling price of real estate for sale at the end of the year is less than the carrying value, the carrying value is reduced to its net selling price, with such reduction being recognized as loss on impairment. The net selling value is calculated by deducting the expected development cost from revenue earned by expected future sales. For expected future sales, there is a risk that profitability will be lower than initially expected due to real estate market conditions or various unforeseen external factors that had not been anticipated when the assets were acquired. In addition, there is a risk that the expected development cost will be significantly affected by changes in construction material prices and labor costs, and potential increases from the initial estimate due to development delays. Therefore, for real estate for sales for which the period from acquisition to delivery is long, there is a high degree of uncertainty in the estimates since future revenue as a key assumption requires a long period of time to be realized. In addition, it is based on subjective judgments from management since their estimates are based on the specific condition of each property. Accordingly, we have determined valuation of real estate for sale for which the period from acquisition to delivery is long to be a key audit matter.	We mainly conducted the following procedures for certain properties that were extracted based on audit risks to assess valuation of real estate for sale for which the period from acquisition to delivery is long. • In order to understand the project plan, to verify its progress and whether there were any material changes that would significantly lower the net selling value, we made inquiries to the department in charge, and inspected the minutes of the Board of Directors’ meetings and management committees, requests for approval and related documents. Also, we examined the consistency between responses or the contents of documentation we inspected and the market reports obtained from external sources outside the Group. • In order to evaluate the estimation of future revenue from the sale of assets, we made comparisons using most recent actual sales results and other transactions in nearby areas obtained from external sources outside the Group. • In order to assess the effectiveness of management’s estimation process, we analyzed the estimates and actual amounts of sales prices in the prior years. • For the foreign subsidiaries assessed as significant components, since their valuation of real estate for sale is important, we made inquiries to the managements of these components in order to understand the real estate market and competitive environment at their locations and regions, whether there were any relevant regulatory changes or their business plan. • For the foreign subsidiaries assessed as significant components, since their valuation of real estate for sale is important, we involved component auditors, provided audit instructions, and received reports on the results of the audit procedures in order to evaluate whether sufficient and appropriate audit evidence was obtained.

Other Information

The other information comprises the information included in the disclosure documents that contains audited consolidated financial statements, but does not include the consolidated financial statements and our auditor’s report thereon. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Board Member and the Audit and Supervisory Board are responsible for overseeing the directors’ execution of their duties with regard to the design and operation of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge

obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit and Supervisory Board Member and the Audit and Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of 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 assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Board Member and the Audit and Supervisory Board are responsible for overseeing the Group's financial reporting process.

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

Our objectives are 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 issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Board Member and the Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Board Member and the Audit and Supervisory Board with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit and Supervisory Board Member and the Audit and Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

< The Audit of the Internal Control >

Opinion

We have audited the internal control report of the Group, as at January 31, 2026 in order to certify the audit pursuant to Article 193-2 (2) of the Financial Instruments and Exchange Act.

In our opinion, the internal control report referred to above, which states that the internal control over financial reporting of the Group, as at January 31, 2026 was effectively maintained, presents fairly, in all material respects, the results of the assessments of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards for internal control over financial reporting are further described in the "Auditor's Responsibilities for the Internal Control Audit" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan (including those applicable to audits of financial statements of entities of significant public interest), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, the Audit and Supervisory Board Member and the Audit and Supervisory Board for the Internal Control Report

Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the internal control report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing and examining the design and operation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect misstatements in financial reporting.

Auditor's Responsibilities for the Internal Control Audit

Our objectives are to obtain reasonable assurance about whether the internal control report is free from material misstatement and to issue an internal control audit report that includes our opinion on the internal control report from an independent standpoint, based on our audit of the internal control.

As part of an audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. Audit procedures for an internal control audit are selected and applied, depending on the auditor's judgment, based on the materiality of effect on the reliability of financial reporting.
- Examine the overall presentation of the internal control report, including the scope, procedures and results of the assessments of internal control over financial reporting made by management.
- Plan and perform the audit of internal control in order to obtain sufficient and appropriate audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. We are responsible for the direction, supervision and examination of the audit of the internal control report. We remain solely responsible for our audit opinion.

We communicate with Audit and Supervisory Board Members and the Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the internal control audit, the results of internal control audit, any identified significant deficiencies in

internal control that should be disclosed, and the results of their remediation.

We also provide Audit and Supervisory Board Members and the Audit and Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them on all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce those threats to an acceptable level.

<Fee-related Information>

The fees for the audits of the financial statements of Sekisui House, Ltd. and its subsidiaries and other services provided by us and other EY member firms for the year ended January 31, 2026 are described in “Corporate Governance, (3) Audits” of “Information About Reporting Company.”

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

- End -

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- *1. The original copy of the above Independent Auditor’s Report (Japanese version) is in the custody of the Company (the company filing the annual securities report).
2. XBRL data are not included in the scope of audit.

[English Translation of the Independent Auditor's Report Originally Issued in Japanese]

Independent Auditor's Report

April 16, 2026

The Board of Directors
Sekisui House, Ltd.

Ernst & Young ShinNihon LLC
Osaka Office, Japan

Designated Engagement Partner Certified Public Accountant Yusaku Iriyama

Designated Engagement Partner Certified Public Accountant Masashi Kobayashi

Designated Engagement Partner Certified Public Accountant Naoki Nakazawa

<The Audit of the Non-consolidated Financial Statements>

Opinion

We have audited the non-consolidated financial statements of Sekisui House, Ltd. ("the Company") referred to in the "Financial Information" section of this annual securities report for the 75th fiscal year from February 1, 2025 to January 31, 2026, which comprise the non-consolidated balance sheet as at January 31, 2026, the non-consolidated statements of income, and changes in equity, significant accounting policies, other notes, and non-consolidated supplementary schedules in order to certify the audit pursuant to Article 193-2 (1) of the Financial Instruments and Exchange Act.

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of Sekisui House, Ltd. as at January 31, 2026, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the current period. These matters were addressed in the context of the audit of the non-consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition on real estate and real estate trust beneficiary rights transactions in relation to Development Business

The statement is omitted because it is substantially the same as the Key Audit Matters (Revenue recognition of real estate and real estate trust beneficiary rights transactions in relation to Development Business) stated in the Report on the Audit of Consolidated Financial Statement.

Valuation of real estate for sale for which the period from acquisition to delivery is long

The statement is omitted because it is substantially the same as the Key Audit Matters (Valuation of real estate for sale for which the period from acquisition to delivery is long) stated in the Report on the Audit of Consolidated Financial Statement.

Other Information

The other information comprises the information included in the disclosure documents that contains audited consolidated financial statements, but does not include the consolidated financial statements, the non-consolidated financial statements, and our auditor's reports thereon. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing the directors' execution of their duties with regard to the design and operation of the reporting process for the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Board Member and the Audit and Supervisory Board for the Non-Consolidated Financial Statements

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

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with Audit and Supervisory Board Members and the Audit and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit and Supervisory Board Members and the Audit and Supervisory Board with a statement that we have complied with the ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce those threats to an acceptable level.

From the matters communicated with Audit and Supervisory Board Members and the Audit and Supervisory Board, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fee-related Information is stated in the Report on the Audit of Consolidated Financial Statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

- End -

*1. The original copy of the above Independent Auditor's Report (Japanese version) is in the custody of the Company (the company filing the annual securities report).

2. XBRL data are not included in the scope of audit.