SEKISUI HOUSE

VALUE REPORT 2025

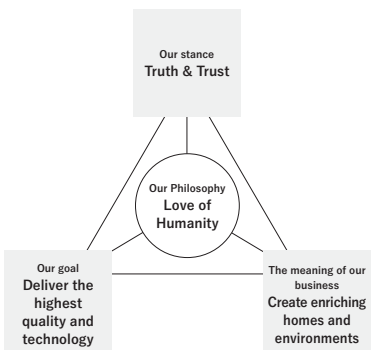
— OUR IMPACT



For the year ended January 31, 2025

SEKISUI HOUSE, LTD.

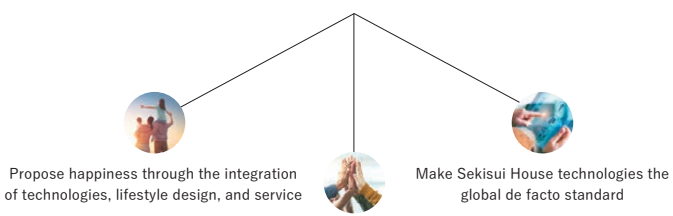
Corporate Philosophy



Global Vision

The Sekisui House Global Vision

Make Home the Happiest Place in the World



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

Make Sekisui House technologies the global de facto standard

Become a leading company in ESG management

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.

Our Purpose

In 1989, 30 years after our founding, we defined our Corporate Philosophy through discussions with all employees. At the heart of all our business activities lies our fundamental Corporate Philosophy "Love of Humanity," which reflects our desire to bring happiness to others.

Our Vision

Established in 2020, the Global Vision and three sub-visions express the Sekisui House Group's aspiration to create new value that contributes to happiness in the era of the 100-year lifespan and represent our promise to the future.

Our Identity

SEKISUI HOUSE_SHIP, established in 2024, defines the kind of group we strive to be in order to realize our Global Vision and serves as a guiding principle for each employee across the Sekisui House Group.

Message from the CEO

The Sekisui House Group Creates and Amplifies Happiness through Innovation and Communication.

Yoshihiro Nakai
Representative Director of the Board,
CEO, President, Executive Officer



Promise to the Future

What can the Sekisui House Group leave for the future? Ultimately, I believe that a company's true purpose is defined by how it confronts this question and brings its answers to life.

Since our founding in 1960, Sekisui House has been committed to contributing to society through housing. Guided by our Corporate Philosophy of "Love of Humanity," we have consistently created value that meets the evolving needs of the future. Over the decades, this journey has deepened our sense of responsibility for what lies ahead.

This commitment is embodied in our efforts to create beautiful, high-quality housing stock, protect the environment through our "Green First" initiatives, and support the happiness of children—our most precious treasure for the future—through our "Kids First" initiatives. These represent our promises to the future and the responsibilities we are determined to uphold.

Driven by our Global Vision, "Make Home the Happiest Place in the World," we embrace the mission of creating a happier future. As we fulfill these promises, we remain dedicated to creating enduring value by nurturing happiness that begins in our homes and reaches far into the future.

Message from the CEO

Creating Beautiful, High-Quality Homes as Social Infrastructure

The value we aim to pass on to the future is high-quality housing stock. Founded with a mission to protect people's lives and property, Sekisui House has continuously advanced its technical expertise and construction capabilities while pursuing ever-greater safety and durability in homes.

I see housing as a vital form of social infrastructure that supports people's lives. To preserve its value over time, proper maintenance is of course essential, but I believe that "beauty" is equally important.

Beautiful homes stay in people's memories, shape the character of neighborhoods, and help nurture culture as they are passed down through generations. Creating this kind of enduring social infrastructure is both our heartfelt aspiration and our mission in homebuilding.

In FY2023, we launched "life knit design," a new system for proposing designs that weaves our customers' sense of beauty into their homes. Going beyond superior functionality and harmony with the surrounding landscape, we aim to deliver living spaces where daily life is woven with lasting fondness, realizing a future where homes themselves create happiness.

Thirty years have passed since the Great Hanshin-Awaji Earthquake and Japan continues to experience frequent, major earthquakes. Today, we find ourselves at a point where we must once again consider what seismic resistance in housing truly means.



Currently, around five million of Japan's approximately 29.2 million detached houses were built under outdated, pre-1981 seismic resistance standards. These homes pose a significant risk of collapse in the event of an earthquake. Furthermore, even homes that meet the current seismic resistance standards have limitations. Of the three seismic resistance grades defined in Japan, Seismic Grade 1 represents only the minimum level required to protect life. Past surveys show that approximately 23% of houses suffered major damage or collapse during earthquakes, making continued living impossible and often forcing residents to evacuate or rebuild.

A home that enables daily life to continue even after an earthquake represents true social value. For this reason, I believe that Seismic Grade 3—which represents the highest level of seismic resistance under Japan's building standards, designed to minimize damage and allow residents to remain in their homes—should become the new standard.

We have maintained a record of zero destroyed or damaged homes during major earthquakes and are expanding this proven track record and technical expertise overseas. Additionally, our unique "foundation direct joint construction method," which connects foundations and columns directly, is combined with Seismic Grade 3 and adopted as the standard for houses in our new ready-built detached housing business launching in FY2025. Furthermore, we are making our original seismic resistance technology widely available through our Skeleton and Infill (SI) Business, the industry's first joint construction business. By FY2029, we aim to deliver an annual supply of 1,000 homes by leveraging Sekisui House Construction's high-precision construction capabilities and collaborating with a total of eight partner companies starting in January 2025.

Creating high-quality housing stock where people can continue to live with safety and peace of mind—while building a legacy of beautiful homes that will be loved for generations—is our responsibility and our approach to value creation.

Building a Sustainable Future with Green First

Another form of value we hope to pass on to the future is our long-cherished "Green First" initiative. In pursuit of living in harmony with nature, we have worked closely with our customers to deepen understanding and advance housebuilding that combines comfort with environmental consideration.

It all began with a simple yet impactful idea: installing double-glazed windows in the south-facing first-floor living rooms of homes. From there, our technology has evolved to enhance window insulation and improve overall insulation performance, leading to homes capable of reducing CO_2 emissions by 30% and even 50%. This progress has been made possible through the relentless technological innovation of our development teams.

These efforts have led to the development of net zero energy houses (ZEH) that deliver comfort, beautiful landscapes, coexistence with nature, and environmental consideration. In FY2024, we achieved ZEH rates of 96% for detached houses and 77% for rental housing, contributing to broader societal decarbonization.

Launched in 2001, the *Gohon no Ki* Project promotes garden design using tree species native to local regions. With the support of our customers, we have planted a total of 20.69 million trees across Japan. We have also published a "Nature Positive Methodology," a framework for quantitatively evaluating biodiversity conservation outcomes, which is now being used for corporate green space evaluations.



We are also extending the *Gohon no Ki* Project and the concept of *Keinen bika*—creating landscapes that grow more beautiful over time—to our overseas condominium and residential land developments. These initiatives promote greenery and support biodiversity conservation on a global scale.

In December 2024, we announced a new initiative for the future of housing: a commitment to review over 30,000 housing components and achieve homebuilding using only recycled materials by 2050 through our "House to House" project. Under the theme of "Let's remake the way we build," this bold initiative seeks to fundamentally rethink the way homes are constructed. We will work in collaboration with partner companies and stakeholders to transform the future of the housing industry.

Nurturing Tomorrow's Treasure with "Kids First"

A third value we wish to pass on to the future is the happiness of children.

Children are our greatest treasure for the future. We believe that nurturing this irreplaceable treasure together as a society and contributing to their happiness is one of our important responsibilities. This is why we are committed to actively engaging in our "Kids First" initiative.

Message from the CEO

Currently, the happiness of children in Japan remains relatively low compared to other developed countries. When I learned this, I found myself reflecting: no matter how beautiful our homes or townscapes may be, if the people living there are not truly happy, can we say we have created lasting value for the future?

"What can we do to ensure people can continue living happily?" By repeatedly asking ourselves this question, we arrived at the idea of nurturing children's rich emotional and sensory development.

It is said that everyone possesses an innate sense of beauty, and that through moments that move our hearts, we discover our own path to happiness. One winter morning, I watched as snow settled gently on the trees in my garden, sparkling in the morning light. On another day, I saw a small bird darting among the branches, thinking it was a cuckoo, only to realize with a smile that it was actually a Japanese white-eye. I, too, experience these small, unexpected moments in daily life that quietly move my heart. Such modest surprises and chance encounters remind me, "Perhaps this is what happiness truly is."

What we can do for children, our greatest treasure for the future, is to create opportunities for emotional and sensory development. Some children imagine stories merely from the patterns they see on a wall, while others feel the world in their own unique rhythm. It is okay for each child's way of sensing, noticing, and finding joy to be different. What truly matters is that their daily lives include moments that touch their hearts.

To bring this vision to life, we will open JUNOPARK, an experiential housing "edutainment" facility that blends education and entertainment, in August 2025. As the flagship of our "Kids First" initiative, this facility will offer experiences that help children cultivate emotional and sensory development and discover their own happiness.



The experiences children gain here will remain with them as small "dots" that one day connect into "lines," empowering them to envision and shape their own futures. I sincerely hope that children, enriched by these experiences and a deepened sense of beauty, will enjoy their daily lives and one day become the innovators of tomorrow.

We have also continued efforts to support the happiness of our employees and their families. Our paternity leave program, launched in 2018, has maintained a 100% usage rate for six consecutive years. As part of this initiative, we developed the "Family Meeting Sheet," which receives over 13,000 annual visits on our website, reflecting growing awareness of a society where taking parental leave is normalized for everyone.

If each of us takes action for the happiness of children, the future will surely become even happier. We sincerely hope to be a trusted partner in creating that "Kids First" future together.

Even in an age of advancing AI technology, moments in everyday life that quietly move our hearts and our inner sense of beauty remain essential to happiness. Precisely because technology is evolving so rapidly, we believe it is more important than ever to stay close to people's hearts and cherish experiences that nurture this sense of beauty.

Continuing to Uphold "Love of Humanity"

These promises to the future represent a long-term mission grounded in enduring values that transcend generations. In management, I believe there are things that must change and things that must never change.

No matter how times may change, one thing must remain unchanged: our Corporate Philosophy of "Love of Humanity." This philosophy, which calls on us to "wish for the happiness of others, make their joy our own, and act with integrity and in the spirit of service," is the foundation of who we are.

I was not personally present during our founding years, but I have read and reread our "30-Year History," a book that best captures our founding spirit, so many times that its pages are worn. What it describes is not a smooth, untroubled journey, but the story of our predecessors who held firmly to their beliefs and pursued reforms while confronting harsh realities. The determination behind their decisions, their unwavering integrity, and the joy they found on the other side of those reforms come vividly to life on every page. Each time I read it, I feel a renewed sense of commitment to carrying on their spirit.

Since assuming a management role, I have encountered moments that require deep reflection. At those times, I ask myself: "If we truly understood 'Love of Humanity,' would this have been the decision?" Our Corporate Philosophy serves as a compass, guiding us toward the right path, and I am convinced that it holds true meaning only when it is actively put into practice in our daily work.

Last year, an employee who joined Sekisui House with a diverse professional background shared something that truly resonated with me: "Reading the 30-Year History gives me a sense of the kind of company you want to build." It gave me confidence that our founding spirit continues to be understood and embraced. What we choose to preserve, what we choose to change, and where we aim to go—if those choices form a clear and coherent direction, I feel confident that the future of the Sekisui House Group is in good hands.

This April, with the hope that all employees would connect with our founding spirit, we created a compact, updated edition of the "30-Year History" and distributed it to all Group employees. We are also preparing an English version to share with our colleagues overseas. I hope that, in their own ways, everyone will be able to connect even a little with the intentions and values of our predecessors.

For me, this "30-Year History" serves as a touchstone for my approach to management, a book that challenges me with the question, "How will you carry this spirit forward to the next generation?" I remain committed to preserving our founding spirit and the ideals our predecessors cultivated.



What Must Change to Create New Value

While continuing to uphold our Corporate Philosophy of “Love of Humanity,” I believe that creating new value and fulfilling our responsibilities to future generations requires the courage to change what must be changed.

We define the first 30 years since our founding as Phase 1, a period in which we provided the value of “safety and peace of mind” in housing. Phase 2, starting in 1990, focused on enhancing “comfort and environmental consideration.” Since 2020, we have entered Phase 3, guided by our Global Vision to “Make Home the Happiest Place in the World.” In this phase, we are working to create new forms of value for the era of the 100-year lifespan, with a focus on “health, connectedness, and learning.”

To realize this Global Vision, we are advancing a range of reforms. At the heart of these efforts are three essential forces: employee autonomy, strengthened expertise, and enhanced collaboration across the Group.

Employee Autonomy, a Vital Driver of Change

The first key component is employee autonomy. When I refer to “autonomy,” I mean something very simple: making decisions about yourself and taking full responsibility for those choices. Taking an extended leave to be with family or choosing flexible working hours to care for loved ones—these choices are excellent examples of true autonomy.



Back in 2003, although I was not in an executive role, I felt a strong sense of urgency that “We cannot continue this way.” I believed that the Company could not remain competitive if employees simply followed instructions without developing a sense of ownership. With that belief, I initiated our self-directed career development training.

At the time, the concept of “autonomy” was not widely recognized, and there were concerns such as, “If we offer this kind of training, employees will leave the Company.” But culture cannot be built by systems alone. Establishing a new norm requires time, consistency, and ongoing practice.

Twenty years have passed since then and the seeds we planted are beginning to flourish and becoming embedded in our corporate culture. I witnessed this firsthand at the FY2024 Women’s Sales Representative Conference. Each participant spoke in their own words about their careers, their passion for their work, and the time they spend with family. Their ability to choose their own workstyles while also delivering strong performance reflected a deep sense of confidence and fulfillment in “choosing their own path.” It was a moment that affirmed our culture of autonomy is truly taking root.

I also recall a male employee at one of our branches who approached me and said, “I took childcare leave. Thank you for this great system.” His words conveyed not only appreciation but also a sense of reassurance that his personal choice was respected and supported within the workplace.

There was a time when simply following the Company’s instructions and staying in step with those around you was enough for growth. However, in today’s dynamic environment, where societal



norms and values are rapidly evolving, it is increasingly essential for employees to act autonomously in their roles and share ideas based on their individual sense of beauty and values.

Our sustained efforts over the past 20 years—including self-directed career development training, initiatives to advance women’s careers, and managerial mindset transformations—have become a source of strength for the Sekisui House Group. Today, the vision of the Company we have long aspired to build is beginning to take shape as a tangible reality. This past year, I truly felt a clear and encouraging sense of progress toward that goal.

Strengthening Expertise to Deepen Core Competencies

The second key component is strengthening expertise. To achieve this, we have established specialized companies within the Group, giving each the independence to take on new challenges. By enabling these companies to deepen their knowledge and experience in their respective domains, we are steadily enhancing the overall competitiveness of the Group.

For example, Sekiwa Construction, Ltd., established in 1973, has supported our high-quality construction by developing a unique system of responsible construction. Having an in-house Group company specialized in foundations and framing is a distinctive strength unique to Sekisui House.

The company was reorganized into Sekisui House Construction Holdings, Ltd. in 2023, strengthening its construction capabilities. This transformation included welcoming a large number of skilled housing technicians, known as “crafters,” enabling us to maintain a stable and reliable construction workforce aligned with our domestic order volume. These robust construction capabilities were the key factor in realizing the previously mentioned Skeleton and Infill (SI) Business. Furthermore, in our U.S. homebuilding business, under the SHAWOOD and New 2x4 brands, we are transferring the highly precise construction systems developed in Japan.

The core competencies we have inherited from our predecessors—technical expertise, construction capabilities, and customer base—remain our enduring strengths, and it would be a missed opportunity not to fully leverage them. I speak about these core competencies at every opportunity, both in Japan and overseas. This is because our strengths represent truly “unparalleled value”—exceptionally rare even on a global level. Our approach to value creation is to build strategies based on core competencies we have continuously refined under the founding spirit, and further evolving them to create new value.

In FY2025, we are implementing various reforms to further strengthen our customer base of over 2.7 million homes, developed through our 98% custom-built homes and condominium business.

In February 2025, we established Sekisui House Support Plus as a separate entity, establishing a framework that enhances regular inspections and after-sales services in addition to delivering new service proposals.

We also launched Sekisui House Sha Maison PM to strengthen asset management for property owners and improve services for residents, with

the goal of becoming Japan's top property management company.

Additionally, we established Sekisui House Real Estate to further strengthen expertise as a real estate company strong in housing. In addition to existing services such as brokerage, sales, and inheritance support, we will introduce high-quality land to customers seeking to build new homes.

Enhancing Group Collaboration

While strengthening expertise enhances competitiveness, it also carries the risk of creating organizational silos and weakening collaboration. Today, the Sekisui House Group comprises 376 companies in Japan and overseas, each continuously refining its specialized expertise while enhancing its agility and responsiveness as a professional organization.

However, because we specialize in housing-centered business domains, I am confident that strengthening the expertise of each company will not lead to divisions. Instead, the diverse expertise across our companies connects organically, like forming a cohesive circle, aligning their efforts toward a shared future.

I have pursued organizational restructuring and the establishment of specialized entities that leverage this structural strength to create synergies where 1+1+1 becomes 5 or even 6. Specialization and collaboration are not in conflict but mutually reinforcing. This is precisely the kind of approach that only the housing-centered Sekisui House Group can achieve.

Accordingly, we have positioned "Group collaboration" as one of our key strategic themes. By bringing together each company's strengths, understanding one another's capabilities, and combining them effectively, we will further accelerate value creation across the entire Group.

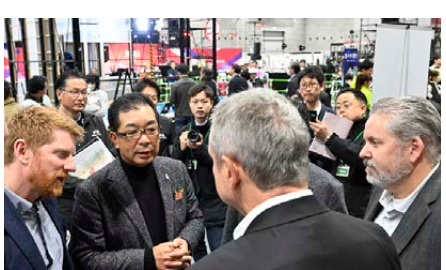
Aligned Efforts: The Strength of the Sekisui House Group

Something happened recently that made me genuinely pleased. It was during the visit to Japan by the new CEO and other senior executives of M.D.C. Holdings, Inc. (MDC), a U.S. homebuilder that joined our Group through M&A last year.

The post-merger integration (PMI) aimed at unifying our four U.S. companies into "One Company" has been progressing remarkably well. Reflecting on why these four companies have been able to communicate actively and work together so effectively, I was reminded that it ultimately comes down to having an alignment of efforts.

"We want to firmly establish Japanese technology in the United States." "We want to deliver high-quality homes that bring happiness to our customers." This common aspiration is what truly connects our four U.S.-based companies and serves as a powerful driving force. As a result, positive ideas continue to emerge and a stronger sense of unity is taking shape across the team.

What stood out to me was the mindset of MDC's CEO. He shared that he keeps a broom in his car when heading to sites so he can personally clean up whenever he sees something that needs attention.



He told me, "I learned from Japan the importance of maintaining clean job sites, so that's where I start."

The core objective of our M&A strategy in the overseas business is to transfer Sekisui House technology internationally and create high-quality housing stock. In pursuing M&A, we have placed great importance on a shared commitment to housing quality, technological expertise, the values embedded in our work, and a deep empathy for our "customer-first" philosophy rooted in our Corporate Philosophy.

Hearing this story reaffirmed that the four U.S. companies we have welcomed through M&A truly meet the standards we value, and that our decision was indeed the right one. At the same time, it was also a moment that gave me a strong sense that genuine "integration" is steadily progressing.

Of course, there are challenges as well. In February 2025, we assigned about 20 technical personnel from Japan to the United States to begin activities aimed at ensuring design and construction quality. Bridging the gap between U.S. practices, which lack certain standards, and Japan's strict, millimeter-level quality benchmarks is the first step in transferring Sekisui House technology. Our colleagues in the U.S. are also approaching this initiative with dedication, and departments across our Japan head office are actively contributing. As a Group, we are truly advancing together into a new stage.

A Company Where Innovation and Communication Thrive

Our slogan for creating new value is "Innovation and Communication."

When we hear the word "innovation," we often think of major inventions or technological breakthroughs. But I believe it truly begins in more familiar, everyday places. It starts with reexamining how we work, questioning assumptions and habits, and asking whether there's a better way to serve our customers and society. From my own experience, I am convinced that employees who remain alert and curious each day are best positioned to discover the seeds of innovation.

There is a memorable story involving Soichiro Honda and the U.S. launch of the Super Cub. In Japan, the motorcycle was used for deliveries and commuting, but in the U.S., it was embraced as a weekend leisure vehicle. By keeping the technology unchanged but redefining its "usability value," they created an entirely new market and culture.

This kind of shift in thinking aligns with the concept of "Creative Destruction," which I personally find compelling. The term may sound a bit harsh, but I am drawn to its positive meaning. It is not about destruction for its own sake, but about having the courage to boldly reassess and, when necessary, break free from existing frameworks.

We are beginning to see these mindsets take root across our Group. Through the Sekisui House Innovation & Performance (SHIP) Awards Program, launched in FY2021, a number of employee ideas have already been realized as new businesses or systems. We have also launched a new initiative that combines employee ideas with joint donations from employees and the Company, turning those ideas into meaningful social contribution projects. Seeing our employees ask questions, think deeply, experiment, and bring their ideas to life gives me tremendous hope.

Of course, not all ideas are accepted immediately. But having colleagues and supervisors who are willing to listen and engage in open dialogue is a powerful source of encouragement.

An organization that fosters innovation requires both those who generate ideas and those who receive and help cultivate them. I have personally experienced many moments when conversations with others led to breakthroughs I could never



have reached on my own.

When autonomous employees share their ideas and engage in open dialogue, that very communication can become the spark for innovation. That is why our slogan, “Innovation and Communication,” expresses a relationship where the two are inseparable—each fueling and strengthening the other. I am committed to building a company where innovation and communication thrive, and to delivering new value together with all of you.

Steadily Achieving Our Mid-Term Management Plan Over Three Years

Under the Sixth Mid-Term Management Plan, launched in FY2023, we adopted the fundamental policy of “stable growth in Japan and proactive growth overseas.” Over the past two years, we have consistently delivered strong results. In FY2024, we achieved record-high net sales of ¥4,058.5 billion and operating profit of ¥331.3 billion. I have long promised our stakeholders that we would achieve our targets over the full three-year period, and we are steadily progressing toward that goal by responding effectively to changes in the business environment.

In Japan, despite ongoing challenges such as rising prices and material costs, we have maintained solid performance, particularly in our built-to-order and supplied housing businesses, achieving stable growth. This domestic stability forms the foundation of our business and supports future expansion. Our business portfolio, organically centered around housing, is rare even by global standards. It is this strong domestic foundation that gives us the confidence to pursue overseas expansion with conviction.

In the U.S., our first SHAWOOD lots-for-sale development, Sommers Bend, was honored with Gold Awards in four categories at The Nationals 2025, hosted by the National Association of Home Builders (NAHB) in March 2025. We are deeply pleased that our pursuit of “happiness”—through excellence in technology, design, townscapes, and lifestyles—was so highly recognized.

While the U.S. housing market continues to face uncertainties such as high interest rates and potential policy shifts, a persistent housing shortage and strong demand for high-quality homes remain. By carefully managing the timing of sales and development, we aim to supply approximately 15,000 units in FY2025 and 20,000 units annually by FY2031, as we work to firmly establish the Sekisui House brand.

We have now begun our discussions on our next Mid-Term Management Plan. For us, the plan is more than a roadmap—it is a shared language that aligns all employees toward common goals. Each three-year cycle strengthens our foundation for sustainable corporate growth and reinforces our commitment to the future. The key to enhancing both the effectiveness and realism of the plan lies in how much insight and passion we are able to invest in it. We will work together to identify the areas where swift change is needed, and those where continuity is essential, as we shape the next three years.

A Future Where Our Contribution Adds Enduring Value to Society

At the Sekisui House Group, our identity is shaped by three guiding pillars: Corporate Philosophy, Global Vision, and SEKISUI HOUSE_SHIP. Each holds distinct meaning and importance, yet together they form an integrated framework that naturally guides our actions and decisions.

I am sometimes asked why these principles are not arranged in a hierarchical structure, such as a pyramid. The reason is that they are not meant to be imposed from the top down. Rather, they are values to be embraced and expressed by each individual, guided by their own sense of purpose and judgment.

With our Corporate Philosophy, “Love of Humanity” as an enduring foundation, we think independently, make choices, and take actions that embody the unique characteristics of Sekisui House in pursuit of our Global Vision. Rather than following someone else’s instructions, we shape our careers through our own will, connecting our Corporate Philosophy and Global Vision to our individual actions. As we strive to build an organization made up of such individuals, we value the genuine internalization of these principles far more than the convenience of “imposing order through structure.”

To support these values, we revised our compensation structure this fiscal year. While maintaining the annual performance bonus, we transitioned the two semiannual bonuses to a fully performance-based model. This more differentiated approach is designed to foster a fair and motivating environment where employees can perform at their best.

In recent years, we have increasingly heard that the Sekisui House Group is “leading the times.” I believe this recognition stems not from high-profile achievements, but from our consistent efforts to listen closely to our customers and identify the value they truly need.

Today, we are living in an era where people are redefining happiness, workstyles, and the meaning of home based on their own values. We envision homes that promote health, foster human connection, and support lifelong learning. Our mission is to discover and shape these new forms of value for the era of the 100-year lifespan.

“I’m so glad I met Sekisui House.” We strive to create as many moments as possible where people genuinely feel this way. To that end, we are expanding our business both in Japan and overseas by evolving our core competencies and strengthening collaboration across the Group. To remain a valued presence in society, we will continue to lead with initiatives that anticipate future needs and help shape the next era across various fields.

Driven by “Innovation and Communication,” we are committed to creating happiness and amplifying its reach. Together with all Sekisui House Group employees, our trusted partner building constructors in the Sekisui House Association who support our highest quality standards, and all our stakeholders, we will continue to move forward with confidence and strength.

We sincerely invite you to look forward to the continued growth and evolution of the Sekisui House Group.



Foreword

The Sekisui House Group has delivered more homes than any other company in the world. However, what we value most is not the number of homes, but how each and every home has contributed to happiness and created lasting value. Looking ahead, we are focused on expanding that value and bringing even greater happiness to more people.

To reflect this focus, we have renamed this report from “Value Report – Our Engagement” to “Value Report – Our Impact.” In previous reports, we have shared how we have been involved in value creation.

Going forward, we want to highlight the “positive change” that results from our efforts—the “impact” our homes have on people’s lives and the future. This is the message behind the new title.

We believe a company’s purpose is to create value for society and bring happiness to both current and future generations. For us, this belief is rooted in our Corporate Philosophy, “Love of Humanity,” and expressed in our Global Vision of “Make Home the Happiest Place in the World.”

Since our founding in 1960, we have remained deeply committed to homes, building knowledge, developing technologies, and working closely with our customers, communities, and colleagues across the Sekisui House Group. The many stories of happiness we have created together are the true value of the Sekisui House Group and the driving force behind our ability to shape the future.

Rather than focusing on formality, we want to share these stories and align our vision for what lies ahead. We hope this report encourages open dialogue and becomes a platform for imagining a happier future together. Our goal is not only to “create” happiness, but to “amplify” its impact. We sincerely look forward to continuing this journey with all of you.

Sekisui House, Ltd.

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STORYLINE

Our Purpose and Vision

We share the values we have created and the future we aim to build.

Our Strengths and Activities

We highlight how our core competencies and business activities create happiness.

Our Long-Term Contribution

We explain how the happiness we create supports a better future.

Our People and Organization

We introduce the individuals and teams driving happiness creation.

Our Business Foundation

We present our business strategies and governance that support sustainable growth.

Title Concept

Creating and Amplifying Happiness

Guided by our Global Vision to "Make Home the Happiest Place in the World," the Sekisui House Group is dedicated to creating value that brings happiness to our customers, society, and employees. This report communicates two core ideas: "Creating happiness," representing the value we create and "Amplifying happiness," reflecting the impact we deliver.

Editorial Policy

Since FY2022, we have been publishing the "Value Report," which combines our Integrated Report and the Sustainability Report to provide a comprehensive view of value creation from both financial and non-financial perspectives.

The FY2025 edition highlights our initiatives to achieve the Global Vision, along with the values and intentions that drive them. For detailed information on ESG initiatives and data, please refer to the separate booklets.

ESG Fact Book
ESG Data Book

Design Intent Behind the Cover

The Sekisui House Group creates a rich tapestry of values through "housing," supporting happiness that gently flows into the future like a soft breeze. This sense of calm and graceful expansion is captured through dedicate circles painted in softly blended watercolor tones, expressing the beauty of that journey.

DRIVE POSITIVE IMPACT

The Sekisui House Group—Creating New Value

01

The Sekisui House Group's Value Creation and Vision for the Future

Guided by our Corporate Philosophy "Love of Humanity,"
we reflect on our journey of growth alongside our customers and society,
sharing the value we have created,
and the future aspirations embodied in our Global Vision.

STORYLINE

01	02	03	04	05
DRIVE POSITIVE IMPACT	**CREATE HAPPINESS**	**TRANSFORM SOCIETY**	**INNOVATION AND COMMUNICATION**	**FINANCIAL STRATEGY AND CORPORATE GOVERNANCE**
Our Journey of Value Creation and the Future We Envision	Our Unique Values and Evolving Strengths	Our Long-Standing Mission and Progress	Our Foundational Values and Human Capital Value	Financial and Capital Strategy, Corporate Governance

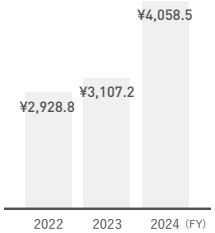
Make Home the Happiest Place in the World

That is the Sekisui House Global Vision.
We create homes that stay close to people's lives and nurture happiness, offering comfort, beauty, peace of mind across generations, care for the environment, and connection with loved ones.
Only the Sekisui House Group can bring all of these elements together.
As the meaning of happiness evolves, so does the way we live.
And as lifestyles change, society too begins to transform.
That is why we aim to help each individual shape their own version of happiness.
From happiness that begins at home—to the world, and into the future.
With that belief, we will continue to weave new value into everything we do.

Highlights

Net sales

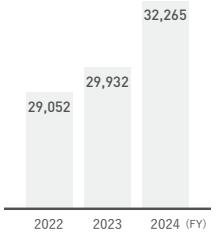
(Billions of Yen)



Consolidated net sales in FY2024 increased 30.6% year on year, reaching ¥4,058.5 billion.

Number of employees

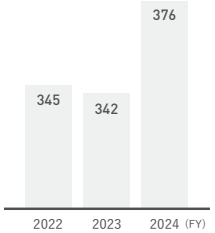
(Persons)



The total number of employees across the Group reached 32,265 in FY2024.

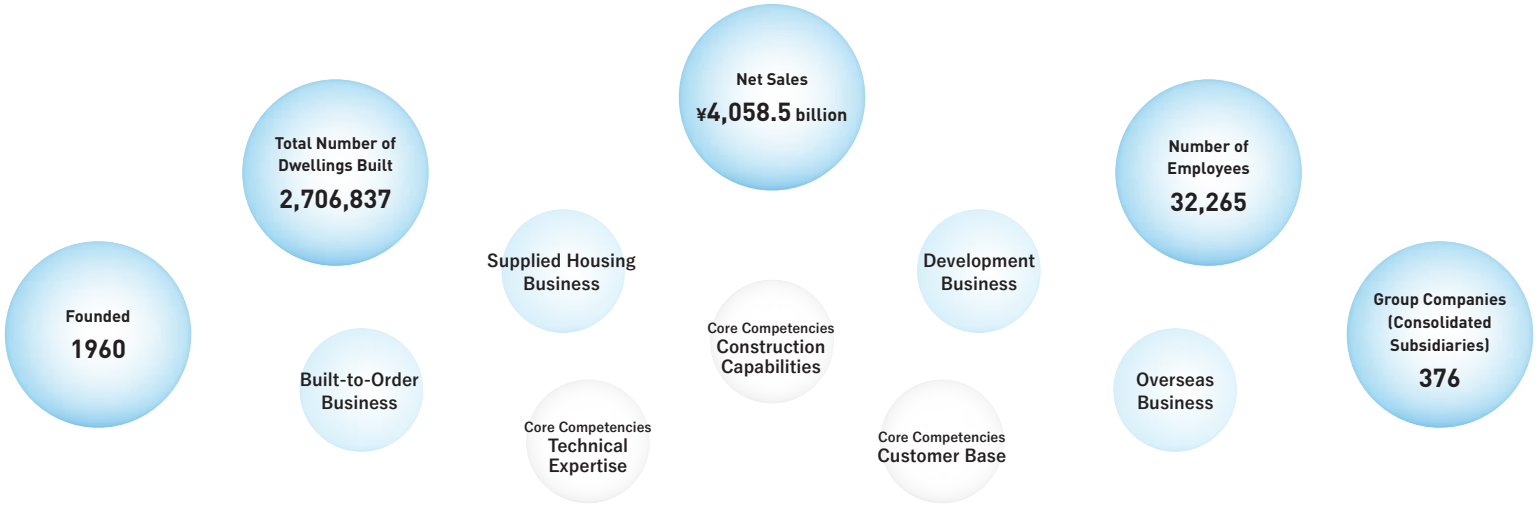
Group companies

(Companies)



Together with our 376 Group companies, we continue to expand our business domains and drive sustainable growth.

About the Sekisui House Group

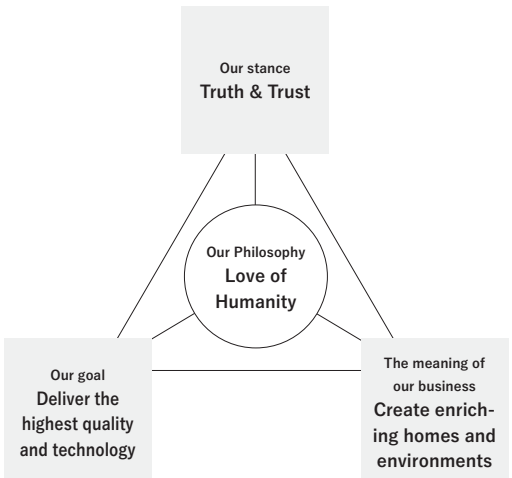


Founded in 1960, Sekisui House has dedicated over six decades to housing development, establishing a strong and trusted presence in the Japanese market. Today, we operate across four housing-focused business segments: built-to-order, supplied housing, development, and overseas business. We are actively expanding our business in global markets, including the United States and Australia.

By leveraging our three core competencies—technical expertise, construction capabilities, and a solid customer base—we are pursuing unparalleled value creation, empowered by more than 32,000 committed employees.

About the Sekisui House Group

Corporate Philosophy



Love of Humanity

Our Philosophy

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.

Embedding our Corporate Philosophy

A unique aspect of the Sekisui House Group is the deep integration of our Corporate Philosophy into our organizational culture. All employees share a strong understanding of this philosophy, with executives and managers leading by example, making it a habit to incorporate it into their daily work and clearly communicating their thoughts and visions.

Each year, we conduct a Governance Awareness Survey where all Group employees participate anonymously. This survey includes questions designed to assess awareness and practice of the Corporate Philosophy, allowing us to measure how well it is understood and embedded across the organization.

Over time, our Corporate Philosophy has naturally taken root and become an integral part of our business activities and daily operations. By putting it into practice, we foster a style of value creation that is unique to the Sekisui House Group.

23,560 employees

93.04%

Believe they understand and act in accordance with the fundamental Corporate Philosophy, “Love of Humanity”

FY2024 Governance Awareness Survey
25,323 employee responses
(Sekisui House, Ltd. and domestic Group companies, excluding Konoike Construction Group)

Embracing Our “Love of Humanity” Legacy

The origin of Sekisui House lies in our fundamental Corporate Philosophy, “Love of Humanity.” Established to protect lives and homes during Japan’s post-war reconstruction, this philosophy continues to guide us today as we grow into a global company. It serves as a universal ethos, actively practiced by all employees across the Sekisui House Group. Our Corporate Philosophy acts as a compass for decision-making, helping us answer why we pursue certain initiatives and the standards by which we make judgments.

The Corporate Philosophy consistently supports all activities of the Sekisui House Group. In times of major natural disasters, we often hear from customers, “This house protected us.” Such trust is built not only on our technical expertise—such as advanced seismic resistance and structural integrity—but also on our sincere desire to contribute to our customers’ happiness. Each home is thoughtfully designed, every component carefully crafted, and every structure built with care.

After a natural disaster strikes, employees of the Sekisui House Group and the skilled workers from our partner construction network, the Sekisui House Association, act spontaneously—without waiting for Company instructions. Motivated by thoughts such as “I wonder if that customer is okay,” or “What can we do right now?” they promptly head to affected areas, check on the safety of our customers, deliver essential supplies, and do whatever they can to help restore daily life as soon as possible.

These actions are not driven by a sense of corporate obligation, but by a heartfelt desire to stand by our customers and support their happiness. Across generations, our spirit of “Love of Humanity” remains unchanged and continues to be passed down. The awareness of being a “community with a common destiny” and our unwavering “customer-first” approach live on in us today and will be carried forward into the future.

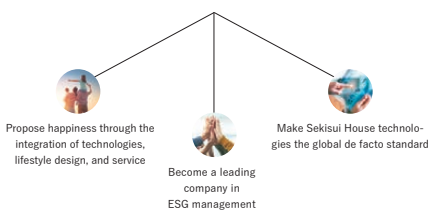
About the Sekisui House Group

Global Vision

The future we envision is one where everyday life is filled with happiness for everyone. This is why we are passionate about shaping an individual sense of happiness for each person. Our Global Vision embodies these aspirations of the Sekisui House Group.

The Sekisui House Global Vision

Make Home the Happiest Place in the World



Aspirations Embedded in Our Global Vision

Every person seeks happiness, which can take various forms and evolve over time.
At Sekisui House, we harness our aesthetic sensitivity and technical expertise to create homes that serve as the happiest places for those who live in them.
In fact, beyond living spaces, we cultivate peace of mind, joy, and well-being.
We foster human connections, instill a sense of security, and inspire hope for the future—values fundamental to all people.
Each home we build is unique and beautiful, designed to fill people with joy whenever they return, be it minutes, days, or years later.

Make Home the Happiest Place in the World

SEKISUI HOUSE_SHIP

By deepening our commitment to SEKISUI HOUSE_SHIP—a shared vision of the kind of organization we aspire to be—together with colleagues across the global Sekisui House Group, we continue to create new value and work toward realizing our 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.

The Concept Behind the Name

The English suffix “-ship” is often added to a noun to create an abstract noun. Words such as “partnership,” “leadership,” and “sportsmanship” are excellent examples of words created in this way that convey both meaning and a clear image. We wanted to do something similar and create a motto with our own Company name. While we use the suffix “-ship” to express the essence of Sekisui House, as a word, it symbolizes our cohesion as a group of diverse individuals uniting on a single vessel, sailing together towards a common destination.

→ P68 Our Foundational Values

Establishing the Global Vision and SEKISUI HOUSE_SHIP

2020 Beginning a new phase

In 2020, on our 60th anniversary, we announced the NEXT SEKISUI HOUSE 30-Year Vision. To become a global company that provides technologies, lifestyle design, and services centered on housing, we introduced our Global Vision to “Make Home the Happiest Place in the World.” This marked the beginning of our journey toward creating new value for the year 2050 and beyond.

2022 Articulating our future vision

We revisited the Sekisui House Group’s role in society and the values we have long cherished. Through discussions, we clarified our strengths, how we can leverage them moving forward, and the kind of organization we aim to become. These insights were then expressed as our corporate values.

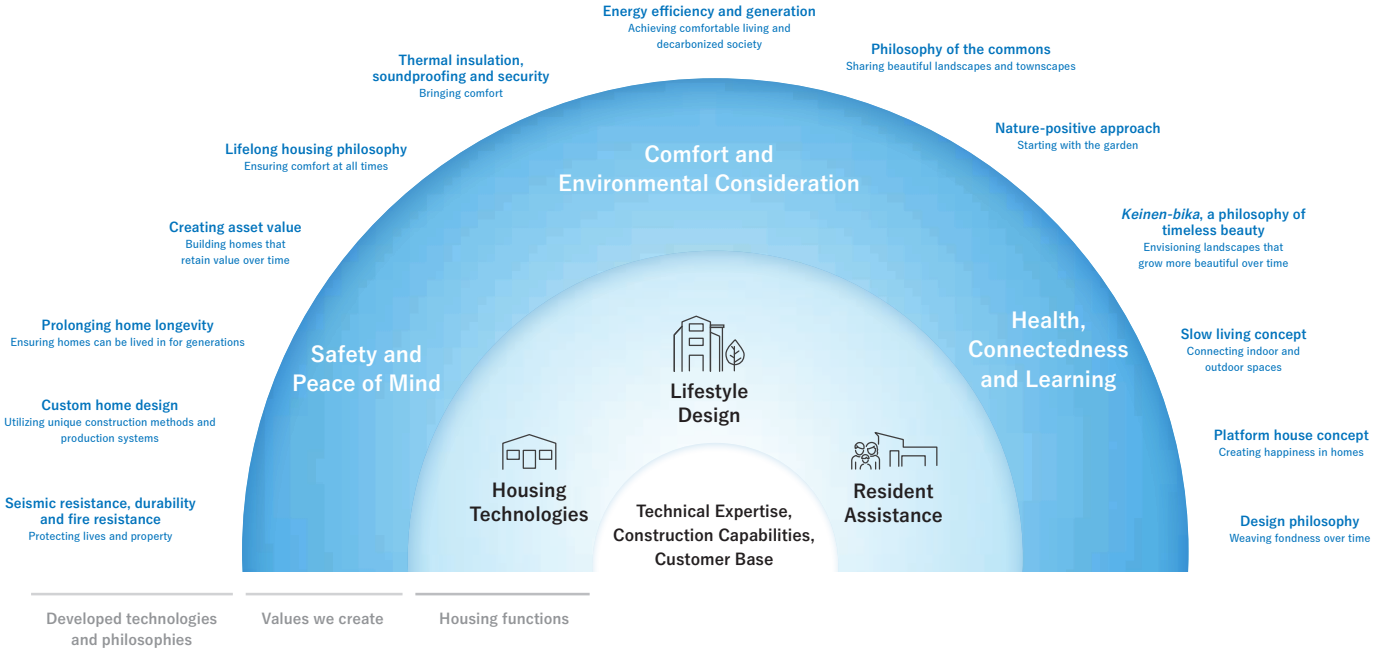
2024 A time of steady growth

By deepening our understanding of Sekisui House’s unique values and culture, and by honoring each individual’s identity and strengths, we aim to evolve the Sekisui House Group together with our colleagues both in Japan and overseas. With these aspirations, we have articulated our identity and established it as SEKISUI HOUSE_SHIP.

Valuing our employees’ aspirations

In formulating SEKISUI HOUSE_SHIP, top management and employees engaged in 19 months of discussions to explore individual values and aspirations rooted in our Corporate Philosophy. These discussions led to the distillation of five essential components. By incorporating these components into daily actions, we aim to further deepen the unique identity of the Sekisui House Group.

Value Creation Inspired by the Home



Safety
Homes that protect your loved ones—resilient against earthquakes and fires, built for safe living.

Peace of mind
Homes that offer peace of mind—adapting to life's changes while maintaining asset value.

Comfort
Homes that provide year-round comfort—allowing you to enjoy the changing seasons in ease.

Environmental consideration
Homes that are kind to both people and the planet—built with care for the future of society and the Earth.

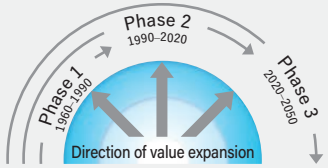
Health
Homes that nurture well-being—supporting both mind and body in everyday life.

Connectedness
Homes that strengthen bonds—fostering warm, meaningful moments with family and others.

Learning
Homes that enrich the heart—encouraging deep and lifelong learning and nurturing a sense of beauty.

Our approach to value creation at the Sekisui House Group begins with reimagining the role of housing. Since our founding, we have considered it our mission to provide homes that offer safety and peace of mind while protecting people's lives and property. We then expanded our focus to include comfort and environmental consideration, promoting sustainable living. Today, while further enhancing these values, we are also creating new forms of happiness suited to the era of the 100-year lifespan—adding the values of health, connectedness, and learning—and working to pass this happiness on to future generations.

Understanding the Diagram
This diagram illustrates the Sekisui House Group's journey and direction in value creation. By leveraging our three core competencies—technical expertise, construction capabilities, and a solid customer base—we continue to develop advanced technologies and ideas that pioneer new housing concepts.



Value Creation Inspired by the Home

Drive Positive Impact

Happiness in the era of the 100-year lifespan, inspired by the home

As we enter into the era of the 100-year lifespan, values are diversifying, and challenges such as declining birthrates, aging populations, and climate change are becoming increasingly complex. In Japan and other developed countries, following periods of rapid economic growth, there is a growing emphasis on emotional and lifestyle fulfillment.

To live happily for 100 years, people need to maintain good health, nurture close connections with family and friends, continue learning, develop new skills, and accumulate meaningful experiences and memories. We believe that these intangibles, which add richness to everyday life, are essential to happiness. That is why we are committed to creating homes that support and nurture happiness in the era of the 100-year lifespan.

Create Happiness

Creating more than just houses

We envision a future where everyone's daily life is filled with happiness. Moments of joy, beauty, and fulfillment differ from person to person. That is why we strive to create happiness tailored to each person's unique definition.

Founded with the mission of creating new social value through housing, Sekisui House has consistently led innovation through extensive research and technological development. Our journey goes beyond constructing living spaces; we are pioneering the future of housing culture and shaping the lives of those who reside in our homes. We will continue to create new value by enhancing housing performance and developing advanced technologies.

Transform Society

Building a happier future

Creating happiness means fostering a brighter future—and ultimately, a sustainable society. We aim to pass down beautiful homes and townscapes where people can live happily. Guided by this vision, we are committed to creating value that looks to the future.

The Sekisui House Group plays a leading role in addressing today's pressing social challenges. Rather than focusing on what we want to offer, we ask what value is truly needed. With this mindset, we engage in business activities that enhance the happiness of our customers, society, and employees. We will continue to share new forms of value with the world—value that contributes to a future society no one has yet imagined, with the aim of realizing a happier future for all.

Our Ancillary Objectives, "Sub-Visions"

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

Our founding mission has always been to provide housing that protects people's lives and property through advanced technologies, enrich living through innovative lifestyle design, and enhance services that support residents. By integrating these elements, we aim to create new value that contributes to happiness.



→P.21
Our Corporate Story

Becoming a leading company in ESG management

ESG management at the Sekisui House Group is the embodiment of our Corporate Philosophy. By aligning our business activities with ESG principles and ensuring their effective implementation, we create value that contributes to addressing social challenges. This approach supports the realization of a sustainable society and the continued growth of our Group.



→P.64
Leading Company in ESG Management

Make Sekisui House technologies the global de facto standard

Since our founding, we have developed and refined technologies and lifestyle proposals that incorporate safety, peace of mind, comfort, and environmental consideration. We aim to bring these Sekisui House technologies to the global stage, delivering new value and expanding our impact worldwide.



→P.107
Overseas Business

The Happiness Created by the Sekisui House Group Employees

At the Sekisui House Group, our employees are truly dedicated to making our customers happy. It is not the Company alone that creates happiness, but it is the sincere intentions of **each individual**. When those intentions come together, they create homes that are truly one of a kind.

Take one of our designers, for example. When she listens to customers, she does so with the same care as if she were thinking about her own family. **"What kinds of moments will they spend in this home?" "What kind of future are they imagining?"** With these thoughts in mind, she carefully creates each design plan, putting her heart into creating homes that support customers' happiness.

Or consider one of our onsite supervisors. He once found himself in tears after seeing a customer cry with joy when their home was completed. **"Building a home is one of life's biggest milestones. Being part of that moment—that's the most rewarding part of the job."** Those smiles and tears are what give him pride in his work.

And then there's a staff member from one of our Customer Service Centers. After a major typhoon, she made a call to check on a customer's safety and was told, "Thank you so much for thinking of us." She said her heart was deeply moved. **"I want Sekisui House to be the first name people think of in times of need."** With that feeling in mind, she approaches each day with care and commitment.

Though we each play a different role, **a shared passion for creating happiness** unites every Sekisui House Group employee—and that is our strength.

Happiness, as shaped by each individual


New equipment brings new ways of working, more comfortably. A workplace where smiles naturally emerge.


Treating others like family. Building lasting connections that extend into everyday life.


From those who build to those who live there. Condominiums where heartfelt intentions connect and smiles are shared.


Always thinking one step ahead. A unique sense of reassurance that only onsite supervisors can provide.


Caring for our customers' money as if it were our own. Trust that is built through genuine sincerity.


Going beyond expectations. Making the extraordinary feel like the everyday through technology.


Turning a familiar spaces into something special. An entrance that lifts your spirits every time you see it.


A calm, focused workplace where employees can thrive without distraction.


One thoughtful step at a time. The moment when personal trust becomes trust in the Company.

The Sekisui House Group's Leadership

When people hear the title "CEO," they often think of someone who builds a company. But for me, it is about something deeper—working alongside employees in the Sekisui House Group to continuously explore **how we can create new value for our customers**.

Our Global Vision, "Make Home the Happiest Place in the World," may sound simple. But **it is a vision that only the Sekisui House Group can achieve**—because it is built on decades of dedication and the close relationships we have nurtured with our customers. It reflects who we are and what we stand for.

I believe that **"becoming a working member of society"** means taking on the responsibility of "contributing value to society." For those who have chosen to begin their professional journey with the Sekisui House Group, I believe it is much more fulfilling to **use the Company's resources to create something meaningful.** I encourage every employee to make full use of what we have—to challenge themselves, to grow, and to make a difference.

To build the future we envision, we must be willing to take a different approach than we have in the past. That's exactly why I encourage our employees to **"drastically change the way things have always been done."** Don't be constrained by precedent or convention—start from scratch, question everything, and work with your colleagues to explore what value society truly needs.

Value creation isn't reserved for a select few—**everyone has the power to drive it**. Even a small idea, if it brings happiness to a customer, **is a powerful innovation**.

To all employees: "Treasure the time with friends and family, and nurture your own happiness."

Throughout our careers, many of us have lived with the belief that "working hard is expected" and "taking time off might be seen as a weakness." In the midst of busy schedules, we may have postponed time with family, declined invitations from friends, or set aside things that truly matter to us. But when we pause and reflect, we sometimes find ourselves asking—was that really the right choice? Perhaps a truly happy life is one where work has its rightful place, rather than taking over everything else.

That's why I want to share this message with all our employees: don't let yourself be bound by rigid ideas of how things "should" be. Instead, cherish your own version of happiness. For example, in Japan, it's common to take time off around national holidays. But I believe time off could be more personal and flexible. Rather than simply following convention, wouldn't it be better to live in a society where people feel free to spend time with those who matter most, when it matters most?

The Sekisui House Group aims to be a platform where each person can choose their own path in life. To support that, we have built programs and corporate culture that allow employees to act with autonomy and pursue their own happiness. And for those who seek that autonomy, we promise our full support. It may sound extreme, but I truly believe this: if each of you finds happiness, then the future will be happy too. So please, treasure the time you spend with your family and friends, and live a life that makes you happy.



Yoshihiro Nakai
Representative Director of the Board, CEO, President, Executive Officer

Our Corporate Story

積水ハウスの根本哲学は「人間愛」にある。
事業はその展開である。

「人は住まいを創り、住まいは人を創る」と言われる。
人間として豊かに感じ、快く感じ、
安らぎを感ずるような住み手本位の住まいの提供、
快適で誇らしい街並みや安全で利便性のよい環境、
あるいは近代的で合理性のある都市開発などを創造することは、
当社の社会的使命を果たすゆえんであり、
当社の存在意義であると同時に当社全員の誇りでもある。

―「創業からの30年に見る積水ハウスの原点」より

Our fundamental philosophy is Love of Humanity.
From this, our work begins—not just to build, but to care.

"People shape homes, and homes shape people."
So we create spaces with warmth—places of comfort, peace, and quiet joy.
We shape neighborhoods with grace—places of pride, belonging, and beauty.
We envision cities with intention—places of legacy, life, and tomorrow.
In these acts of creation, we fulfill our mission to society.
This is the very essence of who we are—and the pride we carry, together.

— From "The Heart of Sekisui House: A Journey Through Its First Thirty Years"



Our Corporate Story

The Story of our Founding

Creating homes the world has never seen

In the late 1950s, Japan was still grappling with a severe housing shortage following the devastation of wartime air raids. Delivering homes as quickly as possible was an urgent priority. At the time, Japanese houses were traditionally built using wood, paper, and mud, and the idea of constructing homes with steel frames was virtually unknown—even globally. Inspired by an overseas trade magazine featuring an all-plastic house, four technicians—none with prior construction site experience—set out to develop a fire-resistant home, unlike anything the world had seen.

A new way of living begins here

With no precedents to guide them, the team combined their knowledge and solved problems independently, ultimately creating a livable home made from steel, aluminum, and plastic. This breakthrough challenged the conventional construction methods and materials of the era.

On August 2, 1960, the day after Sekisui House was founded, a newspaper advertisement was published with the message, “A new way of living begins here...” This message reflected the Company’s ambition not just to sell houses, but to redefine how people live.

Bold investments and reforms

In 1961, we introduced Sekisui House Model B, offering spacious layouts and customizable design, laying the foundation for the technologies and philosophies we uphold to this day. To address the housing shortage and deliver high-quality homes, we took responsibility for producing our own components and therefore established the Shiga Factory. We also began setting up a framework for the future-oriented production of prefabricated housing, while transitioning from agency-based sales to direct sales and reforming our distribution system to deliver only the necessary materials.

A continuous pursuit of challenges

One employee who joined in 1961 recalls, “Our goal was to create something that would become the core of the future—something that didn’t yet exist.” Sekisui House started with just 34 people. By the following year, in 1961, around 60 employees—including sales, design, and factory personnel—were all working together in a single office, openly sharing ideas and approaching their roles with the mindset of entrepreneurs. With no benchmark products to emulate and no competitors to chase, they placed their trust in one another, supported each other, and tackled challenges as a united team, developing new products and solutions day by day.

Sekisui House united in spirit, striving for new heights

The courage to defy convention, the passion to pursue dreams without worrying about tomorrow’s living expenses, and a sincere commitment to serving customers—these values were at the heart of our early days. Success was not measured solely by business performance or efficiency, but by the desire to bring joy to others and contribute to society. Top management, employees, and partner building constructors supported one another to keep the Company afloat during its fragile beginnings, when it nearly sank like a ship in troubled waters. Their bonds were rooted in genuine care. “To wish for another’s happiness, and to take joy in their joy”—this spirit is the very origin of Sekisui House.





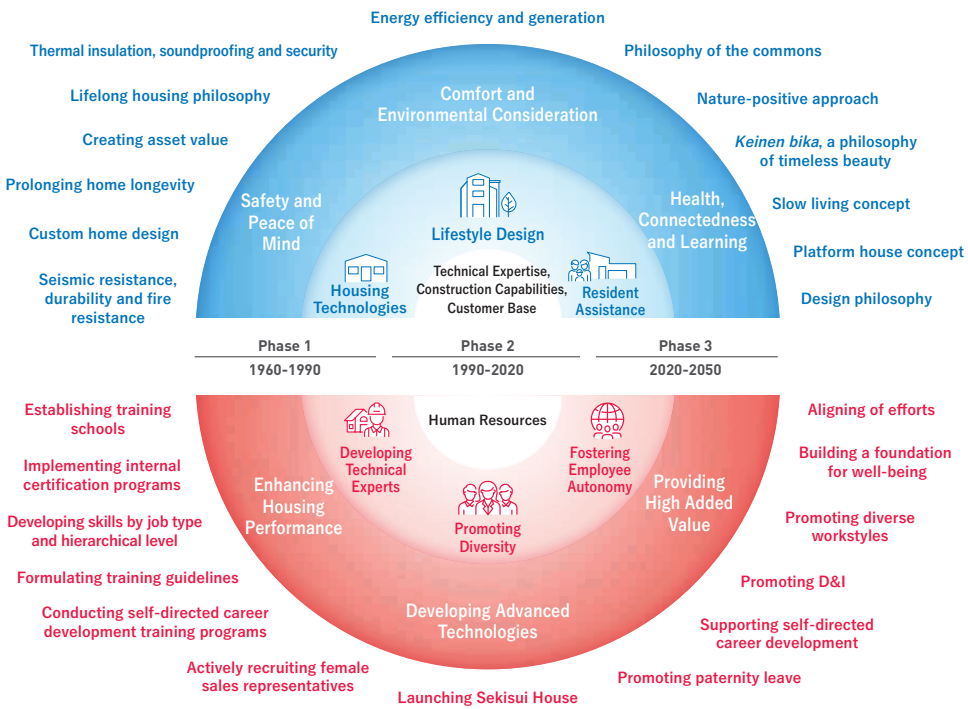






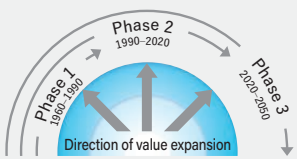
Our Corporate Story

The Sekisui House Group's Value Creation



Creating value that evolves with the times

Since its founding, the Sekisui House Group has continuously explored the potential of housing while remaining closely attuned to societal change. From addressing the post-war housing shortage, to responding to environmental challenges, and now entering the era of the 100-year lifespan, we have advanced our housing technologies and possibilities through three distinct phases. Throughout this journey, we have remained committed to delivering new forms of value that meet the evolving needs of society.



Phase 1 (1960–1990)
To address the post-war housing shortage, we focused on enhancing core housing performance standards such as seismic resistance, durability, and fire resistance, creating value in the form of safety and peace of mind. We prioritized the development of innovative technologies and the training of skilled technicians to carry those technologies forward.

Post-war housing shortage → Enhancing housing performance → Safety and peace of mind

Phase 2 (1990–2020)
As the impacts of climate change became more evident, we worked to improve thermal insulation and energy efficiency in homes, creating value in the form of comfort and environmental consideration. We also focused on building an environment where people with diverse perspectives could thrive, leading to the development of advanced technologies and services.

Advent of climate change → Developing advanced technologies → Comfort and environmental consideration

Phase 3 (2020–2050)
In pursuit of happiness in the era of the 100-year lifespan, we are working to further advance technological innovation while supporting employee autonomy that drives such innovation. Through this, we aim to create new value in health, connectedness, and learning.

Beginning of the era of the 100-year lifespan → Providing high added value → Health, connectedness, and learning

Our Corporate Story

Shaping the future of living through technological advancement

The Sekisui House Group has expanded the concept of housing through continuous innovation and the enhancement of human capital value. Beyond improving the physical quality of homes (technologies), we have created new value in the form of happiness by integrating housing proposals (lifestyle designs) with services that support daily life.



Enhancing housing performance (Phase 1: Safety and peace of mind)1960-

1961 Opened the Shiga Factory as a production base

1962 Established the custom home design philosophy

1964 Established a direct sales and responsible construction system

1973 Founded Sekiwa Construction to manage foundation work

1987 Opened Customer Service Centers

1989 Established "Lifelong Housing" philosophy

Developing advanced technologies (Phase 2: Comfort and environmental consideration)1990-

1990 Established the experiential research center Nattoku Kobo as part of the Comprehensive Housing R&D Institute

1999 Announced the Environmental Future Plan

2003 Established Resource Recycling Centers

2004 Established Sekisui House Remodeling, Ltd.

2009 Initiated the Green First strategy

2018 Established Human Lifestyle R&D Institute

Providing high added value (Phase 3: Health, connectedness, and learning)2020-

2019 Announced the Platform House Concept that assists happiness

2020 Launched pilot tests for HED-NET, an in-home early detection network for acute illnesses

2023 Launched the life knit design system

2025 Open JUNOPARK, a facility that nurtures emotional and sensory development in children

Developing technicians

Developing human capital to create innovative technologies and services, and transferring expertise

- Establishing vocational training schools to cultivate skilled technicians
- Implementing skill development programs tailored to job type and organizational level
- Creating educational and training guidelines, along with certification programs
- Embracing the spirit of a "community with a common destiny"

Promoting diversity

Leveraging diverse perspectives and experiences by supporting active participation of all employees

- Promoting women's advancement and paternity leave programs
- Encouraging employment of people with disabilities
- Conducting self-directed career development training
- Innovating workstyles and respecting human rights

Fostering employee autonomy

Enhancing human capital value through alignment of efforts and employee autonomy

- Supporting self-directed career development and nurturing the next generation of leaders
- Hosting the Sekisui House Innovation & Performance (SHIP) Awards
- Conducting career interviews and ESG dialogue
- Building a foundation for well-being

Our Corporate Story

Evolving homes that foster lasting happiness

From pursuing safety and peace of mind in the home to coexisting with the environment and creating spaces that nurture emotional fulfillment, we are now focused on creating happiness in the era of the 100-year lifespan. As society and values continue to evolve, so do the homes we create.

2020–2050

Phase 3: Health, connectedness, and learning In the era of the 100-year lifespan, we believe homes must support health, strengthen human connections, and foster lifelong learning. With this vision, we are developing new ways of living and lifestyle proposals that reflect these values.



2020
Introduced Clearview Design, a wooden-frame home featuring large, sloped ceilings and extended eaves that evoke the feeling of being under a large tree canopy, with a gabled roof that blends seamlessly into the surrounding townscape



2020
Adopted a next-generation indoor environment control system that ventilates and purifies air without opening windows, removing pollutants such as pollen and PM2.5 to maintain consistently clean and comfortable indoor air



2021
Introduced a smart home service integrated with floor plans, enabling residents to monitor their home and family from outside the house, and allowing them to monitor their home and remotely operate equipment—all from a single smartphone



2023
Developed a design proposal system that “weaves fondness over time,” reflecting residents’ sense of beauty through comforting interiors and exteriors that harmonize with the surrounding townscape



2024
Launched in Southern California, the first SHAWOOD community in the United States—Sommers Bend—was highly praised for its safety, comfort, and beautiful design enabled by SHAWOOD’s unique construction method, earning multiple prestigious awards in the U.S. housing industry

1990–2020

Phase 2: Comfort and environmental consideration As global environmental issues became more apparent and society began redefining “prosperity,” we created living spaces that harmonize with nature, offering both energy-efficiency and comfort.



1995
Introduced the SHAWOOD construction method, a unique wooden-frame housing system that has become a signature series for Sekisui House



1996
Standardized the use of double-glazed glass with excellent heat-shielding and thermal insulation properties while proposing new living concepts such as atrium-style spaces and open staircases in living rooms



1997
Adopted a new construction method offering both high strength and design flexibility, meeting the growing urban demand for three-story homes



1998
Created homes designed to be passed down through generations by incorporating ceramic roof tiles and Dyne Concrete exterior wall materials



2000
Introduced a roof-integrated photovoltaic power generation system that combines aesthetic appeal, ease of solar equipment installation, comfortable living, and harmony with nature



2001
Achieved high-quality housing with Bellburn exterior walls, which combine the texture of ceramics and the warmth of the soil with superior durability



2007
Standardized the installation of SHEQAS, a newly developed seismic force-absorbing system for steel-frame houses, to realize earthquake-resistant housing



2010
Introduced the Slow Living concept, creating a sheltered eave space that gently connects indoor and outdoor areas to offer a relaxed lifestyle in tune with the seasons



2013
Achieved a net-zero energy balance by significantly reducing energy consumption through high thermal insulation and energy-saving equipment, while also utilizing energy-generating equipment



2018
Created a comfortable living environment with high thermal insulation and seismic resistance, featuring a spacious, pillar-free living area and an expansive, eave-covered outdoor space



2019
Realized steel-frame, three- to four-story detached houses for urban settings that offer privacy while providing a lifestyle surrounded by light, gentle breezes, and greenery

1960–1990

Phase 1: Safety and peace of mind At a time when wooden homes were the norm, we introduced a new approach using steel, aluminum, and plastic to build high-quality housing that protected people’s lives and property. We established a stable supply system and supported the daily lives of many people.



1960 Model A
Helped customers realize a sought-after lifestyle by using steel, aluminum, and plastic as primary materials while offering Western-style kitchens, dining rooms, and indoor baths



1961 Model B
Adopted meter modules for the first time, providing more spacious interiors than traditional “shaku” modules, and introduced aluminum sashes for window frames



1962
Developed a two-story version of the Model B, offering greater design flexibility while maintaining structural strength, leading to a series of signature Sekisui House homes



1978
Released Sekisui House’s first named home model, “GRENIER” (houses with an attic), which utilized roof pitch to create attic space



1981
Introduced a Western-style, modern home featuring a roof finial, designed to appeal to younger customers



1983
Introduced for the first time a home design featuring clapboard-style exterior walls, a gabled roof with dormers, a roof finial with ventilation functionality, and white window sashes



1983
Responded to demand for traditional Japanese housing design by incorporating tile roofs and interiors that reflected a distinctly Japanese aesthetic and atmosphere



1984
Adopted Dyne Concrete as an exterior wall material for its superior strength, durability, and refined appearance, realizing a new residential style in urban areas



1986
Proposed spaces for sunbathing and stargazing with roof balconies as well as second-floor rooftop balconies that blended seamlessly with exterior designs



1987
Received the first Good Design Award for our highest-grade home featuring Dyne Concrete, a fundamental design which continues to this day

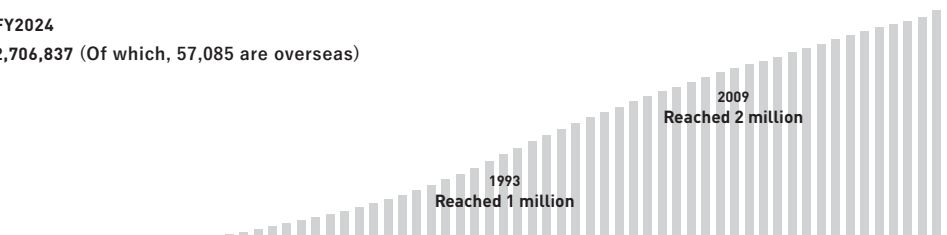
→ P.27 Technical Expertise

Our Corporate Story

Sekisui House has delivered over 2.7 million homes to date. Because we believe that a home is where happiness grows, we aim to support every aspect of daily life as a lifelong partner to our customers. Guided by this belief, we have built a unique value chain in which the Group oversees every process involved in homebuilding. We have also expanded our business domains centered on housing and established a business model that enables sustainable value creation.

Cumulative Number of Dwellings Built

FY2024
2,706,837 (Of which, 57,085 are overseas)



(FY)	1970	1980	1990	2000	2010	2020
Net sales (Billions of yen)	34.4 (non-consolidated basis)	430.0	1,090.3	1,364.8	1,488.3	2,446.9
Operating profit (Billions of yen)	3.7 (non-consolidated basis)	39.1	82.4	96.0	56.3	186.5

Value Chain

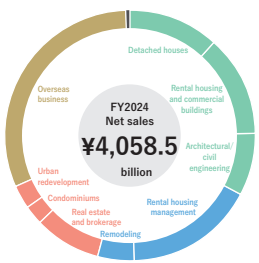
Research and Development	Product Development, Design, and Technologies	Sales	Procurement	Production	Construction	After-Sales Service
Conducting research and development on advanced technologies and lifestyle proposals	Designing happy homes through product development and advanced design capabilities	Proposing ideal homes, forging lasting and strong relationships of trust	Pursuing sustainable procurement through synergy and mutual prosperity with suppliers	Realizing a customized production system with high-quality product management	Ensuring reliable construction quality through a responsible construction system	Providing lasting reassurance as lifelong partners in happiness

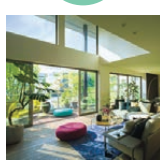
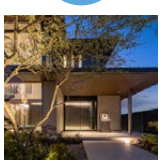
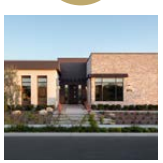


Customer-Centric Value Chain

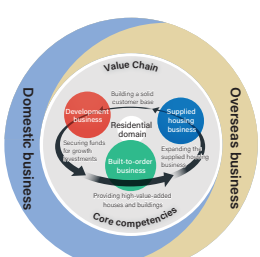
Pre-Construction → Through Completion → Ongoing Support

Business Portfolio



	Built-to-order business	Supplied housing business	Development business	Overseas business
				
Sales Composition	32.9%	21.3%	14.2%	31.2%
Net sales (Billions of yen)	¥1,349.0 billion	¥870.9 billion	¥582.5 billion	¥1,278.5 billion
Operating profit (Billions of yen)	¥ 143.0 billion	¥ 83.4 billion	¥ 70.2 billion	¥ 78.9 billion

Business Models



Of the three business models in Japan, our built-to-order and supplied housing businesses are asset-light business models that do not require significant capital investments. The built-to-order business, which primarily includes homes and commercial buildings constructed by Sekisui House, is closely linked to the supplied housing business, which conducts property management and remodeling. Profits generated from these businesses are then invested into the development business, which requires larger capital input and earns large returns through high-quality development in a circular business model. In our overseas business, we are working to establish similar business models.

Built-to-order business
Build a solid customer base by providing high-value-added houses and buildings

Supplied housing business
Leverage the customer base from the built-to-order business to expand remodeling, rental housing management, and related services

Development business
Invest profits from the two prior businesses in high-quality urban redevelopment and the development of beautiful and attractive communities to live in

Our Corporate Story

Sekisui House's journey as a pioneer of each era

Our Corporate Philosophy, "Love of Humanity," embodies the three core principles that form the foundation of our value creation. First, based on the belief that a "company is made of its people," each person's practice of "Love of Humanity" fosters dynamic, inclusive management and serves as the driving force supporting sustainable growth. Second, "we strive for our customers' happiness, and create and provide products that they desire." By practicing this, we pursue true customer satisfaction while enhancing corporate value. Third, we aim to "always ask ourselves whether this is helpful to the customer and if it contributes to society" in the development of products, creation of high-quality environments, and rigorous selection of new business endeavors. These principles, embedded in "Love of Humanity," are the very essence of our business activities, which have consistently created value ahead of the times to benefit society. Even as times change, this philosophy remains unwavering. Today, it lives on and continues to evolve in the form of ESG management.

Unwavering philosophies and evolving value creation

While Sekisui House's business activities have evolved with the times, the fundamental philosophy behind them has remained unchanged—to continuously create new value that contributes to society with a forward-looking mindset. Through this value, we aim to foster the happiness of our customers, society, and employees, set new standards, and continue amplifying happiness.

We have set a sub-vision to "Become a leading company in ESG management," with the aim of demonstrating even greater leadership in the field. We have positioned the ideals we have cultivated over time as "Our ESG Compass," guiding our efforts to create future value with a focus on three key questions: What value are we creating? How does it lead to happiness? And what kind of change does it bring about? These three perspectives form the core that connects Sekisui House's past, present, and future—and they will remain the unwavering source of our value creation in the years to come.

Our ESG Compass



Drive Positive Impact

ESG is about creating new value. Through innovation and communication, we create positive impact across all our business activities.

Create Happiness

The purpose of ESG management is to realize happiness for customers, society, and employees. Everyone contributes to fostering a corporate culture centered on happiness and expanding value creation.

Transform Society

As a leading company, we go beyond our organizational boundaries and lead the industry and society. Together with our stakeholders, we co-create a happier future with stakeholders.

→P.64 Leading Company in ESG Management

Sekisui House has redefined norms in the housing industry

Pursuing what others have yet to attempt—because such efforts have the potential to improve lives. Through these "first steps," Sekisui House has gradually helped shape what is now considered standard. What we present here are a few lesser-known stories that illustrate how we have led the way forward.

1967

Revolutionizing days off in the housing industry



S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

At a time when evening and weekend meetings with clients were the norm—leaving little to no time for rest—Sekisui House introduced Wednesday closures at our sales offices. Prioritizing employee well-being, this initiative set a new standard for workstyles in the housing industry.

1986

Integrating production system for entire homes



When it was widely accepted that "homes are built onsite," we established our own factories and pioneered pre-fabricated housing. In pursuit of the highest quality, we not only changed how homes were built; we transformed the entire framework of how they were delivered.

1990

Establishing research center, an investment in society



We envisioned a facility that would benefit both the industry and our customers. Even with slightly higher costs, we considered it as a way to give back to society. With that in mind, we established one of the largest research centers in Japan and opened it to the public, helping redefine how people think about housing.

2018

Supporting happiness through a paternity leave



"I want to spend time with my child." To make this simple, heartfelt wish a reality, we declared in 2018 that 100% of male employees would take at least one month of parental leave. This was a clear expression of our belief that a company should support family happiness—and we backed that belief with action.

CREATE HAPPINESS

The Sekisui House Group—Creating Happiness

02

Evolving Our Core Competencies and Creating Value

This section highlights the value we create by
evolving our core competencies,
which the Sekisui House Group has cultivated over many years,
and leveraging these strengths to implement medium- to
long-term strategies for sustained value creation.

STORYLINE

01 DRIVE POSITIVE IMPACT
Our Journey of Value Creation and the Future We Envision

02 CREATE HAPPINESS
Our Unique Values and Evolving Strengths

03 TRANSFORM SOCIETY
Our Long-Standing Mission and Progress

04 INNOVATION AND COMMUNICATION
Our Foundational Values and Human Capital Value

05 FINANCIAL STRATEGY AND CORPORATE GOVERNANCE
Financial and Capital Strategy, Corporate Governance

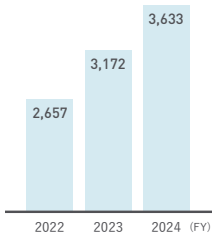
Unparalleled Values

The Sekisui House Group possesses unique and enduring strengths that distinguish us from any competitor.
These include our advanced technical expertise, trusted construction capabilities, and our customer base of over 2.7 million homes delivered worldwide.
Built through the tireless efforts and challenges faced by our predecessors, these irreplaceable assets have been passed down to us.
By positioning these core competencies as our “competitive edge,” we continue to develop and implement strategies to create new value.
Refining these strengths and passing them on to future generations—that is the true driving force behind the Sekisui House Group’s evolution.

Highlights

First-Class Registered Architects

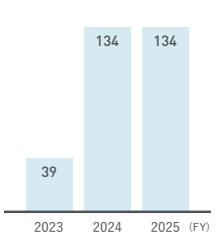
(Persons)



A total of 3,633 employees have been certified as first-class architects, contributing to the realization of high-quality housebuilding.

Crafters Hired

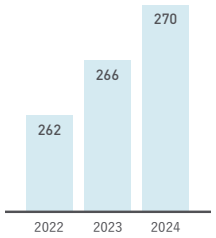
(Persons)



In FY2024, we strengthened crafter recruitment, hiring 134—about 3.8 times the average of the past three years.

Cumulative Number of Dwellings Built

(Thousand units)



Cumulative number of dwellings built, including overseas, has reached 2.7 million units, forming the foundation of our customer base.

Unparalleled Values

The Sekisui House Group's

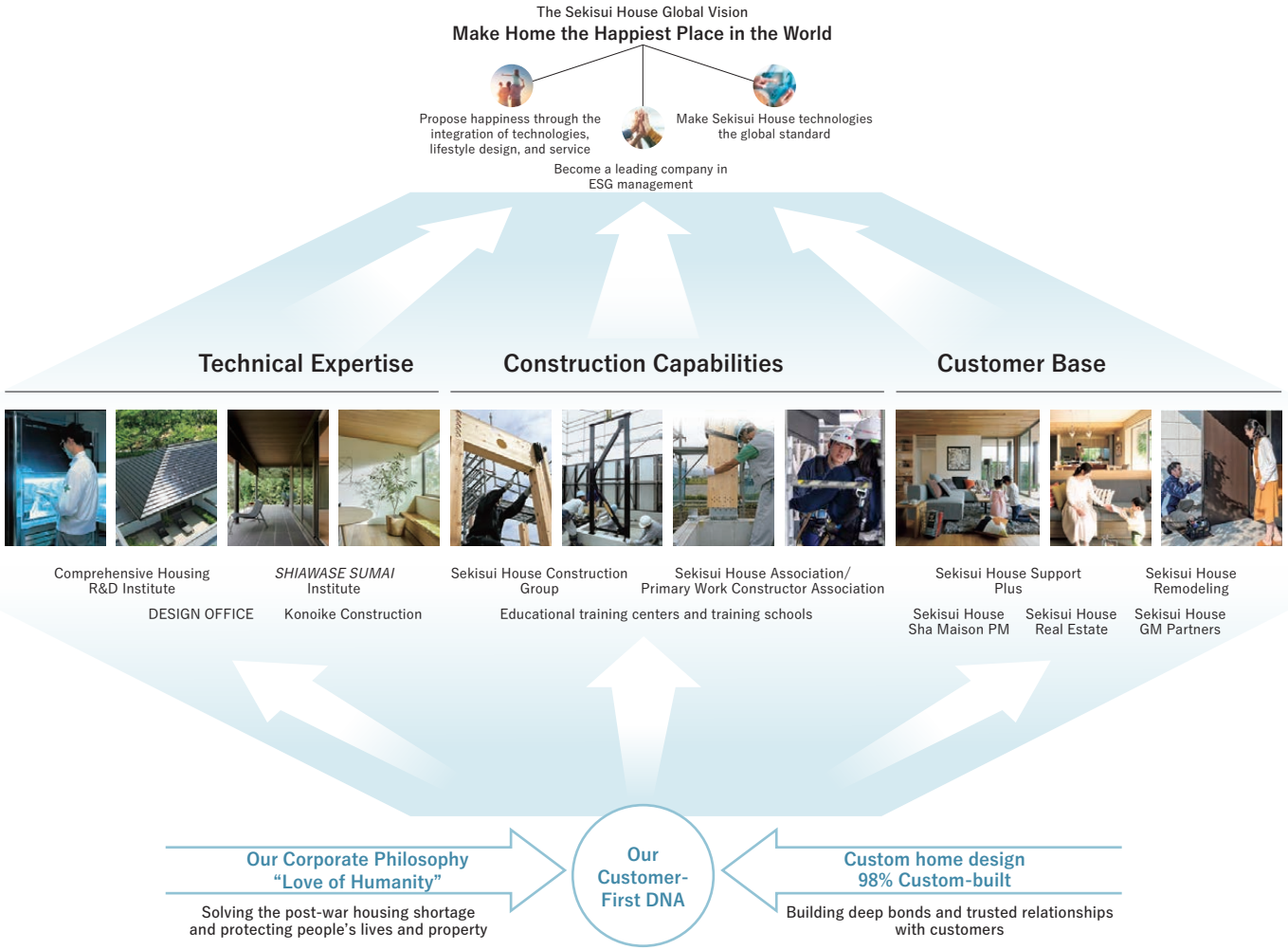
Core Competencies

Over our more than 60-year journey, the Sekisui House Group has cultivated a range of strengths. These include superior technical expertise that enables continuous innovation and advanced design proposals; exceptional construction capabilities that rigorously adhere to stringent Company-specific criteria exceeding legal regulatory standards; and a solid customer base built on deep bonds and trusted relationships with customers.

These core competencies were born out of efforts to fulfill our founding mission—addressing housing shortages and protecting people's lives and property from disasters—while putting into practice our Corporate Philosophy of "Love of Humanity" and steadily building trust with our customers.

These core competencies, passed down from our predecessors, form our robust "competitive edge" for formulating and executing forward-looking strategies, and they serve as the driving force behind our sustained competitive advantage, something that was not achieved overnight.

We will continue to strengthen the core competencies essential to achieving our Global Vision and generate unparalleled value by leveraging the strength of group collaboration.



Unparalleled Values

Our Technicians

Pushing Beyond Limits



Housing styles evolve over time. By capturing these subtleties and providing advanced technology, research and development, and innovative design, we have consistently pioneered new eras. At the core of this is our desire to bring happiness to every individual's life. Guided by the belief that we must always offer our customers the most advanced technologies, our skilled and passionate technicians continue to explore new possibilities in housing and create unparalleled value.

OUR VALUE The Sekisui House Group's technical expertise

R&D Division: Origin of Sekisui House technologies

Our R&D Division continuously verifies and evaluates the fundamental performance of our housing, striving for value creation. From the development of new construction methods and advanced technologies to the multifaceted research on happiness, lifestyle design, and daily living services, we conduct a wide range of housing-centered research and development.



Established the Comprehensive Housing R&D Institute in 1990
Established the *SHIAWASE SUMAI* Institute in 2018
Patents held: 1,059
Design rights held: 409

* The *SHIAWASE SUMAI* Institute conducts research on how homes can bring greater happiness the longer one lives in them—based on the belief that, in the era of the 100-year lifespan, the pursuit of happiness in daily life is more important than ever.

Production and Procurement Division: Backbone of our high-quality production system

By maintaining a rigorous quality management system led by in-house inspection specialists well-versed in our strict internal standards, we manufacture high-performance, high-quality components. As the first in the industry to achieve ISO 9001 certification, our Production and Procurement Division ensures consistent quality in every home we deliver.



In-house certified inspectors: 1,544
Certified manufacturing skilled employees: 3,435
Production bases: 6
Domestic distribution bases: 40

Design Team: Bringing ideas to life

We implement a stringent in-house certification program and assemble dedicated teams of architects, interior coordinators, exterior designers, and onsite supervisors—each with strong design proposal capabilities tailored to legal regulations and site conditions. These teams work together to create ideal living spaces that reflect each customer's unique vision.



First-Class Registered Architects: 3,633
Chief Architects: 308
Platinum Specialists: 47
Structural Planning Specialists: 191
Interior Coordinators: 172

OUR STRENGTH The source of our strength

Giving shape to a sense of beauty

Happiness is the starting point of our ideas. With a refined aesthetic sense and spirit of inquiry, we capture the subtleties of daily life. These qualities are embedded in our technologies, enabling us to express and give form to the sense of beauty in our hearts.

Incorporating feedback

Customer feedback is integral to our research and development efforts. To reflect this, we have established various internal working groups that drive product development and technological innovation.

The power to shape the future and set standards

At the core of our efforts to anticipate societal needs and evolve housing styles is the belief that technology is a means to create happiness.

Technical expertise that resonates throughout the world

Our passion for creating better homes and advancing technology has resonated internationally, bringing about new standards in the global housing industry.

OUR ENHANCEMENT Enhancing our strengths

Evolving technologies that shape the future

Driven by the belief that the technology we offer customers must always be cutting-edge, Sekisui House has continually advanced our technical capabilities with a forward-looking vision. Beyond housing, we pursue ongoing research and take on challenges to create unprecedented value, contributing to greater happiness and the realization of net-zero goals. By simultaneously inheriting and innovating advanced technologies, we drive Japan's housing industry forward and further evolve our unique technologies for expansion in the global market.

Advancing our technical expertise and expanding globally

- Organizational reform of the Factory Production and Procurement Division (FY2023)
- Making our original seismic resistance technology widely available → P.50-51
- Initiatives to transfer our original technologies to the U.S. and Australia → P.29

Core Competencies | Technical Expertise

Topic | Further enhancing our strengths The Sekisui House Group's technical expertise

OUR PROGRESS The Sekisui House Group's journey

Thorough verification and persistence

Our technical experts all share a common commitment: to experiment, verify, and validate thoroughly on their own until they achieve satisfactory results. Strict durability standards are set based on both test equipment results and actual field research findings. Over 10 years of research were dedicated to developing the SHEQAS seismic control system and the Airkis high-quality indoor air system, including full-scale house construction for verification.





Continually advancing our technology

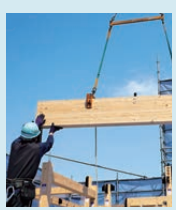
In 1976, guided by the belief that "foundations are the most crucial aspect of a building," we became the first housing manufacturer to establish preliminary ground condition surveys. In 1979, we started pilot testing aseismic technology, and since 1995, we have pursued improvements in seismic and wind resistance for wooden-frame housing. In 2006, we introduced a wooden-frame house that eliminates the need for a traditional foundation and have continued to develop construction methods that combine advanced foundation technology with spatial creativity.





Sharing our seismic technology

We launched the Skeleton and Infill (SI) business, a joint construction business that makes our original seismic resistance technology, "foundation direct joints," widely available. This technology has demonstrated a record of zero destroyed or damaged homes during major earthquakes. By combining this original technology with the high-precision construction capabilities of all Sekisui House Construction Group companies, we are working with eight partner companies to expand the availability of wooden-frame homes that offer both seismic resistance and comfort across Japan.





Transferring our original technologies overseas

We are expanding Sekisui House technologies developed in Japan to the global market. In North America in particular, we are integrating our high-durability and environmental technologies along with high-precision construction methods into existing 2x4 construction style. Through the rollout of two products, the "New 2x4" and "SHAWOOD," we aim to realize our Global Vision, which is guided by the fundamental policy of "Make Sekisui House technologies the global de facto standard."





OUR EXPERTISE Passion and dedication to our craft

Challenging the status quo

At the heart of Sekisui House's technological innovation is a mindset of constantly asking, "Is this truly the best solution?" By challenging industry norms, conventional practices, and rebuilding from the ground up, we have delivered safety and comfort beyond imagination while creating new value.

Pursuing reliable performance

A single house is said to require tens of thousands of components. If we cannot find a product that meets our performance standards, we thoroughly pursue the desired specifications through internal development and joint research. By enhancing all structural elements based on scientific evidence, we consistently provide unwavering peace of mind.

Refining construction methods

Through independent research, we have developed and continuously refined a variety of construction methods, based on the steel-frame, wooden-frame, and 2x4 methods. Our in-house research teams drive innovation in structure, construction, and design, maximizing the potential of each method.

Pioneering industry innovation

Since our founding in 1960, we have achieved numerous industry firsts. From introducing meter modules and conducting full-scale seismic tests to adopting high-performance thermal insulated double glazing, we have continually pioneered uncharted territory—leading the way to create new value in housing and driving technological innovation in the housing industry.

Committing to the highest standards

Our original construction methods create spacious living areas, while our heavy-gauge steel rigid structure enables superior strength and large, column-free spaces. We set strict in-house standards that exceed domestic regulations for exterior materials with beautiful textures and outstanding functionality as we focus on technologies that realize happiness for the future.

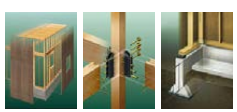
Core Competencies | Technical Expertise

Topic | Further enhancing our strengths Transferring Sekisui House technologies overseas

Aiming to become a game changer in the U.S. homebuilding industry, we are advancing the transfer of Sekisui House technologies overseas.

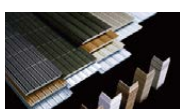
SHAWOOD (Selected examples as of March 2025)

SHAWOOD construction method (technology)
S-MJ Construction Method developed by Sekisui House



Achieves structural beauty and precision of the S-MJ framing at Sommers Bend

Highly durable technologies (technology)
Bellburn ceramic exterior wall with superior fire resistance and durability



Standardizes all Sommers Bend homes with Bellburn ceramic exterior walls, achieving refined design and high performance

Environmental technologies (technology)
ZEH provides electricity even during power outages, ensuring continued comfort and peace of mind



All Sommers Bend homes come standard with storage cells and our U.S. version of ZEH

Clearview (lifestyle design)
Creates open, tranquil spaces that seamlessly connect indoor and outdoor environments

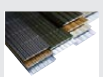


Achieves a clear view with ceiling heights over 3.5 meters at Sommers Bend

New 2x4 (Selected example as of March 2025)

Highly durable technologies (technology)

Bellburn ceramic exterior walls



Highly durable roof materials



Highly weather-resistant paint



Highly durable joints



Environmental technologies (technology)

Thermal insulation and airtightness



Synchronizing batteries for energy-saving, generation and storage



SMART-ECS (Next-generation indoor environment control system)



PLATFORM HOUSE touch (living environment monitoring)



Conducting customer awareness surveys on the quality and environmental technologies of the 2x4 construction method/ Identifying and selecting potential domestic partner manufacturers/Building relationships with U.S. suppliers

Lifestyle proposals (lifestyle design)

Storage



Kitchen



Smart Universal Design



In the process of finalizing the core product concept

Improving design and construction quality for the New2x4

Transferring design quality

We are working to develop a U.S. version of our Planning Standard System (PSS), which serves as the foundation for realizing Sekisui House's Life Style Solution (LSS).

SHAWOOD Planning Standard System

Transferring construction quality

We are working toward establishing a unified construction inspection standard for our four U.S. companies based on Sekisui House's precise and rigorous inspection criteria.



SHAWOOD responsible construction system

Increasing the number of technicians assigned from Japan to the U.S. to support the transfer of Sekisui House technologies

We aim to create a future where people can live happily in homes that are environmentally considerate and support healthy lifestyles, by transferring the original environmental technologies we have established in Japan to the U.S. While the U.S. has traditionally been perceived as having lower environmental awareness, recent years have seen a rapid increase in consumer consciousness around environmental and health concerns due to the frequent natural disasters and the impact of the COVID-19 pandemic. In particular, states where we operate, such as California, Washington, and Colorado, are recognized as progressive regions with a strong focus on environmental consideration and health. In our U.S. business, we have been providing environmentally considerate homes that exceed industry standards. To respond to increasingly sophisticated customer needs, we expanded the number of Sekisui House technicians assigned to the U.S. in 2025, including experts in environmental fields. Going forward, we will work in close collaboration with relevant departments at our Japan headquarters and U.S. Group companies to adapt and implement Sekisui House's environmental and health-related technologies—such as net zero energy houses (ZEH), advanced thermal insulation and airtightness technologies, the next-generation indoor environment control system "SMART-ECS," and the high-quality indoor air system "Airkis"—to the U.S. market, aiming to bring greater happiness to people in the United States.



Yusaku Takeda
SVP Head of SH Tech Transfer

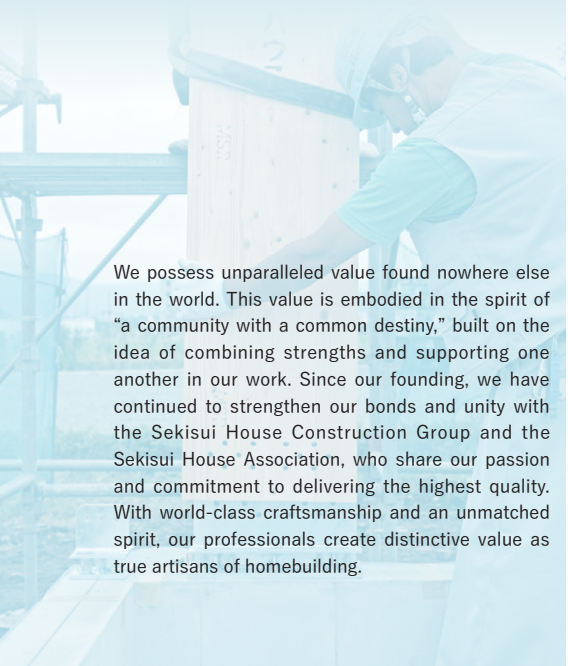
Assigned to the U.S. since October 2017

Unparalleled Values

Happiness Created by

Construction

Specialists



We possess unparalleled value found nowhere else in the world. This value is embodied in the spirit of "a community with a common destiny," built on the idea of combining strengths and supporting one another in our work. Since our founding, we have continued to strengthen our bonds and unity with the Sekisui House Construction Group and the Sekisui House Association, who share our passion and commitment to delivering the highest quality. With world-class craftsmanship and an unmatched spirit, our professionals create distinctive value as true artisans of homebuilding.

OUR VALUE The Sekisui House Group's construction capabilities

Responsible construction system

Based on the belief that "foundations are the most crucial aspect of a building," we established Sekiwa Construction in 1973 as a company specializing in foundation work. We implemented a responsible construction system to ensure high construction quality. Today the Sekisui House Construction Group continues to uphold and support this responsible construction system.



Sekisui House Construction Group: 8 companies
Construction workers: 4,657
Of which, crafters: 590
Onsite supervisors, etc.: 1,244

Sekisui House Association

For Sekisui House, built on a foundation of responsible construction, partner building constructors are irreplaceable. United by a shared desire to bring happiness to our customers, we established the Sekisui House Association and work together on such initiatives as improving construction techniques and enhancing working environments.



Sekisui House Association: 2,628 companies
Primary work constructors: 313 companies
Construction workers (carpenters) at primary work constructors: 2,982

Sekisui House Cooperation Association

With the conviction that ensuring a safe and secure working environment for the employees of our partner building constructors is a vital responsibility, we established the Sekisui House Cooperation Association in 1982. Through this association, we operate various programs, including a funded pension system, income compensation programs, and skilled worker rewards.



Sekisui House Cooperation Association: Approx. 12,000 companies

Educational training centers and training schools

In 1982, we established a vocational training school to improve construction quality, pass on skills, and develop talent. Targeting employees of Sekisui House Construction companies and partner building constructors, these training schools also feature an internal certification program. Graduates actively contribute as construction technicians (crafters) and construction managers.



Number of educational training centers and training schools in Japan: 3
Cumulative number of graduates: 3,278

OUR STRENGTH The source of our strength

A community with a common destiny

Based on the belief that the housing business is built on the collaboration of many people, we unite our vision and strengthen our bonds with partner building constructors to deliver the highest quality.

Pride in excellence

We apply exceptional craftsmanship to each and every home, delivering construction that exceeds customer expectations. Attention to detail and pride in our work are the foundation of our superior quality.

World-class skill and spirit

By combining precise construction techniques with a spirit of craftsmanship, we deliver homes of the highest global standards—homes built not only with skill, but also with a sincere wish for our customers' happiness.

Sincerity and responsibility

Reliable quality is born from sincerity and a strong sense of responsibility. We approach each home with genuine care and dedication, supporting safe, comfortable living.

OUR ENHANCEMENT Enhancing our strengths

Expanding our world-class construction capabilities and construction systems overseas

Sekisui House's construction capabilities are supported by individuals who possess both exceptional technical skills and strong character, learning from one another as a "community with a common destiny." In addition to passing advanced construction techniques on to the next generation, we also share Sekisui House technologies, along with expertise in construction processes and quality management, with our overseas Group builders. We are building a system capable of delivering high-quality homes in global markets as we continue evolving our trusted construction capabilities through the integration of people and technology.

Strengthening our construction capabilities and expanding them globally

- Organizational restructuring of Sekisui House Construction Holdings (FY2023)
- Sekisui House Carpentry Competition, *WAZA* → P.32
- Recruiting and Training Crafters → P.31

Core Competencies | Construction Capabilities

Topic | Further enhancing our strengths through the active participation of crafters

The active participation of crafters

Since its founding, Sekisui House has worked to maintain and improve construction quality by establishing a strong construction system, developing human resources, and passing down technical expertise through various initiatives, including the launch of foundation-specialized companies and the creation of educational training centers and schools. In 2023, the Sekisui House Construction Group renamed its construction technicians "crafters," and strengthened recruitment and training programs for multi-skilled professionals while also promoting a work environment where employees can continue working with peace of mind. Here, we introduce the active participation of our crafters, who deliver the highest quality and technology.

Number of crafters hired:
134 new hires in April 2024 (340% YoY)

New crafters who have acquired reliable skills through six months of training at Sekisui House's education training centers



Never forgetting the spirit we started with

A 2024 graduate

After starting with NB framing and then moving on to the Flexible ß System, I've had many opportunities to learn practical techniques and develop my own unique and efficient work methods. Exchanging ideas with my peers who joined the Company alongside me has also deepened my understanding. No matter how much experience I gain, I will never forget the spirit I started with. My goal is to one day become a master crafter who can pass on the knowledge, skills, and experience I've acquired to the next generation.



I want to learn as much as I can from my senior colleagues

A 2024 graduate

As I became more comfortable with my training, I was able to ask the trainer more specific questions about what I didn't understand, which helped improve the clarity of my work. On actual job sites, I want to take the initiative to find things I can do—such as cleaning and organizing—whenever I have free time. I'll keep in mind that what we learn at the training school is just a small part of a greater whole, and I hope to absorb as much knowledge as I can from senior colleagues and other skilled craftsmen.

Senior crafter actively contributing across Sekisui House construction companies nationwide



I want to continue growing by building up small experiences

A 2022 graduate

I chose to become a crafter because I thought the carpenters who built my childhood home were so cool and I admired them. Since becoming a crafter, I've been steadily learning the job and gradually taking on different tasks. I still remember how happy I was when a senior colleague complimented me, saying "Nice work," after I managed to finish a small section on my own for the first time. I hope to continue growing so I can contribute in many different settings.

Value Created by the Active Participation of Crafters

Drive Positive Impact: The Sekisui House Group's Initiatives

1973
Established a specialized company[1] to manage foundation work and ensure construction quality

1 Sekisui House Construction Group

1982
Opened an accredited vocational development school to train and develop technical experts



1983
Started the Sekisui House Chief Technician Certification[2] for Sekisui House Cooperation Association to certify housing construction skills

2 Authorized by the Ministry of Labour

2008
Introduced Sekisui House Remodeling Meister System for employees in the remodeling business

2024
Implemented revised HR policies and practices for Sekisui House Construction's "crafters," our home-building craftsmen, to promote their development

Create Happiness: Happiness Created by the Active Participation of Crafters

Output
- Increased hiring numbers
- Improved remuneration (up to 10% increase in starting salary)
- Reinforced training school framework and innovated workstyles
- Enhanced transparency of construction skills and fostered multi-skilled talent
- Revised HR policies and practices and implemented a skill matrix for evaluations



Outcome
- Improved transparency in job ranks and evaluations
- Enhanced career development and motivation
- Stabilized working and living conditions
- Acquired and passed on technical skills
- Cultivated multi-skilled talent



Transform Society

Impact
- Improve housing quality
- Stabilize the housing supply
- Create high-quality housing stock
- Create employment opportunities
- Revitalize regional economies

Core Competencies | Construction Capabilities

Topic | Further enhancing our strengths through the Sekisui House Carpentry Championship

The Sekisui House Carpentry Championship, *WAZA* 2024

Sekisui House's homebuilding is supported by the exceptional skills of the Sekisui House Association's craftsmen and their heartfelt dedication to creating happiness. To express our gratitude and respect for these craftsmen, as well as to showcase their top-level skills while passing on their techniques and spirit to future generations, we launched the Sekisui House Carpentry Championship, *WAZA*, in FY2023. In FY2024, we introduced a new "Under-35 Division" alongside the existing "Master Division," creating a new platform to support the next generation of carpentry professionals. A total of 13 participants per division selected from approximately 5,000 craftsmen across Japan, competed in home interior construction, where they demonstrated their technical precision, beautiful craftsmanship, and strong commitment to safety.







Master Division
Gold Prize

In 2024, I received the Bronze Prize and told myself, "I'll do my best to avoid any mistakes." With that mindset, I tackled each day—and this year, I was honored with the Gold Prize. On the way home from last year's competition, my son expressed his desire to become a carpenter and has since been gaining experience. Now, I have a new goal: in five years, to participate together in the competition—me in the Master Division and my son in the Under-35 Division.

Impressions from overseas Group companies after observing the Sekisui House Carpentry Championship, *WAZA* 2024



SV of Operations
SH Residential Holdings

I was truly impressed by the high level of *waza* (craftsmanship) and the care taken to perform the work in the best manner possible. In Japan, one person can carry out tasks that might require three people in the U.S. We are both excited and challenged to match the skill level of Sekisui House's craftsmen. What stood out most was their spirit and mindset. I also felt that the strong bond between Sekisui House and its craftsmen is what makes the company exceptional. As we work to expand Sekisui House's technology globally, we look forward to deepening collaboration between Japan and the U.S., sharing mindsets and skills to achieve greater outcomes.



SVP of National Construction
M.D.C. Holdings

I was deeply impressed not only by the high level of *waza* (craftsmanship), but also by the meticulous preparation, precision in execution, and the passion and pride with which the work is approached. I would love to bring these values and mindsets back to the U.S., as I am convinced that additional efforts in preparation and precision in every aspect of the work are key to enhancing quality. If outstanding craftsmen like those at Sekisui House in Japan were to come to the U.S., I believe it would inspire us to raise our quality standards even higher, and this is something we genuinely look forward to.

Sharing Sekisui House's technology and quality globally through the active participation of our crafters

As our overseas business grows, we are assigning crafters abroad to share Japan's advanced construction techniques.





Sekisui House Construction Chugokushikoku
Koki Joyama

Assigned to Australia in FY2024

At first, I was excited when I found out I would be assigned, but as the departure date approached, I started to feel a bit anxious as well. However, once I arrived, the six months turned out to be full of valuable learning experiences and enjoyable moments. When there was no interpreter, we communicated through gestures or by writing things down on paper.

To improve construction quality and shorten construction timelines, we worked alongside local crafters to build SHAWOOD homes, providing guidance through on-the-job training. I was deeply inspired by their dedication to their work, and I hope to continue passing on our techniques and further expand Sekisui House quality around the world.





Sekisui House Construction Chugokushikoku
Takashi Matsumoto

Assigned to Australia in FY2024

There's no end to refining construction techniques, but when I heard local crafters say, "Sekisui House construction is more precise," after seeing other companies' construction sites, I felt a deep sense of confidence and pride in our technical capabilities. By insourcing the framing and exterior work while respecting local construction styles and values, we were also able to improve efficiency and shorten construction timelines.

Experiencing the importance of overseas markets firsthand was invaluable, and I was especially happy when members of the Sekisui House Group who came to visit said they were moved by seeing Japanese and Australian crafters working together. If given the opportunity, I would love to continue developing my skills overseas.

Unparalleled Values

Creating the Future with

Our Customers



Home is a cherished place where happiness is nurtured. That is why we place great importance on sharing our customers' thoughts and fostering deeper connections, supporting their homes throughout their lifetime. We continuously ask ourselves what is truly valuable and necessary for our customers, striving to create a future where happiness endures. Through ongoing, heartfelt communication, we build lasting connections with our customers, further strengthening our inherent customer-first philosophy.

OUR VALUE The Sekisui House Group's customer base

Customer Service Centers

Our Customer Service Centers play a vital role in building long-lasting relationships with homeowners. These locations support safe and comfortable living environments by providing prompt and appropriate assistance, serving as contact points for all housing-related concerns, including after-sales services.



Cumulative number of dwellings built:	2.7 million
Sekisui House Support Plus:	12 offices
Customer Service Centers:	30
Employees specializing in after-sales services:	1,523

Remodeling and real estate

Our remodeling and real estate business responds to a wide range of housing needs by offering high-quality remodeling proposals, promoting the circulation of pre-owned homes, and supporting effective land use. Through these efforts, we help optimize living environments over the long term and enhance the value of our homes.



Remodeling centers:	38
Remodeling employees:	1,979
Sekisui House Real Estate Group:	10 companies

Experience facilities

Sekisui House's experience facilities allow visitors to fully appreciate the comfort and technical excellence of our homes. At our model houses and display homes, guests can explore the latest housing equipment and design concepts. By offering a hands-on experience that engages all five senses, we support customers realize their ideal homebuilding vision.



Tomorrow's Life Museum:	5 locations
SUMUFUM TERRACE:	7 locations
Display homes:	263
JUNOPARK:	1 location*

* To be opened August 2025

OUR STRENGTH The source of our strength

Connecting with customers

Our homebuilding begins with understanding and staying close to our customers' hopes and ideals. Through meaningful dialogue that resonates personally, we bring their aspirations to life.

Customer trust

We have earned the enduring trust of our customers by delivering technology and quality that respond to the insights and desires that evolve with their changing lifestyles.

Relationships with customers

For our customers, the true relationship begins after they move in. We believe in the importance of continuing to take responsibility for their futures and ensuring their happiness.

Partnerships with customers

By connecting with our customers on a personal level and deepening our understanding of their needs, we work together to create beautiful homes and townscapes. These ongoing efforts are what empower us to build a happier future.

OUR ENHANCEMENT Enhancing our strengths

Deepening relationships beyond the home

The relationships of trust we have built with our customers over the years are a valuable asset to the Sekisui House Group. By anticipating lifestyle changes and enhancing services that support homes and all aspects of daily life, we aim to stay close to each customer and deepen bonds even further.

Strengthening our customer base

- Sekisui House Support Plus, a company specializing in after-sales services → P.34-35
- Sekisui House Sha Maison PM, a company specializing in the rental management business → P.35
- Sekisui House Real Estate, a company specializing in the real estate and brokerage business → P.35
- Sekisui House GM Partners, a company specializing in condominium management that provides services to enhance the asset value of GRANDE MAISON condominium owners

Core Competencies | Customer Base

Topic | Further enhancing our strengths Sekisui House Support Plus

Customer Service Centers, the closest partner in supporting our customers' happiness

A sincere wish for our customers' happiness has always been at the heart of the Sekisui House Group's journey. By building these heartfelt connections, we have nurtured deep, enduring trust. This strong bond is the foundation for our value creation, and we have built a Group-wide framework to continue this journey alongside our customers.

Our Customer Service Centers embody the Sekisui House Group's commitment to caring for our customers and their homes. In order to continue protecting our customers' valuable assets, we have introduced "*Ie*-Log," a system for managing data for individual residences, and established a management structure that enables prompt and accurate inspections and repairs.

Sekisui House Support Plus, aspiring to be "Japan's top housing concierge"

Sekisui House Support Plus, Ltd., a company specializing in after-sales services for homes, was established as a separate entity in February 2025. With the mission to Make Home the Happiest Place in the World the company aspires to be "Japan's top housing concierge," offering personalized support that remains close to each customer.

Customer Service Centers across Japan work in close coordination, not only responding swiftly to housing-related issues to ensure safer and more comfortable daily living, but also providing advice and information to help customers lead happier lives. Through these efforts, we continue to provide added value through our after-sales services.

Sekisui House Support Plus

1975

Began distributing the lifestyle magazine Kizuna to owners of detached houses



1985

Initiated homeowner visits as part of our after-sales services



1987

Established Customer Service Centers



1999

Established Remodeling Centers and strengthened information sharing



2004

Introduced weekend reception services at Customer Service Centers



2020

Established Customer Service Center Owner Desk



2025

Established Sekisui House Support Plus, Ltd. as a separate company specializing in after-sales services

12 offices / 30 Customer Service Centers
1,523 employees (Of which, 1,058 dedicated to after-sales services)

As of February 1, 2025

Happiness Created by Customer Service Centers

A home is the stage on which our customers' lives unfold, where everyone living there can experience true happiness. With this belief at the heart of our work, we value the trust we build with our customers and support homebuilding that ensures peace of mind. Our nationwide Customer Service Centers are at the forefront of this effort, always staying close to our customers.

Standing close and providing support

We received a consultation about a door that had recently become difficult to open and close. Understanding that even small changes can affect a customer's sense of security, we promptly visited the home and adjusted the door. Our role is to listen closely to these everyday concerns and work together with our customers to create a happy living environment.

Housing value that lasts into the future

Homes can increase in value over time. For example, by proposing improvements to insulation performance during regular inspections, we have enhanced comfort, reduced utility costs, extended home lifespans, and increased asset value. We prioritize proper maintenance and care to support happiness that continues into the future.

Lasting peace of mind

Our Customer Service Centers, where customers can easily seek advice and receive prompt support when needed, play a vital role in providing peace of mind. By supporting homes that can be passed down through generations, we continue to protect our customers' lives and happiness, built on a foundation of unwavering trust.

Happiness from working at Customer Service Centers

We work closely with our customers every day, dedicated to solving their problems. Through repeated home visits, we build trust and sometimes hear personal stories. Even when the initial request is for a repair, deeper conversations often reveal that a different approach is needed to truly meet their needs. Beyond simply responding to requests, we offer proactive advice to prevent issues and collaborate with our Group companies to provide the best possible proposals, including remodeling when appropriate.



Core Competencies | Customer Base

Topic | Further enhancing our customer base

Sekisui House Support Plus

Aiming to become Japan's top housing concierge

On February 1, 2025, the after-sales services business of the Customer Service Centers was established as an independent company, Sekisui House Support Plus, Ltd. With the launch of its operations, the company aims to add value to the existing support services such as regular home inspections and maintenance, and deliver lifelong value to our customers.

Sekisui House Support Plus



Tomoaki Minobe, President, Representative Director of the Board
Hiroyuki Kitamura, Managing Director of the Board
Sekisui House Support Plus, Ltd.



Among homebuilders, Sekisui House may be unique in having separate companies dedicated to both remodeling and after-sales services. Our mission is to "make home the happiest place in the world" and to ensure that happiness lasts forever. Over my 26 years in the contracting division, I've come to deeply realize that one of the main reasons customers choose Sekisui House is the high quality of our after-sales services. Building on the after-sales service expertise we have accumulated over the 37 years since the establishment of our Customer Service Centers in 1987, we will continue to advance our businesses and systems to further strengthen the unwavering trust our customers place in Sekisui House.



Our approximately 1,500 after-sales service professionals support our customer base, which is one of our core competencies as well as one of our greatest assets and strengths. By standardizing the previously inconsistent services across different regions, we aim to further reinforce our customer base and establish our brand identity built on the mindset of "if anything happens, we can rely on Sekisui House Support Plus," while also enhancing and expanding our supplied housing business. Currently, we handle nearly 1.1 million customer inquiries each year. While maintaining a customer-first approach and responding to owner requests, we also deliver added value through proactive proposals.

Sekisui House Sha Maison

Aiming to become Japan's top property management company

On February 1, 2025, we reorganized Sekisui House Real Estate Group's rental business, which manages over 700,000 rental units with a consistently high occupancy rate, into six regional property management (PM) companies. With a focus on accelerating digital transformation and clarifying roles and responsibilities, we aim to enhance services for Sha Maison owners and tenants.

Sekisui House Sha Maison PM



Hirotaka Kuroda, Executive Officer
Yasushi Sawada, Executive Officer
Sekisui House Real Estate Holdings, Ltd.



Property management (PM) refers to rental management and operations designed to enhance the asset value of real estate. Each of our PM companies has over 40 years of proven results and expertise rooted in their local communities. By conducting management tailored to regional characteristics while unifying business strategies and workflows, we are working to standardize and strengthen our services for both property owners and tenants, as well as improve our management systems to accelerate our growth. Following the launch of the Sha Maison Life CLUB app, an app for tenants, introduced in FY2023, we are committed to further evolving our services to maximize satisfaction for owners and tenants and enhance our brand value.



A unique strength of the Sekisui House Group lies in the collaboration between our PM marketers and sales representatives. Together, they manage operations and deliver proposals informed by a deep understanding of Sha Maison's characteristics and market trends, enabling optimal recommendations for property owners. Looking ahead, our increasingly skilled PM marketers will leverage proprietary data from market analyses and tenant surveys conducted by our PM companies to support the expansion of new contracting projects. We strive to be recognized—both internally and externally—as Japan's top property management company, while pursuing the happiness of owners, tenants, and employees alike.

Sekisui House Real Estate

Aiming to become the top regional real estate company specializing in housing

On February 1, 2025, we consolidated our real estate and brokerage operations, previously divided among six regional companies, into a single entity: Sekisui House Real Estate, Ltd., a specialized company focused on real estate brokerage and sales. By strengthening our real estate for sale and promoting detached houses for first-time buyers, we aim to become a real estate company with even greater expertise in housing, supporting customers through every stage of homeownership from relocation to inheritance.

Sekisui House Real Estate



Ichiro Otaka, President, Representative Director of the Board
Masanori Nishikawa, Executive Vice President, Representative Director of the Board
Sekisui House Real Estate, Ltd.



We aim to grow our core businesses—real estate acquisition, sales, and brokerage—by leveraging our strong Group-wide collaboration that sets us apart from our competitors. Operating as a single, nationwide entity enables us to allocate talent and capital based on the market size and potential of each region while also standardizing our property acquisition criteria. Human resources are the key to success in the real estate business. To advance our business strategy, we share both successful and unsuccessful case studies across the Company to foster talent capable of analyzing markets through a multifaceted lens. Closer collaboration with our parent company, Sekisui House, will further contribute to acquisitions of high-quality properties.



We will define our area strategies for residential land and focus investment capital accordingly. For commercial land, we will define separate areas by usage and concentrate on strengthening both acquisition and sales. Additionally, as a new business following an organizational restructuring, we will launch a ready-built detached housing business targeting child-rearing families under the concepts of "supporting child-rearing" and "homes that increase asset value." We will also actively engage in our solution services business and expand our real estate consulting services for corporate clients. By offering comprehensive housing consulting tailored to each customer's life stage, we aim to create new value and strengthen our position in the market.

Core Competencies

Unparalleled Values

Connecting Ideas and Combining Capabilities

Group Cooperation

With the aim of further strengthening core competencies, we have enhanced the expertise of each Group company through organizational restructuring and the establishment of specialized entities. To fully leverage the strength of each entity, it is essential to foster strong connections across the Group. Another core competency of the Sekisui House Group is our ability to create value through cooperation, sharing ideas and combining capabilities. By blending each employee's expertise with a strong sense of team unity, the value created by the Group continues to expand.

OUR VALUE Sekisui House's Group cooperation

Organizational restructuring and establishing specialized entities to enhance expertise

The Sekisui House Group has engaged in organizational restructuring and the establishment of specialized entities to enhance our three core competencies. We aim to strengthen the entire Group by deepening each Group company's expertise in their respective fields and developing their autonomous decision-making practices, empowering each company to act with responsibility and discretion. These efforts have led to strong performance and accelerated growth through improvements in overall quality, technical expertise, construction capabilities, and the customer base.

Synergy born from Group cooperation

The process of deepening expertise can sometimes lead to issues like reduced coordination between companies. For this reason, in addition to the "enhancement" that strengthens individual capabilities, "horizontal cooperation" will be key to integrating Group-wide capabilities. For example, Sekisui House Support Plus actively shares information and insights, such as new building instructions, renovation projects, SumStock referral data, and remodeling initiatives, enabling the Group to co-create value that would be difficult to achieve alone.

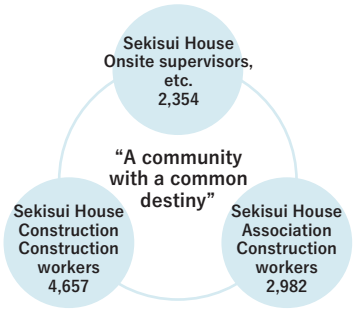
Cooperation ability as another core competency

Among our three core competencies, the power of Group cooperation is indispensable. Through the mutual collaboration among companies with diverse roles and strengths, we can identify root issues from multiple perspectives and develop more creative solutions. By connecting the expertise of each company, we demonstrate our comprehensive strengths as a united Group. Moving forward, we will continue to create greater value by enhancing cross-organizational cooperation by sharing ideas and aligning our efforts.

OUR STRENGTH "A community with a common destiny" and Group cooperation

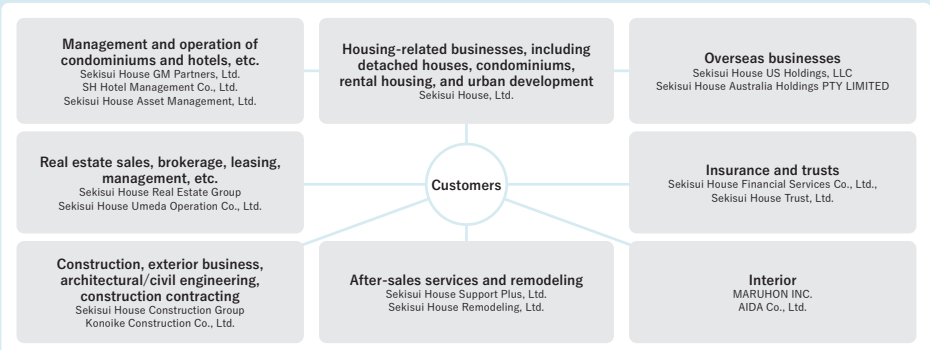
"A community with a common destiny"

The concept of "a community with a common destiny" reflects our commitment to working together by combining strengths and supporting one another. In line with this philosophy, we have built strong relationships of trust with partner building constructors and partner companies, bonds we deeply value.



Supporting beyond homebuilding, together as a Group

The Sekisui House Group operates 101 branches and sales offices across Japan and collaborates with 376 Group companies to deliver a comprehensive range of housing-related services under an integrated system. Beyond residential construction, we also engage in urban development projects such as hotels and office buildings, expanding our business to create happiness in diverse forms.



Value Chain

Through continuous efforts to advance the core capabilities in housing and environmental technologies essential to residents' quality of life, the Sekisui House Group integrates research and housing proposals to pursue new value creation. To enhance the sustainability of our value chain, we have developed a range of initiatives and measures under the Sixth Mid-Term Management Plan (FY2023–2025), addressing key risks and opportunities identified in our mid- to long-term strategic policies.

	Strengths	Risks and Opportunities	Strategic Actions (in the Sixth Mid-Term Management Plan)	Value Creation
Research and Development	• Established the world's largest Comprehensive Housing R&D Institute in 1990 • Opened Japan's first Human Life R&D Institute in 2018, dedicated to happiness research • Conducts R&D utilizing our extensive housing data and expertise	• Potential loss of business opportunities due to slow or inadequate responses to technological innovation and social challenges • Escalating severity of natural disasters exacerbated by climate change	• Focusing R&D on housing disaster risk, societal sustainability, and longevity solutions • Developing environmental technologies for houses that contribute to health • Facilitating R&D through collaborative efforts across sales, technology, production, and other departments • Collaborating externally on R&D efforts (with other companies, academic institutions, etc.) • Enhancing and nurturing the R&D talent pool	We are deepening our well-established technologies for safety, security, comfort, and environmental consideration. These form the foundation of our comprehensive R&D efforts that integrate technologies, lifestyle designs, and services, all striving to cultivate happiness in the era of the 100-year lifespan.
Product Development, Design and Technologies	• Pioneering original technologies that set the industry standard • Home to 3,633 first-class architects as of FY2024 • Chief Architects, nurturing elite in-house architectural talent	• Adapting to lifestyle changes • Embracing value diversification • Broadening spectrum of housing performance expectations (environmental adaptation, natural disaster response, health safety, etc.)	• Undertaking design R&D centered on customer happiness • Advancing environmental technologies for a sustainable future • Innovating original technologies to create high-quality housing stock	Dedicated to consistently outpacing competitors with the highest quality and technology, we are at the forefront of developing products that align with homeowners' requirements. Leveraging sophisticated design proficiency, we realize personalized "free-design" homes that encapsulate each resident's unique vision.
Sales	• Trust and a strong track record nurtured over time, and a commitment to aligning with customer needs • Consulting skills to uncover latent needs, leading to proposals for long-term happy living • Ability to generate proposals for corporate entities and public organizations	• Intensifying competitive environment • Changes in housing policy • Changes in and end of support measures for home purchases	• Advocating for long-life quality housing • Proposing the creation of assets that offer value for customers and local communities • Reinforcing inter-company collaboration to reliably capture business opportunities • Encouraging the active participation by female sales representatives	Sales, serving at the front line of customer engagement, closely aligns with customer needs to deliver proposals that shape the perfect home, nurturing enduring and robust relationships of trust for the future.
Procurement	• Robust supply chain structured for coexistence and mutual prosperity with suppliers • Engagement in CSR procurement as **aligned with the United Nations Global Compact** • Commitment to FairWood procurement in accordance with our Wood Procurement Guidelines	• Escalating costs and limitations in raw material supply • Repercussions from natural disasters and geopolitical instabilities • Human rights considerations within the supply chain • Impact of wood procurement on ecosystems and forests	• Solidifying the resilience of the entire supply chain, including secondary and tertiary suppliers • Fortifying CSR procurement that pursues coexistence and mutual prosperity with suppliers • Advocating for decarbonization and respect for human rights throughout the supply chain • Advancing our commitment to FairWood procurement • Championing zero deforestation practices	Building a house requires an intricate assembly of numerous components. Embracing our CSR Procurement Guidelines, we collaborate with diverse suppliers to achieve sustainable procurement practices.
Production	• A robust production and quality management system leveraging AI, IoT and big data analytics alongside robotics • House-specific production enabled by adaptable production lines and logistical support • In-house development of production technologies integrating the latest advancement	• Rapid increases in the costs and availability of raw materials • Increasing logistics expenses and scarcity in transportation personnel • Workforce shortages at production line sites • R&D aimed at decarbonization • Threats of cyber attacks on production systems	• Enhancing quality control and reforming production and logistics by further utilizing advanced technologies • Streamlining production through advancing automation and fostering a worker-friendly environment • Moving forward with decarbonization strategies, including raw material recycling, energy conservation, and energy transition, while bolstering cybersecurity	Our distinctive production system manages each phase from manufacturing to delivery individually for every home, consistently assuring high quality across all homes under our sophisticated quality control for industrialized housing.
Construction	• Construction capabilities and the synergy within the Sekisui House Construction Group and about 7,000 partner organizations, bonded by the spirit of a community with "a common destiny" • Group-wide system for construction quality control, continuous improvement, and record management and retention • Three education and training centers across Japan and a technical training facility in Vietnam to cultivate future talent	• Decrease in construction capabilities due to aging and shortages of skilled personnel • Shortage of human resources caused by employee turnover and recruitment shortfalls • Reduced construction site productivity due to climate-induced environmental degradation • Occupational accidents and accidents involving the general public	• Enhancing work efficiency and improving conditions at construction sites and work environments for greater safety and happiness • Recruiting and nurturing diverse talent • Strengthening collaboration with Konoike Construction, known for traditional construction expertise and civil engineering business	We have instituted a responsible construction system through the Sekisui House Association, consisting of all Sekisui House Construction companies and partner organizations, where we maintain a construction environment that nurtures high quality and fosters the advancement of construction techniques.
After-Sales Service	• Commitment to customer service that leaves a lasting impression on customers • Extensive after-sales service structure with approximately 1,500 dedicated employees • Information system for centralized management of maintenance data starting from new construction	• Decline in customer satisfaction due to service delays • Potential for data leaks, including customer information	• Strengthening trusting relationships with homeowners • Enhancing availability and responsiveness for service through 24/7, 365 days phone support and AI chatbot technology • Reinforcing information management and response strategies	Proper after-sales service, which we regard as intrinsic to a home's value, assures continual comfort for residents. We offer unwavering peace of mind through long-lasting support, embodied by programs, such as our initial 30-year warranty program and U-trus System.

Management Capital

Management capital, which propels our business activities and drives value creation, is categorized into six key areas: human capital and organizational culture; production and distribution bases; R&D, technology, and brands; energy and raw materials; construction capabilities and customer base; and financial foundation. Considering the Sekisui House Group's operating environment, we orient resource allocation and investment decisions toward enhancing value creation and establish related indicators for key themes.

Human capital
Human capital and organizational culture

We aim to elevate the value of our human capital by enhancing employee autonomy and ensuring alignment of efforts. Our strategies include actively recruiting diverse talent, supporting skill enhancement through our internal certification program, and focusing on strategic workforce placement. Additionally, we are dedicated to cultivating a workplace culture where all employees can actively engage in innovation and communication.

Employee Autonomy

Participants in the self-directed career development training program: **21,110**
Investment in human resource development: **¥1.994 billion**

Promoting D&I

Percentage of full-time female employees:[1] **29.8%**
Number of female managers:[2] **415**
Employment rate of persons with disabilities:[3] **3.07%**

Alignment of Efforts

Succession readiness rate for key positions: **224.8%**

Manufacturing capital
Production and distribution bases

Our domestic operations encompass production bases (factories) equipped with manufacturing production lines and distribution bases (logistics centers) responsible for delivering materials to construction sites across the country, enabling customized home construction. To minimize environmental impact, we have adopted a modal shift to rail for transporting materials between factories. We have also invested in enhancing production facilities to improve production efficiency and in component production equipment crucial for our development business.

Capital Investment

¥99.8 billion (+¥13.1 billion)

Resource Recycling Centers

23 locations (domestic)

Production and Distribution Bases

Production bases: **5** domestic
Distribution bases: **44**

Intellectual capital
R&D, technology, and brands

We are advancing cutting-edge research and development across a broad spectrum, from enhancing the quality of detached houses, rental properties, and other properties to pioneering new technologies and improving comfort and environmental performance. Furthermore, we are nurturing an innovative culture and are proactively focused on technological advancement and breakthroughs to drive sustainable growth.

Research and Development

Research and development expenses: **¥10.5 billion** (+¥1.5 billion)

Technological Innovation

Number of patents held: **1,059**
Number of design rights held: **409**

R&D Institutes

Comprehensive Housing R&D Institute
SHIAWASE SUMAI Institute
Techno Centers (owned by Konoike Construction): Osaka, Tsukuba

Natural capital
Energy and raw materials

We are dedicated to sustainability-conscious CSR procurement. Our approach includes FairWood sourcing, securing forest certification, and fostering coexistence and mutual prosperity with our suppliers through procurement due diligence and supporting the local production and consumption of domestic lumber. Moreover, we are committed to reducing energy consumption and minimizing environmental impact through our proprietary initiatives.

Biodiversity Conservation

Sustainable wood procurement rate:[4] **97.1%** (-0.1 percentage point (ppt))
Gohon no Ki Project: **20.69 million** trees planted (+850,000 trees)

Decarbonization

Rate of CO_2 emissions reduction from business activities:[4] **62.3%** (+6.0 ppt)
Percentage of suppliers setting science-based targets: **46.5%** (+7.0 ppt)

Resource Circulation

Waste generation: **1,045 thousand tonnes** (-99 thousand tonnes)

Social capital
Construction capabilities and customer base

With the industry's leading total number of homes built, we boast a solid customer base supported by our construction capabilities. Our construction framework binds the Sekisui House Group and partner construction companies together in a shared commitment to our common goals under the spirit of "a community with a common destiny," and our after-sales service, managed by our Customer Service Centers, strengthening our enduring connections with homeowners.

Total Number of Houses Built

Total Number of Houses Built: **2.7 million units**
Japan: **2,649,000 units** (+31,000 units)
Overseas: **57,000 units** (+13,000 units)

Construction capabilities

Sekisui House Association: **2,585**
Number of crafters hired: **134** (1.0x)

After-Sales Services

Sekisui House Support Plus
Sekisui House Remodeling
Sekisui House Real Estate Group

Financial capital
Financial foundation

We believe that maintaining a strong financial foundation is essential for meeting the trust placed in us by our customers and other stakeholders. We aim to seize every opportunity for business expansion and strive to further enhance corporate value while maintaining a balanced approach to growth strategies, financial soundness, and shareholder returns.

Equity Capital

Equity capital: **¥1,962.1 billion**
Equity capital ratio: **40.8%**

Long-Term Credit Rating

Japan Credit Rating Agency: **AA**
Rating and Investment Information: **AA-**
S&P Global Ratings: **BBB+**
(as of May 2025)

1 Sekisui House, Ltd., Sekisui House Real Estate Group, Sekisui House Construction Group, Sekisui House Remodeling, Ltd., and Sekisui House noie Limited
2 Sekisui House, Ltd. and domestic consolidated subsidiaries
3 For FY2024, of the companies listed in 2, the 27 domestic consolidated companies subject to statutory requirements to hire persons with disabilities (including the Company).
4 Sekisui House and major domestic and overseas consolidated subsidiaries. In FY2024, 40 companies.

Figures in brackets indicate year-on-year comparisons

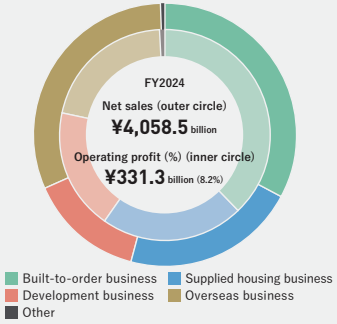
Value Created from Our Businesses

Under our Sixth Mid-Term Management Plan (FY2023–FY2025), we established the fundamental policy of pursuing stable growth in Japan and proactive growth overseas, aiming to create value through our four housing-related businesses.

By formulating and steadily implementing strategies that maximize the value of our core competencies—technical expertise, construction capabilities, and customer base—we are creating value that contributes to solving social issues and achieving sustainable corporate growth. In FY2024, we achieved record highs in both net sales and operating profit, demonstrating the tangible results of our integrated business and ESG strategies.

This section highlights key business activities from FY2024 that illustrate how the Sekisui House Group creates happiness, the path toward generating an impact, and the ESG value we deliver.

Composition of net sales and operating profit in FY2024



→ P.90-93 Financial and Capital Strategy

Values we create

The Sekisui House Global Vision Make Home the Happiest Place in the World

Built-to-order business

By providing high-quality housing stock, we improve quality of life and the beauty of townscapes, creating valuable social capital that can be passed down to future generations.

FY2024 Results
Net sales
¥1,349.0 billion
Operating profit (%)
¥143.0 billion (10.6%)

Social value
- Creating living environments that provide safety and peace of mind
- Promoting housing that realizes happiness
- Creating employment opportunities and passing on technologies

Supplied housing business

By enhancing the value of existing houses, we support long-term living and contribute to the realization of a circular economy.

FY2024 Results
Net sales
¥870.9 billion
Operating profit (%)
¥83.4 billion (9.6%)

Social value
- Creating and maintaining long-term asset value
- Revitalizing local communities and economies

Development business

By creating communities that support diverse lifestyles, we highlight the unique appeal of each region and build a future for sustainable communities.

FY2024 Results
Net sales
¥582.5 billion
Operating profit (%)
¥70.2 billion (12.1%)

Social value
- Improving the quality of landscapes and living environments
- Enhancing community appeal by leveraging regional characteristics

Overseas business

By expanding Japanese technology and quality to the world, we collaborate in developing new lifestyles and community values suited to local climates and cultures.

FY2024 Results
Net sales
¥1,278.5 billion
Operating profit (%)
¥78.9 billion (6.2%)

Social value
- Expanding high-quality housing globally
- Creating local employment opportunities
- Contributing to technological advancements

Overview and key measures

The Sixth Mid-Term Management Plan Stable Growth in Japan and Proactive Growth Overseas

Built-to-order business

Providing high value-added homes and commercial buildings on land owned by customers

Strengthening detached housing and the Sha Maison brands while establishing a foundation for sustainable value creation



- Detached housing
- Rental housing and commercial buildings
- Architectural/civil engineering

→ P.101-102 Results and Growth Strategies

Supplied housing business

Offering high-quality rental housing management and home remodeling services

Enhancing asset value through advanced property management and proposals focused on longevity



- Rental housing management
- Remodeling

→ P.103-104 Results and Growth Strategies

Development business

Supplying residential lots, high-quality condominiums, and office buildings in desirable areas

Promoting high-quality community development through medium- to long-term investment decisions based on area marketing



- Real estate and brokerage
- Condominiums
- Urban redevelopment

→ P.105-106 Results and Growth Strategies

Overseas business

Addressing global housing needs by leveraging Japan's top-tier quality and advanced technologies

Expanding growth strategies tailored to each country's characteristics through both homebuilding and development businesses



- Homebuilding/Master-planned community (U.S.)
- Multifamily (U.S.)
- Australia/Singapore

→ P.107-113 Results and Growth Strategies

Core competencies

Core Competencies Technical Expertise Construction Capabilities Customer Base

Technical expertise

Seismic resistance performance	Durability performance	Wind resistance performance	Insulation performance	Acoustics and soundproofing	Security technologies
Fire resistance performance	Indoor air quality	Environmental technologies	Spatial freedom	Universal Design	Sense of beauty design

Construction capabilities

Responsible construction	Community with a Common Destiny	Distribution bases	Production bases
Sekisui House Association	Primary Work Constructor Association	Educational training centers	Crafters

Customer base

Custom home design	Cumulative total of more than 2.7 million dwellings	SumStock	Tomorrow's Life Museum
After-sales services	Long-term warranty	Bulk leasing system for rental housing	Customer Relationship Management

Value Created from Our Businesses

Built-to-order business

Creating new experiential value through digital connectivity

“AI Clone Owner” service

Aiming to realize customer happiness throughout the homebuilding process, Sekisui House launched Japan’s first “AI Clone Owner” service in November 2024.

This service was developed with the cooperation of seven homeowner influencers who built homes with the Company. AI analyzed and learned from their Instagram posts to build clones that respond as if they were the owners themselves. Prospective homebuyers can exchange messages with these AI clones 24/7, experiencing the “real feel of living” and “everyday happiness” that cannot be conveyed by sales representatives or catalogs alone.

“AI Clone Owner” Service

Going forward, we will analyze conversation data between AI Clone Owners and prospective homebuyers to enable responses tailored to space and interior-related preferences, thereby improving usability. This will allow us to further enrich the customer experience in the digital field as we strive to offer new value proposals based on customer needs.



This service utilizes “Digital Staff” from AIQ Inc., a generative AI service that integrates “AI profiling,” which visualizes human insights, with large language models (LLM) to enable lifelike communication.

Output	Outcome	Impact	ESG value created
An AI clone trained on the social media posting patterns of homeowners	Reducing the uncertainties and doubts of prospective homebuyers	Enhancing transparency and accessibility in the homebuying process	Environment: Reducing the environmental burden by cutting down on paper use, travel, and energy consumption through digital touchpoints
A 24/7 chat tool available for prospective homebuyers	Clarifying the vision of lifestyles and increasing purchase motivation	Bridging the information gap and enabling choices for a happier lifestyle	Social: Bridging the information gap by sharing real-life living experiences, enabling everyone to make informed housing choices
A digital touchpoint that shares real voices from everyday life	Creating a new customer touchpoint beyond traditional sales channels	Creating a new customer experience model that integrates people and digital technology	Governance: Ensuring trust and transparency through the privacy-conscious use of AI and close collaboration with homeowners

Built-to-order business

Creating new logistical value through cross-industry cooperation

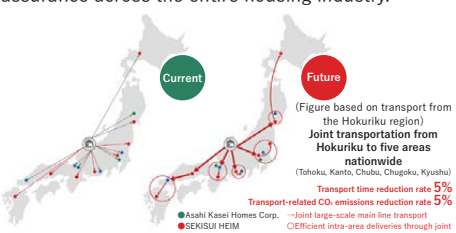
Council of Four Housing Logistics Companies

The housing industry is facing serious challenges, including a shortage of logistics personnel, declining transport efficiency, and rising environmental burdens. In response, Sekisui House launched the “Council of Four Housing Logistics Companies” together with Asahi Kasei Homes Corp., Sekisui Chemical Co., Ltd, and Senko Co., Ltd. as a cross-industry initiative to tackle these issues.

This council’s objective is to develop a new logistics model that enhances transport efficiency and reduces environmental burdens through industry-wide cooperation. By implementing joint transportation and delivery mechanisms, we aim to reduce driver workloads and establish a sustainable logistics system.

Council of Four Housing Logistics Companies

Through this council, we aim to create three key values: optimized logistics, reduced environmental burden, and a stabilized housing supply, while also contributing to improved reliability and quality assurance across the entire housing industry.



[Four collaborative measures] ① Shared use of vehicles and distribution bases; ② Joint procurement and transport from component manufacturers; ③ Shifting to larger vehicles and utilizing relay transport between company hubs to boost delivery efficiency; and ④ Eco-friendly deliveries to reduce transport-related CO_2 emissions

Output	Outcome	Impact	ESG value created
A method for shared transportation and delivery	Reducing driver transport hours by approximately 17,000 annually (for 2,160 trucks)	Ensuring a stable housing supply and strengthening social infrastructure	Environment: Reducing CO_2 emissions through shared delivery and vehicles use, contributing to a lower environmental burden
A system for the shared use of logistics hubs	Improving safety by easing the burden of long-distance transport	Reducing environmental burdens by cutting CO_2 emissions by approximately 500 tonnes annually (equivalent to about 35,800 cedar trees)	Social: Improving working conditions for drivers, increasing talent retention, providing secure employment, enhancing safety, and stabilizing housing supply
A collaborative platform formed by four partner companies	Lowering supply risk by stabilizing the delivery of housing materials	Building a sustainable logistics model for the housing industry as a whole	Governance: Building a highly transparent and efficient system and realizing sustainable supply chain management through cross-industry collaboration and the use of logistics data and digital transformation (DX)

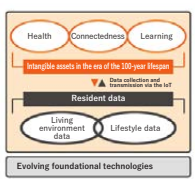
Value Created from Our Businesses

Built-to-order business

Progress of the Platform House Concept

2020 Announced the Platform House Concept

We envision a new form of housebuilding that plays a role in supporting well-being throughout the era of the 100-year lifespan by expanding our business domain from the home itself to services that enrich residents' daily lives. Platform House enables residents to install services under three key themes—health, connectedness, and learning—to deliver tailored experiences for each resident.



2021 Launched sales of "PLATFORM HOUSE touch"

As the first phase of the Platform House Concept, we developed "PLATFORM HOUSE touch." This smart home service uses big data on housing and connects with floor plans to enable users to control home equipment regardless of their location. Since 2021, we have offered features such as "home remote control," allowing users to operate home appliances via a smartphone interface connected to the home's layout; "self-monitored home security," which checks for anomalies at windows or entrances; and "living environment monitoring," which visualizes indoor conditions through temperature and humidity sensors.

An app that enables access to the home's status from a floor plan



- Home remote control
- Self-monitored home security
- Living environment monitoring
- Front door lock reminder notification
- App-based lock/unlock notifications
- Arrival/departure notifications
- Comprehensive control/confirmation

PLATFORM HOUSE

2023 Established a "lifestyle analysis platform"

By using AI to analyze daily life log data accumulated through PLATFORM HOUSE touch, we have created a framework for proposing optimal services based on unconscious behavioral patterns. By visualizing "life moments," when awareness of one's lifestyle surfaces, we aim to understand the very source of users' habits and actions to provide more closely aligned services. In 2023, we began collaborating with HAKUHODO Inc. to establish a co-creation database. By visualizing subconscious behaviors and partnering with various service providers, we are working to realize a new platform that expands the possibilities of daily life.

2024 Services developed from the "lifestyle analysis platform:" Visualizing a home's status and its residents' behavioral habits via AI analysis, and providing crime prevention through the "emergency home security" service

AI analysis of visualized "life moments" revealed a clear gap between residents' perceived security awareness and their actual behavioral habits. As a result, we teamed up with ALSOK (SOHGO SECURITY SERVICES CO., LTD.) to offer the "emergency home security" service which adjusts pricing according to behavioral habits, starting in December 2024.

This service visualizes the security-conscious behaviors of customers and displays them on an app, promoting increased security awareness and encouraging behavioral improvement. By reflecting a user's behavioral habits in the pricing model, it serves as the world's first crime prevention security service that encourages behavioral changes. Utilizing AI to visualize residents' actions through data creates new value and promotes safer, more secure lifestyles.

Emergency home security

Issue	Initiative	Value created
Discrepancy between perceived security awareness and actual behavioral habits	AI analysis of life moments via the lifestyle analysis platform	Reducing the risk of becoming the victim of a crime through improved security-conscious behaviors
Improvement of home security and crime prevention is a fundamental function of homes	Visualization and feedback for security awareness through behavioral data analysis	Achieving lifestyles with greater safety and peace of mind while improving the quality of living environments
Advancement of AI technologies and the growing importance of personalized crime prevention	Pricing based on security-conscious behaviors and a 24-hour emergency response service (Provided by ALSOK)	Fostering security awareness through behavior-linked pricing that encourages behavioral change Mitigating social costs through improved community safety

Connection to ESG management

Customer happiness
- Achieving a lifestyle with greater safety and peace of mind: Visualizing behaviors with AI and providing immediate responses during emergencies
- Implementing behavior-linked pricing: Creating a transparent system where pricing changes according to security-conscious behaviors
- Promoting an eco-friendly lifestyle: Connecting lighting and electricity with security systems to achieve reduced energy consumption

Societal happiness
- Improving community crime prevention capabilities: Expanding individual behavior improvements to the entire community, contributing to crime deterrence
- Promoting energy-efficient homes: Expanding energy-efficient housing throughout society
- Utilizing reliable data: Building a secure collaboration system that ensures privacy protection

Value Created from Our Businesses

The Value created by PLATFORM HOUSE

Employee Voice

PLATFORM HOUSE touch

PLATFORM HOUSE is a new approach to housing based on Sekisui House's "Platform House Concept." Leveraging advanced technology and residents' data, PLATFORM HOUSE offers services that contribute to happiness in the era of the 100-year lifespan, under the themes of "health," "connectedness," and "learning." The first phase of this concept is "PLATFORM HOUSE touch." As an example, it allows users to check the status of their home and control devices—such as room temperatures and lighting—from anywhere with a smartphone. To date, it has been installed in 5,000 new houses, representing 30% of our newly designed and built detached houses.



A new proposal for living: Accessing "my home" with the palm of your hand.



PLATFORM HOUSE touch allows users to access their home's status while viewing the floor plan of their house. For example, the "living environment monitoring" feature displays temperature and humidity changes both inside and outside the house in a graph and can send an alert notification when there is a risk of heatstroke. The program's key feature is its easy, intuitive operation using floor plans and icons.



Another feature called "home remote control," allows users to check and control certain devices from both inside and outside the house. One of the planning team members mentioned, "Parents who both work and have elementary school children may feel uneasy not knowing if their children have returned home from school." In response, a system was created where unlocking the front door with a card key sends a notification to the parents working in their offices.



During a pilot project surveying 22 homeowning customers, we received feedback on the "home remote control" feature. One customer said it was "very convenient," especially appreciating the ability to "open all the house shutters at once." Hearing this made me very happy. I find it motivating to know that our efforts to improve our services can ultimately lead to the happiness of our customers.

"Why is this service necessary?" We value thinking about the reason behind every feature.



During the planning phase, we also discussed ideas such as "If we turn on the air conditioner before taking a bath it gives families more time together," and "Heatstroke is common inside the house, how can we solve this?" We gathered insights from everyday life as a team. From there, we held further discussions to identify what was truly necessary and simulated how IT could solve these concerns. The project was then finalized and moved into the development phase led by our team.



When the app was first released, it included a feature to electronically lock a house from outside. However, many customers asked, "Why can't we also unlock the door from outside the house?" We carefully considered this feedback, asking ourselves, "Why is this service necessary?" and "What will make our services more convenient and safer for customers?" As a result, we released the unlock feature in December 2024, and it was well-received. I believe the ideal is for customers to access the services they want, whenever they need them.

The key is to consistently maintain a "user-first" approach.



This service and app represented a new challenge for our Company. To deliver services that meet lifestyle needs and desires, we had to consider appropriate levels, designs, and quality. We also didn't want it to just be a "remote control app." Since it handles various types of information, such as monitoring homes and families, we carried out user testing for operability from the planning stage, pushing forward through trial and error.



We have received many favorable comments from users, such as "Thanks to PLATFORM HOUSE touch, I now have more peace of mind and time," and "It's reassuring to be able to check when my kids come home every day. It's also great to be able to monitor room temperatures and whether the doors and windows are locked."



Since the ultimate goal of the Platform House Concept is to provide happiness to our customers, the entire team consistently maintains a user-first approach. PLATFORM HOUSE touch is still in its early stages, so we frequently encounter errors not caught during testing or receive additional requests from customers. The team continues to discuss improvements, advance daily tasks, and regularly plan new features. Currently, the service is available for new detached houses and remodeled properties, but we hope that in the future, it will be available for the Group's condominiums, rental properties, and even properties from other companies.

Value Created from Our Businesses

Supplied housing business

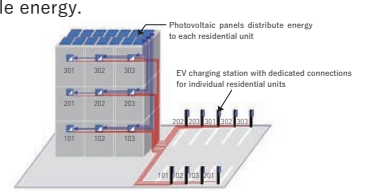
Realizing the future of the environment and lifestyles through renewable energy and EVs

EV charging stations at Sha Maison ZEH units

Sha Maison ZEH is a net zero energy house (ZEH) under the Company's rental housing brand Sha Maison. It offers a system in which photovoltaic power generation is connected to each unit and excess electricity is sold by individual residents, enabling tenants to enjoy both a comfortable living environment and lower utility costs. Since FY2020, we have been actively promoting unit-level ZEH, and in FY2024, the ratio of ZEH[1] in our rental housing increased from 76% in the previous fiscal year to 77%.

Moreover, in December 2023, we established a framework to equip each Sha Maison ZEH residential unit with dedicated electric vehicle (EV) charging stations and have been advancing implementation efforts since.

This initiative helps reduce utility costs for residents and supports the transition to a decarbonized society by addressing the shortage of EV charging infrastructure and enabling charging with renewable energy.



1. By enabling EV charging at each residential unit using solar-generated renewable energy, we contribute to further decarbonization through EV adoption
2. By partially using excess solar energy from residents' homes to recharge EVs, we contribute to reduce energy and utility costs for residents

1 Ratio of ZEH Ready or higher-grade units

ESG Fact Book P.6 Contributing to a Decarbonized Society.

Output	Outcome	Impact	ESG value created
Providing ZEH rental housing where excess electricity is sold by individual residents	Reducing utility costs for residents and creating a comfortable living environment	Promoting the adoption of EVs and addressing the shortage of EV charging infrastructure	Environment: Promoting further decarbonization in transportation by transitioning from gasoline vehicles to EVs and enabling charging with renewable energy
Establishing ZEH rental housing where excess electricity is sold by individual residents and each unit has dedicated electric vehicle (EV) charging stations	Providing a comfortable and convenient living environment for EV users	Reducing the rate of CO_2 emissions through renewable energy	Social: Contributing to improved convenience for residents and addressing the shortage of EV charging infrastructure through rental housing equipped with EV charging stations
Promoting EV charging using renewable energy	Supporting the long-term stable management of rental properties	Contributing to the realization of a decarbonized society	Governance: Supporting the long-term value retention of managed properties and stable rental housing operations by adopting forward-thinking technological solutions

Development business

A new form of urban living envisioned through GRANDE MAISON

GRANDE MAISON

GRANDE MAISON is a series of high-value-added condominiums developed based on area strategies focused on the four major metropolitan areas of Tokyo, Nagoya, Osaka, and Fukuoka. Starting in FY2023, all units have been constructed as net zero energy houses (ZEH),[2] and all buildings as net zero energy condominiums (ZEH-M).[3] Through these efforts, we are working toward the realization of a decarbonized society.

By incorporating designs that utilize natural ventilation and lighting, installing vacuum double-glazed windows to ensure both expansive views and high thermal insulation, and adopting solar power generation and Ene-Farm household fuel cells, we have balanced environmental performance and comfort.

Additionally, by emphasizing greenery and incorporating the *Gohon no Ki* Project, which utilizes native tree species in landscaping plans and enhancing shared spaces such as entrance halls and courtyards, we have created beautiful townscapes while preserving local cultures. In doing so, we maintain comfort and asset value for urban residents while continuing to create new landscape value and establish new standards for urban living.



Starting in FY2024, we began introducing Sekisui House's unique structural material, "GM SHEQAS," and are actively promoting Long-Life Quality Housing certification.

P.71 GM SHEQAS

2 ZEH or higher-grade units 3 ZEH-M Oriented or higher-grade units

GRANDE MAISON

Output	Outcome	Impact	ESG value created
Supplying condominiums with ZEH and ZEH-M specifications	Realizing a comfortable lifestyle with safety and peace of mind while enhancing asset value	Promoting decarbonization in urban areas	Environment: Realizing a decarbonized society through energy-saving and energy-creating housing and promoting biodiversity
Enhancing energy-saving performance through high thermal insulation and airtightness	Improving resilience and reducing utility costs	Creating urban communities that are strong against disasters	Social: Creating urban living environments that offer peace of mind by designing homes that are comfortable and harmonious with local communities
Introducing eco-friendly facilities and improving shared spaces	Preserving beautiful urban landscapes and local cultures	Coexisting with local communities and enhancing the value of urban landscapes	Governance: Ensuring asset value and resident satisfaction through eco-friendly, disaster-resilient, and aesthetically conscious design and quality management

Risks and Opportunities

The Sekisui House Group analyzes medium- to long-term issues that impact value creation, identifies risk factors associated with changes in the external environment, and positions these risks as opportunities for future business development. These insights are then utilized to formulate our business strategies.

Changes in the external environment		Risks	Opportunities	The Sekisui House Group's response to risks and opportunities	
				Key themes	Material issues
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	• Increase in the frequency rate of accidents within residences • Increase in the complexity and difficulties of 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 • Increase in demand for health-conscious housing, etc. • Increase in demand for quality housing • Need for new housing	Safety, peace of mind and comfort Asset value creation Extended useful life of housing	Creation of High-Quality Housing Stock Safety, peace of mind, and comfort Asset value creation Extended useful life of housing By delivering the highest quality and technology, Sekisui House provides housing of value in which customers can live for generations by pursuing beautiful exterior design and outstanding housing performance.
Housing and Urban Areas	• Obligation to comply with energy saving standards • Acceleration of compact cities • Shortage of construction workers • Shift to long-life quality housing and enhanced earthquake resistance for wooden-frame housing	• Decrease in demand due to higher construction costs • Decline of rural areas • Decrease in supply capacity due to shortage of construction capacity, and discontinuity in transfer of construction skills	• Increase in demand for housing with high energy-saving performance, etc. • Need for regional revitalization • Job satisfaction for construction workers • Increase in 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	• Increase in the severity and frequency of natural disasters caused by climate change • Increase in 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	• Increase in demand for housing with high energy-saving performance, etc. • Increase in the use of renewable energy • Business opportunities based on natural capital and biodiversity conservation • Business opportunities based on a recycling-oriented society • Increase in demand for highly durable housing, etc.	Decarbonization Biodiversity conservation Resource recycling Extended useful life of housing	Contributing to a Sustainable Society Decarbonization Biodiversity conservation Resource recycling Coexistence with local communities Occupational health and safety / supply chain As a leader in housebuilding, Sekisui House strives to foster harmony between people, communities and the planet while working to contribute to a sustainable society through our businesses, including those in the supply chain.
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 • Decrease in 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	• Decrease in productivity due to worsening psychological safety • Loss of opportunities to acquire human capital and outflow of human capital • Slowing growth potential • Increase in 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 • Increase in 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	Diversity and Inclusion Promoting diversity Employee health and happiness Diverse workstyles / job satisfaction Human resource development / self-directed career development Sekisui House supports organizational and individual autonomy, encouraging continuous and independent efforts to take on new challenges, with the aim of creating happy workplaces that are akin to home for employees.
Technology and Science	• Diversifying IT technologies • Development of energy storage technologies and shift to electric vehicles (EVs) • Renewing legacy systems • Utilizing advanced technologies	• Decline in social reputation due to occurrence of information security incidents	• Business opportunities using digital technology	Asset value creation	

TRANSFORM SOCIETY

The Sekisui House Group— Amplifying Happiness

03

Material Issues Rooted in Enduring Values and Their Social Impact

Based on the material issues we uphold as our long-standing mission,
we highlight how we are addressing social issues,
the initiatives we have undertaken and their progress, and the impact we have created,
as well as our track record and future outlook.

STORYLINE

01 DRIVE POSITIVE IMPACT
Our Journey of Value Creation and the Future We Envision

02 CREATE HAPPINESS
Our Unique Values and Evolving Strengths

03 TRANSFORM SOCIETY
Our Long-Standing Mission and Progress

04 INNOVATION AND COMMUNICATION
Our Foundational Values and Human Capital Value

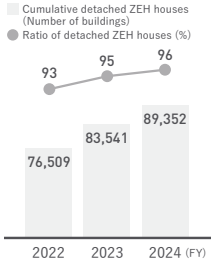
05 FINANCIAL STRATEGY AND CORPORATE GOVERNANCE
Financial and Capital Strategy, Corporate Governance

Value Created Over the Long Term

The Sekisui House Group is focused on more than just short-term results.
Confronting social and environmental challenges head-on
and promoting enduring happiness is our mission,
rooted in our Corporate Philosophy of “Love of Humanity,”
and guided by our promise to the future.
For the people living today and for future generations,
what can we build and what legacy can we leave behind?
No matter how times may change,
staying true to this question and striving to create a happier future
will always remain at the heart of Sekisui House Group's purpose.

Highlights

Contributing to a Decarbonized Society



The cumulative number of Green First detached ZEH houses has reached 89,352 units.

Coexisting with Local Communities



In FY2024, ¥53.02 million was granted through the Sekisui House Matching Program (a corporate program to match employee donations).

External Recognition



We received the highest rating of AAA from MSCI ESG Ratings.

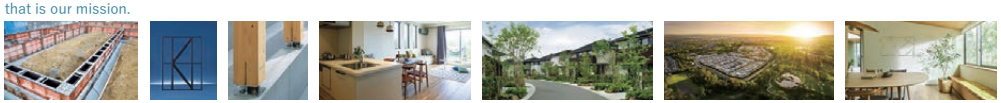
Promise to the Future

1960 — 1990 — 2020 — 2024 — 2050

The Sekisui House Global Vision
Make Home the Happiest Place in the World

Propose happiness through the integration of technologies, lifestyle design, and service
Become a leading company in ESG management
Make Sekisui House technologies the global standard

Safe, comfortable, and beautiful homes enrich daily life. When such homes come together, they form communities that people cherish. Creating homes and communities that are loved for generations—that is our mission.



As housing is a critical component of social capital, we are committed to passing on high-quality housing that can be lived in and cherished by future generations.

Creation of High-Quality Housing Stock

Creating a better future for the global community and the environment, while ensuring comfortable living for residents. We recognized the importance of this early on and have addressed it sincerely through our unique ideas and technologies.



We establish the foundations for a future that enables enduring happiness and sustainable living by reducing environmental impact, utilizing renewable energy, and coexisting with local communities.

Contributing to a Sustainable Society

Our Global Vision can only be realized if each and every one of us is truly happy. By first achieving happiness ourselves, we can then extend it to our customers and, ultimately, to society.



We create an environment where everyone can find opportunities for self-fulfillment and growth with peace of mind, while making the most of their individuality and abilities.

Diversity and Inclusion

Our Material Issues

Sekisui House has consistently contributed to addressing social issues that arise in each era through our business activities. Our Global Vision is a promise to the future, and we have identified "the creation of high-quality housing stock," "contributing to a sustainable society," and "diversity and inclusion" as three priority material issues.

These material issues are not short-term goals, but long-term missions grounded in the strengths we have cultivated since our founding and in our enduring values. They indicate the direction we must take as we move forward. Every business activity over the past 60 years has been deeply connected to this mission. We will continue to engage sincerely with these material issues and create value that society truly needs.

The relationship between the Mid-Term Management Plan and material issues

For the Sekisui House Group, material issues express our purpose in society and are rooted in our Corporate Philosophy, "Love of Humanity." They are defined to ensure all employees are aligned in their efforts toward value creation.

In the Mid-Term Management Plan, we have established priority areas and KPIs linked to these material issues. The cumulative progress of these three-year initiatives contributes to the realization of our material issues—our long-term missions—and solidifies our promise to the future.

FY2023–FY2025
Sixth Mid-Term Management Plan

Fundamental policy: Stable growth in Japan and proactive growth overseas

Risks and opportunities → P.44
Business strategy ESG strategy → P.39
KPIs → P.63
Values we create Amplify impact



Our Long-Term Mission



Creating homes to be passed down through generations and building communities that are loved over time

Background for determining material issue

In Japan, where natural disasters such as earthquakes are frequent, many homes fail to meet seismic resistance and thermal insulation standards, and the aging of existing housing stock continues. Globally, housing shortages are becoming more severe. Ensuring the long-term value, safety, and comfort of homes has become a pressing issue. By creating high-quality housing stock, we aim to enhance people's lives and asset value while contributing to the sustainable development of local communities and the global environment.

Megatrends
- Aging population and demographic decline
- Growing demand to longer-lasting housing
- Shifting toward a supplied housing-society
- Increasing awareness of disaster prevention and mitigation
- Evolving smart home technologies

Importance to society
- Ensuring safe and comfortable living spaces
- Preserving asset value in the housing market
- Advancing sustainable urban planning
- Mitigating disaster-related risks
- Accelerating the adoption of energy-efficient homes

Importance to Sekisui House
- Strengthening the supplied housing business
- Driving innovation in housing technologies
- Building long-term relationships with customers
- Strengthening responses to environmental regulations
- Expanding the market for high-value-added homes

Values we create
- Providing high-value housing assets
- Popularizing highly durable housing
- Enhancing disaster resilience and mitigation capabilities
- Stimulating growth in the remodeling market
- Standardizing smart home technologies

Growing impact
- Improving quality across the housing market
- Reducing CO_2 emissions drastically
- Minimizing disaster-related damages
- Sustaining long-term housing asset value
- Advancing smart city development

Business growth
- Expanding the remodeling market
- Increasing demand for smart homes
- Improving profitability of the supplied housing business
- Fostering continuous relationships with customers
- Accelerating the development of new technologies



Creating a future that benefits both global society and the environment, starting with comfortable living

Background for determining material issue

Environmental challenges such as climate change, biodiversity loss, and resource depletion are intensifying worldwide, making the transition to a decarbonized society an urgent priority. Energy conservation, CO_2 reduction and the shift towards a circular economy are also key issues in the Japanese housing sector. The Sekisui House Group is committed to achieving a sustainable society in partnership with diverse stakeholders by providing environmentally conscious houses and buildings, advancing technological developments, offering high-quality services, and striving to coexist with local communities.

Megatrends
- Accelerating responses to deal with climate change
- Transitioning to a decarbonized society
- Expanding renewable energy
- Advancing a resource-recycling economy
- Increasing energy costs

Importance to society
- Reducing CO_2 emissions
- Ensuring a stable energy supply
- Reducing environmental impact
- Advancing sustainable city development
- Popularizing energy-efficient technologies

Importance to Sekisui House
- Establishing a lead position in the ZEH market
- Strengthening competitiveness of eco-friendly housing
- Innovating energy technologies
- Coexisting with local communities
- Leveraging government policy support

Values we create
- Popularizing ZEH houses
- Utilizing renewable energy
- Advancing energy-efficient and energy-generating technologies
- Developing resource recycling-oriented housing
- Promoting eco-friendly community development

Growing impact
- Improving the energy self-sufficiency of homes
- Accelerating the realization of a decarbonized society
- Maximizing resource use efficiency
- Reducing environmental impact
- Creating a sustainable society

Business growth
- Expanding the market through ZEH proliferation
- Increasing demand for energy-efficient and energy-generating homes
- Making environment-related technologies profitable
- Establishing a sustainable housing business
- Ensuring market superiority through government policy support



From the happiness of employees to the happiness of society

Background for determining material issue

As Japan faces labor shortages due to a declining population, diverse workstyles and lifestyles that transcend traditional norms are becoming more common. To create new value, it is essential to build an organization composed of diverse talent and to cultivate an inclusive corporate culture that respects individual differences. Guided by our vision, we strive to build workplaces focused on employee health and happiness, where all employees, who serve as a source of innovation, can seize equal opportunities to thrive.

Megatrends
- Diversifying workstyles
- Changing lifestyles
- Growing emphasis on equity and inclusion
- Coexisting with diverse values
- Advancing globalization

Importance to society
- Creating a society where everyone can thrive
- Providing fair opportunities and choices
- Promoting creativity
- Achieving sustainable economic growth
- Creating a foundation for an inclusive society

Importance to Sekisui House
- Creating value from diverse perspectives
- Promoting flexible workstyles
- Enhancing employee happiness
- Fostering cultural innovation and corporate growth
- Strengthening competitiveness in meeting diverse needs

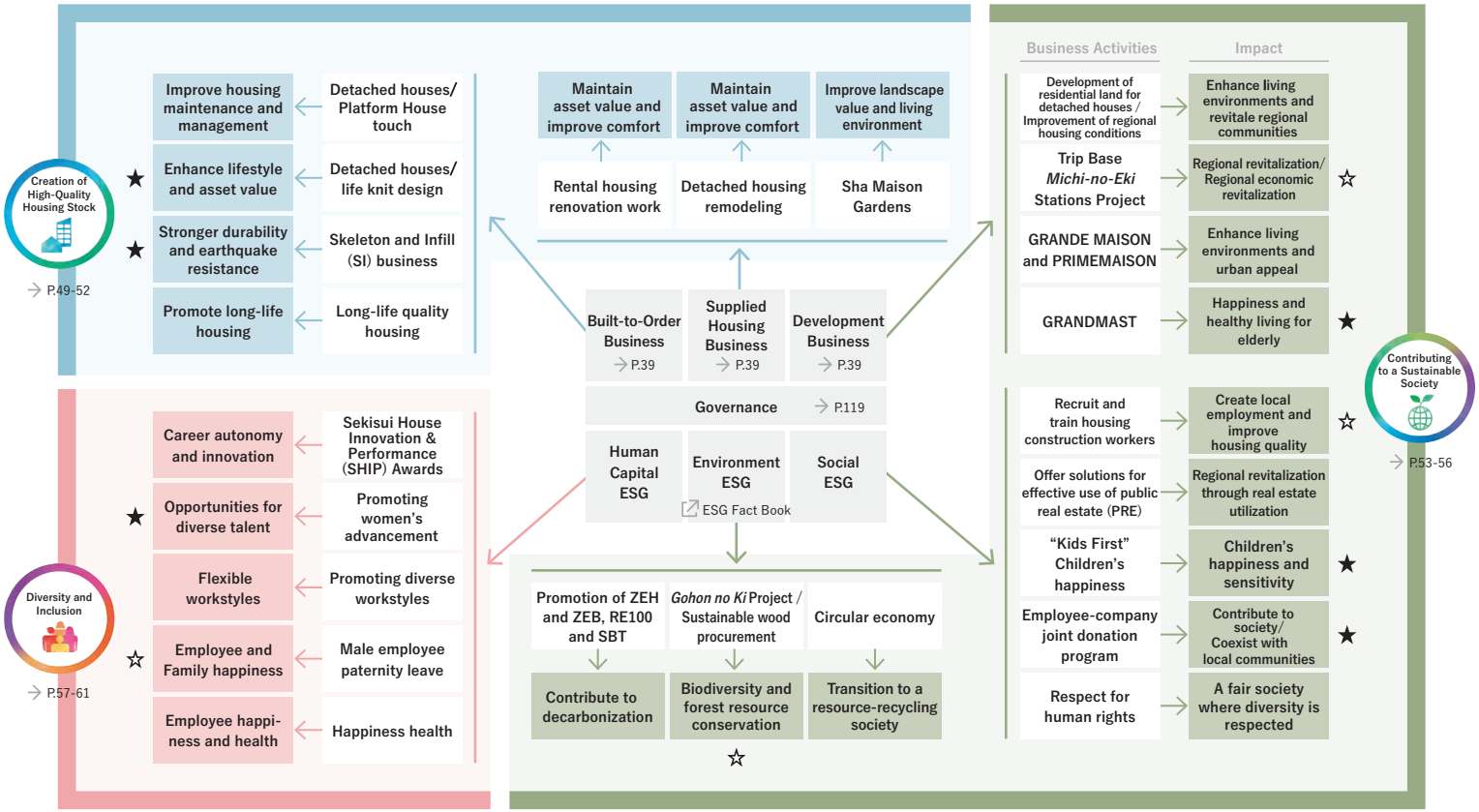
Values we create
- Creating environments where everyone can thrive
- Fostering an equitable corporate culture
- Promoting diverse workstyles
- Advancing diverse technologies and R&D
- Realizing a co-creative society

Growing impact
- Enhancing job satisfaction
- Strengthening social inclusion
- Accelerating innovation
- Enabling corporate and social growth
- Responding to increasingly diverse values

Business growth
- Creating diverse markets
- Promoting fulfilling and autonomous workstyles
- Sustaining a resilient corporate culture
- Building a management foundation that adopts to change
- Providing high-value solutions

→ P.44 Risks & Opportunities

Our Long-Term Mission



Value Creation Roadmap

The Sekisui House Group is committed to creating new value through its business activities. In *Value Report 2024*, we introduced the framework of these initiatives as our "Value Creation Roadmap," presenting a narrative that illustrated how each business activity under the Sixth Mid-Term Management Plan (FY2023-FY2025) contributes to addressing social challenges and material issues (marked with a ☆ in the diagram on the left).

In *Value Report 2025*, to more clearly communicate our progress and achievements as a leading company in ESG management, we highlight the background of our six key initiatives, the thoughts of our employees, and the pathways through which these initiatives lead to social impact (marked with a ★ in the diagram on the left).

Each initiative progresses through a series of three interconnected pathways: delivering new value to society (Drive Positive Impact), contributing to the creation of happiness (Create Happiness), and leading the industry and society toward a better future (Transform Society). These gradual steps reflect the Sekisui House Group's ESG management approach of creating and expanding happiness through sustained, purpose-driven business activities.

Looking ahead, we will continue to visualize the relationship between the value created through our business activities and the resulting impact. This will support the clarification of priority areas and the formulation and evaluation of KPIs, enhancing effectiveness of our initiatives.

VALUE REPORT 2024 P.46

Material Issues | Creation of High-Quality Housing Stock

The Sekisui House Group's Journey

By providing high-quality, long-lasting homes, we have enhanced the asset value of housing and led the industry in creating the foundation for a supplied housing-based society. We are strengthening our renovation business and advancing our joint construction business, while also promoting value-added homebuilding that incorporates smart home technologies and design elements that reflect customers' sense of beauty.

Our Mission

In our commitment to delivering homes that combine functionality with beauty, we offer valuable homes designed to endure for generations.

Key Policy

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.

Key Themes

Safety, peace of mind and comfort
Creating asset value
Extending the useful life of housing



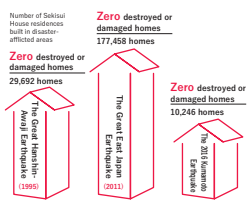
Creation of High-Quality Housing Stock | The Skeleton and Infill (SI) Business, a Joint Construction Business

Drive Positive Impact

Earthquake-resistant homes born from life-saving technologies

In Japan, approximately 8.4 million house do not meet new seismic resistance standards, and around 5 million of these houses are believed to have significantly insufficient seismic resistance. Furthermore, even some buildings constructed under the new seismic resistance standards have experienced damage or collapse due to earthquakes. Sekisui House has maintained a record of zero destroyed or damaged houses* during past major earthquakes. A key factor behind this achievement is our "foundation direct joint construction method," which connects foundations and columns directly, bypassing the need for a separate baseplate. With a strong commitment to improve the quality of wooden-frame housing across Japan, we made our proprietary seismic resistance technology—which maintains structural strength regardless of the direction of shaking and prevents column dislocation or detachment—widely available. In September 2023, we launched the Skeleton and Infill (SI) business, a joint construction business with partner companies to advance this effort.

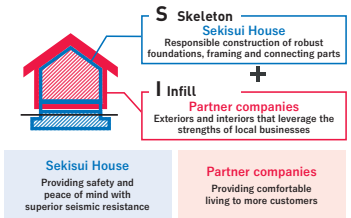
* Excluding damage caused by land displacement and tsunamis



Create Happiness

Housebuilding that delivers both comfort and true peace of mind

In the SI business, Sekisui House is responsible for designing the structural "skeleton," a critical element for seismic resistance, while Sekisui House Construction handles the construction work. Partner companies take charge of the "infill" work, tailoring interior and exterior elements to the local characteristics. This collaboration approach combines Sekisui House's advanced seismic resistance technology and construction expertise with the proposal and sales capabilities of partner companies. In addition to original technologies and high-precision construction capabilities, Sekisui House also provides support such as structural calculations based on permissible stress design. Together with our partner companies, we deliver homes that offer both comfortable living and true peace of mind to more customers across Japan.



Transform Society

Transforming Japan into a country resilient to earthquakes—starting with homes

As of January 2025, we welcomed three new partner companies, bringing the total to eight partners united by a shared commitment to creating high-quality housing stock. This expanded network enables us to deliver safe and secure wooden-frame housing to customers across a broad region—from Tohoku to Kyushu. We are targeting annual sales of 500 homes by FY2027 and 1,000 homes by FY2029, with plans to further strengthen collaboration with partner companies nationwide.

Our SI business plays a vital role in enhancing the seismic resistance capabilities of homes and promoting the widespread adoption of high-quality wooden-frame housing throughout Japan. By supplying wooden-frame housing that combines seismic resistance and comfort nationwide, we aim to build a lasting stock of housing that can be passed down through generations, contributing to the peace of mind of local communities and the happiness of future generations by creating high-quality housing stock that can be passed down over time.

→P.51 Skeleton and Infill business



The Sekisui House Group's Journey and the Value Created by the SI Business

Drive Positive Impact: The Sekisui House Group's Initiatives

1973
Founded Sekiwa Construction specializing in foundation work



1974
Developed the integrated foundation casting method based on uniformity and strong foundations



1979
Verified the seismic resistance performance of our housing through full-scale vibration experiments



2004
Developed foundation direct joints that release seismic forces directly into the foundation of the house



2022
Promoted wooden-frame housing with high seismic resistance under the SHAWOOD brand, with a cumulative total of 70,000 units delivered

*As of December 2022

Create Happiness: The Happiness Created by the SI Business

2023 Launched the SI business

- Contributes to the industry through original seismic resistance technology and high-precision construction
- Strengthens collaboration and co-creation with partner companies
- Addresses construction capabilities shortages
- Provides structural calculations based on permissible stress design



2025 Collaboration with eight partner companies

- Builds a supply framework covering from Tohoku to Kyushu
- Reduces the burden of structural calculations on partner companies
- Addresses the lack of seismic resistance in detached houses
- Promotes homes that offer comfort and peace of mind against earthquakes



Transform Society

Amplify impact

- Delivering homes that offer safety and peace of mind
- Enhancing seismic resistance capabilities of houses
- Increasing asset value
- Creating high-quality housing stock

Creation of High-Quality Housing Stock | The Skeleton and Infill (SI) Business, a Joint Construction Business

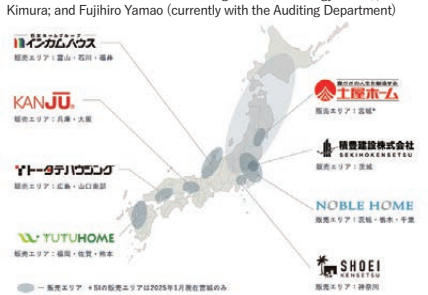
Dialogue | The Skeleton and Infill (SI) Business

Towards even higher quality housing

In September 2023, the Sekisui House Group launched the industry's first joint construction business, the Skeleton and Infill (SI) business. This pioneering effort combines technologies cultivated since our founding, focused on safety and peace of mind, with the strengths of our partner companies. Through the SI business, we are promoting the nationwide adoption of highly seismic-resistant homes that incorporate our original seismic resistance technology—the foundation direct joint construction method (DJ method)—as well as the high-precision construction expertise of Sekisui House Construction. In doing so, we contribute to the creation of high-quality housing stock across Japan. In this section, employees who have been involved in launching and advancing the SI business share their perspectives and aspirations for the future.



From right: Koji Itakura (currently Senior Manager, Detached Housing Strategy Department, and formerly Head of the Skeleton and Infill Housing Business Strategy Office); Akari Manabe; Koji Ueno (currently Head of the Skeleton and Infill Housing Business Strategy Office); Shohei Kimura; and Fujihiro Yamao (currently with the Auditing Department)



Skeleton and Infill (SI) business

Aiming to strengthen homes across Japan



The idea for the SI business began with a question raised during an internal meeting: Could Sekisui House's core seismic resistance technology be incorporated into homes like a computer CPU to strengthen housing across Japan? When considering which of our core technologies would serve as the "CPU", there was unanimous agreement that it had to be the foundation direct joints. This sparked the launch of a project to explore a new business model.



As we gathered feedback from various stakeholders, many builders expressed strong interest in the idea where Sekisui House Construction would handle the highly precise direct joint construction method, while allowing full customization of interiors, exteriors, and facilities. After extensive discussions and trial and error, a completely unique business model emerged: a joint construction business that integrates Sekisui House's seismic resistance technology and preserves the unique strengths of each partner companies.

Aiming for a unique, high-quality housebuilding network



Each of our partner company shares our commitment to "strengthen housing in Japan" and is recognized in their respective regions for building high-quality homes. This business is expected to play a key role in enhancing our product strategy and responding to regulatory revisions in 2025.



Since specifications such as floor height, insulation, and construction materials vary by partner company, finding common ground was more challenging than expected, requiring a process comparable to product development. A memorable insight was how every partner company praised Sekisui House Construction's precision and onsite cleanliness—qualities that may be taken for granted within our Group. Another valuable outcome has been the ongoing accumulation of valuable insights into wooden-frame housing through this business.



Working closely with our partner companies allows us to rediscover our strengths, identify challenges, and uncover new possibilities. Although we initially pursued a different approach, we pivoted drastically halfway through the project to develop a novel business model unlike anything before. Starting from scratch to explore contract types, products, and support offerings was a highly challenging experience.



The joint construction business model, refined to its current form, is compelling because it preserves each partner's strengths, allows for flexibility, and opens the door for diverse styles of future collaboration.

Aiming for a future where foundation direct joints are the norm



In earthquake-prone Japan, accelerating the creation of seismically resistant, high-quality housing stock requires collaboration with partner companies that understand the significance of the SI business and support the widespread adoption of foundation direct joints. We aim to sell 500 homes annually by FY2027 and 1,000 homes annually by FY2029.



Improving the seismic resistance of homes in Japan means delivering safety and peace of mind to residents, values that also contribute to addressing social issues. Through the SI business, we hope more people will experience the benefits of Sekisui House's seismic resistance technology.



"Is that house built with foundation direct joints?" We hope that question will become a natural part of conversations about homebuilding, establishing a new standard in housing. By doing so, we aim to continue protecting the safety and peace of mind of as many people as possible.

Creation of High-Quality Housing Stock | life knit design

Drive Positive Impact

Pursuing the integration of functionality and beauty in homes

Sekisui House views housing as a critical component of social capital and is committed to creating homes that are both beautiful and emotionally resonant with each individual. Since homes are precious spaces filled with our customers' dreams and ideals, we are meticulous in our selection of materials and construction techniques, striving to integrate functionality with charm and a sense of beauty. Our goal is to build homes that feel truly comfortable and nurture the subtle emotional moments of everyday life.





Create Happiness

Weaving lasting fondness into homes

Perceptions of beauty, the appeal of designs and textures, and the ways people enjoy comfortable spaces vary from person to person. In FY2023, we introduced "life knit design," a new system for proposing designs that reflect each individual's sense of beauty in housing. Proposals based on our original "six fields of sense of beauty," derived from verbalizing impressions of approximately 6,600 images, reflect each individual's unique sense of beauty in their homes and foster a deeper emotional connection to their living space.

life knit design



Transform Society

A future where homes create happiness for every individual

In FY2024, we opened the model house "6 HOUSES" for a limited time, allowing visitors to experience and compare interiors based on the "six fields of sense of beauty." This initiative provided visitors with an opportunity to discover their own sense of self. Rather than offering uniform designs that simply follow trends, we believe that providing homes tailored to each individual's sense of beauty will lead to lasting happiness in the era of the 100-year lifespan.

By weaving each resident's unique sense of beauty into homes that harmonize with their surroundings, we foster a deep sense of attachment and encourage long-term residence—ultimately contributing to the creation of beautiful, high-quality housing stock. We remain committed to building a future where homes serve as a foundation for enduring happiness.

life knit design

The design philosophy, "life knit design"

At a display home, a sales representatives casually remarked to me, "We could design homes to match the furniture and art you already own." That comment resonated deeply, and it felt like a sincere expression of empathy toward my own sense of beauty. It was this moment that became a major inspiration for what would later evolve into "life knit design."

Life knit design begins with creating a beautiful, universal space that serves as a canvas for each customer's unique sense of beauty. From there, we co-create a one-of-a-kind living space through conversations with the customers, guided by our six fields of sense of beauty.

The "knit" in life knit design reflects our desire to offer a lifestyle where each day weaves threads of attachment into the fabric of one's life. While performance and functionality are essential, we aim to go beyond. By adding a sense of beauty and social value, we propose a way of living that brings not only safety, peace of mind, and comfort, but also a deeper sense of self, happiness, and a meaningful flow of time.



Naoko Yano
Operating Officer
Head of the Design and Planning Department

The Sekisui House Group's Journey and the Value Created by life knit design

Drive Positive Impact: The Sekisui House Group's Initiatives

1961
Transitioned from plastic to wood for interiors, incorporating design that resonates with sense of beauty in the Model B

1965
Established the custom home design philosophy through our unique steel frame construction method and production system

1978
Launched sales of the Grenier series of homes, proposing new lifestyles through beautifully designed exteriors and interiors

1985
Introduced the ONE's ONE concept, reflecting each individual's personality and sense of beauty in homebuilding

2010
Proposed the slow living concept, enhancing everyday comfort by connecting indoor and outdoor spaces

Create Happiness: The Happiness Created by life knit design

2023 Launched life knit design

- Lifestyles that weave fondness over time
- Comfort that echoes a sense of beauty
- Designs that harmonize beautifully with the townscape and surroundings
- Happy daily life that fosters connections



Komazawa SHAWOOD model house HUE in Setagaya, Tokyo

2024 Established 6 HOUSES

- A place where visitors can experience and compare interiors based on the six fields of sense of beauty
- Discover what one truly loves
- A townscape of six homes with exteriors and landscaping that harmonizes with the natural environment



6 HOUSES in Tsukuba City, Ibaraki

Transform Society

Amplify impact

- Building homes that create happiness
- Evolving housing-related choices from functionality to a sense of beauty
- Shifting home value toward quality
- Fostering a culture that values a sense of beauty

Material Issues | Contributing to a Sustainable Society

The Sekisui House Group's Journey

Aiming to create homes and communities in harmony with the environment, we have proactively addressed environmental issues ahead of national standards and incorporated community-building philosophies into large-scale development projects. Today we are advancing further technological innovations to promote the widespread adoption of ZEH, decarbonize our business activities, and realize sustainable communities with reduced environmental impact.

Our Mission

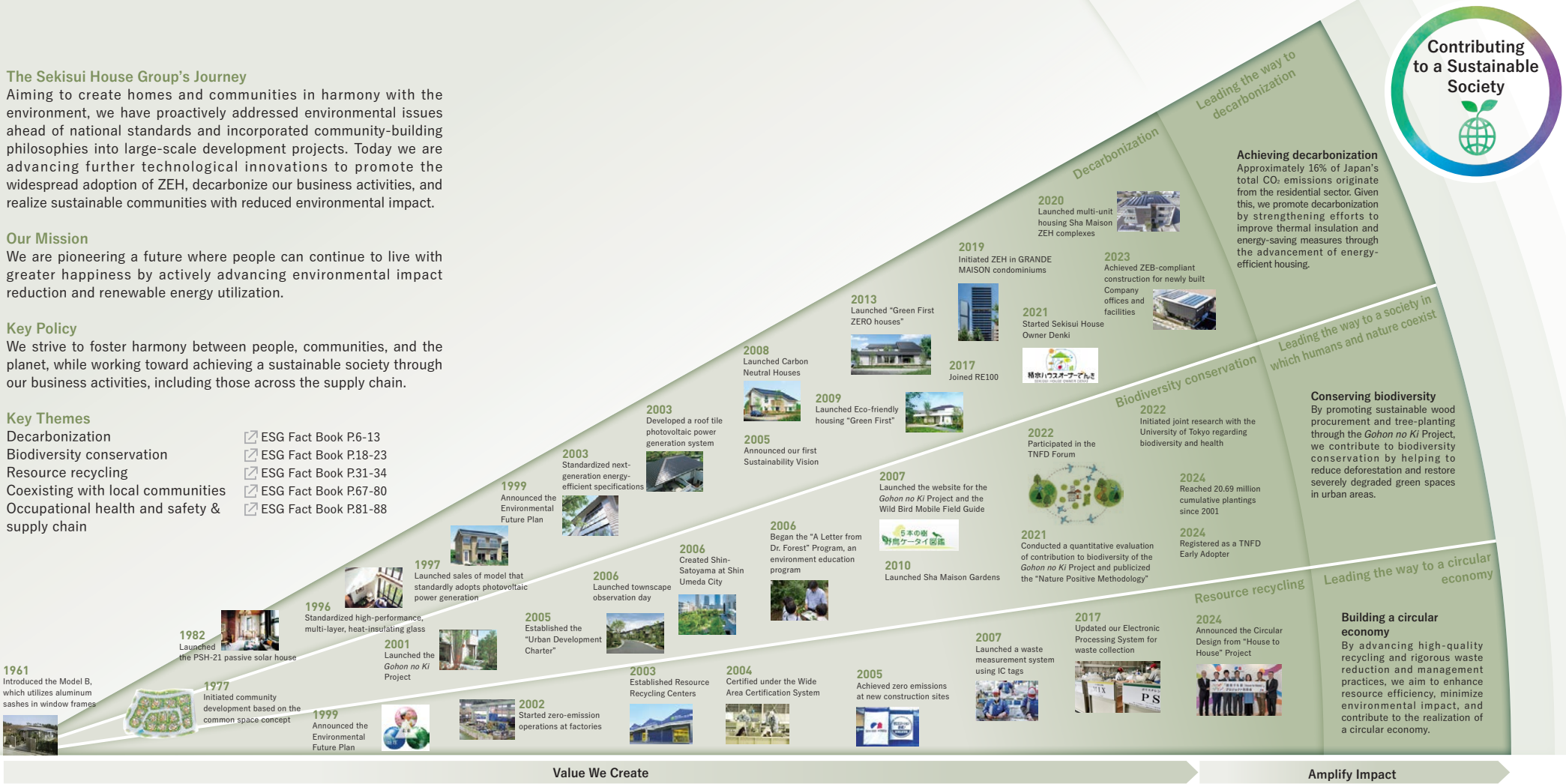
We are pioneering a future where people can continue to live with greater happiness by actively advancing environmental impact reduction and renewable energy utilization.

Key Policy

We strive to foster harmony between people, communities, and the planet, while working toward achieving a sustainable society through our business activities, including those across the supply chain.

Key Themes

Decarbonization	ESG Fact Book P.6-13
Biodiversity conservation	ESG Fact Book P.18-23
Resource recycling	ESG Fact Book P.31-34
Coexisting with local communities	ESG Fact Book P.67-80
Occupational health and safety & supply chain	ESG Fact Book P.81-88



Contributing to a Sustainable Society | GRAND MAST Rental Housing

Drive Positive Impact
A home for healthy aging

In Japan's rapidly aging society, homes for the elderly are often viewed solely as places for those requiring nursing care. However, only 6% of individuals aged 65 to 74 are certified as needing such care—meaning the majority of elderly people remain active and independent.

Sekisui House has developed the "GRAND MAST" rental housing series designed for active elderly individuals who wish to age healthily while living authentically, freely, and in good health, and receiving support when needed. Leveraging our original lifetime housing concept and universal design, we provide homes that enable people to live happily throughout the era of the 100-year lifespan.

Sekisui House's GRAND MAST rental housing

Create Happiness
High happiness levels among residents of GRAND MAST rental housing

GRAND MAST rental housing offers safety, peace of mind, and comfort, along with concierge desk services to support daily living. This housing for independent seniors is also equipped with services that encourage healthy eating, physical activity, and social connection.

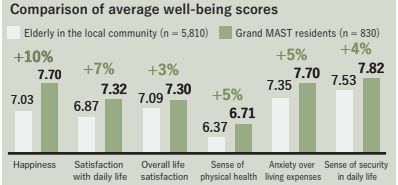
A joint study conducted in FY2023 with Professor Katsunori Kondo of the Center for Preventive Medical Sciences at Chiba University revealed that residents of GRAND MAST rental housing laughed 1.3 times more often, went out 1.8 times more frequently, and dined with others 1.4 times more frequently than their peers in the surrounding community, indicating a positive impact on their well-being.

Housing that enhances the well-being of the elderly

Transform Society
Creating a healthy, long-living society through housing

GRAND MAST rental housing is not about relocating with the assumption of requiring nursing care, but rather providing the choice to continue living true to oneself. It respects individuality while fostering connections with others and the community, enabling the elderly to enjoy daily life actively and vibrantly, realizing a new form of happiness in a healthy, long-living society.

Comparison of average well-being scores



GRAND MAST rental housing residents often eat together and laugh frequently

Residents of GRAND MAST rental housing are enjoying their second lives, and with many recommending the lifestyle to friends and family members. Seeing this, we began to consider that elderly individuals living in urban areas, where they can enjoy outings and engage in daily interactions with familiar people might maintain higher levels of health and well-being.



Shunsuke Miyamoto
Director of the Board, Head of Business Department*
GRAND MAST Business Department

In a joint study, approximately 70% of residents across all 39 GRAND MAST rental housing locations participated. We were pleased to find that concierge desk services and customized neighborhood maps encouraged residents to go out more frequently. Additionally, shared meals contributed to increased laughter—both indicators of improved well-being.



Satoshi Sato
Regional Revitalization Strategy Department of the Corporate Management Strategy Headquarters

This research highlighted the potential connection between frequent outings, social interaction, shared meals, and greater happiness among residents. We aim to further explore these causal relationships and realize our vision of senior housing where simply living there contributes to better health and happiness.



* Of Sekisui House Sha Maison PM Tokyo, Ltd.

The Sekisui House Group's Journey and the Value Created by GRAND MAST Rental Housing, Housing for Independent Seniors Equipped with Services

Drive Positive Impact: The Sekisui House Group's Initiatives

1975 A Japan first
Built a "Wheelchair House" for elderly people and persons with physical disabilities within Kumamoto Rehabilitation Hospital

1981 A Japan first
Constructed a model house for persons with disabilities and began developing components tailored to their needs

1987 A Japan first
Introduced a lifetime housing model equipped with a home elevator to support seniors and persons with physical disabilities

1989
Defined the concept of "lifetime housing" as the philosophy of comfortable living—now and always, as the foundation of our homebuilding approach

2002 An industry first
Established a universal design concept for homes that emphasizes ease of living and applied it to detached houses

Create Happiness: The Happiness Created by GRAND MAST Rental Housing

2011 GRAND MAST rental housing

- Offered housing for independent seniors equipped with services
- Supported healthy living through monitoring and peace-of-mind assistance
- Promoted opportunities for interaction and connection



39 locations in 9 prefectures
(As of June 2024)

2024 GRAND MAST rental housing that elevates happiness

- Improves residents' happiness, satisfaction with daily life, and health awareness
- Supports active lifestyles for the elderly
- Increases motivation for social participation
- Provides peace of mind for families
- Encourages community living



A dedicated chef offers meals in the dining hall upon request

Transform Society

Amplify impact

- Extending healthy life expectancy
- Reducing the burden of medical and nursing care costs
- Promoting communication among the elderly in the local community
- Providing diverse housing options
- Increasing multigenerational interactions

Contributing to a Sustainable Society | “Kids First”

Drive Positive Impact

“Kids First” at Sekisui House: Nurturing emotional and sensory development in children

As a “Kids First” company, Sekisui House has long prioritized the happiness of children. We continue to ask ourselves what true happiness means, and one answer we’ve arrived at is rich emotional and sensory development in children. This development shapes a child’s individuality and brings color to their life, nurtured gradually through diverse experiences.

That is why we’ve embraced the concept of “housing education” as a way to foster a child’s sense of happiness through everyday living. Driven by a desire to help more children discover what they love and what matters to them, we will open JUNOPARK, an experiential housing education facility that fosters emotional and sensory development, in Kizugawa City, Kyoto (formerly the site of *Nattoku Kobo*) in August 2025. We believe the many experiences that begin here will become meaningful first steps toward a happier future.

JUNOPARK

Create Happiness

The seeds of happiness: Loving something and immersing oneself

Children in Japan are reported to have some of the lowest levels of emotional well-being among developed countries. Precisely because of this, we believe it is important to give children time to immerse themselves in what they love.

JUNOPARK is a housing literacy “edutainment” facility that blends education with entertainment. Designed primarily for older elementary school children, it offers original programs and exhibits based on Sekisui House’s concept of the six fields of aesthetic sensitivity nurtured through daily life. Through experiences that naturally spark feelings of “fun” and “curiosity,” JUNOPARK aims to be a place where children can nurture their own emotional and sensory development. It is a space where the ideas that “there is no single right answer” and “you can choose for yourself” are embraced, allowing children to discover what they love, what matters most to them, and what they want to immerse themselves fully.

Transform Society

A child’s happiness is the future of happiness

We believe that children’s happiness leads to a happier future. Children who have been raised with rich emotional and sensory development enjoy spending their time discovering what happiness means to them personally. They embrace their individuality and bring fresh ideas and innovation to future society.

At Sekisui House, we see housing education as a way to nurture the emotional and sensory development and the happiness of children who will shape the future. JUNOPARK is an investment in that future happiness. With a sincere belief that supporting children’s happiness leads to a brighter future, we will continue to promote our “Kids First” initiatives, shifting our purpose from building houses to building happiness.



The Sekisui House Group’s Journey and the Value Created by JUNOPARK

Drive Positive Impact: The Sekisui House Group’s Initiatives

1990
Established the experiential research center *Nattoku Kobo* at the Comprehensive Housing R&D Institute

1992
Launched *Sumaijuku* seminars at *Nattoku Kobo*, offering the general public opportunities to learn about housebuilding

Early 2000s
Began offering experimental programs at *Sumai no-Yume-Kojo* nationwide, targeting students from elementary school to university

2006
Introduced “A Letter from Dr. Forest,” an environmental education program for children

2008
Started employee-led field trips as part of housing education efforts



Number of children participating in Sekisui House Group’s housing education (FY2008–FY2024)

Employee-led field trips: **27,860**

Facility tours and experience programs: **56,174**

Create Happiness: The Happiness Created by “Kids First”

Output
- Planned the opening of an experiential housing-themed park
- Provided hands-on learning opportunities for children
- Created spaces for children to foster emotional and sensory development through new experiences
- Sparked moments for children to discover what they love and immerse themselves
- Hosted events to promote community engagement



Outcome
- Help children discover what they love and value
- Foster children’s emotional and sensory development, expressive skills, and self-awareness
- Nurture children with rich emotional and sensory development to respect differences in others
- Broadened the resonance for building happiness

Transform Society

Amplify impact
- Nurturing children with rich emotional and sensory development
- Creating a happier society
- Driving new innovation
- Spreading the emotional and sensory development that fosters happiness throughout society

Contributing to a Sustainable Society | Sekisui House Matching Program

Drive Positive Impact
Program Transformation Driven by Employee Ideas

Launched in 2006, the “Sekisui House Matching Program” is a corporate program to match employee donations. Originally designed to support nonprofit organizations in Japan addressing social issues, the program began evolving in response to employee feedback that “there must be more we can do.”

One day, we realized that the many ideas posted by employees on our internal app had the potential to make a meaningful impact on society. Thoughtful ideas focused on others’ happiness—such as “providing experiences for children,” “creating safe community spaces,” and “raising all children together”—were overlooked in the app after not passing the screening for the Sekisui House Innovation & Performance (SHIP) Awards Program.

These “overlooked ideas” were given a second chance at life through this new program, where external nonprofit organizations could raise their hands in a “who’s with me?” style to take on the ideas, plan activities around them, and receive support through employee and company donations.

Sekisui House Matching Program

Create Happiness
When employee ideas connect, happiness spreads

Under this new program, employees who post ideas out of a desire to make society better, those who donate out of a wish to help others, and others who voluntarily participate in grant-funded projects all come together to support a single cause through three distinct actions. Each of these actions stems from a shared hope for a society and environment where children can continue to live happily. In FY2024, 56 projects were launched based on 117 employee ideas, resulting in 1,448 activities nationwide that positively impacted over 40,000 people. A single employee’s idea, through co-creation with society, has become a source of happiness for numerous people.

SHIP Sekisui House Innovation & Performance Awards × SEKISUI HOUSE MATCHING PROGRAM

Employee-proposed ideas to improve society and foster innovation
656 ideas (First–Third SHIP)

Transform Society
Ideas and systems that shape the future

This new program is Japan’s first corporate co-creative social impact program—one that goes beyond donations or volunteering. Carried out through direct employee involvement, it begins with employee ideas and aspirations, growing into tangible social activities planned in collaboration with nonprofit organizations that are supported financially by both employees and the Company. This system redefines the role of corporations in society, serving as a model where “a thought becomes action, action becomes a system, and the system brings happiness to society.” We will continue to build programs and systems rooted in care for others’ happiness and connect them to the happiness of society and the future.

One person’s idea improves society (co-creative social impact program)



Starting with ideas, donations, and active participation aimed at making society better, the Sekisui House Group has established a new framework for generating value through co-creation with local communities and society.

The Sekisui House Group’s Journey and Value Created by the Sekisui House Matching Program

Drive Positive Impact: The Sekisui House Group’s Initiatives

2006
Launched the Sekisui House Matching Program, a corporate program to match employee donations

To help create a society and environment where children can continue to live happily, we established the Children’s Fund and Eco-Fund, with the Company matching employee donations.

FY2006–FY2024
Charitable donations: approximately ¥**490** million
Number of grantee organizations: **646**
Participating employees: **7,628**
(As of January 31, 2025)

2023
Restructured the program to fund projects developed from employee ideas in collaboration with nonprofit organizations

Create Happiness: The Happiness Created by the Sekisui House Matching Program

Output
- 10 ideas recognized and realized
- 117 ideas Made into projects and funded
- Final screening (20 ideas)
- Social contribution ideas (235)
- Employee ideas (First–Second SHIP, 1,414)

Outcome



Grants in FY2024

Funded projects:	56
Activities conducted:	1,448
Participating children:	31,213
Participating adults:	15,837
Volunteers:	3,325

→ P.68-78 Our Foundational Values

Transform Society

Amplify impact
- Encouraging voluntary employee participation
- Creating a cycle of value through diverse co-creation
- Achieving a society and environment where people can continue to live happily

Material Issues | Diversity and Inclusion

The Sekisui House Group's Journey

Aiming to create a society where everyone can live true to themselves, we have focused on human resources development and building a corporate culture that respects diversity. Sekisui House has led the industry in promoting women's advancement and implementing paternity leave programs. Today, we are working to support employee autonomy in order to spark innovation and drive sustainable organizational growth, with the ultimate goal of realizing a truly inclusive society where everyone can pursue happiness.

Our Mission

We are committed to creating work environments that embrace diverse perspectives and values, where each individual can harness their unique traits and abilities to excel in their roles.

Key Policy

We aim to create workplaces that feel like a "second home" for our employees, places where happiness is nurtured and where individuals are empowered to take on new challenges with autonomy and confidence.

Key Themes

Promoting diversity
Employee health and happiness
Diverse workstyles / Job satisfaction / Human resource development / Self-directed career development

ESG Fact Book P.51-57
ESG Fact Book P.61-63
ESG Fact Book P.48-50, 58-60



Diversity and Inclusion | Promoting Women's Advancement

20 Years of Promoting Women's Advancement to Foster Employee Happiness

Since beginning active recruitment of female sales representatives in 2005, we have spent the past 20 years building workplaces where everyone can work autonomously and happily.

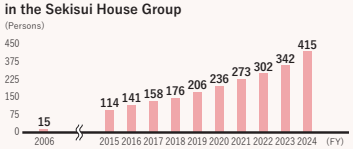
1960 Founded

2005 Began active recruitment of female sales representatives

2007 Average employee tenure: 4.6 years

2007
Launched the Nationwide Women's Sales Representative Conference

Progress of Female Employees in Managerial Positions in the Sekisui House Group



Note: Up to FY2022, Sekisui House and major domestic Group companies (excluding Konoike Construction); For FY2023, Konoike Construction was included; For FY2024, all domestic consolidated subsidiaries were included.

2011 Analyzed causes of increased turnover among female employees and implemented program reforms

2014
Initiated the Women's Onsite Supervisor Meetings

2014
Launched the Sekisui House Women's College

2014
Expanded the nursing care support program

2015 Introduced initiatives to improve retention of female employees and cultivate role models

2015
Launched the Female Onsite Supervisor Support Program

2016
Introduced the Work-from-Home System

2017
Initiated support for full-time and Sunday work

2018
Enhanced the paternity leave for male employees and launched the sliding work schedule

2019
Implemented the female sales representative's mentoring system

2019
Implemented support systems for balancing cancer and infertility treatment with work

2020
Launched the Sekisui House Construction Women's College

2022
Launched the Sekisui House Remodeling Leaders College

2023 Positioned employee autonomy and happiness as key initiatives

2023
Launched Career-Specific Conferences for Female Sales Representatives and Area-Specific Conferences for Female Engineers

2023
Launched self-directed career development leave

2024 Average employee tenure: 10 years

Measures to promote women's advancement
- Employee happiness → Autonomous employees
- Individual happiness → Employees with high workplace happiness scores
- Family happiness

Enhancement support programs

→ Value creation and normalization within society

Drive Positive Impact

Origin

Companies do not grow without the active participation of women
A place where everyone can thrive
The first step toward a better society



Key Measures

Implemented mentoring programs and networking conferences
Enhanced training for managerial roles and support programs
Reformed managerial mindsets and workplace environments



Create Happiness

Identifying Attrition Factors and Implementing Improvements

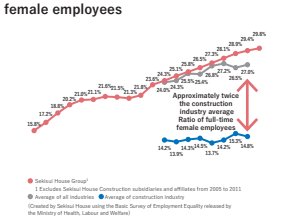
Supported career development
Enhanced organizational environments and transforming corporate culture
Ensured psychological safety and reformed leadership mindsets



Gradual Progress

Increasing the number of female new graduate hires and mid-career hires
Growing the number of female employees and female managers
Improving work environments and expanding support programs

The Sekisui House Group's ratio of full-time female employees



Transform Society

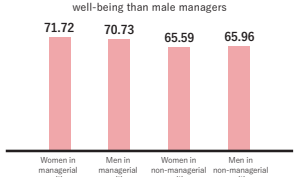
Workplaces That Foster Happiness

Increasing leaders with high well-being
Enhancing well-being for all team members
Enhancing well-being for all workplaces

Total well-being score
(FY2023 Well-Being Survey, Sekisui House non-consolidated)

Employees in managerial positions report higher levels of well-being than those in non-managerial positions

Female managers report higher levels of well-being than male managers



A Future of Expanding Happiness

Establishing an organizational culture that embraces diverse values
Fostering innovation
Creating a happier society where everyone can thrive



Diversity and Inclusion | Promoting Women's Advancement

Drive Positive Impact

Companies do not grow without the active participation of women

In the construction industry in Japan, a male-centric workplace culture took root over many years, making it difficult for females to advance in such an environment. Sekisui House began actively recruiting female sales representatives in 2005, and, in 2006, introduced "Human Resource Sustainability" as our core human resources policy. This policy was driven by the belief of the Representative Director at the time that the growth of human resources with diverse values is essential for sustainable corporate growth.

However, from around 2011, attrition among female sales representatives started to rise. Many female employees also expressed reluctance toward promotion due to concerns about balancing work and family life. To address these challenges, we first focused on identifying the root causes of attrition. Our analysis revealed several key issues: long working hours, inadequate facilities for female employees at construction sites, entrenched workplace biases, and unconscious managerial tendencies to favor male employees for promotion opportunities.

Create Happiness

Building workplaces that support self-directed career development

In response to these challenges, we reviewed and reduced excessive overtime, improved onsite facilities, expanded childcare leave policies, and worked to shift managerial mindsets. At Sekisui House, promoting women's advancement is not about increasing the number of female managers, but about creating an environment where all employees can autonomously shape their careers. To support this, we encourage employee interaction and provide opportunities for dialogue with mentors and role models, helping individuals discover their own workstyles. These efforts are contributing to a workplace where all employees can continue working happily. In our FY2023 and FY2024 Employee Well-Being Survey, we found that workplaces with female managers reported higher levels of employee well-being than those without. This supports the view that the active participation of diverse employees enhances psychological safety and communication quality, strengthening workplace relationships.

Transform Society

Toward a society where working happily is the norm for everyone

It has been 20 years since we began actively hiring female sales representatives in 2005. Today, the ratio of female full-time employees at Sekisui House has reached 29.8%, approximately twice the construction industry average. We continue to promote workplace diversity by appointing female managers and supporting autonomous career development through networking events with role models and a female manager candidate development program launched in FY2014.

Our goal is to help realize a society where everyone can thrive equally, regardless of gender. This is not simply about increasing the percentage of females in managerial positions. It is about creating environments where individuals can continue working in alignment with their life stages and personal values.

By challenging fixed ideas such as "It's difficult because she's female" or "We can't entrust this to someone working reduced hours," we aim to redefine what is considered "normal," foster happiness in the workplace, and contribute to the happiness of society as a whole.

The Sekisui House Group's Journey and the Value Created by Promoting Women's Advancement

The Sekisui House Group's Initiatives

2005
Began actively recruiting females and set a target of 20% female sales representatives among new graduate hires

2011
Started regularly holding nationwide conferences amid a rising attrition among female sales representatives

2014
Launched the Women's College, a two-year training program for 20 female manager candidates annually

2019
Introduced the female sales representative mentoring program where employees with the Company for at least six years mentor those in their first to third year

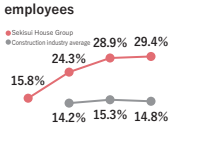
2020
Set a new target of 30% female sales representatives among new graduate hires

Create Happiness: The Happiness Created by Promoting Women's Advancement

Output

- Increased the ratio of female employees and managers
- Diversified career paths and workstyles
- Increased number of employees who are satisfied with their jobs
- Increased usage rate of childcare leave, nursing care leave, and self-directed career development leave

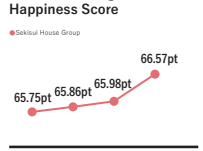
Ratio of full-time female employees



Outcome

- Improved career continuation rate among female employees
- Enhanced corporate creativity
- Built environments where everyone can freely take on challenges
- Improved employee well-being
- Fostered a culture where diverse workstyles are the norm

Total Well-Being Circle Happiness Score



Transform Society

Amplify impact

- Promoting a society where everyone works happily in their own way
- Advancing a society where all individuals actively participate, driving innovation through diversity

Dialogue | 20 Years Since Promoting Women's Advancement

20 Years of Blazing Trails—The Journey of Promoting Women's Advancement and Path Forward

In 2005, Sekisui House became an industry pioneer by actively recruiting female sales representatives. At the time, there were no systems or precedents in place. Guided by the vision of creating a society where everyone can thrive, our employees forged new paths through their own initiatives, despite uncertainty and concerns.

The ambitious efforts of those who spoke up and took initiative gradually transformed the workplace and shaped today's expectations. Their efforts laid the foundation for the Sekisui House Group's unique approach to autonomy and transformation. Employees who have walked this 20-year journey share their reflections on past challenges, achievements, and aspirations for the future. Their stories reveal a deep sense of pride in contributing to societal change and a strong commitment to continued progress.



From left:
Miki Kotani, Executive Specialist, Technology Management Headquarters
(Joined in 1988, first secretariat of the Women's College)
Fumie Yoshii, Head of the Strategy and Planning Office, International Strategy Department, and International Business Headquarters
(Returned in 2011, joined as an engineer, 1st graduating class of the Women's College)
Fumiko Kuroki, Branch Head of the Tokyo North Branch, Tokyo Sales Administration Headquarters
(Joined in 2004 as a sales representative, 3rd graduating class of the Women's College)
Ayumi Yokoyama, Chief Manager of Diversity and Inclusion Promotion Department, ESG Management Promotion Headquarters
(Joined in 2004 as a sales representative, 4th graduating class of the Women's College)

I simply did what was expected of me



It has been 37 years since I joined the Company. Back then, there were only eight female engineers in western Japan. Even during the challenges of the first consumption tax rollout, we overcame difficulties thanks to the positive atmosphere in our office.



I was inspired to join Sekisui House after experiencing its high-quality housing firsthand during the Great Hanshin Earthquake. At the time, working late and passing certification exams on the first try was considered normal. As I dedicated myself to my work each day and continue to challenge myself, trust gradually developed both in the workplace and on-site, and I found more and more opportunities to bring joy to our customers.



Although I studied architecture, I joined Sekisui House with the goal of becoming a sales representative. I earned my qualifications, worked late into the night, and wanted to prove that I was giving my all. It wasn't just about commitment—it felt like I was pushing beyond my limits.



As a new employee, it was natural for people to wonder if I could handle the job. That's exactly why I threw myself into studying and working wholeheartedly, just to hear a customer say, "I'm glad it was you."

The support programs followed in our footsteps



I was the first person to take childcare leave at the head office. I will never forget being told upon my return that I was denied a promotion because I had taken two months of childcare leave. That frustration became the starting point of our current, fair evaluation system. Support programs were not created just to exist—they originated from a desire to work in a certain way. The housework and childcare support programs were also gradually developed in the same spirit.



I once resigned and later returned after studying abroad and working at a design firm. At that time, there was no formal leave program like we have today. The senior manager and branch head told me, "We cannot establish a program right now, but you are always welcome to come back," and kindly sent me off. During my six years overseas, I stayed in touch with my former manager and colleagues, which eventually led to my return to Sekisui House.



I was the first female sales representative in my office. While working alongside male colleagues, I gradually gained junior teammates and realized that not everybody works the same way. I thought, "If we don't change things, nothing will change," so we all worked together to steadily improve the environment.

Expectations fueled our determination to take on challenges



After returning to the International Business Headquarters, I was fortunate to attend many programs, including the Women's College and management training. Meetings dedicated to female colleagues from both inside and outside the Company, along with the strong support of senior managers and supervisors who encouraged my participation and always looked out for me, has been a great source of motivation to take on new challenges.



At conferences and training sessions with other female colleagues, I felt the Company's strong expectations of us and its commitment to our growth firsthand. I was also able to share insights from trainings with my supervisors, which led to stronger trust and dialogue. When I was appointed branch head, I was genuinely surprised. Am I really qualified for the role? At the time, female branch heads in the housing industry were rare, and I had strong perceptions about what a branch head should be. It was difficult to find my own style. Still, I believed there was meaning in blazing my own trail. Today, there are branch heads with diverse styles and team members with diverse ideas, and I have come to see it as a valuable opportunity to rethink how management should be.



I've always worked as hard as I could in my own way, without thinking too much about it. But I gradually realized how difficult it is to work in an environment without leaders or role models. Of course, there were tough times, but with the support of the branch head and head of the General Affairs Department, I was able to achieve results and receive fair evaluations. There were many moments at conferences where I felt the weight of expectations on us, and those expectations evolved into a mindset of "We will be the ones to drive change." I enjoyed the days of striving together as a team, and the joy I felt when our team's achievements were recognized is still fresh in my memory.

Diversity and Inclusion | Promoting Women's Advancement

Dialogue | 20 Years Since Promoting Women's Advancement

20 Necessary Years



When I joined Sekisui House 20 years ago, we were able to act with a certain degree of freedom precisely because there were no precedents. Of course, there were many difficult moments. As a sales representative, there was no option to change roles—it was either continue working or resign. Despite recruitment efforts, many eventually left, and for several years, the number of female employees did not increase. The reason we stayed was the foundation built during that time. If we had had other options, we might not have held on. I believe the strength of our sales representatives today is rooted in the dedication of those who genuinely wanted to succeed in sales, supporting and challenging one another. It took 20 years, but we have reached a place that could not have been achieved overnight. Sekisui House's female sales representatives are undoubtedly stronger than those of our competitors.



20 years ago, today, and into the future, those who seek growth and want to expand their capabilities will continue to naturally exceed their own limits. Establishing new norms takes time and energy, but those who take initiative and try things will continue to transform Sekisui House Group and society.



We began actively recruiting female sales representatives in 2005. At that time, male area sales leads and colleagues often asked, "What should we do?" As the second female design manager nationwide, I learned a great deal from male design managers, but with so few precedents, I also experienced many trials and errors.



The pace of growth and the surrounding environment have changed compared to the past 20 years, and will continue to evolve over the next 20 years. Sekisui House has entered a phase of global expansion, and this may be another turning point. I hope we can continue evolving at an accelerated pace toward a future when true diversity is the norm, and we no longer need to talk about the "advancement of women."

We are still setting precedents



I've been truly encouraged to see more female colleagues aspiring to become branch heads. Roles such as designer and onsite supervisor have become natural career choices for anyone, regardless of gender. As a branch head, I am proud to have helped create an environment where everyone can work in their own way. Everyone has strengths and weaknesses. By fully leveraging each person's strengths and aspirations, and complementing one another, we achieve these results. I hope this kind of organization—where diversity becomes a source of strength—becomes the new norm. It's a world where we break free from fixed ideas like "this is how sales should be" or "this is how design should be," and bring together our expertise to create something truly great.



Looking back, we did not take on new challenges because we were female. We did so because there were no precedents. From research and development to sales, production, and construction, we stepped into uncharted territory and forged new paths. I worked in technology development during the phase when our focus was on comfort and environmental consideration, and the process of combining diverse perspectives to drive innovation was truly enjoyable. Sekisui House is, once again, a company that brings together people who embrace the challenge of working without precedents.



I started in sales and now work in a role that promotes diversity. Currently, among all 99 offices in Japan, there is one female branch head and one female deputy branch head. I am wholeheartedly aiming for the day when the group photo at the nationwide gathering of branch and deputy branch heads, which is held twice a year, shows equal numbers of male and female employees.



By humbly reflecting on ourselves through the lens of our individual characteristics, we can identify both strengths to be proud of and areas for improvement. I believe that mindset is essential. Sekisui House is a team of individuals united by a deep commitment to craftsmanship, a dedication shared and demonstrated equally by on-site employees and executive leadership. People with sincere passion inspire one another and work together to shape the future crossing domestic and international boundaries to create new value without borders. I believe that moving toward such a future will lead to the next stage of growth for us and for the Sekisui House Group.

Sekisui House Women's College

Since 2014, we have implemented a two-year program for 20 female employees every year to support autonomous career development and promotion to managerial positions.

1st year: Skill-building to develop management perspectives
2nd year: Hands-on learning to address workplace goals
At graduation: Presentation to top management
Graduates: 166, of whom 122 have been promoted to managerial positions



Over the two years I received a great deal of stimulation. I pursued internal certifications and participated in branch-wide initiatives, all with the goal of stepping up and leading new challenges. Every day, I feel strongly that when someone creates an opportunity and diverse ideas are added, it can grow into a powerful movement.



To be honest, I initially questioned whether managerial development and training programs exclusively for female employees were truly necessary. But at the Women's College, I met colleagues who shared a common goal, to overcome challenges, and who inspired and elevated one another. I gained so much from that experience.



I stopped viewing management roles negatively. Being a manager means thinking about how to help your team feel fulfilled and taking action to support that. Once I started seeing it that way, I was able to engage with my work positively.

Indicators and Progress

Process of Identifying Material Issues

To achieve our Global Vision, we recognize the importance of creating value for our customers and society through our business activities. In line with this commitment, the Sekisui House Group conducted a review of our material issues in FY2022.

This review clarified the long-term challenges we must address and evaluated them as part of our broader social mission from a Company-wide perspective. We deepened our understanding through discussions at Management Meetings and with external experts, as well as through engagement with a diverse range of stakeholders. As a result, we identified three key areas as our critical material issues.

For each material issue, we established priority themes and defined Key Performance Indicators (KPIs) to measure progress. Under our Sixth Mid-Term Management Plan (FY2023–FY2025), we have set 54 KPIs across 11 priority themes and are actively driving initiatives to achieve them. For further details on these KPIs and our progress, please refer to the ESG Fact Book.

Key FY2024 KPIs

To enhance the effectiveness of our ESG management, we have developed a framework that links KPIs directly to the actions of both employees and senior management. Specifically, the President's Award reflects selected KPIs as ESG indicators for business units. ESG management indicators are also incorporated into the framework to evaluate executive remuneration. These initiatives encourage proactive engagement across all levels of the organization. Under our ESG management structure, we monitor progress on KPIs linked to material issues and evaluate the outcomes of related initiatives, while also continuously making revisions and improvements through a PDCA cycle.

Among the 54 KPIs, those linked to employee ESG indicators and the Performance Share Units (PSUs) are considered especially critical for achieving both sustainable societal impact and long-term corporate growth. In FY2024, 13 key KPIs are connected to ESG indicators and PSUs. These KPIs have been organized based on the value and social impact they create, as outlined on the following page.

Issues and Insights Related to KPIs

Stakeholder feedback has highlighted several challenges in our current KPI framework. With 54 KPIs in place, some have noted that the volume makes it difficult to assess their relative importance, and that varying timeframes and scopes of impact obscure the overall picture. While KPIs are intended to guide effective resource allocation and management, their breadth risks diluting focus on the most critical areas.

Additionally, the distinction between short-term operational metrics and long-term social impact indicators has not been clearly communicated. There is also a growing need to strengthen internal and external understanding of how KPI achievement contributes to resolving social issues and driving business growth.

In response, we are working to restructure our KPI framework. This includes systematically organizing initiatives into those that should be prioritized, revised, or discontinued, with the aim of promoting more effective and impactful business activities.

KPI Revision and Future Direction

To improve the clarity and effectiveness of our KPIs, we have begun categorizing them into two phases: the "value creation phase, focused on business activities and process improvements," and the "impact expansion phase, focused on societal and environmental outcomes." This approach enables us to clarify how each KPI contributes to corporate value and social impact. We are also redefining KPIs linked to material issues as tools for value creation, with clearly defined priorities to ensure more effective and meaningful outcomes. Looking ahead to our Seventh Mid-Term Management Plan (FY2026–FY2028), we plan to introduce new KPIs and concentrate our efforts on high-priority areas, further integrating ESG into our business strategies.

We will continue to refine our KPIs based on stakeholder feedback and changes in the business environment. By transparently communicating this process, we aim to maximize long-term growth and positive social impact.

Process of Identifying Material Issues

1. Identifying and organizing key themes

Reflecting on our journey since founding, we identified eight essential and enduring themes* and examined their relationship to our business activities. This process reaffirmed that our historical initiatives are deeply aligned with our Corporate Philosophy of "Love of Humanity."

2. Constructing our corporate story

Based on these eight themes, we mapped out the innovations we have created and the employees who made them possible, developing a corporate story structured in 30-year phases. Through this, we identified key areas where our business activities intersect with social challenges and value creation.

3. Defining material issues

From our corporate story, we identified three priority areas requiring focused attention. These are confirmed through discussions with senior management, deliberations by the ESG Promotion Committee, and final approval by the Board of Directors. These three areas now serve as the core material issues of the Sekisui House Group.

* These eight key themes are: seismic resistance performance; landscape and aesthetics; ecosystem preservation and biodiversity; insulation performance and CO_2 reduction; resource recycling; coexistence with local communities; health, connectedness, and learning; and employment retention and human resource development.

Process for Evaluating KPIs

4. Setting KPIs

Under the Sixth Mid-Term Management Plan (FY2023–FY2025), we established 11 priority themes based on the three material issues and formulated 54 KPIs to measure the progress on specific initiatives.

ESG Fact Book P.94-97 Indicators and Progress

5. Monitoring

Progress on KPIs is primarily evaluated by the ESG Promotion Committee before it is reported to the Board of Directors. Upon receiving reports, the Board of Directors reviews, deliberates on, and supervises Group-wide response policies and other relevant matters.

ESG Fact Book P.89-99 ESG Governance

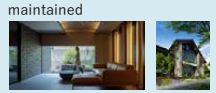
6. Revisions and improvements

The ESG Promotion Committee engages in discussions with external experts and executive leadership, including the Representative Director, to review challenges and outcomes. Based on these discussions, we implement appropriate improvements to initiatives and revise indicators as needed.

ESG Fact Book P.92 Materiality management

Indicators and Progress

In FY2024, we have organized key indicators related to ESG and Performance Share Units (PSU) within the perspectives of customers' happiness, society's happiness, and future happiness, and have included their targets and performance as well as the value and impact created.

KPI	FY2023 Results	FY2024 Targets	FY2024 Results	Boundary	Connection	Customers' happiness (Output)	Social happiness (Outcome)	Future happiness (Impact)	Our mission
Internal standard for evaluating detached houses (residence evaluation)[1]	3	★3 or more 70% or more	70%	◇1	ESG indicators	Creating comfortable living environments with safety and peace of mind	Improving regional quality of housing and shaping landscapes	Realizing a housing market where asset value is maintained 	Creation of High-Quality Housing Stock
Internal standard for evaluating rental housing (Sha Maison Gardens)[2]	65.1%	Over 70%	64.4%	◇1	ESG indicators	Creating rich and fulfilling lives in connection with nature	Bringing greenery to towns and fostering value through local scenery		
Rental housing units renovated	7,058	7,600	5,756	3	PSU	Creating happy lives through comfortable residences	Improving housing quality that shape a community's assets		

KPI	FY2023 Results	FY2024 Targets	FY2024 Results	Boundary	Connection	Customers' happiness (Output)	Social happiness (Outcome)	Future happiness (Impact)	Our mission
Ratio of detached ZEH homes	95%	90%	96%	◇1	ESG indicators PSU	Realizing comfortable living that reduces utility expenses	Contributing to lower CO_2 emissions from the residential sector	Promoting a decarbonized society 	Contributing to a Sustainable Society
Ratio of ZEH units for rent	76%	73%	77%	◇1	ESG indicators PSU	Providing rental housing with high environmental capabilities			
Rate of CO_2 emissions reduction from business operations	56.3%	—	62.3%	◇5	PSU	Improving the ease of work through higher efficiency	Spreading corporate decarbonization activities across all of society		
Biodiversity-friendly tree planting (*Gohon no Ki* Project)	19.85 million trees	21.00 million trees	20.69 million trees	◇1	ESG indicators	Creating living spaces where a connection with nature can be felt	Preserving urban ecosystems	Creating a society in harmony with nature	

KPI	FY2023 Results	FY2024 Targets	FY2024 Results	Boundary	Connection	Customers' happiness (Output)	Social happiness (Outcome)	Future happiness (Impact)	Our mission
Number of female managers	342 persons (4.34%)	350 persons	415 persons (5.01%)	5	PSU	Creating workplaces with diverse career options	Creating a society that promotes decision-making utilizing a variety of perspectives	Creating a society that fosters innovation	Diversity and Inclusion
Take-up rate for eligible male employee childcare leave	100%	100%	100%	6	PSU	Realizing workstyles that can keep family time important	Creating a society where it is natural to have both a family and career	Creating a society that brings out diverse values and creativity 	
Take-up rate for annual paid leave	80.3%	70%	79.9%	7	PSU	Refreshing minds and bodies and enhancing daily life	Creating a society that is easy to work in, innovative, and productive		
Average monthly work hours per person	169.58	175	170.17	6	ESG indicators	Realizing workstyles value personal time	Realizing a society where everyone can work flexibly		
Walking Challenge participants and average step count	21,163 persons 6,652 steps	—	21,289 persons 6,957 steps	◇4	ESG indicators	Improving health and happiness through adherence to exercise habits	Improving health in every area	Creating a society that supports efforts toward mental and physical health and happiness	
Rate of employees opting for secondary medical checkups	88.1%	97%	90.3%	◇1	ESG indicators	Creating relaxing environments that reduce worries related to one's health			

1 Internal standard for evaluating detached houses with exterior design and greenery that beautify the community. This indicator is calculated based on our residence evaluation, which we created for detached houses in 2017 to promote the creation of beautiful houses that will be assets to their communities. Houses meriting this certification are given a rating from one to five stars.
2 Internal standard for evaluating the townscape attractiveness of rental housing that emphasizes resident safety, peace of mind and comfort. This indicator shows the ratio of Sha Maison Gardens, which obtained in-house certification as attractive rental housing through a process using unique evaluation criteria that include the impact on surrounding street landscapes and a resident-first perspective.
3 FY2023 results: ★4 or higher, overall 81.9%, 3rd range comprising 88.4%. The four stars previously granted are equivalent to three stars. Since FY2024, certification rules have been revised to enhance the quality of certified houses.
4 Sekisui House Real Estate Group
5 ◇3 in FY2023, ◇4 in FY2024 and FY2025
6 ◇2 in FY2023, ◇4 after FY2024 (Excluding Konoike Construction and domestic consolidated subsidiaries)
7 Sekisui House, Ltd.; Sekisui House Real Estate Group; Sekisui House Remodeling, Ltd.

◇1 Sekisui House, Ltd.
◇2 Sekisui House Real Estate Group, Sekisui House Construction Group, Sekisui House Remodeling, Ltd., Sekisui House noie Limited in addition to 1 above
◇3 Konoike Construction Co., Ltd. and Consolidated Domestic Subsidiaries in addition to 2 above
◇4 Sekisui House and Domestic Group Companies
◇5 Sekisui House Group (Sekisui House, Ltd. and all Consolidated Subsidiaries)

For information related to consolidated indicators and progress on other KPIs, please refer to the ESG Fact Book.

Leading Company in ESG Management

Creating New Value and Shaping the Future through ESG Management

Since our founding in 1960, the Sekisui House Group has been committed to creating value for society and achieving sustainable growth by addressing challenges faced by customers and society through our business activities. Over the decades, we have consistently led the way, developing pre-fabricated housing, innovating seismic resistance technology, promoting energy-efficient homes, and fostering workplaces that respect diversity. In 2020, to demonstrate greater leadership, we announced our sub-vision: “Become a leading company in ESG management.”

We define a leading company in ESG management as one that pioneers new value creation and opens the path to a happier future. To achieve this, we must continue to drive unprecedented innovation by looking ahead, sincerely engaging with social issues, and thinking deeply about how to make society better. In other words, the ESG management we pursue is a continuous effort to create a positive impact on society and the environment, thereby forging new ESG values.

Since FY2020, we have been promoting ESG management that emphasizes the participation of all employees. As a starting point, we held discussions around the theme “What is happiness?” These conversations encouraged employees to reflect on their colleagues’ values and perspectives, deepening their understanding of ESG and inspiring small, everyday actions.

Through initiatives such as the Sekisui House Innovation & Performance (SHIP) Awards and efforts to build a positive workplace culture, we continue to promote employee autonomy. In FY2024, we launched programs to share employees’ ideas with society and address social issues through open innovation. These efforts are steadily taking root, establishing a process that links employees’ ideas with value creation.

17,406
Participants in ESG dialogue
Respondents to the post-dialogue survey (FY2024)

6,000
Number of ideas/initiatives submitted to the Sekisui House Innovation & Performance Awards (SHIP) (FY2021–FY2024)

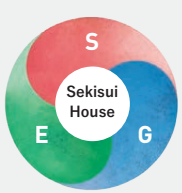
4,838
Total number of submitted ideas for contributing to society (FY2021–FY2024)

The Sekisui House Group’s ESG management, based on the principle of “ESG management that engages all employees,” is now proceeding toward “ESG management focused on value creation.” In addition to promoting ESG management as a framework for risk evaluation and response, this marks our progress to a new stage—one where we aim to create new value for society and establish future standards. To achieve this, we will further evolve highly effective initiatives, centered on the key elements of a leading company in ESG management.

Our ESG management is characterized by the belief that enhancing what is valuable to society leads to greater value for the organization. Guided by our Corporate Philosophy of “Love of Humanity,” the Sekisui House Group is consistently implementing forward-looking initiatives that reflect the values needed for the future. We will continue to connect the autonomy and creativity of each employee to our world-leading business activities, nurturing these qualities as the driving force to shape a happier future.

→ Our Corporate Story P.18-24

Our Approach to ESG Management: “Our Business is Rooted in ESG”



The Sekisui House Group’s ESG management is to practice “Love of Humanity,” our Corporate Philosophy. It reflects our commitment to working together for the happiness of our customers and society. It also means valuing our workplace as a “home away from home” and working toward the happiness of our colleagues and families. We believe that these fundamental human sentiments are at the heart of ESG, and that by putting them into practice, we can continue to innovate and create new value.

Based on these principles, we have adopted the concept that “the Company exists within ESG.” This means we continuously evaluate our business activities not only in terms of profitability, but also by their contribution to the happiness of our customers, society, and employees. We also integrate ESG perspectives into our business strategies and decision-making, recognizing that strengthening our ESG initiatives and performance enhances our corporate value.

Direction of the Evolution of Our ESG Management



ESG management that engages all employees
All employees take ownership of ESG, think autonomously, and take action

ESG management focused on value creation
Create new ESG value from all business activities

Our ESG Compass: Key Elements of a Leading Company in ESG Management



Drive Positive Impact
ESG is the creation of new value. Through innovation and communication, we create a positive impact from all our business activities.

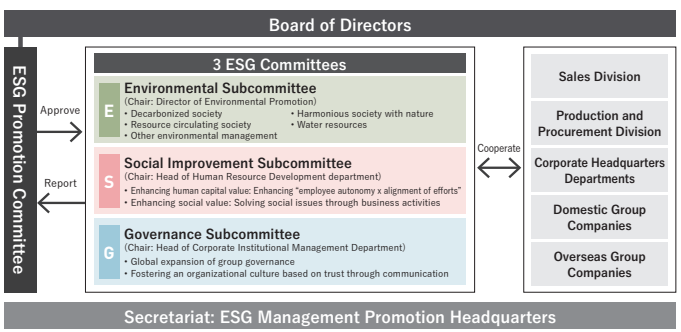
Create Happiness
The purpose of ESG management is to realize happiness for our customers, society, and employees. Everyone fosters a corporate culture centered on creating happiness and expanding value creation.

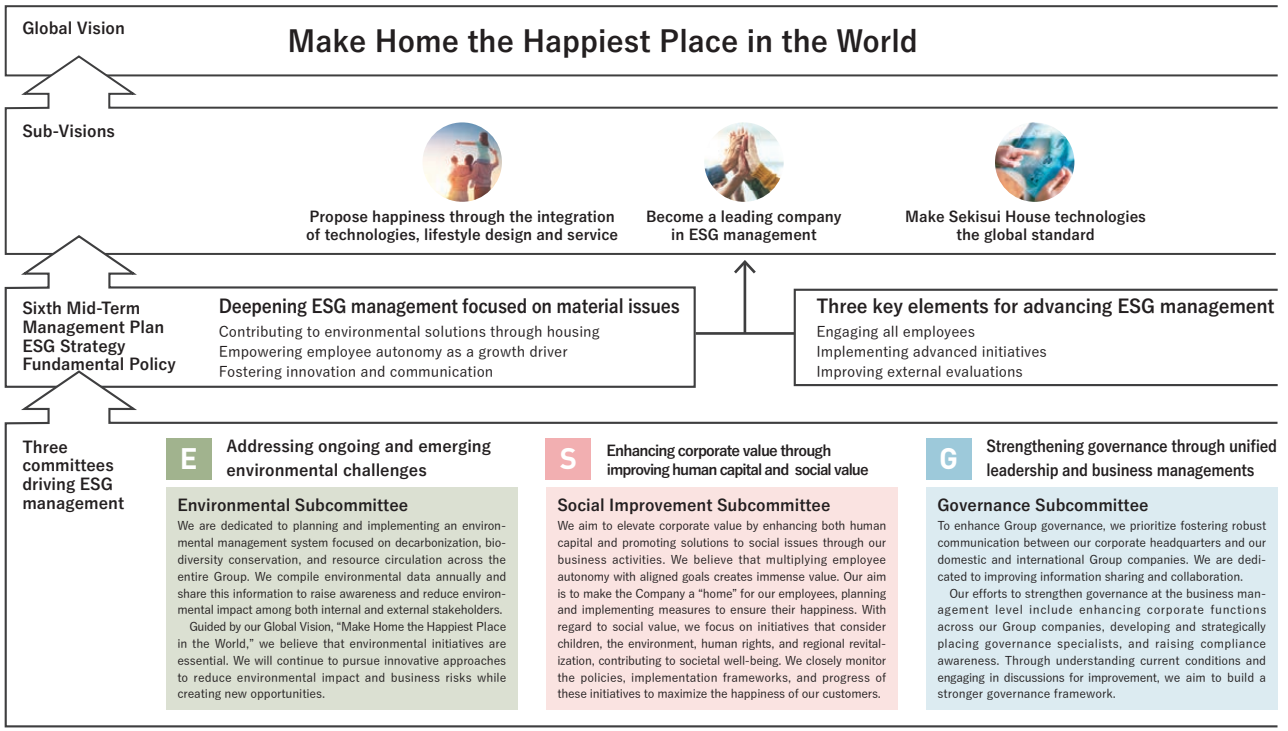
Transform Society
As a leading company, we go beyond our organizational boundaries and lead the industry and society. Together with stakeholders, we co-create a happier future with stakeholders.

Become a Leading Company in ESG Management

Fundamental ESG Management Policy and Structure for advancing in the Sixth Mid-Term Management Plan

The Sekisui House Group committed to “deepening ESG management focused on material issues” under the Sixth Mid-Term Management Plan. We are working to further enhance value creation and build trust through proactive dialogue and collaboration with stakeholders. To ensure the steady advancement of ESG management, the Executive Officer in charge of ESG Management Promotion oversees the implementation of ESG activities, while the ESG Management Promotion Headquarters leads the formulation of fundamental policies and manages the execution of related initiatives. In addition, as an advisory body of the Board of Directors, the ESG Promotion Committee, including external experts, convenes at least four times a year. Through active discussions on progress and challenges, the committee promotes continuous dialogue and improvement, enhancing the overall effectiveness of ESG management. The committee has also established three subcommittees for environment, society, and governance. Each subcommittee acts as a driving force, working across departments to implement specific measures, promote awareness of KPIs, and encourage the understanding and participation of all employees.





Reporting Structure

To clearly communicate the Sekisui House Group’s initiatives, we have reorganized our existing Value Report into three distinct publications starting this fiscal year. To remain a vital presence in society, we have embedded our vision, initiatives, progress, and achievements in these reports as part of our commitment to creating new value.

Value Report – Our Impact
This report shares our value creation story and the roadmap of our impact. It also introduces our journey, along with our ideas and initiatives for the future.



ESG Fact Book – Our Commitment
This report details our ESG initiatives and progress, highlighting specific activities that support corporate growth and contribute societal sustainability.



ESG Fact Book

ESG Data Book – Our Progress*
This report presents the progress and achievements of our ESG initiatives, along with the impacts of our activities supported by concrete data and figures.



ESG Data Book

* Received third-party assurance

Become a Leading Company in ESG Management

Forms of Happiness and FY2024 Results, Linked by the Three Subcommittees in Charge of Promoting ESG Management

E Environmental Subcommittee

Addressing persistent and new issues in the environment

Decarbonization
- Promoting ZEH through detached houses
- Promotion of ZEB for non-residential construction
- Supply chain decarbonization
- Disclosure in Line with the Task Force on
  * Climate-related Financial Disclosures (TCFD) Recommendations

Biodiversity conservation
- Wood procurement
- The *Gohon no Ki* Project, which is considerate of eco-systems
- Disclosure in Line with the Taskforce on Nature-related Financial Disclosures (TNFD) Draft Recommended Disclosure

Resource recycling
- Sekisui House Zero Emissions system
- Initiatives to Realize a Circular Economy

The happiness of people and the planet leads to a circular future



Yuki Isaka
Chairperson of the Environmental Subcommittee, Operating Officer, and Head of the Environment Improving Department

Our mission at the Environment Subcommittee is to create positive impact on society from an environmental perspective. In FY2024, the ZEH ratio for newly built detached houses reached a record 96%. We also made progress in expanding ZEH to multi-unit housing complexes and ZEB to non-residential buildings, thereby contributing to the realization of a decarbonized society. In biodiversity conservation, we achieved a cumulative total of 20,690,000 trees planted through the *Gohon no Ki* Project. To further enhance biodiversity in customer gardens, we jointly developed a visualization tool with Think Nature Co., Ltd. In June 2024. Additionally, to support the transition to a circular economy in the housing industry, we declared our 2050 target of achieving the “House to House” action of creating circular housing, where a house is reborn as someone else’s house. Moving forward, through co-creation with various stakeholders, we will continue to lead the creation of positive impact.

S Social Improvement Subcommittee

Enhancing corporate value by Improving Human Capital Value and social value

Enhancing human capital value
- Supporting self-directed career development
- Promoting D&I
- Promoting diverse workstyles
- Building a foundation for well-being
- Alignment of efforts

Improving social value
- “Kids First”
- Respect for human rights
- Regional revitalization business
- Occupational health and safety
- Supply chain management

Aiming for workplaces that feel like home where everyone can feel happy and thrive



Hideaki Yasunobu
Chairperson of the Social Improvement Subcommittee, Executive Officer, and Head of the Human Resources Development Department

At the Social Improvement Subcommittee, we value creating an environment where everyone can work in their own unique way with peace of mind, and where individual growth contributes to greater value for society. With the aim of building workplaces where each employee autonomously envisions their own life and comfortably demonstrates their capabilities, just like at home, we have continued to support self-directed career development and diverse workstyles. At the Sekisui House Women’s College, which marked its 10th anniversary, more women are confidently stepping into leadership roles. In February 2024, we opened InnoCom Square, an open innovation facility. We have also launched initiatives that foster connections between people to address challenges related to housing and lifestyles. The happiness of customers, society, and employees is central to our ESG management, and going forward, we will continue creating new forms of happiness while diligently nurturing that value.

G Governance Subcommittee

Strengthening corporate governance through senior management and business management

Senior management
- Corporate Governance
- Executive Remuneration
- Board of Directors
- Audit and Supervisory Board

Business management
- Strengthening Group Governance Systems
- Promoting Compliance
- Strengthening Risk Management

Sincere management builds trust and guides the future



Naoki Kawamura
Chairperson of the Governance Subcommittee, Executive Officer, and Head of the Corporate Institutional Management Department

“Integrity,” which represents sincere and elevated ethical standards, was established as a key concept in our governance reforms initiated in 2018. This concept aligns with our fundamental Corporate Philosophy, “Love of Humanity,” and the core values of “Truth and Trust,” Making it essential to the governance of the Sekisui House Group. In 2024, our Annual Securities Report, which focused on enhancing the disclosure of non-financial information, was selected by Japan’s Financial Services Agency as a best-practice example. The Governance Subcommittee, composed of Sekisui House and major Group companies’ corporate departments, discussed strengthening governance within the Sekisui House Construction Group following its adoption of an intermediate holding company structure. We also address the development and optimal allocation of governance talent, and reviewed the progress of post-merger integration (PMI) in our U.S. homebuilding business, all aimed at reinforcing governance at the business management level. Looking ahead, we will continue to prioritize integrity and advance the global expansion of governance across the Group.

INNOVATION AND COMMUNICATION

People and Organizations—Creating and Amplifying Happiness

04

Sekisui House Group Employees—Creating New Value for a New Era

With “Innovation and Communication” as our guiding theme,
we highlight the new value created through employee’s unique perspectives and sense of beauty.
In this section, we also share the core values and outcomes of these efforts,
along with our strategies for enhancing human capital and the progress achieved.

STORYLINE

01 DRIVE POSITIVE IMPACT
Our Journey of Value Creation and the Future We Envision

02 CREATE HAPPINESS
Our Unique Values and Evolving Strengths

03 TRANSFORM SOCIETY
Our Long-Standing Mission and Progress

04 INNOVATION AND COMMUNICATION
Our Foundational Values and Human Capital Value

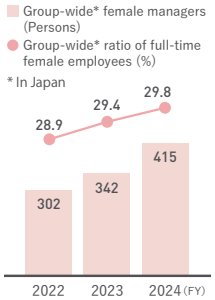
05 FINANCIAL STRATEGY AND CORPORATE GOVERNANCE
Financial and Capital Strategy, Corporate Governance

Our Foundational Values

What all employees of the Sekisui House Group share is a passion for pursuing happiness.
We firmly believe that those who hold this passion and
leverage the resources of the Sekisui House Group to keep striving
for happiness represent the Group’s true strength.
What we value as members of the Sekisui House Group is
“Innovation and Communication,” autonomy, and a sense of beauty.
These values have been cultivated over many years as part of our
organizational culture, forming the foundation of
what makes the Sekisui House Group unique and shaping our identity.
Employees with diverse perspectives and experiences share these values and
align their efforts, continually creating new value.

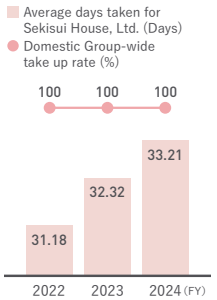
Highlights

Full-Time Female Employees/ Female Managers



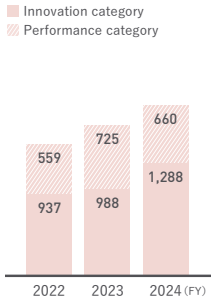
In FY2024, the ratio of full-time female employees reached 29.8%, and the number of female managers also increased.

Paternity Program



We have maintained a 100% paternity leave take up rate for six consecutive years, with an average of 33.21 days taken.

Number of SHIP Idea Entries



In FY2024, employees submitted 1,948 ideas and initiatives.

Our Foundational Values

Creating Happiness through

SEKISUI HOUSE_SHIP

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.



Aspirations Embedded in SEKISUI HOUSE_SHIP

Based on the Corporate Philosophy and Global Vision
At Sekisui House, we are guided by our enduring Corporate Philosophy, "Love of Humanity," a value we have upheld across generations. We also aspire to realize our Global Vision, "Make Home the Happiest Place in the World." To achieve this, we believe in preserving what matters while embracing necessary change. It was from this belief that we formally defined the unique identity of Sekisui House as "SEKISUI HOUSE_SHIP" in July 2024.

Inspired by SEKISUI HOUSE_SHIP
People who truly understand their own identity and approach each moment with sincerity and unwavering dedication have a unique and compelling presence. We believe the same holds true for companies. By sharing and deeply understanding SEKISUI HOUSE_SHIP among our colleagues, we can bring happiness to everyone we engage with. SEKISUI HOUSE_SHIP is not a set of rigid rules or constraints. Rather, it serves as a source of inspiration —encouraging each individual to think freely and act with purpose.

Toward the Future, Together
Sekisui House began with just 34 colleagues. Today, we are a global group of 376 companies and 32,265 employees, united in pursuit of our Global Vision. We strive for every customer to feel, "Meeting Sekisui House was the best thing that happened," and for future generations to say, "We are grateful Sekisui House was part of our lives." Together with our colleagues across the Sekisui House Group worldwide, we will continue to deepen SEKISUI HOUSE_SHIP and weave a future of continuous value creation.



Why I Relate to SEKISUI HOUSE_SHIP

Employee Reflections

"Rather than being constrained by rigid ideas of what a company should be or simply carrying out daily tasks each day, I believe SEKISUI HOUSE_SHIP serves as a guide that encourages us to think and act freely. It inspires us to take greater ownership of our work and our role within the Company."

An employee of Sekisui House, Ltd.

"From my own experience, I have learned that when we approach work with initiative and creativity, it fosters empathy and cooperation, allowing these connections to grow stronger over time. I believe that by learning, thinking, and creating proactively, rather than waiting for instructions, we can solve challenges and generate meaningful value."

An employee of Sekisui House Support Plus, Ltd.

"I felt that the motivations behind establishing SEKISUI HOUSE_SHIP, such as "reflecting on our founding principles especially during times of growth" and "becoming a member of society means taking on the role of creating value to society," are perfectly expressed in this ideology. To me, it represents more than just being a homebuilder; it truly captures the unique identity of Sekisui House."

An employee of Sekisui House Remodeling, Ltd.

"I cherish the feeling of being part of a crew sailing on the same ship, united by shared goals and moving in the same direction. With this mindset, I am deeply committed to fulfilling my responsibilities. I have reaffirmed my determination to harness the strength of our unity and achieve our objectives together as one."

An employee of SH Hospitality Service Co., Ltd.

"I believe it is important to value both what we have built so far and new, forward-looking initiatives, and to take the lead in driving them forward. There are things we cannot achieve alone, but with colleagues who share our passion and commitment, even the seemingly impossible can become possible. This not only brings personal fulfillment, but also contributes to the happiness of our customers and society."

An employee of MARUHON INC.

Our Foundational Values

New Value Where

Co-Creation

Thrives



We believe innovation is the act of changing existing methods and practices to create new value for our customers and society. We believe communication is the act of opening your heart and sharing thoughts and ideas with others. By bringing these two concepts together, we will continue to create unprecedented happiness. Each person's small action when combined with the ideas of others, becomes a powerful force for shaping the future. We are committed to setting new precedents for what lies ahead.

The Sekisui House Group's Innovation and Communication

Keywords for internal transformation

In 2018, we established "Innovation and Communication" as key themes for our internal transformation. This reflected our desire for each employee to freely share ideas and engage in dialogues to create new value. Initially, led by top management, "Innovation and Communication" has, over six years, become a shared language embraced by employees across the Sekisui House Group, forming a culture where these principles are practiced voluntarily.

Transformation into communication-based management

Ideas that spark innovation often come from employees who think about customers every day and stay closely attuned to their needs. Recognizing this, we shifted from our conventional directive-based approach to a communication-based management style that emphasizes dialogue. This transformation was driven by the belief that leaders who cannot communicate should be reassigned. Today, we have cultivated a culture where employees feel confident sharing their ideas freely.

Our catchphrase: "Submit this idea to SHIP!"

One platform where we practice Innovation & Communication is the SHIP Awards. Employees can submit spontaneous ideas or actions they have taken, form teams with others who share their passion, and nurture their ideas. Award-winning ideas from a 6-month review process may lead to new businesses or systems. The phrase "Submit this idea to SHIP!" has become a Group-wide catchphrase that acknowledges each other's ideas and encourages ambition.

Seeds of innovation nurtured with colleagues

Growth is connected to innovation

Sekisui House's growth is driven by continuous innovation. But our innovation is not limited to major technological breakthroughs. "Maybe this would work better." "Could I try doing it this way?" These small insights and everyday improvements accumulate to create new value that aligns closely with our customers' lives.

Ideas are nurtured with colleagues

Small ideas that emerge in conversations with customers or improvements discovered through discussions with colleagues all hold potential. But nurturing these seeds alone is difficult. Casual conversations often spark support, with comments like, "I've been thinking about this" or "In that case, how about trying this?"

Creating unprecedented happiness

Our goal is not to follow a future defined by someone else. It is to create a happy future shaped by individual ideas. "I want to try this." "Wouldn't it be great if we had this?" These ideas contribute to a unique value that only the Sekisui House Group can deliver, contributing to a happier future for society as a whole.

"My idea"

This initiative invites ideas from our partner building construction companies and on-site employees to improve construction quality and methods. A nationwide judging panel is held annually. These ideas have led to the development of specialized toolboxes, new equipment, and innovative methods now used by colleagues across Japan.

FY1988–FY2024: **60,147 ideas**





Our Foundational Values

Sekisui House Innovation & Performance Awards (SHIP)

SHIP empowers individual ideas to spark innovation through communication with colleagues

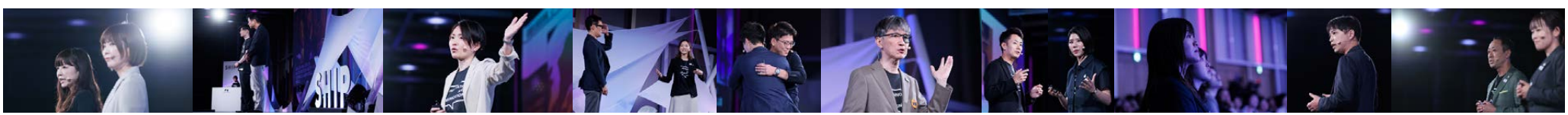
Hit on a new idea	Write it down	Garner support	Nurture the idea	Challenge yourself	Being selected	Increase your power	Present the idea in front of everyone	Try it out	Do it for real
Think “it would be great if we could do this”	Post the idea to the internal app where it’s visible to everyone	Gather a group of colleagues who support your idea	Refine the idea through group discussions	Formally submit the finalized idea	Judges assess the viability and potential of the idea	Enhance the idea with your group based on the feedback	A big presentation determines the best idea	Verify feasibility with top management and relevant departments	Implement an idea that contributes to society

SHIP is an annual award program where any Sekisui House Group employee can submit new ideas or past achievements.

Total number of ideas and initiatives submitted to SHIP

6,000 (FY2021 to FY2024)

ESG Fact Book P.50



“This is SHIP, isn’t it?”



A few years ago, I watched SHIP’s final presentation and thought, “they all look so happy presenting their ideas.” I never imagined I would present one myself. The turning point came during a conversation with colleagues. “Wouldn’t this better convey the builders’ intentions?” “Wouldn’t this resonate more with tenants?” That’s when I realized, “this is SHIP, isn’t it?” Naturally, I submitted my idea.



We were inspired by the challenges our team members faced. Not being able to hear a fire alarm, not being able to tell if the bath is ready. We often thought, “it would be nice if it worked like this.” Considering Sekisui House’s technical capabilities and customer base as well as our own experiences and expertise from a different perspective, we realized this might actually be achievable.

Colleagues united by ideas, not titles



Our team came together through connections formed at an internal diversity conference. Rather than viewing the aging of society with anxiety, we focused on creating something that supports a future where people can live comfortably—even with hearing loss or reduced mobility.



I believe ideas are the heart of SHIP, not job titles or departments. As a group, we enjoyed discussing and refining ideas after work and on weekends, almost like a hobby.



Winning the Grand Prize and supplementary award was exciting, but the real award was being able to connect with people outside my department, to communicate with people we would not normally meet, and to gain experience in preparing to launch a new business.

Joy outweighed my nervousness



I’m not good at being the center of attention, so I planned to let someone else present. But thanks to the encouragement and kindness of many, I found the courage to prepare myself for the presentation. On the day of the final review, I felt more excitement than nervousness. The warm atmosphere, from top management to colleagues, made it enjoyable.



I imagined the final review panel as a massive arena with 100,000 people. But seeing the judges’ and colleagues’ faces from the stage brought joy. At that distance, you can truly communicate your idea. That feeling was incredibly rewarding.



I couldn’t have come this far alone. I am deeply grateful to everyone and hope to evolve this idea into something we can realize—together with the same team.

Our Foundational Values

Topic | When an idea becomes new value

At the moment an idea connects with technology, it transforms into value. We introduce the new value created from an employee's idea to convert all GRANDE MAISON properties into long-life quality housing following the development of GRANDE MAISON (GM) SHEQAS.

It all began at a mere 1.1%

The certification rate of long-life quality housing in multi-unit buildings in Japan is only 1.1%. Compared to detached homes, converting condominiums into long-life quality housing presents significant challenges. We continuously considered how we could contribute to improving this situation and what measures would be most effective.



Note: SHEQAS is the Company's original seismic dampening structure that absorbs seismic energy by converting it into thermal energy, reducing building deformation to less than half compared to our standard earthquake-resistant structures. It is certified by the Ministry of Land, Infrastructure, Transport and Tourism and is highly effective against earthquakes with a seismic intensity of 7 as well as repeated tremors.

Turning technology and ideas into reality

Because Sekisui House developed the original seismic resistance technology SHEQAS, we arrived at the idea of applying it to GRANDE MAISON. A project team was formed and began development in collaboration with the Comprehensive Housing R&D Institute. This idea received the Grand Prize at the 2nd SHIP.



The beginning of a new norm

GM SHEQAS combines high seismic resistance performance and ease of maintenance with cost-effectiveness, making it easy to adopt. It offers a new option for condominiums to become long-life quality housing without compromising design flexibility. We are now preparing application procedures and construction manuals.



Resonance beyond organizations

Since receiving the SHIP Grand Prize in FY2023, GM SHEQAS has been adopted for two properties, with a third scheduled to begin construction in fall 2025. Internally, we have recognized the shared challenges of expanding GM SHEQAS and strengthening regional collaboration to promote long-life quality housing.

Ideas that set new precedents

Our ultimate goal is to provide housing that can be lived with peace of mind across generations. We aim to make long-life quality housing the new standard in the housing industry. Together with our colleagues, we will continue working toward making quality housing stock widely available in society.

Output
- Practical implementation of GM SHEQAS
- Used in 2 properties, planned for 1 more
- Generated internal interest
- Construction of operational framework

Outcome
- GM is recognized as long-life quality housing
- Enhanced safety, peace of mind, and asset value
- Increase in long-life quality housing condominiums

Impact
- Expanding quality housing stock across society
- Homes passed down across generations
- Raising the performance standard of Japanese condominiums

The idea came from my experiences during the Great Hanshin-Awaji Earthquake and the Great East Japan Earthquake and seeing earthquake-resistance construction firsthand. I kept thinking—could we incorporate these structures into GRANDE MAISON from the start? Another success was the cross-generational communication, involving colleagues from their 20s to their 60s. We are continuing to build on our ideas and deepen our passion.



Junshi Yamashita, Assistant Manager
Tokyo Condominium Department, Sekisui House

The process of realizing a new idea was refreshing and different from my usual work. After winning the SHIP award and seeing the idea expand to other regions, I am excited about how it can enhance GRANDE MAISON's brand. I will continue to focus on Sekisui House's unique character and pursue individuality.



Atsushi Oshima, Lead Designer
Tokyo Condominium Department, Sekisui House

Turning an idea into reality and presenting it to others was a valuable experience. The days spent preparing with the team for the presentation are a major asset for my career. Through this project, I gained a clearer sense of how far ahead we need to look and develop a longer-term perspective.



Yuki Murata, Design Office
Tokyo Condominium Department, Sekisui House

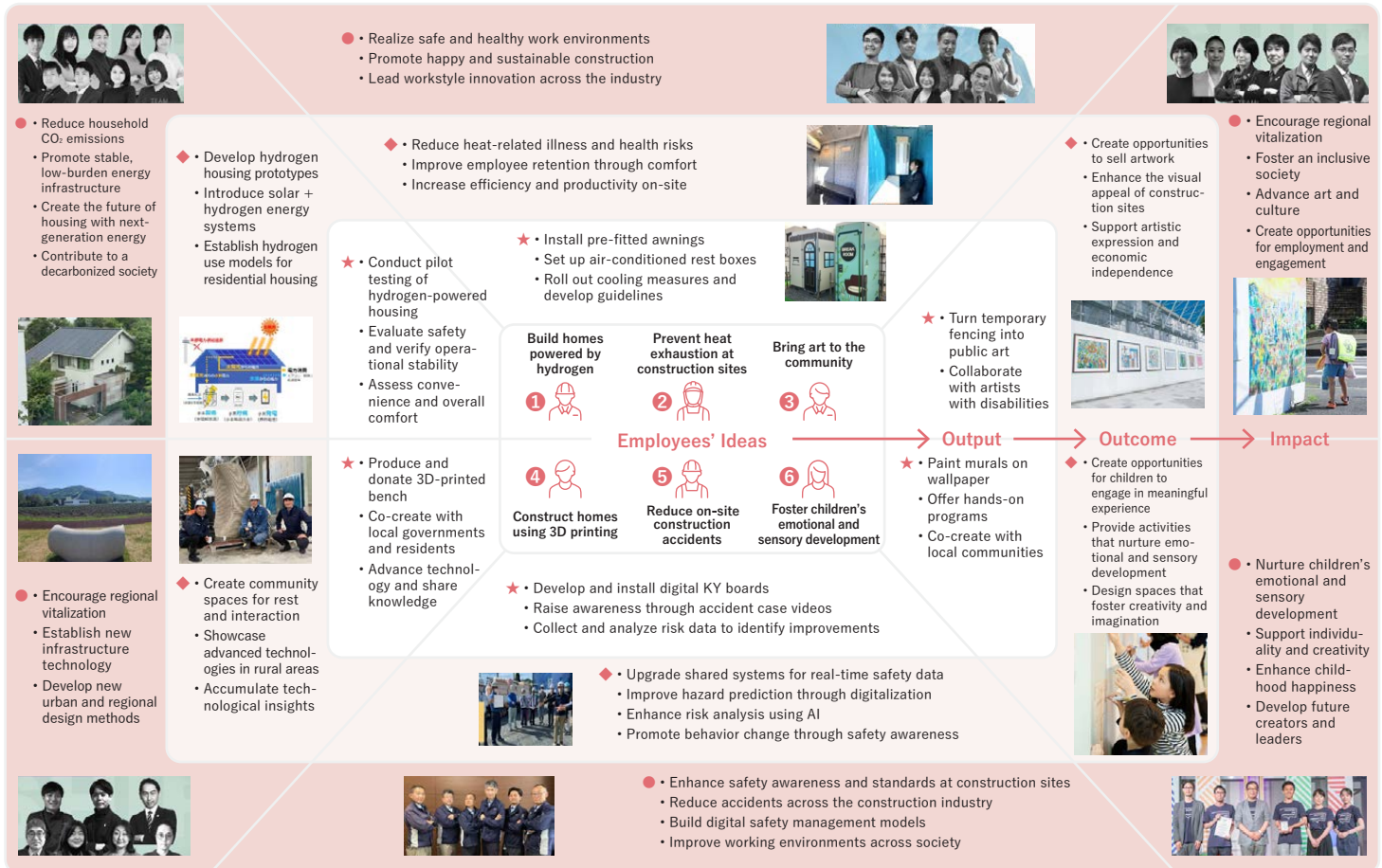
I was inspired by colleagues' passion for housing and dedication to their ideas through SHIP. I realized we have reliable, committed colleagues across Japan. That was the most valuable takeaway for me and motivated me to improve the quality of my work. As I reflected on the GM SHEQAS idea, a new perspective emerged—that it could be further developed and applied. This broadened the scope of my thinking.



Daiki Sekiguchi, Design Office
Tokyo Condominium Department, Sekisui House

Our Foundational Values

Values created by employee ideas



We highlight select employee ideas that passed the final review from the 1st to 3rd SHIP Awards and have been pilot tested or implemented, showing the value created and the path to impact.

❶ Hydrogen housing (1st SHIP finalist)
Instead of waiting for hydrogen delivery infrastructure, this initiative creates and uses hydrogen on-site, marking the first hydrogen-powered home by a housing manufacturer to actively promote decarbonization.

❷ Recycled air conditioner (3rd SHIP Grand Prize)
Air conditioners originally scheduled for disposal are repurposed construction sites to support workers in extreme heat, improving comfort and safety.

❸ Sekisui art caravan (1st SHIP Second Grand Prize)
An art exhibition where art comes to the community: works by artists with disabilities are displayed on temporary fencing at construction sites, transforming everyday spaces into cultural experiences.

❹ 3D printed housing projects (1st SHIP finalist)
As part of technical validation for construction-use 3D printers, a hollow bench was produced and donated to a mountain village, as a practical application of emerging technology.

❺ Digital Kiken Yochi (KY board) (2nd SHIP Second Grand Prize)
A digital danger prediction board introduced to raise awareness and prevent onsite accidents such as falls, trips, and injuries, aiming for zero incidents across construction sites.

❻ Indoor theme parks for infants and children (2nd SHIP Grand Prize)
Indoor playgrounds designed with housing expertise to bring joy to children and adults through activities, creating spaces that foster happiness and emotional and sensory development.

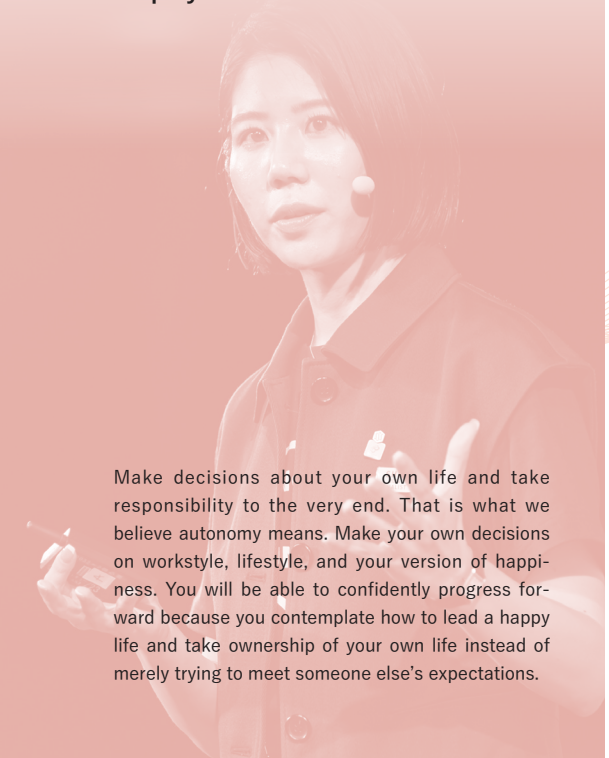
★ Activities and results from idea implementation (Output)
◆ Short- to medium-term effects and changes (Outcome)
● Long-term transformation and societal influence (Impact)

Our Foundational Values

Reforms Driven by

Autonomous

Employees



Make decisions about your own life and take responsibility to the very end. That is what we believe autonomy means. Make your own decisions on workstyle, lifestyle, and your version of happiness. You will be able to confidently progress forward because you contemplate how to lead a happy life and take ownership of your own life instead of merely trying to meet someone else's expectations.

The Sekisui House Group's autonomy

Autonomous employees amplify value

Autonomous employees are the driving force behind the growth of the Sekisui House Group. Our concept of "Enhancing Human Capital Value = Employee Autonomy × Alignment of Efforts" aims to maximize human capital value by encouraging employees to act independently, guided by their own values and beliefs, while remaining aligned with the Company's direction.

→ P.79 Enhancing Human Capital Value

Making decisions about your own life

We believe that autonomy means pursuing and realizing your dreams and ideals while following your own beliefs and passions; not being controlled by societal or external expectations. It involves deciding what is important to you and living your life day to day while enjoying the journey to discover your own happiness. That is the vision of autonomy we aspire to.

→ P.80 A Company Where People Grow

Embracing self-reflection

Autonomy begins with self-reflection and acceptance, rather than comparing oneself to others. The Company respects employees who make their own decisions and take initiative as well as closely supports those taking their first steps to ensure they make steady progress. We highly value the process by which employees make their own decisions and advance toward their goals.

Supporting employee autonomy

Autonomy cannot be achieved simply because a company encourages it. Ultimately, it depends on the individual's own will. For this reason, we believe the Company should not take the stance of "developing" employees, but rather of "supporting" them. We are committed to providing ample resources and opportunities to those who seek to pursue autonomy.

→ P.74 Individual Paths to Autonomy

History of autonomy that lives within Sekisui House

Colleagues who ventured out of their own volition

Looking back on the Company's founding in 1960, the 34 founding members came together with a shared passion for unprecedented ambition. They each brought their own tightly held dreams and ideas—such as the housing industry overtaking the automotive industry, the desire to design residences, and pre-fabricated housing becoming mainstream. Sekisui House is a company built by individuals who made their own decisions, and that DNA continues today.



Autonomy, not independence

In 2003, we began to ingrain self-directed career development based on the idea that what the Company needs moving forward is autonomy, not independence. What we have valued is not individuals trying hard all alone, but rather people making choices, based on their own values and identity, then acting with responsibility. It is colleagues moving forward of their own volition while supporting each other. We believe that kind of autonomy leads to happiness for employees, customers, and entire organizations. That is why we have valued supporting those who make their own choices and take the initiative rather than simply offering career options.

Deeply reflective self-directed career development training

In 2003, we launched a self-directed career development training program,[1] allowing employees three days and two nights[2] to reflect on their lives and personal connections without discussing work duties. At the time, autonomy was a new concept. The training has been maintained as an opportunity to think about one's own life, not about the Company. Many employees see this training as a major turning point in their lives, as it nurtures their ability to pursue their own happiness and fulfilling workstyle.

Self-directed career development course attendees
Cumulative total: **21,110** (FY2003–2024)

1 Currently, it has been reorganized into the Self-directed career development course.
2 At the time of commencement.

Discussions where topics are decided by employees

In 2021, we introduced employee-led career interviews that are held five times a year. Instead of supervisors giving direction, members use their own words to describe what they want to achieve, the obstacles they face, and the support they need. The role of supervisors is to listen attentively as supporters and help draw out thoughts and ideas. Through repeated discussions, employees envision their own careers, ideal career paths, and actions needed to achieve their goals. The actions that emerge from each person's imagination enhance employee autonomy and cultivate natural strength throughout the organization.

Our Foundational Values

Individual Paths to Autonomy

Self-directed career development is a fundamental principle at the Sekisui House Group. This means that each employee leverages our Group's resources to their fullest extent and makes their own paths.

For example: "This year, I will focus on caring for my parents." "This month, I will reduce working hours to spend time with my child." "This week, I will dedicate time to my hobbies." We recognize these choices as meaningful expressions of autonomy and proactive decision-making. Therefore, we are committed to fostering environments that support each individual's autonomy.

ESG Fact Book: P. 47–66 Initiative Details

Valuing personal time

Annual leave
Flexible options for half-day or hourly leave to accommodate various lifestyles
FY2024 performance
Average of 15.7 days

Working hours
Initiatives to reduce working hours
FY2024 performance
Average working hours per person/month: 170.17 hours

Sliding (flexible) work schedule
Adjustable working hours to balance departmental needs and personal life



Remote work system
Available for any reason, not limited to childcare, caregiving, pregnancy, or illness

Nursing care support
Options for split leave and flexible work hours to support caregiving responsibilities



Child support leave
Leave available for child-related needs, including but not limited to illnesses or school absences

Cancer care and fertility treatment leave
Flexible work hours to accommodate medical treatment

Maternity and parental leave
Leave and financial support for childcare including assistance in securing childcare



Paternity leave
Minimum one month of paternity leave for male employees
FY2024 performance
Take-up rate: 100%

Fulfilling aspirations

Women's participation
Female employees thrive across all roles, with annual training sessions available

Internal job posting system
Open application system for internal recruitment across the Group
FY2024
60 people used the system

SHIP
An award program for submitting new ideas or past achievements
FY2024
Submitted ideas: 1,948



Lifelong learning and growth

Self-Directed Career Development Course
Designed to foster awareness and motivation for continuous career development
Total participants: 21,110

Qualification grants and support
170 types of qualifications

Career interviews
Clarify goals and aspirations through discussions, supporting autonomous career planning
Held five times annually

Developing the next generation of leaders
SHINE, *Keiei-juku*, Women's College

Job rotation (for technical experts)
Opportunities to gain experience across various tasks and fields over set periods

Training programs by job type and hierarchical level
Structured training programs tailored to job type and hierarchical level

Self-directed career leave
Up to two-year sabbaticals for study at domestic or international institutions
13 recipients in FY2024

Safe and secure working environment

Human Rights and Compliance Training
Training for all Group employees emphasizing zero tolerance for human rights violations



Well-Being Survey
Visualize individual and workplace happiness to enhance job satisfaction and increase employee happiness

LGBTQ+ awareness
Training and inclusive HR and welfare programs

Principles We Live by at Sekisui House Group

Versions of happiness you can choose for yourself
There is no single definition of happiness. Some people enjoy travel, some pursue learning, and others find joy in their work. By valuing their own source of happiness, individuals can also genuinely appreciate the happiness of others.



Deciding your workstyle in your own way
"Let's adjust the schedule because my child has an event." "I'll take an hour off because my parents are visiting." Our foundation is built on expressing what we value and aligning it with how we work and take leave.



Making the workplace the happiest place in the world
We aim to create an environment where employees communicate openly, build supportive relationships, and foster trust among colleagues. We want our workplace to be a comforting space—one that employees genuinely consider the happiest place in the world.



What Autonomy Means to Me

Employee Reflections

"It's not about what I like or want to do. It means thinking and acting to fulfill my role and responsibilities at a high level after fully understanding the Company's strategic direction. I hope to actively engage with people outside the organization, absorb new ideas, use them to fuel my personal growth, and contribute through my work at the Company."

An employee of Sekisui House Support Plus, Ltd.

"I used to find comfort in seemingly kind words like, "someone else will do it for you" or "you can just wait until instructions arrive." But autonomy is a word that gives me confidence to think for myself. I realized that thinking is not a waste of time, and that I should keep thinking for myself and making my own decisions."

An employee of Sekisui House, Ltd.

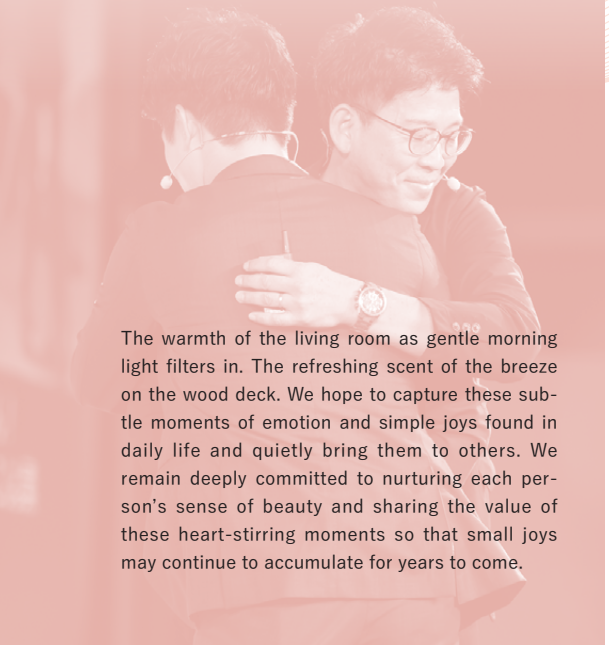
"My environment has changed after getting married and having a child. I kept wondering who I wanted to become and what I could do now. "Think and act autonomously and proactively." These words really resonated with me. I will think about my life independently and take responsibility for my decisions. I will keep these words close to my heart."

An employee of Sekisui House, Ltd.

Our Foundational Values

Technology and Passion Shaped by

Sense of Beauty



The warmth of the living room as gentle morning light filters in. The refreshing scent of the breeze on the wood deck. We hope to capture these subtle moments of emotion and simple joys found in daily life and quietly bring them to others. We remain deeply committed to nurturing each person's sense of beauty and sharing the value of these heart-stirring moments so that small joys may continue to accumulate for years to come.

What the Sekisui House Group considers "sense of beauty"

Homes and communities as social capital

Homes and communities are valuable forms of social capital to be passed on to future generations. They also serve as the stage upon which people's happiness is built. To enhance that value, we have continuously pursued both technological advancements and aesthetic beauty. We treasure the heart-stirring moments of those who live, work, and pass through our spaces, and aim to create homes and communities where every individual can feel lasting happiness.

Embodying heartfelt ideas and realizing meaningful dreams

Rooted in the philosophy of tailoring the design of each and every home for the specific customer, we bring to life the worldview and sense of beauty held by each resident in every single house we create—making true happiness a reality. By combining advanced technology with a deep understanding of residents' ideals and hopes, we channel each person's unique sense of beauty and creativity into crafting original designs and subtle beauty that enrich both homes and communities.

Fostering a sense of beauty makes life more colorful

Having a sense of beauty means experiencing the world deeply through a uniquely personal perspective. These individual emotions bring color to life, and a rich sense of beauty naturally leads to happiness. True happiness goes beyond beauty and comfort; it is found in contentment and fulfillment. That is why we place great value on creating designs and spaces that nurture and reflect each person's sense of beauty.

Fostering a sense of beauty brings happiness

Beautiful homes and townscapes are born from each individual's sense of beauty. We believe that everyone possesses a personal sense of beauty, and that by experiencing heart-stirring moments, this sense can grow and deepen over time. Precisely because we live in an era of evolving AI and technology, we cherish these heart-stirring moments every day as they continue to refine our own sense of beauty.

The sense of beauty that lives within Sekisui House

1960s - Combining functionality and beauty in homes

Homes are cherished spaces that embody our customers' hopes and dreams. In 1961, we transitioned from using plastic to wood materials for the interior of the Sekisui House Model B, achieving a design that embraces a sense of beauty. In 1984, we introduced exterior wall panels with exceptional durability and fire resistance, featuring deep carvings and intricate textures. We are committed to creating homes that blend functionality with beauty, carefully selecting materials and applying construction techniques to each and every residence.

1970s - Fostering beauty across communities

Starting in the late 1970s, we began efforts to harmonize housing with the overall design of towns. We did this by advancing the design of towns based on the concept of *Keinen bika*, which focuses on creating landscapes that become more beautiful over time, and the philosophy of the commons, which aims to share scenic beauty and seasonal changes with the community. By building timelessly beautiful residences with the overall aesthetic of neighboring communities, we create towns that can be cherished for generations.

2000s - Spreading a sense of beauty and technology to the entire community

A beautiful townscape woven from numerous homes and rich natural surroundings is a valuable piece of social infrastructure for future generations.

We are bringing the ideas behind the philosophy of the commons, *Keinen bika*, and the *Gohon no Ki* Project to a broad range of developments—from rental housing and urban condominiums to large-scale projects, the urban redevelopment business, and housing and town development overseas, as we work to create future townscapes where beauty and value continue to grow.

2023- Weaving fondness into homes over time

In 2023, we introduced "life knit design," a system for proposing designs aimed at working more closely with all customers to help them achieve lasting happiness. By combining simple and beautiful spaces with carefully selected furniture and accessories, we create interior and exterior designs that resonate with each individual's sense of beauty. We strive to create homes that grow more cherished over time.

1961 Sekisui House Model B



1977 Philosophy of the commons



1984 Urban lots



2001 *Gohon no Ki* Project



2006 Condominiums



2006 Shin-Satoyama



2009 Urban development overseas



2023 life knit design

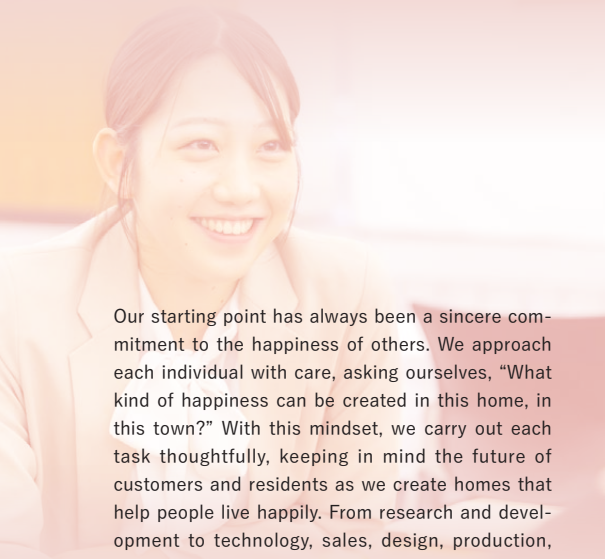




Our Foundational Values

Professionals Who Create

Happiness



Our starting point has always been a sincere commitment to the happiness of others. We approach each individual with care, asking ourselves, “What kind of happiness can be created in this home, in this town?” With this mindset, we carry out each task thoughtfully, keeping in mind the future of customers and residents as we create homes that help people live happily. From research and development to technology, sales, design, production, construction, and after-sales services—everyone works together to bring happiness to life.

Strengths that Make the Sekisui House Group a Source of Happiness

Corporate Values

Human Capital
Unified Aspiration

Rather than working separately, each autonomous employee with diverse abilities moves forward with a shared aspiration. This collective mindset fosters trust and leads to the creation of the finest homes for our customers.



Technology/Expertise
Human-centric Technique

We create homes that inspire our customers' sensitivities by combining happiness-driven ideas, refined aesthetic eye that captures the subtleties of daily life, and a spirit of inquiry—all brought together through advanced technology.



Relationships with Customers
Unbreakable Bonds

Our work doesn't end when the home is built. From warranties and after-sales support to assistance with future relocations, we remain a lifelong partner—sincerely supporting our customers' homes and lives to ensure their continued happiness.



Knowledge/Research
Well-being Science

Led by the *SHIAWASE SUMAI* Institute, we have spent many years scientifically analyzing the theme of happiness. Drawing on the insights accumulated through data, we offer proposals that help our customers achieve greater happiness.



Production/Value Offerings
Evolving Spaces

Customer needs evolve with the times. By staying attuned to these subtle shifts, we have introduced innovations such as Family Suite and PLATFORM HOUSE (PFH). We will continues to create spaces that grow and evolve alongside our customers.



→P.38 Management Capital

Why I Relate to “Professionals Who Create the Happiest Places”

Employee Reflections

“Simply following the instructions of our customers is something anyone can do. To me, being a true professional means offering more than what is asked. I will continue striving to make proposals that exceed expectations.”

An employee of Sekisui House, Ltd.

“Above all, making our customers happy is what matters. To achieve that, I believe we must first find our own happiness. It’s important that we take ownership of growing and transforming our Company. I believe refining both our technical expertise and our sense of beauty is key to offering products and conduct that earn praise from society.”

An employee of Sekisui House Construction Holdings, Ltd.

“Customers often call us professionals. To live up to that, I believe creating the happiest place in the world is paramount. Hearing “Thank you,” “I really like this,” and “Everyone did a great job for me, and I’m so happy” from our customers means more than anything.”

An employee of Sekisui House Construction Kanto Co., Ltd.

“When Sekisui House, a team of true homebuilding professionals, built my family home, I was inspired to become one of them. That experience led me to join the Company. This phrase, “professionals who create happiness,” expresses the very foundation of my own professional mindset.”

An employee of Sekisui House Real Estate Holdings, Ltd.

“Today, Sekisui House has systems and a culture that allow employees to truly feel happy. It wasn’t like this 25 years ago when I first joined. Seeing so many ideals come to life convinced me that Sekisui House can truly create the happiest place in the world—and made me feel strongly that I wanted to be a part of it.”

An employee of Sekisui House, Ltd.

Our Foundational Values

Topic | Deepening SEKISUI HOUSE_SHIP through Dialogue

Resonance and action born from dialogue

In FY2024, we leveraged Company-wide ESG dialogues, which we have been conducting since 2020, to enhance understanding of and foster deeper resonance with SEKISUI HOUSE_SHIP. Through employee dialogue, we aim to spark awareness and resonance that lead to action, cultivating a culture of independent-thinking and self-direction, promoting value creation.

Deepen understanding

Awareness is created through exposure to diverse perspectives

Through dialogue, employees reflect on how SEKISUI HOUSE_SHIP relates to their personal views and everyday lives. By engaging with the experiences and feelings of others, they gain new insights into their own values and discover what makes them unique.

Resonate

Resonance forms and becomes embedded in our culture

SEKISUI HOUSE_SHIP is not about top-down directives. Rather, it should organically spread and become deeply rooted in our culture. Dialogue fosters resonance, embracing SEKISUI HOUSE_SHIP into each employee's values.

Leading to action

Concrete practices take shape

Rather than focusing solely on what should be done, a deeper understanding of why it matters leads to action. Through ongoing dialogue among employees, new ideas and opportunities for co-creation emerge, and individual efforts contribute to meaningful value creation.

FY2024

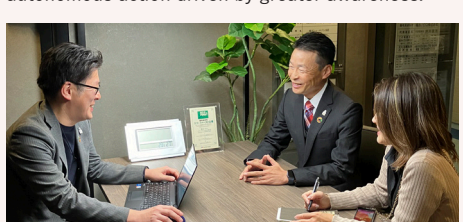
SEKISUI HOUSE_SHIP dialogues

1. Resonant phrases you want to cherish
2. Explaining your choice through personal stories
3. Challenges you want to tackle individually or with your team

Participants: All business sites of the Sekisui House Group (Excluding Konoike Construction)
Period: October to December 2024
Number of post-dialogue survey respondents: 18,191

It's about "dialogue," not "debate"

At the Sekisui House Group, dialogues are held in small groups of four to five employees with different roles and employment types. Led by an employee facilitator, participants engage in conversations that deepen awareness by sharing interpretations of SEKISUI HOUSE_SHIP and discussing resonant phrases. The rules for these sessions emphasize "dialogue," not "debate," encouraging active listening, respectful engagement, and authentic self-expression. We believe that when each individual internalizes this mindset, it naturally leads to autonomous action driven by greater awareness.



Evolving through dialogue

In the post-dialogue survey, 16,267 respondents (93% of voluntary participants) said that the dialogue helped them feel greater resonance with SEKISUI HOUSE_SHIP or inspired them to take action. Some employees are also participating in the "SEKISUI HOUSE_SHIP Challenge," where they evaluate and provide feedback on actions that reflect the essence of Sekisui House in daily work. We will continue to share our thoughts and feelings through dialogue as we deepen our understanding and practice of SEKISUI HOUSE_SHIP.

Employee understanding and resonance with SEKISUI HOUSE_SHIP

(From the FY2024 Governance Awareness Survey; responses from 25,323 domestic Group employees)

I understand the importance of creating new value through innovation and communication	I value sense of beauty and strive to refine both my technical skills and sense of beauty awareness	SEKISUI HOUSE_SHIP resonates with me and I strive to work with a professional mindset
22,137 respondents (**87.4%**)	**21,969** respondents (**86.8%**)	**21,997** respondents (**86.9%**)
Strongly agree/ Mostly agree	Strongly agree/ Mostly agree	Strongly agree/ Mostly agree

Dialogue at Group companies

Dialogues aimed at deepening understanding of SEKISUI HOUSE_SHIP were also held across Group companies. In FY2024, 6,000 employees from 36 companies participated, providing an opportunity to explore the essence of Sekisui House and share their awareness regarding various topics.

Our dialogues were held alongside independently organized Company-wide training programs and innovation conferences. When employees connected their daily challenges and tasks with the principles of SEKISUI HOUSE_SHIP, we observed a natural spread of understanding and resonance.



Yu Oyama
Deputy Head of the Human Resources Division
MARUHON INC.

In the dialogue I participated in, many ideas were shared about what it means to approach work with a professional mindset in the context of furniture sales. Using SEKISUI HOUSE_SHIP as a guiding principle, we agreed to prioritize communication and strengthen team building moving forward.



Satoko Maruyama
Director of the Board
AIDA Co., Ltd.

We conducted dialogues at all hotels in FY2024. Going forward, we hope to foster deeper understanding and resonance with SEKISUI HOUSE_SHIP by organizing more interactive opportunities for direct communication—such as event-style dialogues across hotels or gatherings that bring everyone together.



Yuji Okamoto
Representative Director of the Board, President
SH Hospitality Service Co., Ltd.

Our Foundational Values

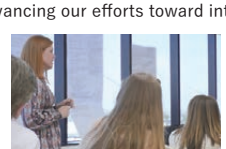
Topic | Sharing Our Corporate Philosophy and Culture with Group Companies

Sharing philosophies, creating happiness together

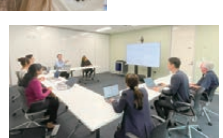
Employee Roundtable

The Sekisui House Group aims to realize the integration of diverse talent and organizational cultures across national and cultural boundaries, grounded in its Corporate Philosophy. This raises the important questions: How can the Japan head office and overseas Group companies effectively share and strengthen our Corporate Philosophy and the essence of Sekisui House? And what is needed for employees from different backgrounds to align and create happiness together?

Two employees responsible for promoting our Corporate Philosophy and culture overseas share the challenges and insights gained through dialogue with our U.S. Group companies. Our Corporate Philosophy cannot simply be explained—it must be experienced and genuinely felt. Building on these insights, we share how the Sekisui House Group is currently advancing our efforts toward integration.







Discussions between Group company employees and Japanese employees assigned overseas

Bringing different cultures together: How to convey the essence of Sekisui House



At Sekisui House, we don't "teach" our philosophy, even in Japan. Instead, we live it through our daily work, allowing it to be shared and passed on naturally. Figuring out how to communicate this to our overseas Group companies presents a new challenge.



Exactly. Particularly in the U.S., we're working to integrate five companies with distinct corporate cultures, striving to unite them as "One Company." In this context, how to share the values of Sekisui House Japan has become a central challenge. U.S. employees noted that concepts from SEKISUI HOUSE_SHIP, such as "autonomy" and "committing as professionals," are already familiar in their local culture—highlighting the cultural differences at play.



Right. In some cases, what we are now aiming to fully implement in Japan is already standard practice overseas. This underscores how Japanese employees often have limited awareness of the values held in other countries. First and foremost, mutual learning is essential. What has become clear through repeated dialogues is that sharing our Corporate Philosophy and the essence of Sekisui House is not about "imposing" them, but about thinking together and building understanding step by step. We see our philosophy not as mere words, but as deeply held values—values we aim to share with care and intent.

Philosophies are not merely conveyed, they are felt



What I found particularly striking was the reaction of U.S. executives when they visited Sekisui House's construction sites and factories in Japan. Seeing the sites firsthand, they let us know they strongly felt that the Corporate Philosophy of "Love of Humanity" is truly embodied by our employees and across the organization. Additionally, when they observed our Carpentry Competition, WAZA, in Japan, they were impressed not only by the high level of skill but also deeply moved by the spirit and dedication of the carpenters. This resonated with them and they expressed astonishment at how deeply these values are embedded within our Group.



Philosophies cannot be conveyed by words alone. Even at Sekisui House in Japan, we emphasize employees internalizing the Corporate Philosophy, Global Vision, and SEKISUI HOUSE_SHIP through dialogue, transforming them into personal commitments and translating shared awareness into action. Rather than a top-down directive approach, we focus on embedding our philosophies through mutual trust and gradually understanding the history and feelings behind them. I am truly pleased that our overseas Group companies were able to capture and feel this atmosphere firsthand.

Towards integrating cultures



We have now begun gradually sharing Sekisui House's core philosophies and values in the U.S. Japanese employees who have been assigned overseas are actively engaging with local team members and demonstrating these values through their daily actions. What matters is not one-way communication, but deepening understanding together with top management and embedding these philosophies through dialogue with employees. This approach also resonated strongly with our U.S. counterparts.



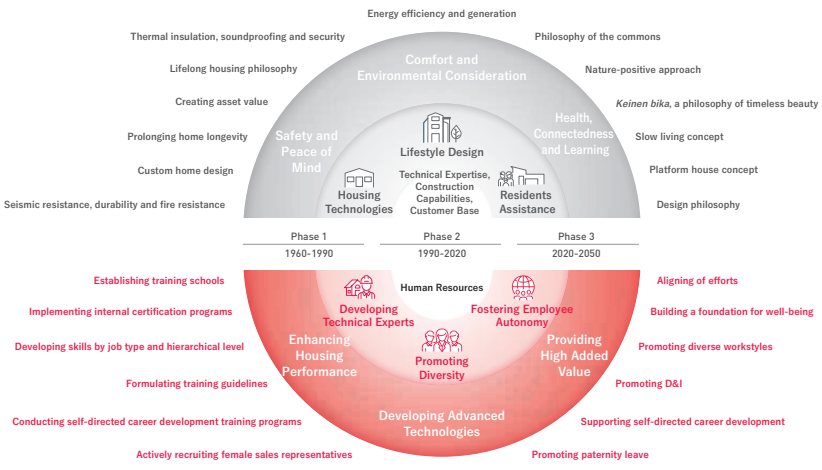
We believe that helping those at overseas Group companies understand Sekisui House's philosophy starts with our own efforts to understand local cultures. By learning from one another, deepening mutual understanding, and building trust, we aim to achieve true integration.



I believe that building resonance among local employees around the idea that "focusing on employee happiness leads to customer happiness" serves as an important starting point. I think it is meaningful to work toward sharing Sekisui House's Corporate Philosophy and values—such as our Global Vision to "Make Home the Happiest Place in the World"—across national and cultural boundaries. Embedding these philosophies doesn't happen overnight, but I genuinely feel we are making steady progress. Moving forward, we hope to deepen dialogue and build collaborative relationships where we grow together, while strengthening unity across the entire Sekisui House Group.

Enhancing Human Capital Value

Progress of Our Human Capital Value



As the concept of housing evolves with the times, our Group's human capital management strategy continues to evolve as well. In Phase 1, from 1960 to 1990, we created value through housing safety and peace of mind by focusing on training skilled technicians. In Phase 2, from 1990 to 2020, we created value by improving the comfort of residents and becoming more environmentally conscious while also emphasizing diversity among employees with various experiences and specialties. In Phase 3, from 2020 onward, we aim to offer high added value that leads to happiness in the era of the 100-year lifespan, driven by autonomous employees who share ideas with one another. To achieve this, we are promoting initiatives to create an environment where employees with diverse personalities and values can autonomously take on challenges and drive innovation.

The Sekisui House Group positions our human resources strategy as a part of our business strategy and is working to foster an environment where anyone can thrive. What we seek across every era is a mindset where employees realize their own happiness, make their own choices, and take action. By harnessing their performance, built on mutual recognition and collaboration, we aim to strengthen the sustainable growth and competitive advantages of people and organizations, thereby enhancing corporate value.

Enhancing Human Capital Value = Employee Autonomy×Alignment of Efforts

Enhancing Corporate Value

Realizing Our Global Vision to Make Home the Happiest Place in the World

Enhancing Human Capital Value

Employee Autonomy × **Alignment of Efforts**



Supporting self-directed career development

- Spreading awareness of self-directed career development education
- Expanding career development support systems
- Promoting the Sekisui House Innovation & Performance (SHIP) Awards



Promoting D&I

- Promoting women's advancement
- Promoting the participation of international employees
- Promoting the participation of people with disabilities
- Promoting employee understanding of the LGBTQ+ community



Promoting diverse workstyles

- Offering a variety of workstyle programs
- Expanding systems for fair evaluations
- Creating a workplace culture that ensures psychological safety



Building a foundation for well-being

- Assisting the pursuit of family happiness (encouraging male employees to take childcare leave, nursing care leave, etc.)
- Supporting health improvement efforts
- Continuing the Well-Being Survey



Aligning efforts

- Training leaders who will promote and implement our Corporate Philosophy and strategies
- Recruiting and optimally allocating employees in line with strategies

Enhancing human capital value is a key driver of growth for the Sekisui House Group. By investing in our employees, we aim to enhance their value, making both them and the organization stronger in providing new value to customers and society. To make this aspiration a reality, we believe it is crucial to first make the Sekisui House Group—the professional "home" of our employees—the happiest company in the world.

The Sekisui House Group believes that enhancing human capital value comes from employee autonomy and an alignment of efforts. We believe that if employees utilize Company resources to independently shape their own career paths while aligning their efforts with the Company's vision and business strategy, the value created will result in significant growth.

The human resources strategy of our Sixth Mid-Term Management Plan (FY2023-FY2025) focuses on four important themes: supporting self-directed career development, promoting D&I, promoting diverse workstyles, and building a foundation for well-being. Through system revisions and the cultivation of a corporate culture conducive to these concepts, we support and facilitate employee autonomy. To accelerate an alignment of efforts, we develop leaders capable of properly promoting and implementing our Corporate Philosophy and strategies as we recruit and optimally allocate employees in line with these strategies.

For details regarding initiatives, please see the ESG Fact Book (P48–66)

Enhancing Human Capital Value

A Company Where People Grow

The expectations felt on the first day at the Company, the sense of accomplishment from a first assignment, ideas nurtured with colleagues, seeing senior colleagues support others, and maintaining lasting connections even after leaving the Company—experiences through which the Group supports employee autonomy and new value creation while remaining aligned with each employee's aspirations and growth.

Join the Company

Understand the Company and feel inspired



Is there a place where I can be myself and make the most of who I am?

Every time I encountered the concepts of "Love of Humanity" and "Global Vision," I began to feel that I too could create something here. With the words of my senior colleagues and training alongside my peers, my excitement gradually overcame my initial anxiety.

We have established a framework that enables new employees to quickly thrive onsite by helping them fully understand the values the Sekisui House Group cherishes as well as the overall business.

- Hosting a welcome party for new employees
- Providing onboarding programs
- Sharing philosophies and corporate history

Autonomy

Make decisions about your own life



Am I creating my own meaning for being here?

I began working by taking the initiative. This led to being entrusted with responsibility and finding meaning in my work. Despite occasional setbacks, having people say, "You've got this," gave me the confidence to work on my own terms.

We have created environments that foster awareness of self-directed career development by offering career-stage-specific self-directed career development courses and providing easy access to consultations through various types of interviews.

- Conducting self-directed career development courses
- Conducting career and job interviews
- Implementing a career coach certification program

Growth

Strengthen your specialty and contribute



What am I capable of doing at this very moment?

Through gaining experience, I've become aware of the roles only I can fulfill. I challenge myself by pursuing certifications and learning skills from senior colleagues. Support from the Company and my supervisors encourage me to take the next step.

We have put in place support programs for developing skills and specializations, along with in-house award systems that allow employees to experience the rewards of their growth.

- Offering celebratory reward payments and assistance for qualifications acquired
- Conducting training programs by job type and hierarchical level
- Implementing an advanced learning support system and award system

Creation

Verbalize ideas and bring them to life



Is it really ok for me to share this idea?

When I casually shared an idea that popped into my head, someone said, "Let's give it a try." Opportunities are often closer than we think. The culture here is open and supportive, giving me the courage to speak up.

We encourage self-directed transfers and job type changes to foster new perspectives and synergies across departments.

- Hosting the Sekisui House Innovation & Performance (SHIP) Awards Program
- Encouraging internal mobility and overseas transfers
- Supporting employees who wish to advance their careers

Impact

Demonstrate leadership



What do my actions mean to others?

After taking on a leadership role, I realized that my attitude and words were encouraging others to take on new challenges. I've come to understand that leadership is built through consistent actions and trust.

We implement a wide range of development programs and initiatives not only for senior management but also to strengthen leadership among younger and mid-level employees.

- Offering the Sekisui House Women's College
- Offering the SHINE! Challenge Program
- Offering *Keiei-juku* and the multi-rater assessment

Resign from the Company

Maintain connections beyond employment



Might we one day reconnect and share our future aspirations?

When my departure from the Company was decided, many people said, "Let's keep in touch." I felt reassured knowing we could continue to connect as colleagues in a different way. This is a company that cared about my life even after leaving.

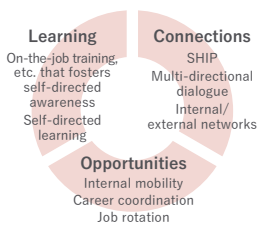
We share information and provide networking opportunities for former employees to maintain connections with the Group and promote initiatives that create opportunities for reemployment, continued engagement and collaboration.

- Offering the Welcome Home Program

Enhancing Human Capital Value

Self-Directed Career Development at the Sekisui House Group

We set “self-directed career development”—which means proactively shaping one’s own career, taking responsibility for one’s choices, and working to realize them—as our basic approach to management. In pursuit of achieving our Global Vision, we aim to build an organization where each individual thinks independently, continues learning, creates opportunities and connections, and grows through collaboration. As a foundation for this, we have established self-directed career development courses and built frameworks that provide diverse learning, opportunities, and connections through daily work, fostering an environment that supports autonomy.



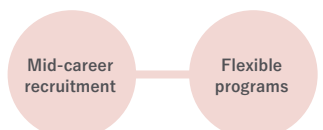
Leaders Who Support the Success of Each Individual

To advance our business strategies, it is essential to foster a culture of autonomy across the organization. At the center of this effort are leaders trusted by their team members. These leaders are expected to support each individual and help them maximize their potential. They are also tasked with nurturing next-generation leaders who may surpass them in capability. From a medium- to long-term perspective, cultivating an organizational culture where innovation can thrive is another vital responsibility. To nurture leaders capable of taking on these roles, we are pursuing various initiatives that support the growth of the entire organization and the realization of a more positive work environment.

Embedding and implementing philosophies and strategies: promoting strategic alignment and globally disseminating core philosophies
Developing next-generation leaders: succession planning and assigning challenging roles
Fostering a culture of autonomy: strengthening management and enhancing dialogue/interview skills
Promoting innovation and communication: advancing projects and cultivating a collaborative culture

Strengthening Mid-Career Recruitment and Flexible Programs

The roles of “DX and IT talent” who enhance value and streamline operations through IT, “global talent” who support overseas business expansion, and “highly specialized talent” who operate primarily in corporate divisions are gaining greater strategic significance. To this end, we are strengthening our efforts by simultaneously promoting mid-career recruitment and introducing flexible educational programs.

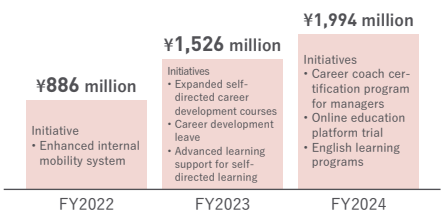


DX/IT talent
Global talent
Highly specialized talent

DX talent programs
English learning programs
Advanced learning support

Investing in Human Capital

We are increasing our education-related spending year by year as an investment in enhancing human capital value. Since FY2023, we have been promoting learning-centered initiatives, including self-directed career development training and leave programs, advanced learning support for self-directed learning efforts such as acquiring an MBA, and a career coach certification program aimed at improving managers’ interviewing and coaching skills.



Education-related expenses

Challenges and policies for enhancing human capital value moving forward

Boosting our competitive edge in hiring

As the working population declines and the construction workforce continues to age, it is becoming increasingly important for the Company to establish and communicate an employee value proposition (EVP) that highlights our Group’s unique strengths to remain a preferred employer. To that end, we are promoting not only competitive compensation levels but also the non-monetary aspects of our appeal—such as meaningful work, flexible workstyles, and environments that foster growth. We are also working to establish a framework that ensures stable talent acquisition by leveraging diverse recruitment channels, including employee referrals and alumni networks.

Strengthening DX talent

We have been conducting DX training focused on IT literacy since FY2023. Looking ahead, we believe enhancing education in areas such as operational streamlining and data-driven business management is essential. Together with Sekisui House Innovation and Communication, Ltd. (InnoCom), established in February 2024, we will rapidly develop and implement a DX education program.

DX training participation rate (FY2023–FY2025)
100%

Fostering a culture that embraces challenges without fear of failure

Various efforts to promote employee autonomy and alignment of efforts have contributed to a rising trend in the overall scores of the Governance Awareness Survey conducted among domestic Group employees. That said, compared to other items, the score for “a culture that takes on challenges without fear of failure” remains relatively low. Therefore, we intend to continue strengthening compliance-related initiatives, which have long been a focus, while also promoting organizational development to foster a culture “that embraces challenges without fear of failure.”

ESG Fact Book P.59 Governance Awareness Survey

Assessing the effectiveness of initiatives and expanding them across the Group

Following personnel system reforms in 2021, we have gradually introduced a variety of talent development programs and frameworks. Going forward, we will evaluate their effectiveness and strategically plan for the enhancement, discontinuation, or introduction of new programs. Additionally, it is essential to steadily improve human capital across the entire Sekisui House Group. We will further strengthen collaboration within the Group by expanding Sekisui House’s various initiatives to our Group companies.

ESG Fact Book P.60-61 HR programs and processes

Enhancing Human Capital Value

Topic | Supporting Technical Personnel

At the Sekisui House Group, we are focused on creating an environment where technical personnel can enhance their expertise and build their careers autonomously in response to advancing technologies, diverse customer values, and increasingly complex social issues. Below are examples of initiatives undertaken in FY2024.

CA-PLACE, a platform for self-directed study and networking

In FY2023, we developed a platform that serves as a "place" where employees certified as Chief Architects (CAs) through the Company's in-house certification system can pursue independent learning, take action, and foster connections within and beyond the organization. For FY2024, we have prepared 30 offerings related to skill advancement and human resource development, providing a platform where each person can pursue their career aspirations, whether to "refine their skills and sense of beauty as professionals" or "contribute to the development of the next generation."



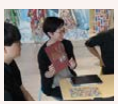
Interior cafe: Talks and workshops led by external specialists, co-hosted with interior coordinators to enhance specialized skills



Specialized landscape training: Workshops to strengthen landscaping expertise



Future vision development workshop



Dialogue-based art appreciation workshop

Specialty-based training
- Chief Architect (CA/Construction)
- PSP Construction Dojo
- KSP Dojo, etc.

CA-PLACE

Learning

Connections

Internal/ external networking

Connecting with external lecturers

Opportunities

Career trial program
In-house certification program by specialty

ESG Fact Book P.49



Group discussions



Collaborative workshops for certified individuals



Presentations



Future-focused dialogue to strengthen team capabilities



Panel discussion





Showcasing diverse role models and career paths

Chief Architects: 308 (FY2024)

Under a rigorous in-house certification program, carefully selected Chief Architects combine their refined sensibilities and skills to create one-of-a-kind homes.



Opportunities to obtain in-house certifications

Detached Housing College

Developing designers with advanced skills required of senior architects, enabling business contributions and talent development

Participants: 30
CA Mentors: 16



Sha Maison College

Developing designers who grow autonomously through lectures, workshops, and self-directed learning

Participants: 25
CA Mentors: 10



Platinum College

Equipping employees with knowledge and skills for design in medical and nursing care fields, while building connections through networking

Participants: 8
PSP Mentors: 3



Townscape College

Developing designers with townscape planning to drive the real estate business

Participants: 46
Mentors: 4



Career trial program

We implement initiatives across business divisions to promote self-directed growth and develop well-rounded technicians.

Onsite supervision

Construction | Management

Contributions of Interior Coordinators (ICs)

To deliver homes of greater value to our customers, the importance of interior proposals is increasing. Starting in FY2024, we launched initiatives to further support the growth of outstanding interior coordinators.

Building a skill-based personnel system for interior coordinators

We are developing a new personnel system based on an evaluation sheet that maps required professional skills and expected performance levels in a matrix. This unique system will be used to determine career progression and compensation. We support our highly skilled interior coordinators to enable the delivery of high-quality proposals that exceed customer expectations.

Job type	Manager type	Skill-based type
Non-managers/specialists	Managers	Interior coordinators

Educational programs

Skill development training is conducted according to career stage and hierarchy for employees newly assigned as interior coordinators and those currently performing in IC roles.



IC1: 28 participants
IC2: 100 participants
IC3: 38 participants
*As of August 2024

Career change education → Interior introductory training (New ICs) → Interior skill development training (IC1) → Interior skill development training (IC2) → Interior skill development training (IC3)

Strengthening networks

We host networking events to help interior coordinators across Japan build connections and share best practices.



IC Employee Forum
Participants: 156

Enhancing Human Capital Value

Topic | Supporting Technical and Production Personnel

Women's Conference of the Four Technical and Production Headquarters

We held the first Women's Conference of the Four Technical and Production Headquarters in FY2024. The event was attended by over 300 female employees from different divisions across Japan, representing 90% of all female employees in the Division of Technology and Production. The conference was held under the theme "Connecting Faces, Names, and Work," and aimed to create new value by helping participants gain new perspectives and confidence while building relationships across departments.



I was deeply inspired by hearing about my colleagues' values, as well as the career journeys of my senior colleagues. What struck me most were the ideas that careers are often shaped by chance, the importance of leveraging one's strengths, and the notion that those who can adapt are the ones who thrive. Realizing that I'm not alone in my struggles was reassuring and will be useful to me moving forward.



Employee,
Research and Development Headquarters

Talking with others about our work, sense of fulfillment, and aspirations made for a truly meaningful experience. I was quite nervous and unsure going into this first-ever gathering for women in the Division of Technology and Production, but it ultimately became a valuable chance to rethink my own career path. I will value these connections and hope to apply them meaningfully in my work.



Employee,
Procurement Department within the Production and Procurement Headquarters

Engaging with individuals from different fields provided an opportunity to broaden my horizons. I received concrete advice through group discussions, and most importantly, benefited from building a network with my female technical colleagues. I'll continue to actively participate in these conferences and use them as opportunities to grow.



Employee,
Technical Human Resources Development Department within the Technology Management Headquarters

Sharing career-related concerns provided me with a fresh perspective on my own career. Engaging with speakers and senior employees made me feel closer to them and inspired me to believe that I, too, could follow a similar path. I want to cherish this feeling and connection as I dedicate myself to my work.



Employee,
Foundation Technology Center of the Construction Headquarters

Communication Among Employees Becomes the Source of Innovation



Masaru Noma
Senior Managing Officer
In charge of Division of Technology and Production

The Company values spaces and opportunities for employees to share their experiences and thoughts, learn from each other, and offer mutual support. With locations nationwide, connections across departments and regions provide valuable opportunities to broaden perspectives and possibilities. In the Division of Technology and Production, opportunities for employees to meet face-to-face and share their work and thoughts are equally essential. Women's Conference of the Four Technical and Production Headquarters was the initiative I most wanted to realize since taking charge of the Division of Technology and Production. Even before the event began, the spontaneous smiles and conversations clearly reflected its significance.

The four divisions—R&D, technical management, construction, and production procurement—are the departments that support the Company's core competencies of technical expertise and construction capabilities. I firmly believe that within these departments, cross-departmental collaboration and active communication serve as the wellspring of new ideas and innovation. This will eventually expand across all departments, contributing to the Sekisui House Group's competitiveness by enabling us to deliver the highest quality and technology. Moving forward, we will continue to advance initiatives that support and build an environment where every employee can independently realize their potential and thrive.

A Place for Learning and Growth Born from Connections

Activities
- Over 300 participants
- Conduct workshops and exchange opinions
- Network through personal introductions and sharing of responsibilities

Output
- Connect faces to names and roles
- Build networks beyond departments
- Share experiences and insights

Outcome
- Develop supportive relationships
- Broaden perspectives and increase motivation
- Heighten career awareness

Impact
- Participate autonomously
- Strengthen diversity within the Division of Technology and Production
- Enhance innovation and product quality



For this inaugural event, the main focus was on providing an opportunity for employees to discover shared strengths across job types, generations, and regions, leading to learning and awareness. To this end, the organizing team was also composed of diverse members who planned and managed the event while enjoying a sense of connection. We will also introduce a volunteer-based system for participating in planning, aiming to sustain and expand these connections.

Employee Happiness

Short Essay

01 Our Priority: Employee Happiness

The Sekisui House Group places great importance on the happiness of our employees. In 2020, we launched the Well-Being Survey* using objective and scientific methods to assess each employee's level of happiness, recognizing that the definition of happiness varies from person to person. This survey is not intended as a means to deliver happiness to customers or society at large, but is driven purely by our desire to ensure the happiness of all Group employees.

Purpose of the Well-Being Survey

The Well-Being Survey is conducted annually for all employees. It is not designed to measure employee loyalty or enthusiasm for work. Instead, it enables employees to comprehensively evaluate their subjective sense of happiness, self-fulfillment, and personal growth, and a sense of security, as well as their relationships with their jobs and workplaces. Through this survey, we provide employees with an opportunity to reflect on their careers and workstyles by expressing and visualizing their feelings and changes in their circumstances.

Happiness through the Well-Being Survey

Over the course of several years since the Well-Being Survey began in FY2020, we have observed certain changes in how employees perceive happiness. We have also accumulated data on the relationships between employees' sense of happiness and factors such as job type, career stage, and company initiatives. These insights have allowed us to analyze the factors that enhance happiness and the impact of workplace environment changes on employee happiness.

* This survey was developed by Professor Takashi Maeno, Dean and Professor at the Department of Well-Being at Musashino University and Special Guest Professor at Keio University. The Well-Being Survey consists of 72 questions related to individual happiness, known as the "Well-Being Circle," and 42 questions related to workplace happiness, known as the "Worker's Happiness and Unhappiness Diagnosis."

ESG FACT BOOK P.63 Continuing the Well-Being Survey

02 The Sekisui House Group Through Well-Being Survey

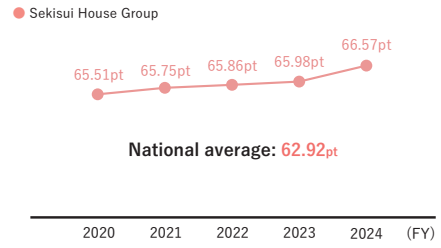
Given the nature of the survey, we have taken a cautious approach to disclosing and utilizing the results. Maintaining an environment where employees can respond candidly is critically important, as any external pressure could influence the outcomes. In this section, rather than disclosing detailed data or individual analysis results, we present key trends, contributing factors, and organizational challenges identified through the survey. We believe that sharing these insights will help us foster an even happier workplace.

Higher happiness among Sekisui House Group employees

The Well-Being Survey results indicate that Sekisui House Group employees generally report higher happiness scores than the national average. Based on data collected to date, this can be attributable to our deeply rooted Corporate Philosophy, "Love of Humanity," which permeates our workplace environment and organizational culture.

Additionally, the FY2024 survey showed that many employees scored highly in areas such as connectedness with their colleagues and altruism, reflecting a strong willingness to support others.

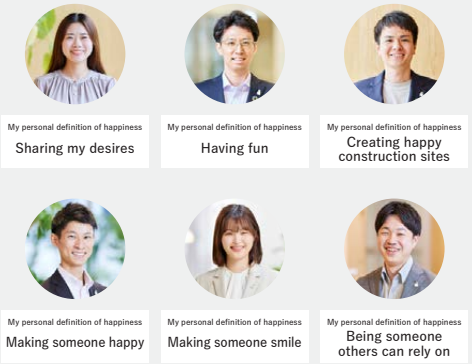
Well-Being Circle total score



A culture where employees express happiness

Although people may not always be fully aware of what happiness means to them, the implementation of the Well-Being Survey has encouraged our employees to habitually reflect on and verbalize their personal definitions of happiness. For example, many employees begin to ask themselves questions such as, "Why do I feel a greater sense of fulfillment than last year?" or "What factors have made my current work environment feel more secure?" In this way, organizing the factors that influence their sense of happiness becomes an opportunity to better understand themselves and reexamine the direction of their careers.

On the other hand, some employees feel that responding to the annual survey is bothersome. However, even this reaction can lead to self-awareness—such as realizing that nothing has changed since the previous year, or questioning why they find the process burdensome in the first place. In addition, post-survey team dialogues have helped foster a workplace culture where employees are more mindful of what contributes to happiness, and the word "happiness" now comes up naturally in everyday workplace conversations.



Five years of change

Over the past five years, we have seen improvement in 16 out of 34 items related to individual happiness, suggesting a steady enhancement of our organizational environment. At the same time, issues related to employees' intrinsic motivation have emerged. Regarding workplace happiness, we have seen significant improvements in areas such as recognition from others and teamwork. Similarly, there has been a positive trend in areas related to perceived unfairness and overwork—factors that correlate with workplace unhappiness. However, the most recent survey results still indicate that overwork remains a challenge.

Individual happiness: Changes from FY2020-FY2024

Feeling positive	↑ 3.28pt	Feeling healthy	↓ -1.31pt
Feeling encouraged to try new things	↑ 3.14pt	Wanting to grow	↓ -0.98pt
Using own strengths	↑ 3.06pt	Finding things interesting	↓ -0.49pt

Possible factors behind positive changes

- A workplace culture that encourages employees to take on new challenges
- Workstyles and support systems that help individuals make the most of their strengths
- Greater psychological safety and stronger awareness around preventing harassment

Possible factors behind areas of decline

- Fewer working hours and changes in personal lifestyles
- Fewer chances to feel successful or experience growth due to more stable, routine work
- Less stimulation at work as tasks become more familiar or repetitive

Workplace happiness: Changes from FY2020-FY2024

Feeling recognized by others	↑ 2.05pt	Feeling treated unfairly*	↑ -1.94pt
Feeling good about teamwork	↑ 1.27pt	Feeling overworked*	↑ -0.94pt
Feeling in control of own work	↑ 0.87pt	Feeling disconnected from others*	↑ -0.88pt

Possible factors behind positive changes

- A workplace culture that promotes psychological safety and collaboration
- One-on-one meetings and management that help employees use their strengths
- A co-creation culture where recognition from others supports happiness

Possible factors behind areas of decline

- Lack of personalized support and thoughtful feedback
- Challenges in reducing overwork and easing workload

* Reverse-scored items (Decreasing score indicates improvement)

Short Essay

Relationship Between Autonomy and Happiness

The FY2023 Well-Being Survey revealed that employees who feel they are working autonomously tend to report higher levels of happiness. The same survey also showed that these employees are more likely to receive higher performance evaluations. Additionally, it became clear that while happiness may lead to better performance evaluations, high performance does not necessarily result in greater happiness. These findings suggest a mutual influence between employee happiness and autonomy. In particular, an increase in the number of employees working autonomously may lead to higher levels of happiness, which in turn positively impacts performance evaluations.

To understand what drives this relationship, we examined the impact of initiatives undertaken by Sekisui House. We identified three key factors: 1) Sekisui House's unique definition of "autonomy," 2) the presence of systems and programs that support autonomy, and 3) the power of diversity, which accelerates the development of autonomy. The following section explores how these factors influence the connection between employee happiness and autonomy.

Autonomy and support at Sekisui House

In general, "autonomy" is often interpreted as "self-responsibility," and thus tends to be entrusted to individual effort and ability. As a result, autonomy is frequently equated with freedom. However, without appropriate support or a well-prepared environment, greater autonomy can lead to increased stress and burden for employees. At Sekisui House, we define autonomy as the ability to make one's own decision and take full responsibility for them. Based on this definition, we have focused on providing organizational support that enables each employee to choose a career path and lifestyle that best suits their individual needs. We believe this approach is reflected in the results of our Well-Being Survey.

Support over control

At Sekisui House, autonomy is not something that can be imposed by others. We believe that individuals should decide their own life and career paths. While the Company cannot force employees to act autonomously, we are committed to offering extensive support to those who wish to do so. For example, we launched our self-directed career development training program in 2003 and introduced career interviews in 2021 as part of our ongoing support initiatives.

Programs that clarify values

Our self-directed career development program [1] is a three-day training initiative, including a two-night stay,[2] designed to help participants reflect deeply on questions such as "What kind of life do I want to lead?" and "What do I truly value?" Rather than focusing solely on how to succeed within the Company, the program encourages employees to consider how their careers fit into the broader context of their personal lives. The program has been completed by 21,110 indi-viduals since its launch in 2003. Many participants emerge from the experience with a renewed sense of ownership over their lives, embracing the belief that "I take ownership of my life and career."

1 Currently, it has been reorganized into the Self-directed career development course.
2 At the time of commencement.

Dialogues that empower choice

Sekisui House's career interviews are designed to empower employees to take the lead in shaping their own career paths. In these sessions, employees choose the topics they wish to discuss, while supervisors are expected to listen attentively and respectfully. Held five times a year, these regular interviews provide employees with the flexibility to reassess and realign their career direction in response to changing circumstances and evolving personal values.

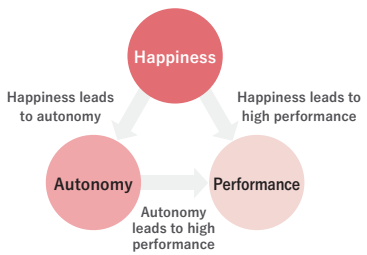
Outcomes of supported autonomy

In conventional models of autonomy based solely on self-responsibility, a lack of support can lead to increased pressure, feelings of isolation, and a decline in overall happiness. In contrast, Sekisui House has established systems and environments that support autonomy, enabling employees to make choices at their own pace.

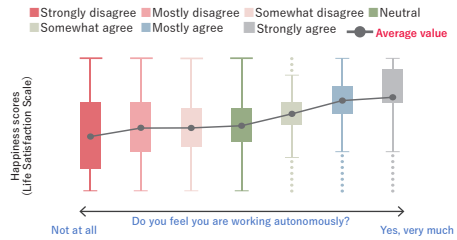
This approach has led to what we call "support-based autonomy," where appropriate support enhances satisfaction with personal choices and encourages greater autonomy. Our survey results show that employees who feel they are working autonomously also tend to report higher levels of happiness. This suggests that freedom of choice, combined with strong support, helps employees gain confidence in their decisions—contributing to their overall happiness.

Moreover, while it is commonly believed that strong job performance leads to happiness, results of the Well-Being Survey indicate the reverse: employees who feel happy tend to achieve higher performance evaluations. This relationship highlights the unique workplace culture at Sekisui House, where a supportive environment and the ability to choose one's own path foster a sense of security and personal growth. We believe this is a distinctive strength of our organization.

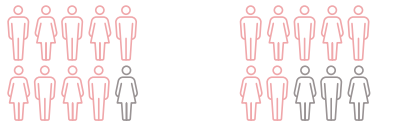
Results of the FY2023 Survey on Happiness Scores



Happiness leads to autonomy.
But autonomy does not always guarantee happiness.



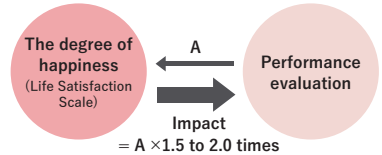
Career interview survey results
(n=13,764, FY2022)



13,075 employees (95%)
Felt heard and acknowledged

10,047 employees (73%)
Became more proactive afterward

Happy employees often perform better.
But high performance does not always mean they are happy.



Note: Based on the cross-lagged effect model

Employee Happiness

Short Essay

Autonomous employees are our strength

For over 20 years, Sekisui House has developed systems to support employee autonomy. These efforts have helped each individual gain a real sense of control over their own life—the feeling that "I can choose my own path." This sense of agency has led to greater happiness among our employees. This outcome is reflected in the results of our Well-Being Survey and has become a unique value that defines the Sekisui House workplaces. Looking ahead, we will continue to provide programs and options that support autonomy while promoting a work environment where even more employees can experience happiness in their careers.

Supporting autonomy leads to organizational growth

Impact
- Fostering Sekisui House's unique culture of "support-based autonomy"
- Driving sustainable growth through a positive cycle of happiness and autonomy
- Creating a workplace where employees can work with greater happiness by supporting their ability to make life decisions independently

Medium-term outcomes
- Employees can choose their level of autonomy based on their situation
- Support for autonomy leads to higher employee happiness
- A clear link between self-directed happiness and job performance

Short-term outcomes
- Opportunities for employees to reflect on their career and life paths
- Career dialogue helps clarify available options
- Employees develop a mindset of ownership over their own lives

Key initiatives
- Self-directed career development course to reflect on life and career goals
- Career interviews held regularly to support career planning
- Clarify corporate policy and develop programs to support employee autonomy

Embracing Diverse Perspectives Leads to Happiness

Diversity is closely tied to how Sekisui House supports employee autonomy and happiness. Specifically, we promote diversity to empower employees with varied perspectives and the autonomy to contribute ideas and opinions that drive innovation.

Well-Being Surveys conducted from FY2020 to FY2023 revealed that workplaces with female managers generally reported higher happiness scores than those without. Upon analyzing these findings,* we concluded that employees who regularly engage with colleagues holding diverse values may experience greater happiness at work, as such interactions offer fresh insights and learning opportunities. The data also suggests that these workplaces benefit from a stronger sense of unity, supported by high-quality communication and a culture that encourages open dialogue and respect for diverse perspectives.

In summary, the survey results do not simply suggest that the presence of female managers increases happiness. Rather, they indicate that diverse leadership fosters a psychologically safe and inclusive workplace. In other words, employees reported higher happiness not merely due to gender diversity, but because they were exposed to a range of perspectives.

* Sekisui House (non-consolidated)

The beginning of our diversity journey

Sekisui House's workforce includes specialists from a wide range of fields. These individuals long collaborated across disciplines, contributing ideas and driving innovation. A symbolic example of this approach is the Shin Umeda City, an urban development project, which officially began in 1987. This initiative reflected our early recognition of the importance of diversity.

Typically, construction projects are led by experienced senior staff. However, Sekisui House took a bold step by appointing young employees as core members of the project team—a progressive initiative at the time.

The team developed the concept of "creating a playful office district like an upturned toy box," and used this vision to guide the redevelopment of a 42,000-square-meter area. The result was a blueprint shaped by the fresh ideas and free thinking of younger team members. Shin Umeda City has since earned global recognition as a model for innovative urban development. This decision-making process exemplifies Sekisui House's corporate culture—one that encourages employees to speak up and take initiatives, regardless of age or experience.

In March 2025, Shin Umeda City received the highest triple-star rating under the TSUNAG Certification System for Securing Quantity and Quality Urban Green Space sponsored by the Ministry of Land, Infrastructure, Transport and Tourism. Today, the area is a vibrant hub for office workers, local residents, and tourists alike. Its success is supported by features such as interconnected ultra-high-rise office buildings, the biodiversity garden known as "*Shin-Satoyama*," and *Chu Shizen no Mori*, a greenery space surrounded by a large waterfall and mountain stream.

Supporting diverse values and autonomy

Sekisui House has developed workplace environments and programs that respect diverse values and support employee autonomy. As part of these efforts, we promote diversity to empower each individual to work in a way that suits them best. We are committed to enhancing programs that help employees balance their careers and family responsibilities, while also providing environments that support self-directed life and career planning.

Selected programs offered by the Sekisui House Group to support employee autonomy
- Annual paid leave available in half-day or hourly increments
- Sliding (flexible) work schedule that allow employees to adjust their schedule
- Remote work system available for any reason
- Child support leave for parents caring for children with illness or school attendance challenges
- Nursing care support that can be taken in segments, with flexible work hour options
- Maternity and parental leave, including financial support for childcare and infertility treatment
- Internal mobility program that allows employees to take on new roles and challenges
- Qualification support and reward, including congratulatory bonuses for obtaining public qualifications and assistance for those pursuing them
- Self-directed career leave and advanced learning support to enable employees to pursue further education or reskilling

Please refer to ESG Fact Book for more details.

Shin Umeda City: Innovation and impact born from diverse perspectives and values

A proposal on a new urban development
Led by a project team of young employees

Spatial design
- Urban regeneration planning
- Development of greenery spaces
- Design of co-creation zones
- Environmentally conscious design
- Promotion of community interaction



Value created
- Promotion of cultural innovation
- Redefinition of the value of work
- Economic ripple effects
- Reductions in environmental impact
- Community vitalization

Growing impact
- Creation of a sustainable urban model
- Enhanced happiness for people and communities
- Promotion of economic growth
- Increased global recognition
- Formation of a blueprint for future cities

Short Essay

05 Paternity Leave Designed to Support Family Happiness

As part of our commitment to support employee happiness, we introduced a paternity leave program in 2018. The initiative was inspired by our Representative Director's experience in Sweden, where he observed many fathers spending time with their children during weekdays. This led to the belief that it should be natural for all parents to want to be present in their child's early life. The program allows male employees to take a minimum of one month of paternity leave, fully paid for the first month, and offers the flexibility to divide the leave into up to four separate periods. Since FY2019, the program has maintained a 100% take-up rate among eligible employees.

First step was to shift managerial mindsets

Even when leave policies are in place, workplace culture can discourage employees from using them. Recognizing this, our first priority was to shift managerial and team mindsets to ensure that no employee would feel pressured or hesitant to take leave. We hosted internal forums that brought together managers and staff members, those eligible for leave, to foster open dialogue and build a supportive, inclusive environment.

Paternity leave as part of our business strategy

Today, Sekisui House actively promotes paternity leave as part of our business strategy. We share real stories from managers who have taken leave, helping normalize the practice and reinforcing the message that supporting work-life balance benefits the entire organization. This cultural shift, rooted in leadership engagement, has helped establish a workplace where taking childcare leave is not only accepted but expected. It has also extended to other types of leave, creating a culture of mutual support where employees feel confident stepping away from work, knowing their teams will step in to help.

Child-rearing and employee happiness

Paternity leave offers male employees meaningful time to bond with their families. Many have shared how the experience positively impacted their lives. One employee noted, "Taking paternity leave deepened my partnership at home and made me feel more fulfilled." Others share that being involved in their child's development changed their perspective on life and helped them realign their values—placing equal importance on family and professional responsibilities. These reflections highlight how supporting employee happiness not only enhances happiness but also encourages greater autonomy, engagement, and purpose at work.

Survey highlights on paternity leave at Sekisui House

Happy to be involved at home, male employees who took paternity leave

Sekisui House: **98.6%**

National average: **81.4%**

(White Paper on Paternity Leave 2022)

Positive about work, male employees who took paternity leave

Sekisui House: **89.0%**

National average: **65.9%**

(White Paper on Paternity Leave 2022)

Time spent helping at home on days off, male employees who took paternity leave

Sekisui House: **5.68 hours**

National average: **3.14 hours**

(White Paper on Paternity Leave 2022)

Colleagues who value parenting time

Sekisui House: **98.9%**

National average: **80.5%**

(White Paper on Paternity Leave 2023)



06 Promoting Women's Advancement Through Self-Determined Growth

In 2005, Sekisui House began actively hiring female sales representatives. Over the past two decades, our focus has not been on simply increasing the number of female employees in these roles, but on providing thoughtful, individualized support that respects each person's aspirations. We believe this approach has contributed to positive outcomes, including higher happiness in workplaces led by female managers compared to those without.

A leadership development program built on autonomy

In 2014, we launched Sekisui House Women's College, a training program for female managerial candidates. While early participants were often nominated by their supervisors, today all participants apply voluntarily. This shift reflects a growing culture of autonomy and self-directed career development across the organization.

Key features of Sekisui House Women's College

1. **Role model engagement:** Participants gain clarity on their career goals through direct interactions with female leaders and senior executives
2. **Individual career dialogues:** One-on-one sessions with supervisors and D&I department staff help participants explore their strengths, address concerns, and define career direction
3. **Supervisor involvement:** Supervisors participate in training and networking events to deepen their understanding and strengthen support systems, helping to embed inclusive practices across teams
4. **Executive-level exposure:** Participants build confidence and leadership perspective through dialogue with Outside Directors of the Board and presentations to top management

Sekisui House employees: Embracing both work and life

At Sekisui House, many employees embrace a lifestyle that values both professional achievement and personal fulfillment. Balancing work with time for family and friends is not only encouraged—it is considered as essential to long-term success. This culture of happiness empowers employees to work in ways that feel authentic, leading to greater autonomy, engagement, and performance.

→ P.58 Promoting women's advancement



I try to manage my work and personal life by keeping a healthy balance. This year, I took a week off to travel abroad and run in a local marathon. From experience, I have found that having short-term personal goals, like a fun trip or activity, boosts my motivation, helps me stay productive and sparks new ideas.



To me, the key to a successful "work-in-life" approach is blending work and personal time in a way that feels natural. Sometimes, even when I am with my family, work thoughts pop into my head. I don't force myself to shut them out, instead, I try to find a rhythm that works for me and supports both sides of life.



After returning to work from maternity and childcare leave, I felt unsure and anxious about whether I could perform as I had before. So I began exploring a work-style that truly fits me. That journey led to the approach I follow today. I am not trying to be a superwoman, but I do aim to be recognized each year by staying true to my own pace and working style.

Employee Happiness

Short Essay

Summary

07 Employee Happiness Drives Innovation and Communication

Based on findings from our Well-Being Surveys, we have confirmed that initiatives supporting employee autonomy have led to higher levels of happiness. We also found a strong interconnection between employee autonomy, happiness, and diversity, which foster innovation and communication across the organization. We believe that a work environment that respects individual decisions and empowers employees to succeed brings diverse perspectives, leading to the creation of new ideas. Building on these insights, Sekisui House is advancing to the next stage.

Creating an environment that encourages innovation

- Encouraging a culture where employees freely share ideas through the Sekisui House Innovation & Performance (SHIP) Awards
- Offering programs that support flexible workstyles to match different lifestyles
- Promoting open communication and helping managers create a psychologically safe workplace
- Building a culture that embraces new challenges and changes

Facilitating open communications

- Increasing opportunities for dialogue across roles and departments to boost collaboration
- Combining online and offline work to improve team connection
- Training leaders to adopt a communication-focused management style

ESG Fact Book P.48 Enhancing Human Capital Value

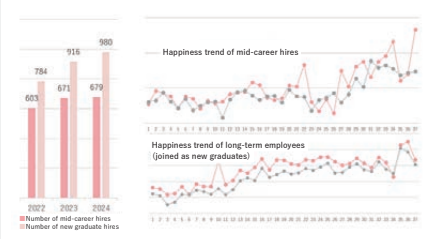
Moving Toward the Next Stage

Genuine Diversity as a Catalyst for Shared Values and Experience

At Sekisui House, we view genuine diversity not simply as differences in personal attributes but as a dynamic environment where people with varied backgrounds, perspectives, and experiences come together. This interaction fosters fresh insights and mutual learning. To make this possible, we are committed to building a workplace where every employee can grow and reach their full potential. We actively promote an inclusive culture that values contributions across gender, age, nationality, and career paths, and ensures fair recognition of individual efforts and achievements.

The role and limits of critical mass

Historically, our diversity efforts have focused on achieving “critical mass”—the idea that when a certain number of people from underrepresented groups are presented, it can shift organizational culture. This approach has helped us reshape managerial mindsets and workplace norms. One clear success is our progress in advancing female employees, which has positively impacted team dynamics and communication, as shown in our Well-Being Survey results. However, we recognize that critical mass is just the beginning—it is a foundation for change, not the final goal.



Challenges and potential of integrating career diversity

At Sekisui House, a strong culture of hiring new graduates directly from university has long shaped our workforce. These employees often follow a consistent, long-term career path within the Company. In contrast, mid-career professionals, those who join us from other companies or industries, tend to have different career trajectories and workstyles. We have observed that while long-term employees typically experience a gradual increase in happiness over time, mid-career professionals often show greater fluctuations in their happiness scores.

In recent years, as our business has expanded into new fields and global markets, we have welcomed more mid-career professionals with specialized expertise. Their diverse experiences and perspectives have the potential to bring new value to the organization and enhance our flexibility and adaptability.

However, even in this context, the concept of “critical mass” remains important. When mid-career professionals are in the minority, they may be perceived as outsiders, which can make it harder for them to integrate. That is why having a sufficient number of mid-career professionals is essential to fostering a more open and inclusive culture.

We also recognize that long-term employees and mid-career professionals adapt to the organization in different ways. Rather than allowing one group to dominate, we aim to integrate these differences to generate new value and evolve into a more inclusive and innovative organization.

Supporting employee happiness across career paths

According to our Well-Being Survey, managers tend to report higher levels of happiness than non-managerial employees. However, differences are also observed across job type and age groups. Among managers, those in administrative roles tend to experience a steady increase in happiness as they age. In contrast, those in specialist roles show no significant change in happiness across age groups. These findings suggest that happiness is shaped by factors such as the accumulation of specialized expertise and the nature of their work.

These differences appear to stem from varying levels of involvement in team operations, application of specialized expertise, and role expectations. In particular, for those in specialist positions, we found that even when the work environment enables them to fully utilize their expertise, a lack of psychological safety and mutual respect in the workplace can significantly diminish their sense of happiness.

This is why a uniform approach to employee support is not effective. It is important to tailor initiatives to each individual’s career path. For example, managers in administrative roles may benefit from opportunities for continuous learning across generations, along with measures to ease their workload. Specialists, on the other hand, may thrive when provided with a clear avenue for personal development and work environments that enable them to fully apply their expertise. These targeted efforts can significantly enhance employees’ sense of purpose and satisfaction in their roles.

Advancing to a new stage of diversity

At Sekisui House, we are committed to moving beyond simply reaching a “critical mass” of diversity. Our vision is to become an organization where innovation is driven by employees learning from one another and contributing a wide range of perspectives. In the near term, we are focused on creating an environment that supports this goal. Over the medium to long term, we aim to foster a culture where diversity is not just encouraged but deeply embedded in our work culture. Ultimately, our goal is to create a workplace where everyone can thrive, regardless of their roles and backgrounds, and where inclusion is not an exception, but the norm.

We are advancing our efforts to support employee autonomy and enhance happiness, aiming to create a workplace where innovation and communication are naturally integrated into daily work. By embracing diversity in a broader and more meaningful way, we are stepping into a new stage of growth and inclusion.

FINANCIAL STRATEGY AND GOVERNANCE

Strategies and Management Foundation that Support Growth

05

Strategies and Management Foundation for Sustainable Growth

This section outlines our financial capital and business strategies for sustainable growth,
as well as the underlying management foundation that supports them,
which includes our robust governance structure.

STORYLINE

01 DRIVE POSITIVE IMPACT
Our Journey of Value Creation and the Future We Envision

02 CREATE HAPPINESS
Our Unique Values and Evolving Strengths

03 TRANSFORM SOCIETY
Our Long-Standing Mission and Progress

04 INNOVATION AND COMMUNICATION
Our Foundational Values and Human Capital Value

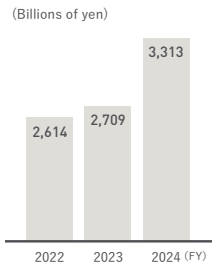
05 FINANCIAL STRATEGY AND CORPORATE GOVERNANCE
Financial and Capital Strategy, Corporate Governance

Supporting New Value Creation through Sound Strategies and a Strong Management Foundation

Great ideas need a solid foundation to become reality.
At the Sekisui House Group, we have built a strong financial foundation
and a reliable management structure to support sustainable growth.
Our transparent governance, effective business execution and oversight functions,
and honest market engagement are key strengths—
though not always visible, they are essential.
These efforts, we have created a stable and trusted management foundation.
We will continue building on this foundation to create value and
maintain the trust of our stakeholders.

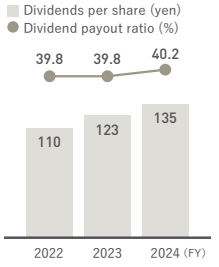
Highlights

Operating profit



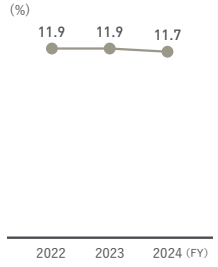
We saw record high consolidated operating profit of ¥331.3 billion in FY2024.

Shareholder returns



We paid dividends per share of ¥135 in FY2024, for a 13th consecutive year of dividend increases.

ROE



Positioned as a key management indicator, ROE reached 11.7% in FY2024 and has steadily remained above 11%.

Financial and Capital Strategy

We will seize every opportunity for business expansion and strive to further enhance corporate value while maintaining a balanced approach to growth strategies, financial soundness, and shareholder returns.

Looking back on FY2024, which marks the halfway point of the Sixth Mid-Term Management Plan

As a Company that offers products in the form of housing that supports customers throughout their entire lives and related services, meeting the trust placed in us by customers and stakeholders requires ongoing investment in growth and the development of a robust financial foundation to support it. In addition, to realize our Global Vision to “Make Home the Happiest Place in the World,” we are accelerating growth investments, including M&A and the formation of capital and business partnerships, to ensure the expansion of Sekisui House technologies overseas.

Marking the halfway point in our Sixth Mid-Term Management Plan, FY2024 proved a pivotal year in which we took a significant step toward new growth. By advancing our fundamental policy of “stable growth in Japan and proactive growth overseas,” we achieved record-high net sales and profit, with net sales surpassing ¥4 trillion. Strategic investment and recoupment in real estate also exceeded expectations.

Looking at our domestic segments, the built-to-order business continued to perform well, while the supplied housing business grew steadily, backed by a strong customer base. The sale of real estate in the development business progressed smoothly. By leveraging the characteristics and synergies of each business model, we will continue to achieve stable growth in Japan, even as the population and number of households are expected to decline.

In the overseas business, we laid the groundwork for the rapid expansion of our U.S. homebuilding business through the acquisition of M.D.C. Holdings, Inc. (hereinafter “MDC”). With the goal of becoming a game changer in the industry, we are wholeheartedly driving the post-merger integration (PMI) process to fully realize the benefits of recent M&A efforts. At the same time, we understand that this acquisition has placed temporary stress on our financial position, and we recognize the need for balancing the execution of our growth strategies, the maintenance of financial soundness, and our commitment to ensuring appropriate shareholder returns. Thus, we aim to enhance corporate value by strengthening our ability to generate cash returns through business growth and by earning greater recognition from society and the market.



Satoshi Tanaka
Representative Director of the Board
Executive Vice President,
Executive Officer
Managing Division of Finance,
Division of Human Resources and Auditing,
in charge of Division of Administration

Financial and Capital Strategy

Financial and Capital Strategies of the Sixth Mid-Term Management Plan

Enhancing corporate value
Enhancing PBR (market cap)

PBR=ROE×PER

Strengthening the ability to generate cash returns
Enhancing ROE

Linking to future returns

Enhancing evaluations in society and markets
Enhancing PER (⬅ reducing capital costs)

Enhancing capital efficiency	Promoting growth investments	Promoting sustainability	Building medium- to long-term relations with shareholders
Enhancing ROA	Real estate investments, growth foundation investments	Promoting ESG management, maximizing human resource value	Stable shareholder returns
Appropriate financial leverage levels	New businesses, M&A		Proactive dialogue, disclosure

Progress in Real Estate Investments (FY2023–FY2025)

(Billions of yen)

Investment

	Domestic	Overseas	
Three-year total (plan)	1,300.0	1,700.0	Total: 3,000.0
	Progress: 75.5%	Progress: 112.1%	
Two-year total (results)	981.3	1,905.4	Total: 2,886.8 (Progress: 96.2%)

Recoupment

	Domestic	Overseas	
Three-year total (plan)	1,300.0	2,000.0	Total: 3,300.0
	Progress: 76.8%	Progress: 90.9%	
Two-year total (results)	998.2	1,818.3	Total: 2,816.6 (Progress: 85.4%)

* "Two-year total (results)" figures include investments and recoupment related to MDC.

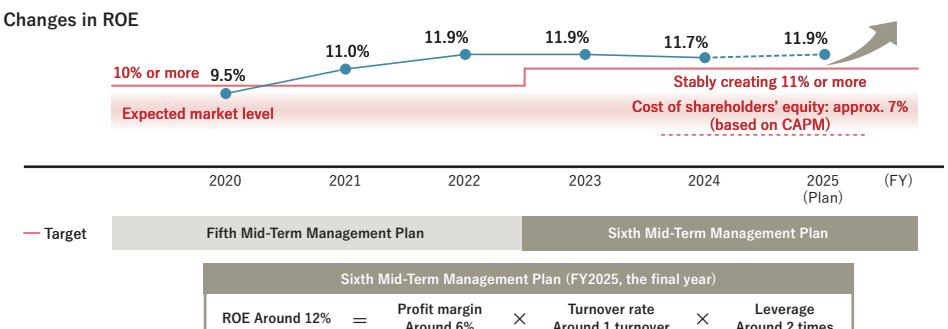
Managing Return on Equity (ROE) and Enhancing Corporate Value

We aim for sustainable growth in corporate value and consider maximizing shareholder value to be one of our key management priorities. Accordingly, ROE is positioned as a key management indicator, and under the Sixth Mid-Term Management Plan, we are targeting a stable ROE of 11% or more, with a goal of reaching approximately 12% in FY2025.

Our medium- to long-term ROE targets following the acquisition of MDC will be newly presented in the Seventh Mid-Term Management Plan. As of April 2025, the cost of shareholders' equity is approximately 7% based on the Capital Asset Pricing Model (CAPM), but we believe it is important to consider targeting a higher level in light of long-term interest rate trends both in Japan and overseas, as well as market expectations.

As of April 30, 2025, our price-to-book ratio (PBR) stands at approximately 1.1 times and our price-to-earnings ratio (PER) is about 9. Improving market valuation requires increasing ROE and widening the equity spread—the difference between ROE and the cost of shareholders' equity. In addition to striving for further expansion in sales and profit, we are committed to improving capital efficiency. Promoting sustainability, starting with ESG management and the maximization of human capital value, is vital for continuously enhancing corporate value. To achieve its Global Vision, the Sekisui House Group is working on various ESG initiatives, such as tackling climate change and ensuring respect for human rights throughout the supply chain. By creating an inclusive workplace where diverse employees can thrive and offering opportunities for them to participate in social contribution activities, we are strengthening employee engagement and supporting sustainable long-term growth. We will continue these efforts while engaging in proactive dialogue with stakeholders to reduce our cost of capital.

Changes in ROE



Financial and Capital Strategy

Pursuing Management with a Focus on Capital Efficiency

Maintaining and steadily enhancing ROE requires management that emphasizes capital efficiency while also leveraging the distinct earnings structures across our business segments.

The built-to-order business is a key area where we demonstrate our core competencies—technical expertise, construction capabilities, and customer base. Through its highly competitive nature via high-value-added proposals and offerings that are unmatched by competitors, this business continues to deliver stable growth and solid earnings. The supplied housing business, offered to customers who have built homes through our built-to-order business, is expected to continue delivering stable growth in line with our expanding customer base. Given the low impact of these businesses on the balance sheet, maintaining and enhancing profit margins serves as a key driver for improving ROE.

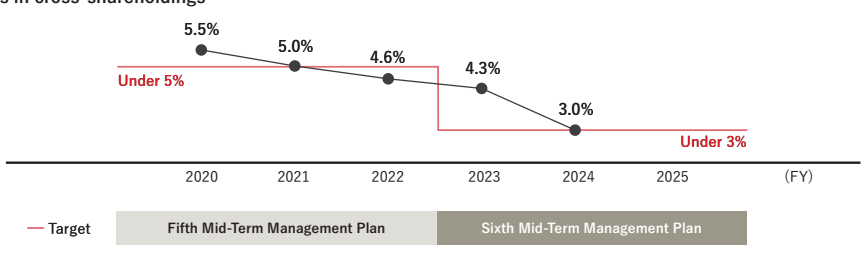
We are actively utilizing the cash flow generated by the built-to-order and supplied housing businesses in our development and overseas businesses, which require substantial capital investment for such efforts as real estate acquisitions. Since these businesses place greater demand on the balance sheet, we focus on both improving profit margins and asset turnover rates, aiming to maximize returns by carefully selecting high-quality projects and selling them at the appropriate time after development.

The organic linkage of cash flows among these four businesses enables us to adapt flexibly to market changes while securing long-term competitive advantage.

With the acquisition of MDC, strengthening balance sheet and cash flow management as well as practicing capital-efficient management have become more important than ever. To achieve this, it is essential to embed these principles in each business division, as well as strengthen our frameworks by raising awareness among every employee and introducing appropriate management indicators tailored to the characteristics of each business.

Moreover, we are proactively working to reduce cross-shareholdings with the goal of enhancing capital efficiency. The Sixth Mid-Term Management Plan aims for a consolidated net asset ratio of under 3%, and as of January 31, 2025, steady progress has been made toward a ratio of 3.0%.

Changes in cross-shareholdings

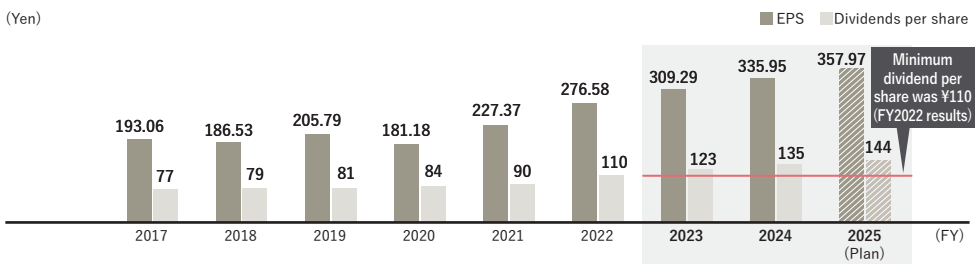


Striving to Deliver Appropriate Shareholder Returns and Continuously Improve Shareholder Value

Maximizing shareholder value is one of the Company's key management priorities. Regarding shareholder returns, we aim to continue increasing dividends through profit growth, in line with our existing policy of maintaining a medium-term average dividend payout ratio of 40% or more. For FY2025, we plan to pay dividends per share of ¥144 (up ¥9 year on year), for a 14th consecutive year of dividend increases. On the other hand, in light of the financial stress associated with the acquisition of MDC, we plan to forgo repurchases of Company stock in FY2025. We aim to continuously improve shareholder value by delivering appropriate shareholder returns while considering the balance between growth investments and financial soundness.



Changes in Earnings Per Share (EPS), Dividends Per Share and Dividend Payout Ratio



	Fourth Mid-Term Management Plan			Fifth Mid-Term Management Plan			Sixth Mid-Term Management Plan		
EPS (Yen)	193.06	186.53	205.79	181.18	227.37	276.58	**309.29**	**335.95**	**357.97**
Dividends per share (Yen)	77	79	81	84	90	110	**123**	**135**	**144**
Dividend payout ratio (%)	39.9	42.4	39.4	46.4	39.6	39.8	**39.8**	**40.2**	**40.2**

Note: EPS for FY2025 is calculated based on the number of outstanding shares issued at the end of FY2024.

Financial and Capital Strategy

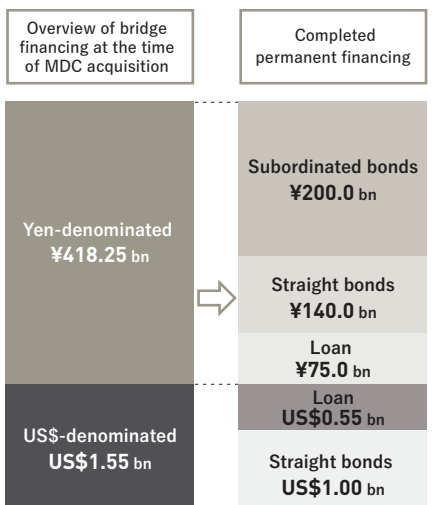
Evaluation of Financial Soundness After the MDC Acquisition and Policy Moving Forward

In April 2024, we secured bridge loans totaling approximately ¥418.2 billion and $1.55 billion to finance the acquisition of MDC. The permanent financing (long-term stable refinancing) was then finalized in February 2025. During this process and aiming to improve financial stability, we issued ¥200 billion of publicly offered subordinated bonds, with 50% of the amount issued being recognized as equity by credit rating agencies. We also optimized the cost of funding for other permanent financing while mitigating foreign exchange risk. Going forward, we aim to diversify and optimize our financing methods by taking into account factors such as currency and maturity matching between assets and liabilities when procuring funding.

In addition, from the perspective of maintaining financial soundness that supports our medium- to long-term business growth, we are working to reduce interest-bearing debt using cash flows generated from domestic and overseas businesses—including MDC—and from the sale of development properties in the U.S. multifamily business and other businesses. During the Seventh Mid-Term Management Plan (FY2026–FY2028), we aim to achieve a Net Debt/EBITDA of under 2.0 times.

Note: As part of our permanent financing initiatives, we received the "Bond Issuer of the Year" award in the Corporate Bonds category at the DEALWATCH AWARDS 2024, as well as the "BEST ISSUER OF 2024" award in the Straight Corporate Bonds category at the Capital Eye Awards.

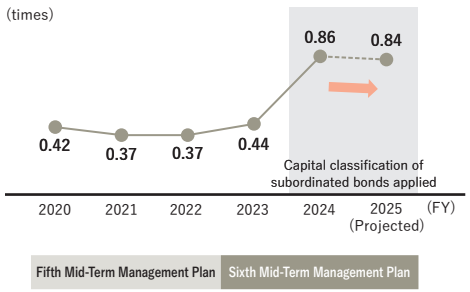
Overview of Permanent Financing



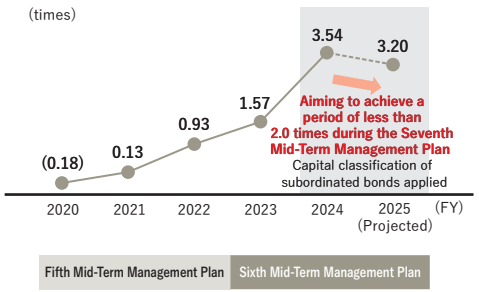
Long-term credit ratings (as of May 2025)

Japan Credit Rating Agency (JCR)	AA
Rating and Investment Information (R&I)	AA-
S&P Global Ratings (S&P)	BBB+

Changes in the D/E ratio



Change in the Net Debt/EBITDA



Note: Net Debt/EBITDA = net interest-bearing debt ÷ EBITDA, where EBITDA = operating profit + depreciation + amortization of goodwill + interest income + dividends received

Beginning discussions on the Seventh Mid-Term Management Plan

As noted earlier, the acquisition of MDC led to temporary financial stress. Looking ahead, we have begun discussions regarding the Seventh Mid-Term Management Plan, which is set to start from FY2026, aiming to realize greater corporate value by focusing on balancing the implementation of growth strategies, the maintenance of financial soundness, and appropriate shareholder returns. For the Sekisui House Group to achieve sustainable growth and enhance its corporate value, strong engagement with all shareholders and investors is indispensable. We will continue to actively engage in dialogue and appropriately reflect feedback and opinions in our management practices.



Results and Financial Analysis

The Sekisui House Group and Scope of Consolidation

The Sekisui House Group comprises Sekisui House, Ltd., 376 consolidated subsidiaries and 36 companies accounted for using the equity method, as of January 31, 2025. The FY2024 consolidated financial statements reflect the operating results and financial position of these companies.

Operating Results

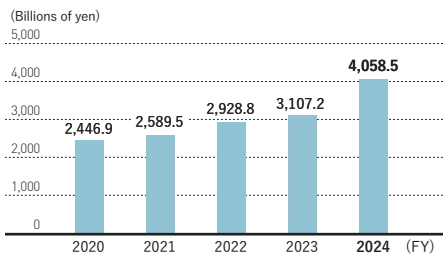
In FY2024, results were driven by growth in existing domestic and overseas businesses, as well as the consolidation of MDC, which was acquired in April 2024. As a result, consolidated net sales increased by ¥951.3 billion year on year, or 30.6%, reaching ¥4,058.5 billion, surpassing the ¥4,000 billion mark. Consolidated operating profit increased by ¥60.4 billion year on year, or 22.3%, to ¥331.3 billion, with all four business models achieving record high sales and profit.

Consolidated ordinary profit increased by ¥33.3 billion year on year, or 12.4%, to ¥301.6 billion, mainly due to higher interest income and foreign exchange gains despite the increase in interest expenses from interest-bearing debt used to finance the acquisition of MDC.

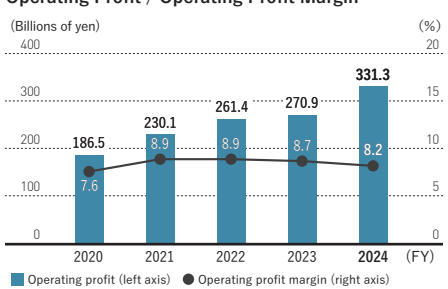
Profit attributable to owners of the parent increased by ¥15.3 billion year on year, or 7.6%, to ¥217.7 billion, reaching a record high along with consolidated ordinary profit.

Notably, overseas net sales increased by ¥767.4 billion year on year, or 150.2%, to ¥1,278.5 billion, driven in part by the consolidation of MDC. Overseas operating profit increased by ¥30.0 billion, or 61.4%, to ¥78.9 billion, despite the recorded cost of sales from the allocation of the investment difference resulting from the acquisition of MDC and other builders, and the amortization of goodwill and trademarks.

Net Sales



Operating Profit / Operating Profit Margin

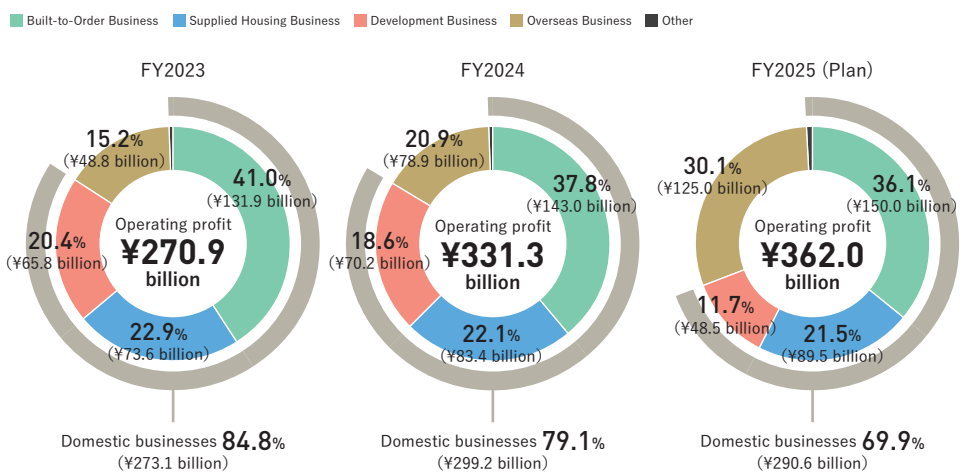


Profit by Business Model

As for the plans for FY2025, when results for MDC will be included for the entire fiscal year, approximately 70% of operating profit is expected to come from stable and continuously growing domestic businesses, with the remaining 30% driven by remarkable growth in overseas businesses, mainly in the United States.

Looking at domestic businesses by business model, the built-to-order and supplied housing businesses—both asset-light models with low capital investment requirements—are expected to make up 36.1% and 21.5% of operating profit, respectively. Combined, they account for the majority, while the development business, which is investment-intensive, represents 11.7%.

Changes in Business Portfolio Composition



Note: The calculation of each ratio does not include eliminations and back office.

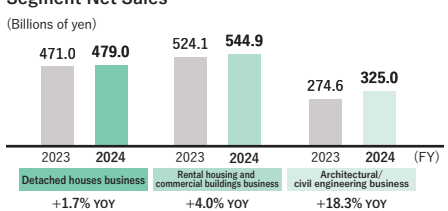
Results and Financial Analysis

Results by Segment

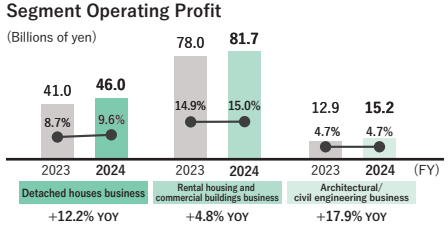
Built-to-Order Business

In the detached houses business, orders remained strong throughout the fiscal year thanks to ongoing efforts to deliver high-value-added proposals unique to custom homes. In the rental housing and commercial buildings business, shipment structures were strengthened in response to strong order volume. Meanwhile, in the architectural/civil engineering business, efforts to expand order channels by enhancing proposal capabilities proved effective in meeting strong demand from both public and private sectors. As a result, all segments of the built-to-order business saw increased sales and profits.

Segment Net Sales



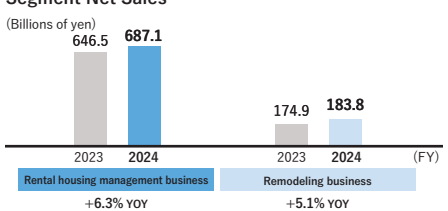
Segment Operating Profit



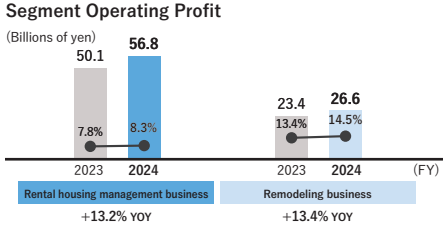
Supplied Housing Business

In the rental housing management business, increased units under management and the maintenance of high occupancy rates were driven by the supply of well-located, high-quality buildings and value-added proposals focused on a resident-first perspective. In the remodeling business, growth was supported by the ongoing promotion of proposal-based, energy efficient remodeling for detached houses and renovation proposals aimed at maintaining and enhancing asset value for rental housing. As a result, both segments of the supplied housing business saw increased sales and profits.

Segment Net Sales



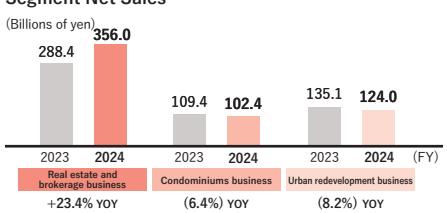
Segment Operating Profit



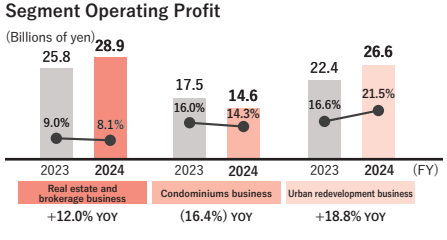
Development Business

In the real estate and brokerage business, we focused on acquiring high-quality land and expanding our sales channels, which led to strong progress in the sale of real estate (mainly residential land for housing) and resulted in increased sales and profits. Meanwhile, the condominiums business saw strong sales driven by focused development in strategic areas of Japan's four largest metropolitan areas (Tokyo, Nagoya, Osaka, and Fukuoka), with property closings also progressing as planned. In the urban redevelopment business, strong investor appetite supported progress in property sales that exceeded our initial plans, resulting in solid performance.

Segment Net Sales



Segment Operating Profit

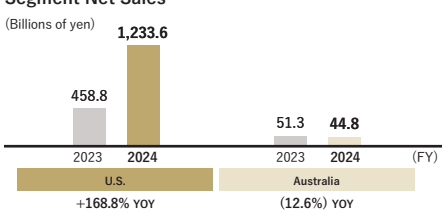


Overseas Business

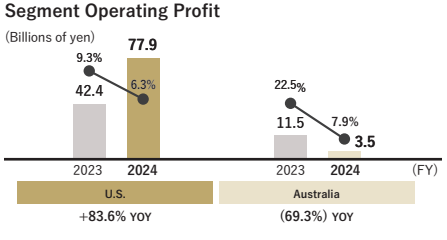
In the U.S. homebuilding business, both the consolidation of MDC and organic growth among existing Group builders contributed to increased sales and profits, despite the amortization of goodwill and trademarks resulting from acquisitions. In the master-planned community business, sales of developed residential land to external builders progressed smoothly. The multifamily business engaged in the sale of two properties to Sekisui House Reit, Inc. and similar business endeavors, with both segments seeing increased sales and profit.

In Australia, although orders in the homebuilding business showed signs of recovery, sales and profits decreased due to a reactionary drop following the delivery of a large-scale development project in the previous fiscal year as well as delays in condominium deliveries.

Segment Net Sales



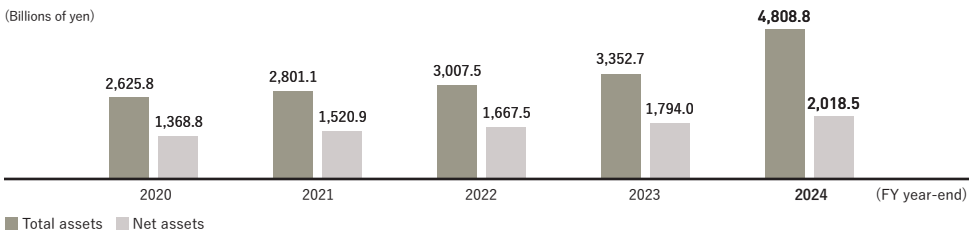
Segment Operating Profit



Results and Financial Analysis

Financial Position

Total assets as of January 31, 2025 increased by 43.4%, year on year, to ¥4,808.8 billion. Current assets increased by 48.7% year on year, to ¥3,712.1 billion, primarily due to an increase in real estate for sale from the consolidation of MDC. Non-current assets increased by 28.1% to ¥1,096.7 billion primarily due to the increase of goodwill and trademarks from the MDC acquisition. On the other hand, total liabilities increased by 79% year on year, to ¥2,790.2 billion, driven in part by an increase in interest-bearing debt from the MDC acquisition. Net assets increased by 12.5% year on year, to ¥2,018.5 billion, due in part to the recording of profit attributable to owners of parent.



Cash Flows

Cash flows from operating activities

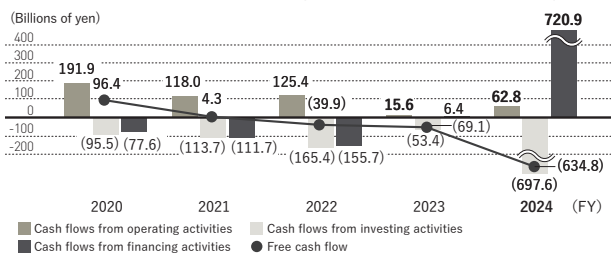
Cash flows from operating activities increased to ¥62.8 billion (a year-on-year increase of ¥47.2 billion in net cash provided), due in part to an increase in profit before income taxes.

Cash flows from investing activities

Cash flows used in investing activities decreased by ¥697.6 billion (a year-on-year decrease of ¥628.5 billion in net cash provided), due in part to purchase of shares of subsidiaries associated with the acquisition of MDC and other companies.

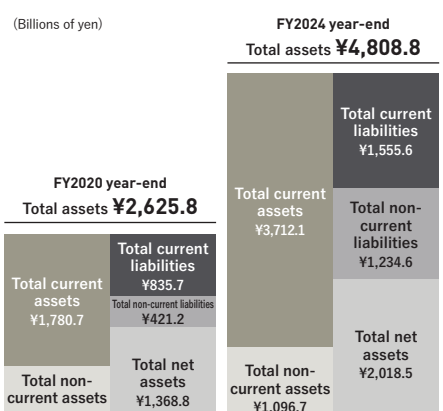
Cash flows from financing activities

Cash flows provided by financing activities increased to ¥720.9 billion (a year-on-year increase of ¥714.4 billion in net cash provided), due in part to an increase of long-term borrowings and the issuance of bonds.

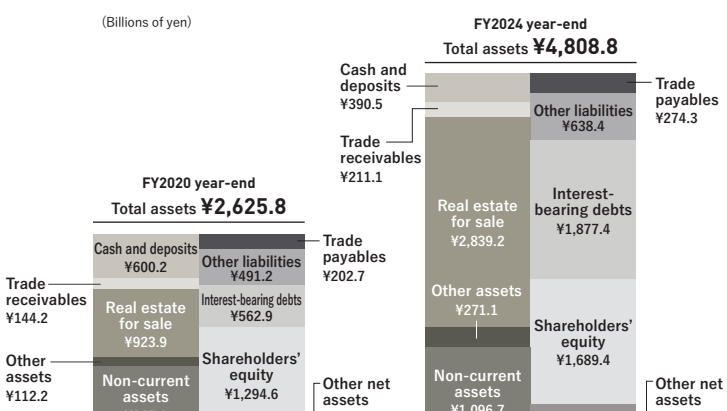


Balance Sheet Comparison

Comparing the consolidated balance sheet at the FY2020 and FY2024 year-ends, total assets increased ¥2,182.9 billion to ¥4,808.8 billion at the end of FY2024. Within this, the increase of ¥1,931.3 billion to ¥3,712.1 billion in current assets is especially striking, while non-current assets rose ¥251.5 billion to ¥1,096.7 billion. Looking at liabilities and net assets, current liabilities increased by ¥719.8 billion to ¥1,555.6 billion, non-current liabilities increased by ¥813.3 billion to ¥1,234.6 billion, and net assets increased by ¥649.7 billion to ¥2,018.5 billion, marking a major increase in both liabilities and net assets.



Within current assets, real estate for sale accounts for a large portion of the total, having increased ¥1,915.3 billion from FY2020 to ¥2,839.2 billion at the FY2024 year-end. Increased momentum in real estate businesses in Japan and overseas, proactive land acquisition (particularly of high-quality land for houses in the real estate and brokerage business), and M&A of U.S. builders (including MDC) led to a significant increase in real estate for sale. In contrast, interest-bearing debt increased by ¥1,314.4 billion over the same four years, reflecting our proactive investing that maintains financial discipline, such as the acquisition of MDC in April 2024. In addition, within net assets, shareholders' equity increased ¥394.7 billion to ¥1,689.4 billion at the FY2024 year-end following successful efforts to expand equity.

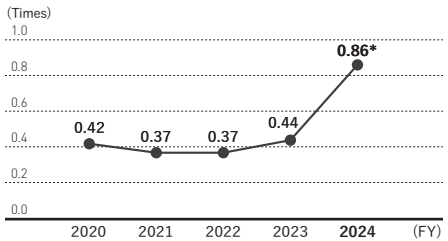


Results and Financial Analysis

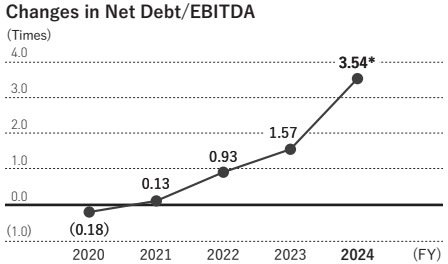
Financial Resources for Capital and Liquidity of Funds

The Group mainly requires funds for working capital as well as for investments such as the acquisition and development of real estate (including inventories). Working capital comes from internal funds, borrowings, or short-term bonds (commercial paper), while funds for investment are mainly raised through bonds and loans. By selecting the most suitable funding method from these diverse options, we secure stable financial resources and reduce financing costs. We are conducting appropriate financial management that takes our credit ratings into consideration by maintaining a suitable level of financial soundness despite the temporary stress from the recent acquisition of MDC. We have also entered into commitment line and overdraft contracts with multiple financial institutions, thereby ensuring ample liquidity.

Changes in the D/E Ratio



Changes in Net Debt/EBITDA



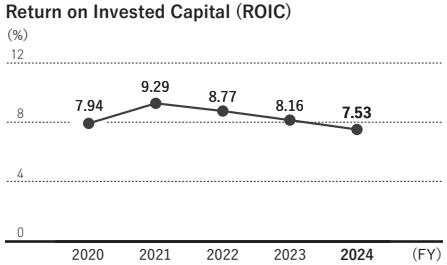
Note: These figures take into account the ¥100 billion that was recognized as capital by credit rating agencies for the amount procured from the publicly offered subordinated bonds issued in July 2024.

Targeted Performance Indicators

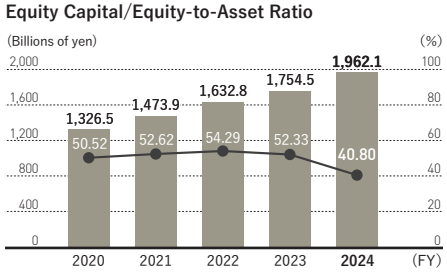
In order to promote business efficiency, we aim to strengthen our balance sheet and raise asset efficiency in each of our businesses. Through such efforts, we seek to improve the ratio of profit to equity capital (ROE) and the ratio of profit to total assets (ROA), aiming to stably create ROE of 11% or more (with a goal of approximately 12% by FY2025, the final year of the Sixth Mid-Term Management Plan) and ROA of 10% or more. In FY2024, ROE was 11.7% and ROA was 8.3%.

Other performance indicators, etc.

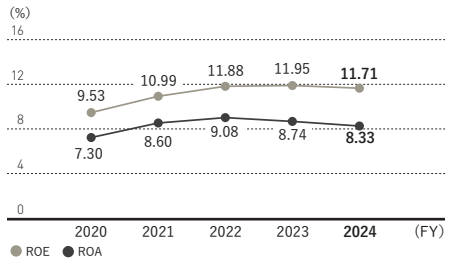
Return on Invested Capital (ROIC)



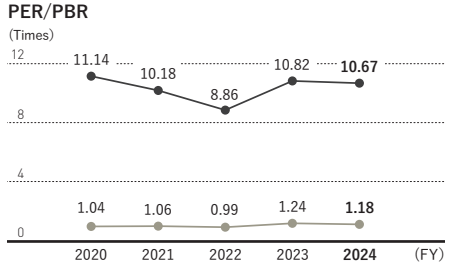
Equity Capital/Equity-to-Asset Ratio



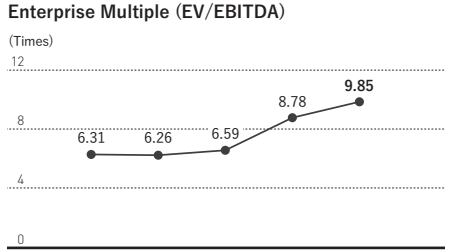
ROE/ROA



PER/PBR



Enterprise Multiple (EV/EBITDA)



Fundamental Policy Under the Sixth Mid-Term Management Plan

The Sekisui House Global Vision

Make Home the Happiest Place in the World



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

- Introducing the “life knit design” concept that interweaves lifestyles
- Creating value through data-driven DX
- Offering PLATFORM HOUSE, health services, and lifestyle services



Become a leading company in ESG management

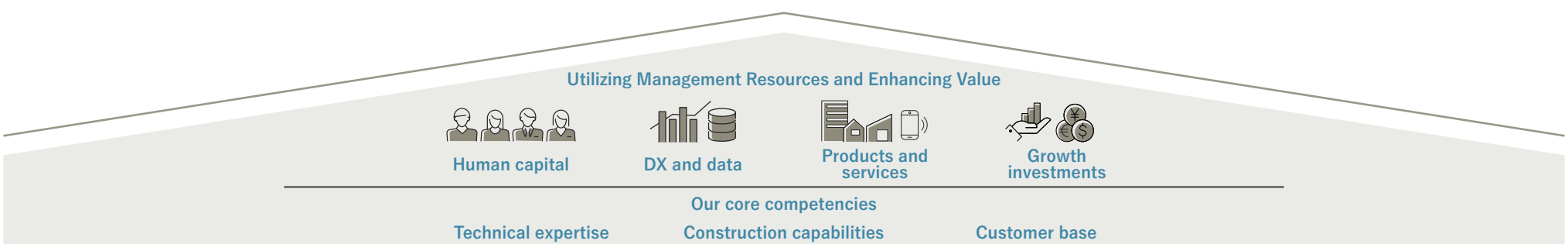
- Helping solve environmental issues through residences
- Making employee autonomy a growth driver
- Innovation and communication



Make Sekisui House technologies the global de facto standard

- Entering the southeastern United States
- Expanding the sale of our SHAWOOD products, which leverage safety, comfort, and design
- Engraining such lifestyle design as our lifestyle proposal capabilities, customer engagement and brands

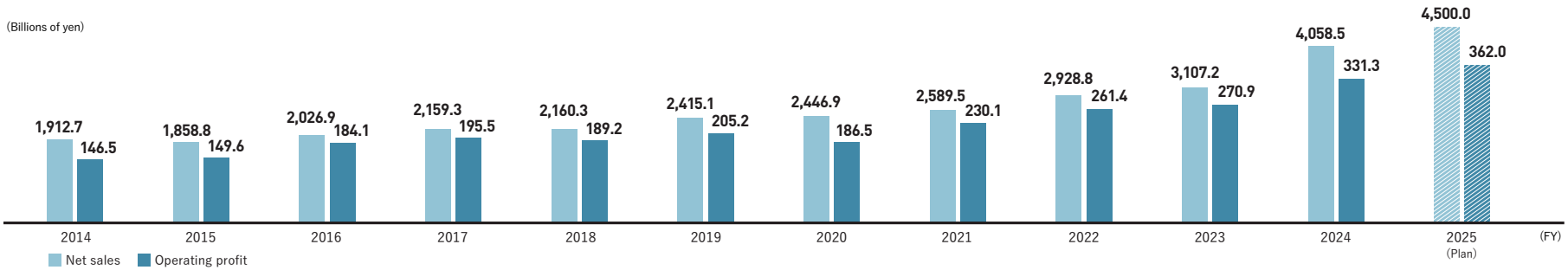
Stable Growth in Japan and Proactive Growth Overseas



Evolution of Our Mid-Term Management Plans and the Earnings Plan for Our Sixth Mid-Term Management Plan

In FY2010, we formulated our first Mid-Term Management Plan. Subsequently, we have worked to steadily and consistently expand our business domain centered on housing. In FY2020, we designated “Make Home the Happiest Place in the World” as our Global Vision, working to grow into a global company that leverages the core competencies developed since our founding to offer happiness from integrated technologies, lifestyle design, and services based on the residential domain. In our Sixth Mid-Term Management Plan, which began in FY2023, we established the fundamental policy of focusing on “stable growth in Japan and proactive growth overseas.”

Through setting key measures and business policies aimed at strengthening and expanding all our business, we saw record high net sales and operating profit in FY2024, backed by growth in existing businesses—both domestic and overseas—as well as the consolidation of MDC. We are aiming for even further growth in FY2025, the last fiscal year of the Sixth Mid-Term Management Plan, positioning it as a year to lay the groundwork for even greater progress as we look ahead to the Seventh Mid-Term Management Plan.



Key Measures

Third Mid-Term Management Plan Fundamental Policy

Strengthening Group synergies and taking on new challenges in the residential-related business

Built-to-order business

Enhance product appeal, ability to make proposals and construction capabilities

Supplied housing business

Enhance cooperation within the Group

Development business

Conduct quality community and town development
Build brands overseas
Establish asset value for the future

Fourth Mid-Term Management Plan Fundamental Policy

Building the foundation for the residential-related business toward BEYOND 2020

Built-to-order business

Lead the industry as the top brand and take on the challenge of a new built-to-order business

Supplied housing business

Expand the business domain by creating new markets, taking advantage of existing houses

Development business

Focus on balance between growth investments and the asset turnover ratio

Overseas business

Increase business opportunities by providing high-value-added houses and housing environments in overseas markets

Fifth Mid-Term Management Plan Fundamental Policy

Further strengthening core businesses and embarking on new businesses

Built-to-order business

Implement three brand strategies
Promote focused S and A area marketing

Supplied housing business

Actively deploy proposal-based and energy efficient remodeling
Strengthen rental housing management and the brokerage business through change in company name to “Sekisui House Real Estate”

Development business

Pursue ROA management
Generate stable profit by improving turnover and acquiring prime land

Overseas business

Start the global rollout of Sekisui House technologies and advance to the next stage

Sixth Mid-Term Management Plan Fundamental Policy

Stable growth in Japan and proactive growth overseas

Built-to-order business

Strengthen our detached house brands
Enhancing the Sha Maison brand
Constructing a stable foundation to create sustainable value

Supplied housing business

Practice property management that offers enhanced services
Proposals to extend the life of our housing stock and to enhance its asset value

Development business

Develop cities and rural areas through area marketing and investment decisions from a medium to long-term perspective

Overseas business

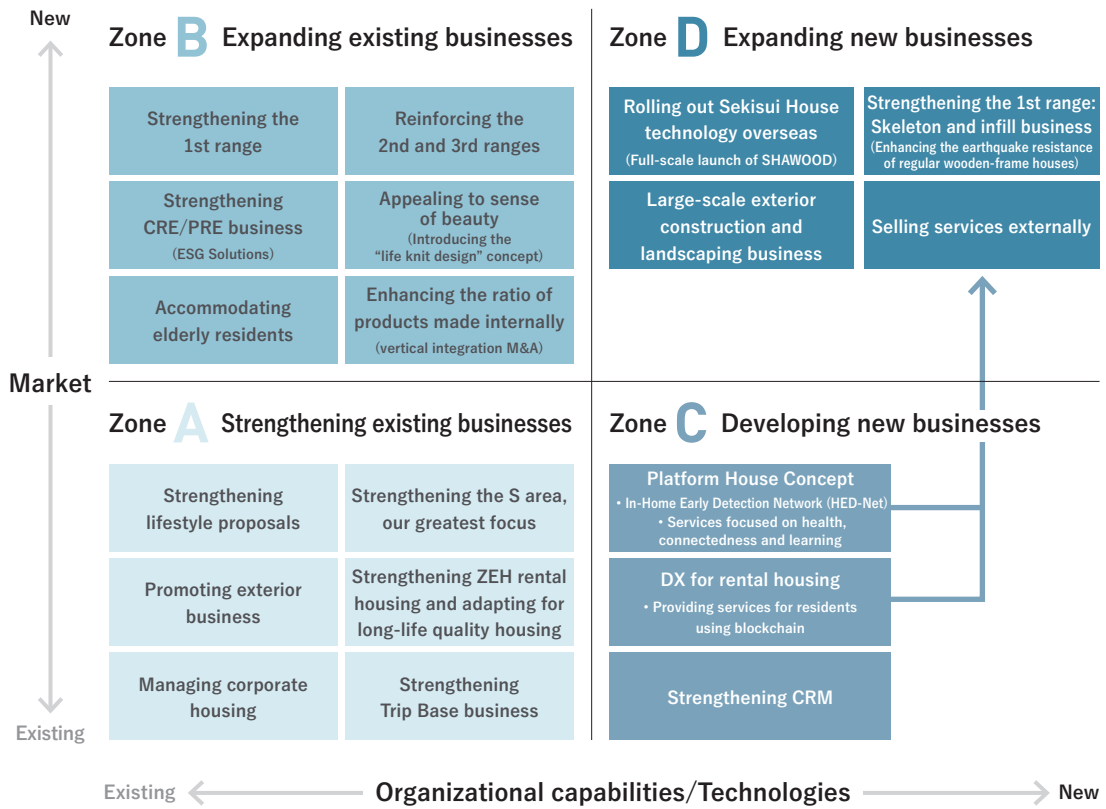
Shift from a development-focused business model to a dual approach that balances both the development business and the homebuilding business while actively promoting growth strategies for the homebuilding business.

Important Issues Covered by the Sixth Mid-Term Management Plan

Leveraging our core competencies and our unique value chain, we plan to strengthen and expand our existing businesses (A and B zones). We also plan to develop and expand new businesses (C and D zones) by utilizing digital technology and by transferring Sekisui House technologies (technical expertise and construction capabilities) that have been cultivated domestically, with the aim of pushing ahead with overseas business development and adapting to changes in social and business environments.

In Japan, to reinforce our detached house brands, we will enhance our three-brand strategy, launching a new skeleton and infill business and improving the price range of our first range offerings. At the same time, we will enhance the Sha Maison brand based on thoroughgoing area strategy and reinforce corporate and public real estate (CRE and PRE) businesses. By doing so, we seek to expand our business domain and achieve stable growth in Japan. In addition, we will continue to develop new business by promoting the Platform House Concept of equipping houses with services supporting the health, connectedness, and learning that will underpin new lifestyles (under which we launched services during the period of the Fifth Mid-Term Management Plan), as well as such initiatives as utilizing the Internet of Things (IoT). At the same time, we will incorporate new uses of digital transformation (DX) in services and management operations and leverage next-generation Sekisui House technologies in the overseas business to expand new businesses.

In this way, during the period of the Sixth Mid-Term Management Plan, we will practice ambidextrous management, both exploiting and exploring, while advancing growth strategies domestically and overseas to further enhance corporate value.



Zone A: Strengthening existing businesses

Further develop and strengthen the business strategies advanced under the Fifth Mid-Term Management Plan into a platform based on the built-to-order business.

Zone B: Expanding existing businesses

Horizontally roll out strengths of existing businesses across the Group and add new elements to expand businesses.

Zone C: Developing new businesses

Add new elements to existing business foundations to create new businesses. Leverage data and DX in the environments surrounding our businesses and customers to create businesses and maximize value.

Zone D: Expanding new businesses

Aim for medium- and long-term growth in new businesses. Pursue business possibilities, such as applying elements of new businesses to additional fields, to create value and achieve growth.

Business Strategies

Built-to-Order Business

Detached houses business | Rental housing and commercial buildings business | Architectural/civil engineering business

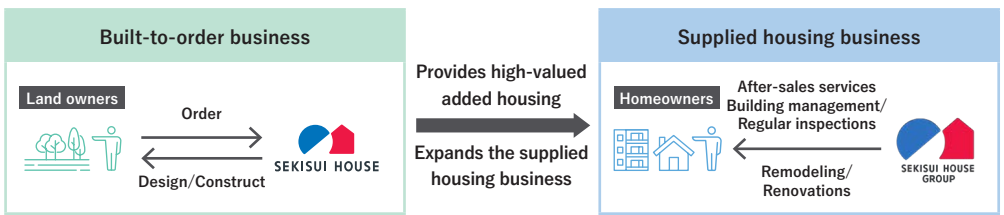


Within the built-to-order business, the detached houses and rental housing and commercial buildings businesses create strong customer bases by providing high-value added properties. Moreover, the architectural/civil engineering business, via Group company Konoike Construction, takes on both governmental and private construction and civil engineering projects.

As shown in the diagram below, these businesses involve constructing buildings and other structures on land owned by customers. Accordingly, they are asset-light operations that require minimal financial investment, carry low inventory risk, and generate stable cash flows.

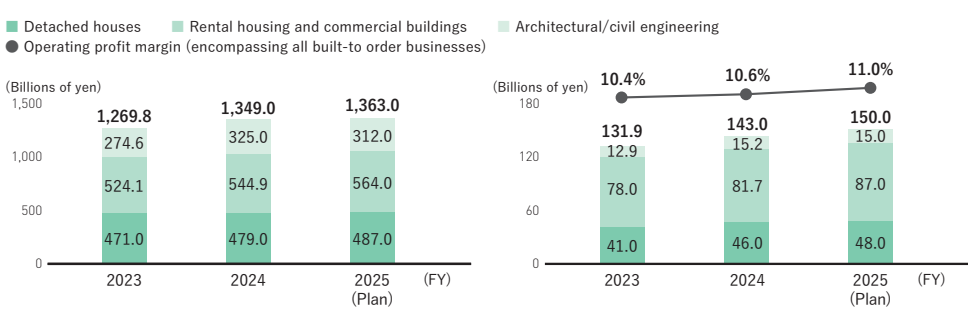
The Company's built-to-order business, characterized by these features, represents approximately 36% of our business portfolio in terms of operating profit, and about 30% in terms of net sales.

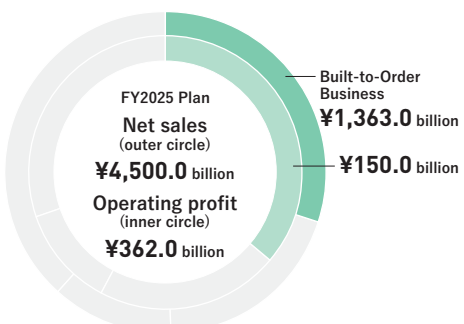
Note: The calculation of each ratio does not include eliminations and back office. The same holds true for the following calculations.



Results and plans for net sales and operating profit

(Each fiscal year; left graph shows net sales, right shows operating profit)





FY2025 Plan

Detached houses business

Net sales: **¥487.0** billion | Operating profit: **¥48.0** billion

Rental housing and commercial buildings business

Net sales: **¥564.0** billion | Operating profit: **¥87.0** billion

Architectural/civil engineering business

Net sales: **¥312.0** billion | Operating profit: **¥15.0** billion

Business Strategies

Built-to-Order Business

	Detached houses business	Rental housing and commercial buildings business	Architectural/civil engineering business
			 Nozomigaoka Elementary School and Junior High School
Overview/ strengths	• A business engaged in designing and constructing detached houses on land owned by customers • Offering high-valued-added homes via our custom home design philosophy and the Company's unique construction methods (98% of homes are custom-built) • The design-build system and consistent construction capabilities of Sekisui House Construction and the Sekisui House Association	• A business engaged in designing and constructing rental housing as well as commercial buildings (such as medical and nursing care facilities) on land owned by customers • Delivering high-value-added assets that can be stably maintained over the long term, differentiated by the design flexibility and site adaptability made possible by our unique construction methods • The responsible construction system and consistent construction capabilities of the Sekisui House Construction Group and the Sekisui House Association	• A business engaged in constructing housing, such as condominiums; non-residential buildings, such as logistics centers; and civil engineering projects, including infrastructure development • Konoike Construction, which became a consolidated Group company in 2019, leads this business segment • The technical capabilities and trusted relationships with suppliers that Konoike Construction has cultivated over more than 150 years since its founding
Key measures	• Enhancing our three-brand strategy • Promoting CRM* strategy • Integrating our technologies, lifestyle design, and services	• Strengthening area marketing • Providing high value-added Sha Maison • Strengthening CRE and PRE businesses	• Architectural construction: Expanding and enhancing our channels for receiving orders • Civil engineering: Differentiating through eco-friendly measures and technical expertise
Environmental awareness	• Declining population and household numbers, and the aging of society alongside a declining birthrate • Rising and persistently high costs of raw materials, labor, logistics, and energy • Growing demand for the development of high quality housing stock	• Accelerating development of compact cities • Rising and persistently high costs of raw materials, labor, logistics, and energy • Growing demand for the development of high quality housing stock	• Increasing difficulty in maintaining profitability due to rising construction costs • Constraining construction capacity due to a shortage of construction workers • Growing construction demand and increasing calls to address aging infrastructure
Growth strategies	• Strengthening the detached housing brand by deepening strategies targeting different price ranges • Advancing product technologies, expanding lifestyle-oriented proposals, and enhancing housing-related services • Delivering beautiful buildings that appeal to a sense of beauty based on the new design proposal system "life knit design"	• Enhancing the Sha Maison brand via supplying high-value-added properties based on thorough area strategies • Implementing a price leader strategy through the supply of market-leading properties, including Sha Maison ZEH, based on the model of excess electricity being sold by individual residents • Strengthening corporate and public real estate (CRE and PRE) by reinforcing ESG proposals	• Building a stable foundation for the continuous creation of value for customers and society, driven by environmentally conscious responses and technical expertise • Expanding the growth applications related to non-housing, such as logistics facilities and data centers • Increasing efforts in areas where demand for measures against aging infrastructure is expected to rise

* 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

Business Strategies

Supplied Housing Business

Rental housing management business | Remodeling business

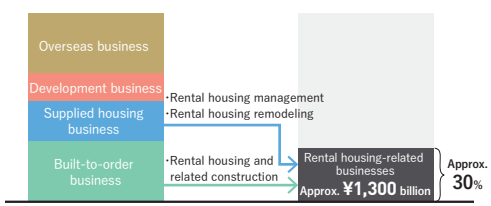


Classified under the supplied housing business, our rental housing management business—led by Sekisui House Sha Maison PM companies—operates and manages rental housing constructed through our built-to-order business. The remodeling business involves the remodeling and renovation of detached houses and rental housing, mainly those constructed under our built-to-order business.

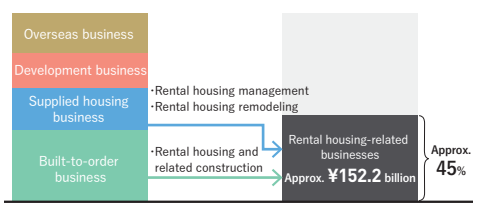
As shown in the diagram below, the built-to-order and supplied housing businesses are closely connected, with the latter primarily focused on detached houses and rental housing designed and constructed by the Company. We expect this business to see steady growth moving forward.

The supplied housing business, characterized by these features, represents approximately 22% of the Company's business portfolio in terms of operating profit and about 20% in terms of net sales. Combined with the built-to-order business, these asset-light businesses together make up more than half of our business portfolio, contributing to the formation of a stable earnings base.

FY2024 Net sales: ¥4,058.5 billion (consolidated)

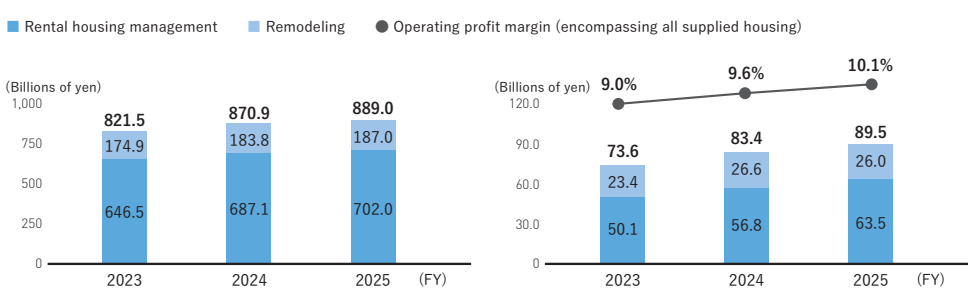


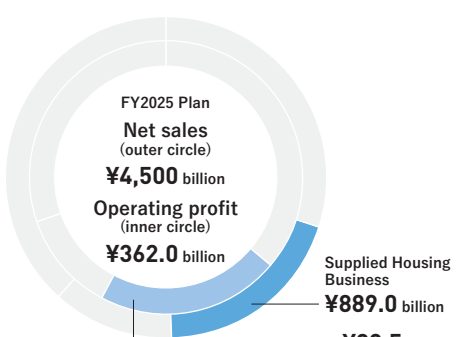
FY2024 Operating profit: ¥331.3 billion (consolidated)



Results and plans for net sales and operating profit

(Each fiscal year; left graph shows net sales, right shows operating profit)





FY2025 Plan

Rental housing management business

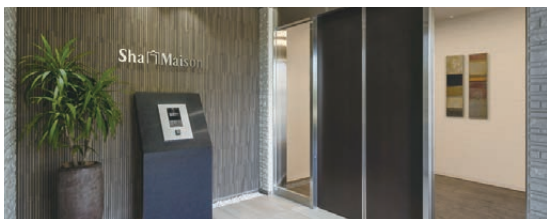
Net sales: **¥702.0** billion | Operating profit: **¥63.5** billion

Remodeling business

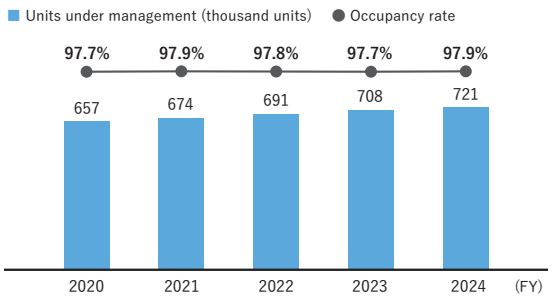
Net sales: **¥187.0** billion | Operating profit: **¥26.0** billion

Business Strategies

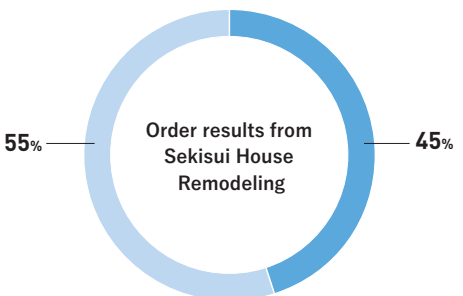
Supplied Housing Business

	Rental housing management business	Remodeling business
		
Overview/ strengths	• A business engaged in the operation and management of rental housing constructed by the rental housing and commercial buildings business of the built-to-order business • Stable growth is made possible due to an increase in both the number of rental housing units constructed and the number of units under management • Operating in regions with firm rental demand is helping maintain high occupancy rates	• A business engaged in remodeling buildings constructed by the detached houses as well as the rental housing and commercial buildings businesses of the built-to-order business • Stable growth is made possible due to strong relationships with property owners • Sekisui House Support Plus, with 12 divisions, 30 customer service centers, and over 1,000 employees in charge of after-sales services
Key measures	• For owners: Maximizing asset value by proposing diverse solutions and strengthening relationships • For residents: Strengthening services by building and centralizing services using blockchain and other technologies	• Detached houses: Strengthening large-scale remodeling • Rental housing: Promoting value-enhancing renovations
Environmental awareness	• Accelerating development of compact cities • Changing rental needs amid increasingly diverse life and workstyles • Rising labor and other costs	• Growing demand for the development of high-quality housing stock • Persisting high price of materials, housing appliances and various other items • Responding to the diversification of living styles and rental needs
Growth strategies	• Implementing comprehensive property management services for both property owners and residents • Enhancing the profitability and asset value through renovation proposals • Boosting resident services by advancing DX, including blockchain, as well as enabling online procedures and remote property viewings without staff present	• Delivering proposals that enhance the asset value and longevity of housing stock • Promoting remodels in line with lifestyle changes and environmental remodeling, such as energy efficient upgrades and insulation improvements, in the detached houses business • Advancing renovation proposals tailored to resident needs by enhancing communication with property owners in the rental housing and commercial buildings business

Rental housing management business: Changes in units under management and occupancy rate



Remodeling business: Breakdown of remodeling orders for detached houses



34% of all orders were for environment-based remodeling

■ ¥5 million or more (proposal-based remodeling) ■ Less than ¥5 million

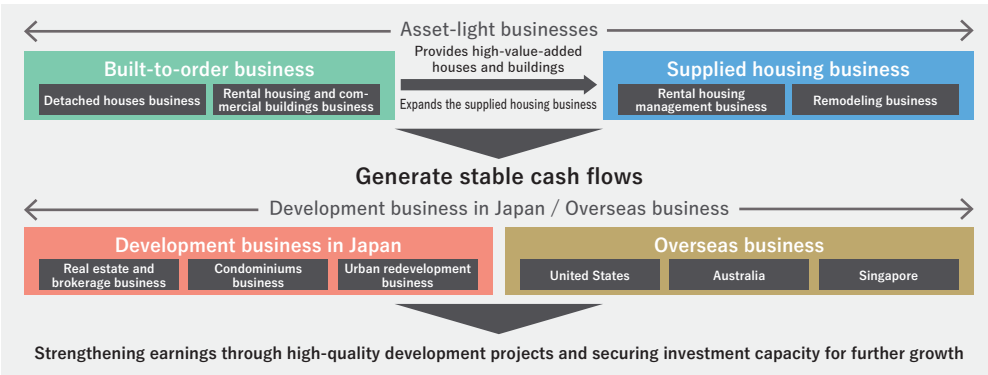
Business Strategies

Development Business

Real estate and brokerage business | Condominiums business | Urban redevelopment business

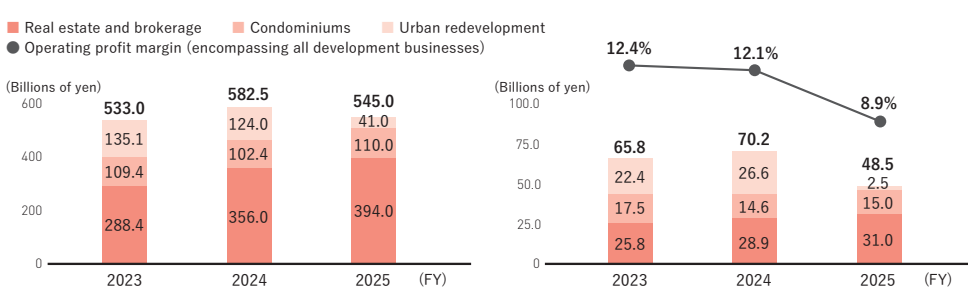


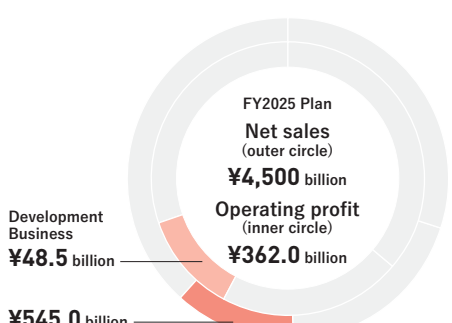
The development business aims to generate larger returns through both high-quality development projects and the utilization of profits gained from the built-to-order and supplied housing businesses. Due to the upfront investments in acquiring land for development, we aim to manage the business with a focus on return on assets (ROA). This business is comprised of the real estate and brokerage business, condominiums business, and urban redevelopment business. It represents approximately 12% of the Company's business portfolio in terms of both operating profit and net sales.



Results and plans for net sales and operating profit

(Each fiscal year; left graph shows net sales, right shows operating profit)





FY2025 Plan

Real estate and brokerage business

Net sales: **¥394.0** billion | Operating profit: **¥31.0** billion

Condominiums business

Net sales: **¥110.0** billion | Operating profit: **¥15.0** billion

Urban redevelopment business

Net sales: **¥41.0** billion | Operating profit: **¥2.5** billion

Business Strategies

Development Business

	Real estate and brokerage business	Condominiums business	Urban redevelopment business
			
Overview/ strengths	• A business engaged in the brokerage, acquisition, and sale of detached housing lots and income-generating properties • Generating synergies with the detached houses business by engaging with customers considering building a detached house from the land selection stage • Driving growth through the acquisition and sale of high-quality land for housing made with a focus on keeping the asset turnover ratio near one	• A business engaged in the sales of GRANDE MAISON, our condominiums-for-sale brand • Focusing on business development in strategic areas centered on Tokyo, Nagoya, Osaka, and Fukuoka (four of the largest metropolitan areas in Japan) • Providing high-value-added condominiums, all of which are ZEH-compliant starting with FY2023 properties	• A business engaged in the development of rental condominiums, office buildings, hotels, and similar properties in carefully selected areas • Recovering investments by selling properties to such entities as Sekisui House Reit and other real estate investors after the development and stabilization of operations • Creating assets that serve as both a symbol and a valuable asset for the community
Key measures	• Establishing the Sekisui House Real Estate Group, which has strength in the acquisition and sale of residential land for custom detached houses • Enhancing land acquisitions as short-term turnover assets based on careful selection in areas throughout Japan • Enhancing brokerage services for existing houses	• Focusing on supplying properties with high asset value carefully selected for their location in four of the largest metropolitan areas in Japan • Ensuring all residential units meet basic ZEH specifications • Enhancing the GRANDE MAISON brand	• Developing cities and rural areas through sophisticated area marketing and investment decisions from a medium- to long-term perspective • Acquiring land for rental condominium Prime Maison and acceleration of exit strategies • Developing the regional revitalization-based hotel development business through the Trip Base *Michi-no-Eki* Stations Project
Environmental awareness	• Intensifying competition for acquisition of high-quality land • Thriving real estate market • Paying close attention to financial capital markets, including interest rates, is essential	• Rising prices of condominiums in strategic areas • Facing persistently high material and construction costs • Intensifying competition for land acquisition in strategic areas	• Intensifying competition for land acquisition in desirable areas due to strong real estate market • Recognizing the potential impact of rising construction costs on business operations as well as delays and extended project timelines due in part to industry-wide construction labor shortages • Improving occupancy rates at urban hotels thanks to the recovery of inbound tourism
Growth strategies	• Acquiring and selling high-quality land for housing with a focus on keeping the asset turnover ratio around one • Consolidating the real estate and brokerage business previously operated by six Sekisui House Real Estate companies to strengthen specialization • Launching a detached housing business for first-time buyers in FY2025	• Focusing on supplying properties with high asset value carefully selected for their location • Providing high-value-added condominiums, including those where all units are ZEH • Promoting the provision of condominiums that enhance brand value	• Continuing to develop and acquire land for Prime Maison rental condominiums, which are designed for quick turnover • Expanding the hotel and office building pipeline • Promoting regional revitalization in the Trip Base *Michi-no-Eki* Project by strengthening cooperation with localities and alliance partners

Business Strategies

Overseas Business

United States | Australia | Singapore


1

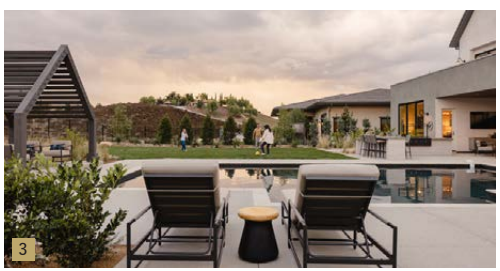
Started in 2009, the overseas business now engages in selling detached houses, condominiums, and residential land as well as developing rental condominiums, commercial facilities, and other complexes. Operations, which extend to Australia and Singapore, are currently focused on the United States.

We are expanding the Sekisui House technologies we have cultivated in Japan over the past 60 years to the global market and delivering high quality housing. Through this, we hope to realize the Company's fundamental policy underlying its Global Vision to "Make Sekisui House Technologies the Global de fact Standard."

Sommers Bend, the first SHAWOOD community in the U.S., has received the Gold Award (first place) in four categories at The Nationals 2025, the most prestigious award in North America's housing industry.

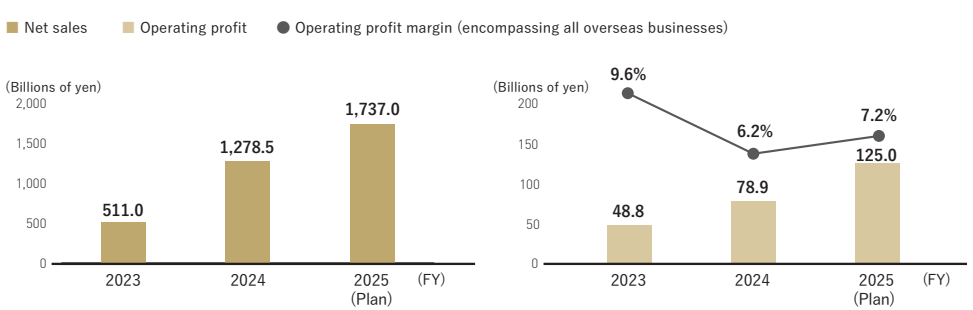
1 Exterior of the Yuri model house
2 Interior of the Kiri model house
3 Garden of the Sakura model house

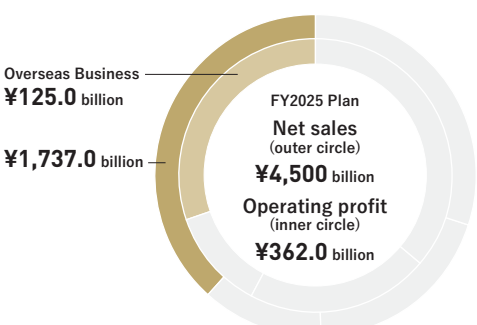

2


3

Results and plans for net sales and operating profit

(Each fiscal year; left graph shows net sales, right shows operating profit)





FY2025 Plan

United States

Net sales: **¥1,605.1** billion | Operating profit: **¥120.4** billion

Australia

Net sales: **¥131.9** billion | Operating profit: **¥6.6** billion

Note: A separate ¥2.0 billion in others and administrative expenses is expected to be deducted from operating profit.

Business Strategies

Overseas Business (U.S.)

Homebuilding business/Master-planned community business

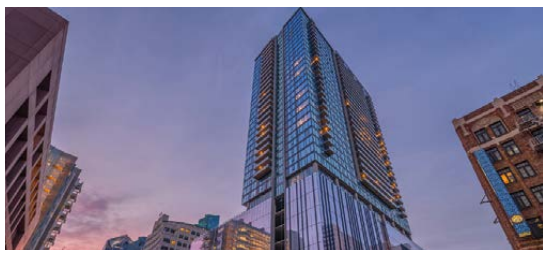


Kiri model house (SHAWOOD community Sommers Bend)



Brighton Crossing (master-planned community business)

Multifamily business



West (multifamily business)

Overview/strengths

The Sekisui House Group has welcomed several companies into the Group: Woodside Homes, which operates in the Western U.S., in 2017; Holt Homes, active in the Northwest, in 2021; Chesmar Homes, based in the South, in 2022; and M.D.C. Holdings Inc., which operates from the Northwest to the Southeast, in 2024. Starting in 2026, we will advance post-merger integration (PMI) efforts aimed at unifying these four builders with the Company by integrating strategies, decision-making, and systems. As a business strategy, we aim to become a game changer in the U.S. market by rolling out the following two products: the Sekisui House original brand SHAWOOD and the "New 2x4 by Sekisui House," enabling a new type of housing that combines the 2x4 housing construction common in the United States with Sekisui House technology. The master-planned community business has accumulated expertise in business management, enabling it to achieve high gross profit margins.

We develop mid- to high-rise rental housing in major urban areas such as the West Coast Gateway, Sun Belt, and East Coast Gateway, along with low- to mid-rise rental housing in suburban areas and low-rise rental housing in outlying regions. After increasing rental income and asset value through leasing, the properties are sold. By paying close attention to market conditions and rotating assets, we aim to build a high-quality portfolio.

Key measures

- Strengthening governance for the Group's builders
- Proactively promoting intragroup collaboration
- Entering the southeastern United States through M&A
- Realizing the transfer of Sekisui House technologies
- Expanding our original brand (SHAWOOD)

- Partnerships: Diversifying business areas and partnerships
- Portfolio: Diversified investment and recoupment aligned with the business area

Environmental awareness

- Growing discrepancy between supply and demand driven by rising housing demand from population growth and insufficient housing supply
- A growing interest among homebuilders in acquiring land, driven by expectations for a recovery in demand for detached houses

- Expecting increased demand for rental housing as surging home prices reduce home affordability
- Increasing interest in investing in U.S. rental housing both in Japan and internationally

Growth strategies

Homebuilding business

・Transferring and developing Sekisui House technologies accumulated over 60 years in Japan to the United States

SHAWOOD: We utilize the SHAWOOD construction method developed by the Company. At Sommers Bend, all homes come standard with storage cells and our U.S. version of ZEH. We aim to differentiate from competitors through lifestyle proposals, including the expansive "Family Suite" living large space and the "Clearview Design," that integrates with nature and extends seamlessly from the interior to the exterior.

New 2x4: We are promoting the development of U.S. version standard design guidelines, common inspection standards for the four builders, and material quality standards. We are increasing the number of resident employees dispatched from Japan in all areas to improve design and construction quality.

Master-planned community business

・Generating synergies with the homebuilding business

・Securing operational projects with a low chance of delays

・Reducing assets and improving turnover rates while improving profit margin

・Leveraging our partnerships with Holland Partner Group and RangeWater Real Estate, LLC, etc. to generate profit by developing high quality properties in prime locations

Business Strategies

Overseas Business (U.S.)

Post-Merger Integration (PMI) Promotion Structure and Progress

Sekisui House is driving PMI in close coordination with MDC and the three existing group builders, acting as one cohesive unit. By the end of 2026, we aim to become “One Company” by integrating the strategies, decision-making, and systems of the four builders.

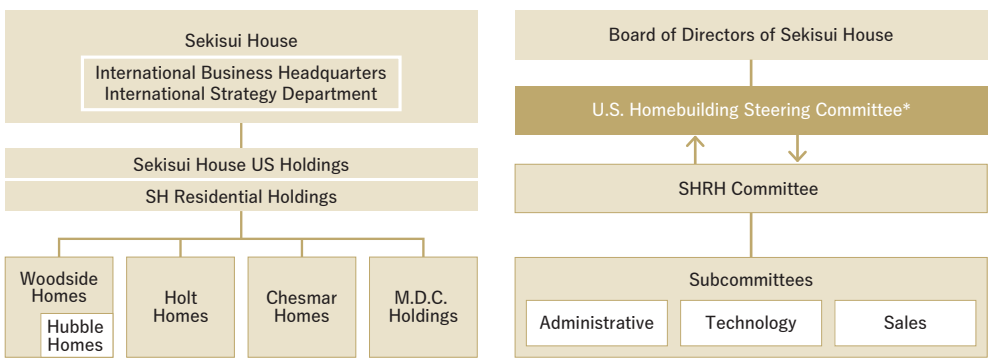
The PMI promotion structure involves the “U.S. Homebuilding Steering Committee,” an organization under direct control of the Company’s Board of Directors. This committee formulates overall policies and strategies that are then integrated into each Group builder through the U.S.-based “SHRH Committee.”

We have established three subcommittee divisions under the SHRH Committee—the Administration Division, the Technology Division, and the Sales Division—where participants from the four U.S. Group builders actively engage in discussions. On the administrative side, we are working on initiatives such as the hiring of executives and the integration of systems for accounting and human resources. On the technical side, we are formulating Group-wide cost reduction measures; establishing standards for design, construction, and materials; creating inspection frameworks; and utilizing the individual strengths of each Group company to transfer Sekisui House’s technologies under a “One Company” approach. On the sales side, we have begun discussions on building an organization-wide sales framework.



Collaboration across Group companies

One Company Promotion Structure



* International Business H.Q., International Strategy Dept., SH Residential HD, Corporate Management Strategy H.Q., Corporate Management Planning Dept., Communication Design Dept., IT Design Dept., Accounting Dept., Finance Dept., ESG Management Promotion H.Q., Investor Relations Dept., Human Resources Development Dept., Department of Global Legal Affairs and Special Projects, Research & Development H.Q. Auditing Dept.

Promoting the integration of strategies, decision-making, and systems of the four U.S. builders into a “One Company” approach

Note: This is not a decision to reorganize the company by integrating subsidiaries.



Business Strategies

Overseas Business (U.S.)

With the acquisition of MDC in 2024, Sekisui House is undertaking the largest integration in its history, and I am leading it as the CEO of SH Residential Holdings. The goal of the integration is to both unify the four U.S. Group builders and align the efforts of the new organization with Sekisui House. Since we are simultaneously building the organization and aligning efforts, speed is important. That being said, we are first focusing on laying the groundwork and planting the seeds of our expertise. Moreover, we recognize that maintaining business growth is an essential underlying objective.

Given the complexity of the situation, it's crucial to keep local employees motivated.

Unlike in Japan, employee turnover is very high in the U.S. If the direction of our policies becomes unclear or employees feel their work lacks meaning, there's a risk that they will leave their company, resulting in the loss of valuable talent. Therefore, proper communication within the organization is critically important. Not only must senior executives engage in direct dialogue, but it is also essential that onsite staff—who experience this PMI process firsthand—come to expect that this integrated "One Company" will be the most suitable place for them to work. Thus far, I believe that solid relationships with local employees have been established and performance has shown promising results.

There are two key aspects from a product perspective: the evolution of the 2x4 construction method products, which form the core of the business, and the introduction of SHAWOOD from Japan. SHAWOOD received the Gold Award (first place) in four categories at The Nationals 2025, held by the National Association of Homebuilders (NAHB) in February 2025, for its implementation in the Sommers Bend community. This shows that our efforts since 2019 have come to fruition, and with the acquisition of MDC, we plan to accelerate the transfer of Sekisui House technologies to 2x4 products. As we advance SHAWOOD-related initiatives, close cooperation between Japanese and American staff has become more natural, which I believe will lead to a more efficient transfer. However, I believe that to move forward effectively, it remains important to maintain motivation and ensure tight communication without dismissing local practices.

To enhance communication and increase opportunities for it, approximately 20 staff members from our branches and headquarters in Japan have been working with us onsite since March 2025. We will continue steadily promoting the transfer of Sekisui House technologies alongside the integration of strategies, decision-making, and systems of the four builders into a "One Company" approach.

Please look forward to the creation of this "One Company" and its product lineup, built through unified teamwork by Sekisui House and our four U.S. Group builders.



Toru Tsuji
CEO
SH Residential Holdings

Aiming to be a game changer in the U.S. housing industry, backed by our "One Company" approach

Last year, I was appointed as the leader of the integration of operations "One Company" approach. I am very honored and excited to have been appointed. Currently, I am the CEO of MDC, but rather than incorporating the three companies into MDC, we are aiming to create the best business management structure by combining four U.S. builders and Sekisui House.

In February 2025, I visited Japan to see Sekisui House's exhibition halls, factories, and research facilities. The people from Sekisui House who welcomed us embodied the fundamental philosophy of "Love of Humanity" and the Global Vision "Make Home the Happiest Place in the World," and now I understand how Sekisui House technology is delivered to customers as "value."

I see the two-brand strategy of New 2x4 & SHAWOOD using Sekisui House technology as a great opportunity to change the U.S. housing industry. Implementing Sekisui House technology into strategies and technologies developed by U.S. builders means to make a "change" and turn it into a "value." I believe that if the four U.S. builders can collaborate and reach an understanding without being afraid of a "change," then we will be able to create an innovation that has never been seen before.

Our aim is to be a "game changer in the U.S. housing industry" and a "company that everyone in the industry wants to work for." As we embrace opportunities beyond existing frameworks and deepen communication, we will make a necessary "change" to become an unparalleled company in the industry.



David Viger
President & Chief Executive Officer
M.D.C. Holdings

Business Strategies

Overseas Business (U.S.)

Feedback from those in charge of the U.S. SHAWOOD community

Feedback from representatives in charge of sales & marketing and design & construction for the First U.S. SHAWOOD Community, Sommers Bend

Full-scale expansion in the U.S.: Sommers Bend is a SHAWOOD community development project with lots for sale

Located in Temecula, Southern California, the community serves as one of the key bases for Sekisui House's expansion into the U.S. market. The development consists of 57 meticulously planned lots, where our U.S. version of ZEH and storage cells are standard specs on all homes. Since sales began in January 2024, progress has exceeded expectations, with approximately 60% of the 57 lots sold as of February 2025. Buyers have praised both the outstanding comfort and energy efficiency as well as the high level of construction precision and quality made possible by the SHAWOOD construction method.

Sommers Bend has received acclaim within the U.S. housing industry and won multiple awards. At the PCBC Gold Nugget Awards 2024, hosted by the Pacific Coast Builders Conference (PCBC) in August 2024, Sommers Bend was honored with Grand Awards in two categories and Merit Awards in four. In February 2025, Sommers Bend received the first place Gold Award in four categories at The Nationals 2025, hosted by the National Association of Home Builders (NAHB). Established in 1982, The Nationals is the largest and most prestigious award program in North America, with winners of the 2025 edition selected from over 1,200 entries.



Top: Exterior of the Kiri model house / Bottom: Interior of the Yuri model house



Award trophy

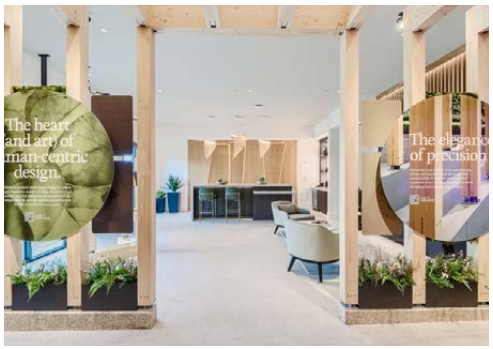
Feedback from the representative in charge of sales & marketing

I believe SHAWOOD will revolutionize housing in the U.S. I remember being completely blown away by the durability of Bellburn ceramic exterior wall panels, the different construction methods and ZEH technology during my business trip to Japan. I felt as though these were precisely the innovations the world had long been waiting for.

However, to achieve this, we need customers to gain a deeper understanding of SHAWOOD. This led to the Experience Center, which is installed within a model house among lots for sale. The Experience Center offers customers hands-on access to SHAWOOD structural components and Bellburn, both imported from Japan.

What I most want customers to feel is that SHAWOOD isn't just about beautiful buildings or superb functionality—it's about offering a peaceful and healthy way of life. I hope customers will look beyond advanced features and functions, and instead reflect on how SHAWOOD can support their daily lives and enrich their overall lifestyle.





Experience Center

Business Strategies

Overseas Business (U.S.)

Feedback from the representative in charge of design & construction

Sommers Bend is an outstanding example of an effort combining Sekisui House's technology with Woodside Homes' lifestyle proposals. Among the many features integrated into the model homes, I would like to highlight a few particularly noteworthy ones.



Clearview Design

First, I'd like to highlight the outdoor living space and Clearview Design. Covered patios and outdoor living spaces—features also seen in SHAWOOD model homes—are commonly referred to as "California Rooms" and are extremely popular. By incorporating the expansive Clearview Design, which leverages SHAWOOD's advanced technical capabilities, into the outdoor living concept, we have enhanced its sense of unity with nature and the connection between indoor and outdoor spaces. This, in turn, delivers even greater value to our U.S. customers.

Next, I'd like to highlight the courtyard. Although courtyards are not novel in the U.S., the concept employed in the model homes distinguishes itself through Sekisui House's distinctive design philosophy. By incorporating greenery and water into the courtyard space within the home, we have created a calm, soothing and meditative atmosphere. I see this level of design expertise as an essential element of Sekisui House's technologies and as a strength that differentiates them from competitors.

The greatest challenge in expanding the SHAWOOD business in the U.S. was getting stakeholders, including local governments, trade partners, suppliers, and employees, to accept and adopt this new SHAWOOD construction method of building homes. The standard method of home construction in the U.S. has remained largely unchanged for decades and is a deeply entrenched, long-standing practice. Given this context, implementing SHAWOOD's new approach to homebuilding was no easy task.



Patio view

Overcoming this required a carefully planned introduction process. In the beginning, we taught all stakeholders about the SHAWOOD way of building homes. Providing frequent, transparent, and detailed explanations in these early stages played a key role in establishing trust. Furthermore, engaging stakeholders in the design and planning processes was an essential step for helping them successfully adapt to this new method of construction. During this process, I believe that Sekisui House's long history coupled with the proven track record of SHAWOOD in Japan plays a significant role in alleviating stakeholders' skepticism.





Left: Yuri model house / Right: Sakura model house

Future Growth of SHAWOOD in the U.S.

Following Sommers Bend, we opened "Arcadia," a SHAWOOD development with a total of 40 lots for sale in Summerlin, Las Vegas, on February 15, 2025. In approximately a month since its opening, over 1,000 groups of customers have visited, and all the lots that were initially put up for sale were fully reserved by the end of February, reflecting an incredibly positive reception.

As of the end of 2024, we have secured over 400 SHAWOOD lots, primarily on the West Coast, and expect further growth in the SHAWOOD business moving forward.

Business Strategies

Overseas Business (Australia/Singapore)

	Apartment & mixed-use development business (Australia)	Homebuilding business (Australia)	Singapore
	 Melrose Park (Apartment & mixed-use development business)	 North Turramurra (CGI) (Homebuilding business)	 Robertson Opus (CGI) (Complex development business)
Overview/ strengths	In Sydney and Brisbane, we are expanding mixed-use development projects centered on condominiums that incorporate environmentally sustainable technologies and design principles cultivated in Japan.	Through the SHAWOOD construction method, the Company's unique construction system, we offer high quality and comfortable detached houses. We are working to strengthen our operations in Sydney's coastal and northwestern areas, where demand for high-end properties is expected to grow.	We are building closer partnerships with leading developers in Asia as we advance large-scale complex development projects centered on condominiums, aiming to deliver high-value-added living spaces that combine quality with performance-conscious design.
Key measures	• Shifting to an effective portfolio that balances short and long-term properties • Building brand equity through condominium product planning based on local market research and analysis	• Acquiring land for the SHAWOOD business in high-end markets • Establishing a streamlined production system covering everything from customer inquiries to post-deliver warranty services	• Building deeper relationships with partner businesses and strengthening cooperation • Creating new business opportunities via cooperation with partner businesses
Environmental awareness	• Growing discrepancy between supply and demand driven by rising housing demand from population growth and insufficient housing supply • Increasing home purchases expected with lower variable mortgage rates		• Continuing rise of selling prices, although gradual • Ongoing firm housing demand
Growth strategies	• Receiving numerous awards, including the highest honor in Asia at the ULI Asia Pacific Awards for Excellence for "West Village," which alone has won over 50 awards in three years • Leveraging local knowledge and experience to create joint venture opportunities and acquire new projects in line with our brand strategy	• Receiving high acclaim for SHAWOOD's quality and services • Producing and delivering high-quality homes through the integration of our expertise built in Japan and local cultural insights • Launching product sales in the high-end markets of coastal and northwestern Sydney	• Differentiating ourselves from competitors by incorporating Sekisui House's lifestyle design and proposals into projects • Expanding high-value-added condominium development that meets the standard of living in Singapore

Stakeholder Engagement

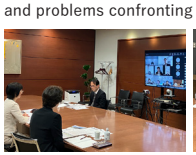
The Sekisui House Group identifies various issues and expectations through engagement with stakeholders, including customers (homeowners), residents, consumers (prospective customers), suppliers, business partners, employees, shareholders and investors, and local communities. We work to create value unique to Sekisui House by diligently addressing these issues and expectations.

Key Stakeholders	Responsibilities	Main Examples of Engagement			Results of Initiatives
Customers (homeowners)	Constantly remaining closely attuned to our customers, we work to provide value from their point of view, and in turn, deliver greater happiness.	• Membership-based "My STAGE" service (a service for homeowners) • Customer surveys	• Informative magazines published as communication tools – *Kizuna* (detached housing, twice annually) – *Maisowner* (rental housing, twice annually) – *gm* (condominiums, three times annually)	• Customer Service Center Owner Desk • House Celebration	• Improved customer satisfaction • Enhanced after-sale support • Enhanced relationships with homeowners • Creation of high-quality housing stock
Residents	We will expand services that support rental living and are based on a resident-first perspective, aiming to ensure greater satisfaction for residents.	• Sha Maison.com • Sha Maison Life CLUB – Electronic application and contract services – One-stop services using blockchain technology	– Subscription services and various discount coupons – Helpdesk services that accommodate repair requests and troubleshooting • Sha Maison Life POINT – Point services for residents	• Sha Maison Life GUARD – Fire insurance for residents • Promoting LGBTQ+-friendly practices, as well as services for the elderly, when finding tenants	• Provision of one-stop, paperless services • Enhanced services for residents • Provision of services aimed at improving customer satisfaction and turning residents into Sekisui House fans • Strengthened Sha Maison brand
Consumers (prospective customers)	We actively share information, aiming to maximize opportunities to connect with customers and build relationships of trust.	• Corporate brand communications • Product brand communications • My STAGE" (for those considering building a house) • SEKISUI HOUSE channel	• Home Visit Days (tours of completed homes) • Sha Maison FESTA • Tomorrow's Life Museum (Japanese only) • Sekisui House Eco First Park	• House Celebration • Juno Park (opening August 2025)	• Enhanced development of new products and technologies • Accumulation of big data relating to housing • Expansion of the Sekisui House fan base
Suppliers/ Business partners	We will engage in fair and equitable transactions while fostering relationships of mutual benefit in order to develop together with our business partners by satisfying customers.	• Sekisui House Association, Sekisui House Cooperation Association and the Sekisui House Primary Work Constructor Association • "My Idea" construction improvement proposal system • Training programs and seminars • Implementing employee benefit programs for partner building constructors • Sekisui House Carpentry Competition, WAZA	• Declaration of Partnership Building (joined in November 2022) • Sekisui House educational training centers and training schools • Annual activity policy briefing session • CSR procurement (adhering to our CSR Procurement Guidelines)	• Supplier assessments • ESG Conference • Fair Wood procurement based on our Wood Procurement Guidelines • SBT study sessions	• Establishment of safe construction site environments that facilitate work (streamlining and standardization of work, strengthening of our construction work structure) • Creation of relationships of trust as a "community with a common destiny" • Establishment of a robust sustainable supply chain
Employees	We respect individuality so that employees can make the most of their individual capabilities. We help employees develop a spirit of embracing challenges through working at the Sekisui House Group; promote diverse workstyles and create a foundation for happiness so that employees can develop their careers autonomously; and empower all employees to pursue happiness in their own terms.	• Sekisui House Women's College • e-learning focused on accommodating customers with disabilities • Sekisui House Innovation & Performance (SHIP) Awards Program (an awards program that encourages taking on challenges and autonomy) • Career interviews • Sekisui House Group National Baseball Tournament	• Hito in-house online magazine • Flex system and remote work system • ESG Dialogue • Human rights and compliance training	• Happiness Health Management: Challenge 6 initiative (six challenges for physical and mental health)/ total working hour management • Governance Awareness Survey • Well-Being Survey • The Sekisui House Group's Whistleblowing and Counseling Hotline	• Utilization of diverse personnel • Assisted employees in pursuing self-directed career development and personal growth • Generation of innovation • Invigorated communication among employees • Promotion of diverse workstyles • Creation of a workplace culture that ensures a robust sense of psychological safety • Helped employees stay healthy and raise their health awareness • Maintenance and improvement of employee well-being
Shareholders and investors	We are committed to improving corporate value through sound growth that returns profits to our shareholders and investors, with the goal of being an enterprise of high social value that maintains fair and transparent management practices.	• Financial results briefings and management plan briefing sessions • Meetings and facility tours with Japanese and international institutional investors and analysts	• General Meeting of Shareholders • Publication of Value Report • Publication of Business Report (twice annually)	• Issuance of IR News Mail • Facility tours for individual shareholders • Corporate briefings for individual investors	• Enhancement of information disclosure • Creation of relationships of trust with shareholders and investors through active dialogue Click here for information on the results of these dialogues
Local communities	To protect the global environment and enable all people to enjoy a rich and fulfilling life, we will strive to cooperate with, participate in, and give back to society by fostering local culture and prosperity while making the most of our uniqueness as a housing company.	• Sekisui House Matching Program for joint donations by employees and the Company • Collaboration with NPOs such as Kids Design Association • Career education and field trips for elementary, junior high, and high school students	• Facility tours and hands-on learning programs • Comprehensive partnership agreements with local governments • Provision of public facilities such as housing to promote relocation and permanent residency • Provision of medical, nursing care, child-rearing and wellness-related facilities • Trip Base *Michi-no-Eki* Stations Project	• "A Letter from Dr. Forest" and happy homes educational programs for elementary and junior high school students	• Living that offers safety and peace of mind • Community development for crime prevention and disaster preparedness • Creation of spaces for intergenerational exchange • Fostering of future generations • Support for disaster victims and people with disabilities to become self-reliant • Support for a diverse society • Regional revitalization • Coexistence with local communities • Social contribution activities (including initial disaster response and recovery and reconstruction support)

Small-scale meetings between Outside Directors and institutional shareholders

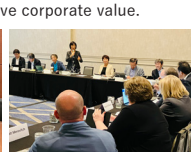
Sekisui House hosts periodic dialogues involving Outside Directors and institutional shareholders. In FY2024, we held two such small-scale meetings, with five Outside Directors engaging in dialogue with institutional shareholders. Lively discussions took place on various matters, such as assessing the effectiveness of Sekisui House's Board of Directors, initiatives in the areas of nomination and remuneration, and the responsibilities of Outside Directors in establishing a global governance structure after the acquisition of MDC. In addition, we held individual meetings with domestic and international institutional investors, and shared the feedback gained through these dialogues with Internal Directors. Outside Directors strive to deepen their understanding of our business by maintaining close communication with Internal Directors and Executive Officers, as well as by actively conducting onsite tours. These efforts, in turn, help improve the quality of dialogues with shareholders and institutional investors. In FY2024, we also conducted onsite tours at our U.S. homebuilding business and exchanged opinions with managers of local builders.

We will continue to conduct ongoing communications between Outside Directors and institutional shareholders to secure a shared awareness of issues and problems confronting the Company and improve corporate value.



A small meeting attended by institutional shareholders





Onsite tours at our U.S. homebuilding business Meetings with managers of local builders

Engagement with individual shareholders



In FY2024, we organized a tour of Tomorrow's Life Museum Yamaguchi as part of our initiatives to help individual shareholders gain a deeper understanding of Sekisui House's operations through facility tours. We offered shareholders the opportunity to visit our latest lifestyle proposal-oriented model houses and to experience firsthand the structures and features of our homes—elements not typically visible after completion—within the technical exhibition area. Shareholders also toured the structural framing production line and the Resource Recycling Center, where they observed the operation of an AI-controlled system made to enhance production line efficiency for heavy steel beams, as well as our zero emission initiatives regarding waste separation and recycling. Following the tour, we gave a presentation on our business and engaged in dialogue with all shareholders. Many respondents expressed satisfaction in the post-event survey. Going forward, we will continue to deepen understanding of our business by fostering opportunities for high-quality engagement with individual shareholders through facility tours and other events.

Message from Chairperson of the Board of Directors

Striving for further improvements to corporate value by ensuring thorough PDCA implementation based on effectiveness evaluations



Toshifumi Kitazawa
Independent Outside Director of the Board (Chairperson of the Board of Directors)
Has held positions including President & Chief Executive Officer, and Vice Chairman & Director at Tokio Marine & Nichido Fire Insurance Co., Ltd. Appointed Independent Outside Director of the Company in April 2020 and Chairperson of the Board of Directors in May 2021.

Striving to Enhance the Effectiveness of the Board of Directors

To strengthen corporate governance, The Company conducts an annual evaluation of the effectiveness of our Board of Directors by a third-party organization. Issues identified in this evaluation are designated as important agenda items for the Board of Directors to tackle over the course of the year, and efforts are made to strengthen supervisory and decision-making functions based on PDCA cycles.

The Board of Directors is comprised of five Internal Directors of the Board, who possess thorough knowledge of the Company's various areas of business, and five Outside Directors of the Board—three of whom are women—with diverse backgrounds. With their diversity of experience and well-balanced knowledge, these Directors of the Board engage in discussions from a wide perspective and make effective decisions.

Moreover, we are striving to strengthen communication between Internal and Outside Directors of the Board to enhance the sense of unity among members, who engage in discussions and decision-making regarding the realization of our Global Vision through sustainable growth, thus evolving the Board of Directors.

In particular, top management actively provides Outside Directors of the Board with opportunities to gain a deeper understanding of actual business operations. This approach helps foster trust and sound collaboration between Internal and Outside Directors of the Board.

Important Strategic Themes for FY2024

In the FY2024 Board of Directors meetings, we focused on the following two strategic priorities, while keeping in mind the issues identified in the previous year.

The first is strengthening Group governance both domestically and overseas. In particular, the acquisition of MDC differed significantly from our past acquisitions of overseas businesses in terms of scale and impact, prompting the Board of Directors to closely monitor the progress of post-merger integration (PMI) with a strong focus on enhancing governance.

Furthermore, strengthening our systems to meet the expectations of mainly upper-middle class customers seeking high-quality, comfortable homes is essential in the domestic market. We are also working to enhance comfort and peace of mind through the introduction of new technologies, aiming to respond to these needs with a customer-centric approach. To that end, it is important to provide attractive products that align with market needs more efficiently and effectively across the detached housing, rental, and condominium sectors. The Board of Directors engaged in repeated discussions on developing products and enhancing services that guarantee high customer satisfaction, and also worked to further strengthen the Group-wide management structure.

Initiatives for Strengthening Group Governance

I believe that governance reforms in the last few years have made steady progress and are now having an impact across the Group. The Board of Directors has long recognized the importance of Group governance and has promoted initiatives such as transitioning Sekisui House Real Estate and Sekisui House Construction to a holdings structure, thereby advancing more sophisticated corporate management and stronger governance across the Group. Additionally, as a result of assigning tough assignments and promoting personnel exchanges, I feel that the transparency of Group management and its ability to drive business have improved, leading to the establishment of a more robust organizational structure.

When expanding overseas, we place particular emphasis on strengthening governance in the U.S. market. While the business environment differs between Japan and the U.S., the fundamental nature of the housing business remains the same. We aim not only to expand the scale of our operations through acquisitions but also to build up the Sekisui House brand in the U.S. market. To realize this, a more robust governance structure must be established. Accordingly, the Board of Directors has debated the need for proactive involvement of domestic divisions in the U.S. business and for reinforcing the structure to support its growth. This led to the establishment of the "U.S. Homebuilding Steering Committee," which involves multiple domestic divisions in the U.S. business and creates a framework for the Company-wide support of its growth.

To ensure the success of our U.S. business, it is crucial for Japanese and U.S. managers to maintain close communication with one another and to foster a culture of mutual understanding while they respect the corporate culture on both sides. U.S. management is showing increasingly strong alignment with the idea of becoming a game changer in the U.S. housing market by leveraging Sekisui House's diverse technical capabilities.



Numerous challenges still lie ahead, but by analyzing the various issues experienced by Japanese companies in the U.S. market, the Board of Directors seeks to strengthen mutual understanding among management and contribute to the sound growth of our U.S. business by leveraging Sekisui House's technologies to deliver housing that provides safety and peace of mind.

Driving Continued Improvement in Corporate Value

In FY2025, the Board of Directors will remain mindful of the issues identified through effectiveness evaluations and will work towards sustainable corporate growth and the realization of our Global Vision. We believe our most important role is to support the expansion of a corporate culture—both in Japan and overseas—where employees can work with enthusiasm while also providing homes that delight our customers. This, in turn, will contribute to the creation of beautiful townscapes and communities that provide safety and peace of mind to society while serving as a foundation for the Company's long-term growth. To fulfill this role, the Board of Directors must accurately grasp the rapidly changing business environment, provide appropriate recommendations, and contribute to the Company's medium- to long-term growth.

The realization of Sekisui House's Global Vision hinges on legal compliance and strengthened corporate governance. We believe instilling these principles at the root of our corporate culture is essential to achieving sustainable growth. To that end, it is important to further cultivate a culture across all divisions of the Group where everyone will work with empathy and consideration. We believe that when all employees—both in Japan and overseas—consistently demonstrate empathy for others in their work, communication is enriched, mutual understanding grows, and employees' motivation and fulfillment in their work increase.

We will continue to enhance the effectiveness of the Board of Directors through high-quality discussions, strengthen Group governance, and remain steadfast in our efforts to further increase corporate value.

Evaluation of Effectiveness of the Board of Directors

Evaluation methods

- Questionnaires for all Directors of the Board as well as all Audit and Supervisory Board Members (prepared, distributed and collected by the third-party evaluation agency)
- Interviews conducted by the third-party evaluation agency targeting all Directors of the Board as well as all Audit and Supervisory Board Members (around one hour per individual)
- Reviews of materials used in Board of Directors meetings and minutes of meetings

Questionnaire items

- Overall evaluation of the Board of Directors
- Composition of the Board of Directors
- Preparatory measures undertaken prior to meetings
- Operations of the Board of Directors
- Quality of discussions
- Effectiveness of the Personnel Affairs and Remuneration Committee
- Supervision over business execution
- Significance of each agenda item and the level of meaningfulness of relevant discussions

These results were evaluated, examined and compiled into a report by the third-party agency. The Board of Directors held discussions at a meeting held in February 2025 after receiving explanations on the report from said agency.

Outline of the Evaluation Results of the Board of Directors for Fiscal Year 2024

1. Conclusions

The evaluation concluded that the Board of Directors' operations were effective at a sufficiently high level. In addition, it was confirmed that general progress was made concerning initiatives to address issues identified in the course of the previous fiscal year's evaluation of the effectiveness of the Board of Directors.

Issues for FY2024	Initiatives/issues confirmed through the Board of Directors evaluation	Progress
1 **Further enhancement of strategic discussions**	○ Through a large-scale overseas M&A and post-merger integration (PMI), there were more opportunities to hold discussions from the perspective of global-level group management and finances, and significant progress was confirmed. Discussions on DX, IT, and information security also progressed. Main initiatives • While the acquisition of MDC, a strategic investment, required quick decision-making, decisions were made after thorough discussions through an extraordinary meeting attended by all Directors of the Board, with independent Outside Directors of the Board leading the discussions. • There were more opportunities to regularly discuss finances from the perspective of ROIC and balance sheets. • Matters regarding DX, IT, and information security were regularly reported to the Board of Directors, and Director of the Board Mr. Abe provided advice to the executive team. ○ While overall improvement is still in progress, system reinforcement and further improvement in operations are expected in order to enhance strategic discussions in the future. • For strategic decision-making, it is necessary to promptly share information with all Directors of the Board hold meetings for discussion, to ensure that the knowledge of Outside Directors of the Board is utilized, and secure enough opportunities for thorough and productive discussions. • With regard to finances, CFO functions need to be strengthened to address agenda items for Company-wide strategies at the Board of Directors meetings and to oversee business execution from a financial perspective. • CIO functions to oversee Group-wide IT needs to be established for DX, IT, and information security matters.	Improvement now under way
2 **Further strengthening of secretariat functions**	○ The secretariat functions are generally working well and is highly praised by members of the Board of Directors. Sincere efforts were made to make improvements in the issues pointed out last fiscal year, and progress was confirmed. Main initiatives • Frequently sharing internal information with Outside Directors of the Board fosters their understanding of the Company's activities. • Reflected the points that were raised during the prior explanation of the materials for the Board of Directors meetings. ○ While overall improvement is still in progress, further efforts are needed to effectively operate the Board of Directors meetings in light of the increasing need to speed up the sharing of information from the executive side to the Board of Directors and to ensure sufficient time for important agenda items due to the increase in the number of proposals. • Selection of important proposals in collaboration with the secretariat and preparation of materials focused on key points. • Sharing information at an earlier stage to ensure that members of the Board of Directors are sufficiently prepared for discussions. • Securing opportunities for Outside Directors of the Board to systematically deepen their understanding of the industry and the Company's business, amid ongoing transitions in Outside Directors of the Board.	Improvement now under way

2. Strengths supporting the effectiveness of the Board of Directors

Based on the results of evaluation made by the third-party agency, the Board of Directors confirmed that its effectiveness has been supported by the "strengths" outlined below in 1 to 3.

Strengths	Details of strengths (observations by the third-party agency)
1 **Presence of leaders to ensure effective governance**	• Many Directors of the Board who play leadership roles, including President, Executive Vice President, and Chairperson, successfully balance supervision and business execution at a high level based on their own management experience.
2 **Strong commitment of Independent Outside Directors of the Board**	• Proactive advice to the executive team based on the premise of "moderate separation of supervision and execution". • Work with a deep understanding of not only individual agenda items but also the Company's culture and challenges, and time commitment.
3 **Proactive involvement of the Board of Directors secretariat**	• Active and prompt preparation and response by the Board of Directors secretariat. • Sincere attitude towards improvement after getting feedback. • Leadership of the officer in charge who makes the above response possible.

3. Issues for further enhancing the effectiveness of the Board of Directors

As listed below, the Board of Directors identified issues to be addressed in the fiscal year ending January 31, 2026 based on the findings and proposals of the third-party agency. The Board also confirmed that it will consider the following initiatives going forward.

Issues for FY2025		Details of issues (observations by the third-party agency)	Initiatives to be considered
1 **Further strengthening of governance from a group/ global perspective**	a. Further enhancement of discussions on global and financial strategies	• There is a need for the Board of Directors to further enhance discussions on important themes, such as the acquisition of MDC and PMI, from the perspective of the Company-wide strategies and improving corporate value. • By strengthening the CFO functions centering on finance specialists, it is expected that discussions at the Board of Directors meetings will be enhanced, and business execution will be overseen from the perspective of Group-wide/global financial strategies (including the balance sheet).	• To increase opportunities for reporting and discussing Company-wide strategies (e.g., setting the annual schedule for agenda items, camps for formulating strategies). • To enhance the CFO functions (e.g., team reinforcement, supervisory involvement in discussions). • To share information promptly with all members of the Board of Directors (e.g., early delivery of materials, participation as an observer in the business investment council). • To review criteria for submission of agenda items and utilize written resolutions.
	b. Ensuring sufficient opportunities for discussion on strategic themes	• During discussions regarding the acquisition of MDC, there was a delay in sharing sufficient information with some Directors of the Board, including Outside Directors of the Board, due to information management, which is scope for improvement. • As the number of agenda items at the Board of Directors meetings increases, operations of the Board of Directors need to be improved and reviewed from a broad perspective, to secure sufficient time for strategic themes.	
2 **Enhancement of discussions on succession to ensure the continued high effectiveness of the Board of Directors**	a. Deeper understanding of candidates	• The effectiveness of selecting the right candidate depends on members of the Personnel Affairs and Remuneration Committee (especially Outside Directors of the Board) deepening their understanding of the Company's internal human resources. • It is expected that through future succession of Internal and Outside Directors of the Board, the process will be further refined, leading to a more effective succession.	• To further increase direct contact between Outside Directors of the Board and talent candidate pool. • To provide intensive onboarding support for new members of the Personnel Affairs and Remuneration Committee.
	b. Smooth transition of leaders	• It is important to further develop an environment in which newly appointed Directors of the Board can fully utilize their knowledge and experience while gaining a deep understanding of the characteristics of the Company's governance so that the effectiveness of the Company's governance, which is supported by leaders, will be succeeded and developed.	

Message from the Chairperson of the Audit and Supervisory Board

Proactive approach to risk management through preventive audits that support the Group's sound, long-term growth



Ryuichi Tsuruta
Outside Standing Audit and Supervisory Board Member (Chairperson of the Audit and Supervisory Board)
After serving as manager of the IR Office of Panasonic Corporation as well as an Outside Audit and Supervisory Board Member for publicly listed companies, he was appointed for a second term as an Audit and Supervisory Board Member (external) and Audit and Supervisory Board Chairperson in April 2022.

FY2024 in Review

Since launching governance reforms in 2018, the Company's Audit and Supervisory Board has worked to strengthen the governance framework by emphasizing transparency and sound management practices. Our goal is to earn the trust of shareholders and other stakeholders while contributing to sound growth and enhanced enterprise value.

An experienced third-party agency conducted an objective evaluation of the effectiveness of the Audit and Supervisory Board in FY2023, with the goal of improving the quality of audits performed by Audit and Supervisory Board Members and enhancing its operations. In FY2024, to further strengthen objectivity, interviews with the Representative Director in charge of the Administration Division and the Chairperson of the Board of Directors were added to the evaluation process. Broadening both the perspective and assessment encompassed in the evaluation has ensured its objectivity and driven the establishment of guidelines for the Audit and Supervisory Board's activities.

FY2024 saw robust efforts to enhance the Group-wide audit structure and strengthen collaboration with Outside Directors of the Board, which were two areas of focus identified in the previous fiscal year.

Based on the Company's audit structure, we conducted three-way audits to accurately assess domestic and overseas operations as well as the state of internal controls, enabling the Audit and Supervisory Board to offer guidance and suggestions toward improving management. The three-way audits involved close collaboration of Audit and Supervisory Board Members, external accounting auditors, and the Internal Audit Department to verify the development and implementation of Group-wide internal controls. Notably, these joint three-party audits represent an advanced approach rarely seen at other companies. They also successfully reduced the burden on audited departments and improved audit quality.

As for strengthening collaboration with Outside Directors of the Board, we held regular study sessions and provided opportunities for dialogue, thus fostering deeper mutual understanding. In addition to candid quarterly discussions with Outside Directors of the Board, we are confident that the regular one-on-one meetings between the Chairperson of the Board of Directors and the Chairperson of the Audit and Supervisory Board play an important role in enhancing the effectiveness of corporate governance.

Onsite Visits Enable Deeper Insight

At Sekisui House, an Outside Audit and Supervisory Board Member serves as full-time Chairperson of the Audit and Supervisory Board. This distinctive governance feature enables a "hands-on" understanding of actual situations and given circumstances through dialogue with onsite and front-line sales personnel. Company audits are grounded in real-world conditions, rather than abstract theory, and conducted while maintaining independence and neutrality. This approach allows us to provide advice that resonates with both onsite personnel and top management.

The Audit and Supervisory Board independently determines such matters as the number of Audit and Supervisory Board Members, their remuneration, and retirement age. Since 2022, we have promoted initiatives with a shareholder-focused approach, such as aligning the remuneration levels of Audit and Supervisory Board Members with those of similar-sized companies.

As Audit and Supervisory Board Members, our role is not to issue orders directing management, but to uphold governance by providing supervision and guidance through various suggestions. As such, our words carry significant weight, and our remarks are expected to demonstrate intellect, integrity, and humanity. Our instructions are issued after thoroughgoing consideration and, when necessary, we are prepared to speak candidly and speak up at the cost of our positions. This mindset is fully shared by all Audit and Supervisory Board Members.

Strengthening the Global Audit Structure

The expansion of our overseas business has also broadened the scope of audits, posing new challenges and highlighting the need to further strengthen the global audit structure.

Verifying the adequacy of internal controls is positioned as a primary issue for Audit and Supervisory Board Members in FY2025, especially in light of recent overseas business growth. We aim to clarify audit standards for our overseas subsidiaries and strengthen cooperation with accounting auditors in the U.S. and Australia to support business operations built on mutual understanding across differing value systems.

We plan to streamline our site visits to domestic subsidiaries by carefully selecting audit targets based on quantitative standards, such as total assets and number of employees, while prioritizing audits in high-risk regions and business areas. We have also introduced a "risk analysis sheet" that will help us quantitatively evaluate such factors as workplace culture and compliance awareness at each business site, allowing for fact-based feedback and improvements. This framework is now being adopted across other business divisions and subsidiaries, fostering proactive risk management.



We are also strengthening information security by clearly distinguishing between the first, second, and third lines of defense and sharing this awareness with executives. We stress the reliable implementation of fundamental measures, such as building in safeguards during IT system upgrades, and optimizing operations after introduction.

These initiatives have helped sharpen audit focus, improve efficiency, and optimize the activities of Audit and Supervisory Board Members. It is also vital for Standing Audit and Supervisory Board Members to approach uncomfortable information—from both inside and outside the Company—with openness and resolve. We are transparent with this information, sharing it in its entirety with Outside Audit and Supervisory Board Members and working in collaboration with Outside Directors of the Board to initiate constructive action as a proactive approach to risk management. In other words, we strive to embody the spirit of Gyakuji Fusshin (to willingly accept and reflect on harsh and critical advice that can be an expression of deep care and moral integrity) as expressed in the 16th century Chinese book *Caigentan*.

Looking ahead, the Audit and Supervisory Board will continue to prioritize preventive audits as a proactive approach to risk management, while promoting efficiency and verifying the maintenance of robust internal controls. We aim to conduct careful, thorough, and hands-on audits. We also encourage the Company to build a habit of following through on what ought to be done, even in detailed work processes, through such audit. To support the continued enhancement of the Sekisui House Group's enterprise value, we will continue to carry out effective and meaningful audits, and to engage top management through convincing communication.

Evaluation of Effectiveness of the Audit and Supervisory Board

Evaluation methods

- Questionnaires for all Audit and Supervisory Board Members (prepared, distributed and collected by the third-party agency)
- Interview of all Audit and Supervisory Board Members, Chairperson of the Board of Directors (Outside Director of the Board), Director of the Board in charge of the Division of Administration and Human Resources, Head of the Auditing Department, International Auditing Office Lead, and the accounting auditor, conducted by the third-party agency (around one hour per individual)

* In order to gain new insights based on the opinions of partners and audit targets, the Chairperson of the Board of Directors (Outside Director of the Board) and Director of the Board in charge of Division of Administration and Human Resources were added as interviewees for the fiscal year ended January 31, 2025.

- Examination of the materials and minutes of meetings of the Audit and Supervisory Board

In addition, following the results of the evaluation for the fiscal year ended January 31, 2024, Audit and Supervisory Board Members felt the need to discuss the vision for the medium- to long-term audits by Audit and Supervisory Board Members. Accordingly, for the fiscal year ended January 31, 2025, the third-party agency was used to conduct a questionnaire on this direction and set up opportunities for discussions among all Audit and Supervisory Board Members.

Main questionnaire items

- Audit policies and plans
- Recommendations to senior management and auditing of business execution
- Internal audit system
- Subsidiary audit system
- Fraud detection system
- Accounting audits system
- Three-way auditing coordination
- Audits of the establishment and operation of the internal control system
- Operation of the Audit and Supervisory Board, etc.

The results were evaluated, examined and compiled into a report by the third-party agency. The Audit and Supervisory Board held discussions at a meeting held in February 2025 after receiving explanations on the report from said agency.

Outline of the Evaluation Results of the Audit and Supervisory Board for Fiscal Year 2024

1. Conclusions

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 its members, based on analysis of the results of the questionnaire and interviews and the recommendations of the third-party agency.

Moreover, the Audit and Supervisory Board confirmed that progress had generally been made on the following issues indicated in the evaluation of the effectiveness of the Audit and Supervisory Board in the previous fiscal year, in addition to on the conventional audit activities.

Issues for FY2024	Initiatives / issues confirmed through the Audit and Supervisory Board evaluation	Progress
1 Strengthening the Group-wide auditing system	∘ It was confirmed that audits had been enhanced through cooperation between the Auditing Department and the accounting auditor through the three-way auditing coordination. It was also confirmed that the Audit and Supervisory Board has been working to improve the auditing system for overseas businesses and to cooperate with U.S. subsidiaries.	Improvement now under way
2 Strengthening cooperation with Outside Directors of the Board	∘ While the discussion focused on the agenda items for Board of Directors meetings, the exchange of opinions on Group-wide topics also helped to share issues. It was also confirmed that cooperation had been further strengthened through efforts such as holding study sessions for Outside Directors of the Board and Audit and Supervisory Board Members.	Improved

2. Strengths supporting the effectiveness of the Audit and Supervisory Board

Based on the evaluation made by the third-party agency, the Audit and Supervisory Board confirmed that its effectiveness has been supported by the "strengths" outlined below.

Strengths	Details of strengths (based on the evaluation made by a third-party agency)
1 Exchange of opinions with and proposals to senior management	• Exchanges of opinions and proposals based on the relationship of trust between senior management and Audit and Supervisory Board Members have been taking place. • Audit and Supervisory Board Members provide advice based on the actual situation by communicating with on-site employees. • It was confirmed that Audit and Supervisory Board Members' questions and opinions, which came from an appropriate distance, provided an opportunity for senior management to become aware of the situation.
2 Cooperation with Outside Directors of the Board	• A shared understanding of the Group's issues is fostered by making more opportunities for communication, such as meetings between Chairperson of the Board of Directors and Chairperson of the Audit and Supervisory Board as well as joint briefing sessions and study sessions between Outside Directors of the Board and Audit and Supervisory Board Members. • Outside Directors of the Board and Audit and Supervisory Board Members discussed their own roles in improving corporate value. • Outside Directors of the Board and Audit and Supervisory Board Members discussed ways to facilitate the execution side to address issues shared between them. • In addition to study sessions and opportunities for exchanging opinions, Outside Directors of the Board and Audit and Supervisory Board Members also deepened their mutual understanding through interactions at internal events, built relationships that enable the exchange of honest opinions and contribute to further strengthening cooperation.
3 Cooperation with the internal audit division and the accounting auditor	• At the regular Three-Way Auditing Collaboration Meetings, not only issues concerning domestic subsidiaries but also issues concerning overseas subsidiaries based on information provided by the International Auditing Office and accounting auditors at overseas locations were also shared, and discussions became more in-depth with each meeting. • In addition to the cooperation described above, the three parties also actively exchanged opinions at the site of the on-site audits, such as when they conducted on-site audits of overseas subsidiaries together.

3. Issues for further enhancing the effectiveness of the Audit and Supervisory Board

Based on the issues for consideration to further improve effectiveness indicated by the third-party agency, the Audit and Supervisory Board confirmed that the items shown below are key issues to be addressed in the future.

Issues for FY2025	Details of issues	Initiatives to be considered
1 Confirmation of the sufficient controls in light of the future expansion of U.S. businesses	• Confirmation of the sufficient control level in light of the scale of the U.S. homebuilding business and the U.S. business practices, etc., while the U.S. businesses are expected to expand further going forward.	• By conducting interviews with the executive side, cooperating with the U.S. subsidiaries and gathering information on the U.S. homebuilding business, an understanding of the business environment, etc. will be deepened, and it will be confirmed whether a sufficient level of controls has been established.
2 Confirmation of the sufficient controls for systems and information security	• Confirmation of initiatives by the executive side regarding the development of human resources that can respond to issues related to system construction and information security (information security personnel).	• Closely monitor initiatives by the executive side to address the issues listed on the left. • Confirm the response of the executive side to utilize outside experts and other measures to maintain the level of controls, as it takes a certain amount of time to develop information security personnel.
3 Summarizing the skills and experience expected of future "Audit and Supervisory Board" members	• Summarizing the necessary and optimal combination of skills and experience for "Audit and Supervisory Board" Members for the future.	• Considering the medium- to long-term business expansion of the Group and changes in the organizational structure, etc., summarize the optimal combination of skills and experience required by the Audit and Supervisory Board and utilize this to develop future candidates for the position of Audit and Supervisory Board Member.

Corporate Governance

Basic Approach

The Sekisui House Group's fundamental philosophy is "Love of Humanity." Guided by our corporate philosophy of "Truth & Trust," "Deliver the highest quality and technology," and "Create enriching homes and environments," we regard corporate governance as a critical management priority. To continuously enhance corporate value and earn the trust of all stakeholders, including shareholders and investors, we are committed to strengthening the effectiveness of our corporate governance and establishing a framework that enables swift and transparent decision-making.

2018 marked the beginning of the Sekisui House Group's governance reform initiatives. We have steadily implemented a range of initiatives aimed at building a resilient management foundation for long-term, sustainable growth. These initiatives include introducing a mandatory retirement age of 70 for Representative Directors, establishing Management Meetings, clarifying the areas of responsibility for Directors of the Board, and reforming both the executive compensation system and the executive officer system. We remain committed to enhancing and openly communicating our corporate governance philosophy and framework to all stakeholders while continuously striving for improvement.

Basic Policy on Corporate Governance

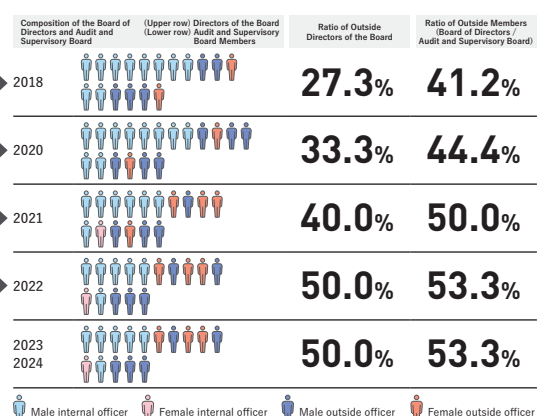
Changes in Governance

2018 First year of corporate governance reforms
1. Introduction of a mandatory retirement age of 70 for Representative Directors of the Board
2. Appointment of women as outside officers
3. Increase of transparency and enlivened Board of Directors meetings
4. Establishment of Management Meetings
5. Clarification of departments under the control of Directors of the Board
6. Evaluation of the effectiveness of the Board of Directors
7. Confirmation of the independence and strengthening of the check-and-balance functions of the heads of general affairs of sales administration headquarters and branches
8. Increase in the integrity of branch heads
9. Introduction of a restricted stock remuneration system (2019)
10. Abolition of the bonus system for Outside Directors of the Board (2019)

2020 Revision of the basis for proportional allocation of remuneration and determination of appropriate remuneration levels
Increase in the number of Outside Directors of the Board from three to four
Establishment of the ESG Promotion Committee (reorganization of the CSR Committee)

2021 Reformation of the executive officer system
Appointment of an Outside Director of the Board as Chairperson of the Board of Directors
Disclosure of the individual remuneration of Internal Directors of the Board

2022 Increase in the number of Outside Directors of the Board from four to five



Corporate Governance Highlights (As of April 23, 2025)



Ratio of Outside Directors of the Board
50.0% (5 of 10)

Ratio of Outside Audit and Supervisory Board Members
60.0% (3 of 5)

Ratio of outside officers
53.3% (8 of 15)[1]

1 5 of 10 Directors of the Board and 3 of 5 Audit and Supervisory Board Members

Ratio of female officers
26.7% (4 of 15)[2]

2 3 of 10 Directors of the Board and 1 of 5 Audit and Supervisory Board Members

Strengthening Governance through Unified Leadership and Business Management

Under the Sixth Mid-Term Management Plan launched in FY2023, the Sekisui House Group is advancing governance enhancements across both senior leadership and business management. These efforts aim to facilitate energize the innovation and communication that drive the Group's growth and value creation.

At the leadership level, our Board of Directors demonstrates a high degree of diversity, with Outside Directors and female Directors accounting for 50% and 30%, respectively. The Board of Directors enhances its effectiveness by actively incorporating objective evaluations by third-party agencies. It also promotes robust discussions on medium- to long-term strategies aligned with our Global Vision while continuing to evolve our corporate governance by strengthening its oversight of business execution.

At the business management level, we are developing and strategically allocating governance professionals across all domestic and overseas Group companies. In parallel, we are enhancing and expanding internal audit functions. Through these and other initiatives, we are reinforcing our corporate functions and improving the effectiveness of our Group-wide governance network.

Establishing Our Governance System

Mid-Term Management Plan Strengthening corporate governance through senior management and business management—Driving forces of innovation and communication

Senior Management Level

1 Moving forward from the development of a corporate governance framework to the new stage of realizing its functional effectiveness

— The Board of Directors, now equipped with greater diversity than before, exercises its functions to the fullest. —

■ Facilitating lively Board room discussions in accordance with our Global Vision
- Enhancing the Board of Directors' functions via a third-party evaluation of its effectiveness
- Delegating authority from the Board of Directors to Management Meetings and other bodies

■ Strengthening the effectiveness of our senior management candidate pipeline
- Strengthening our pipeline by upgrading the selection process for Executive Officers and operations officers
- The Personnel Affairs and Remuneration Committee monitors the effectiveness of the management pipeline

2 Increasing the sophistication of stakeholder engagement

— Exercising spontaneous judgment for consistent information disclosure. —

■ Further upgrading our mode of information disclosure
- Enhancing the content of information being disclosed about the current status of the linkage between tackling material issues and strengthening corporate governance
- Securing consistency in information disclosure and reinforcing its effectiveness as messaging

Business Management Level

1 Rolling out Group governance systems on a global basis

— Removing boundaries between domestic and overseas Group entities, with the aim of creating a network based on mutual trust. —

■ Establishing Group governance in the U.S.
- Ensuring that our U.S. operations are supervised by clearly defined regional headquarters functions on an ongoing basis
- Allocating human resources to local subsidiaries based on their functions

■ Promoting the governance network
- Stepping up the development of governance specialists and optimally allocating them to domestic and overseas Group companies
- Strengthening corporate functions in place at domestic and overseas Group companies

■ Enhancing our internal audit structure for global auditing
- Developing internal audit functions aligned with the size of domestic and overseas Group companies as well as risks specific to each

2 Fostering a corporate culture based on mutual trust achieved via robust communications

— Aiming for the creation of a workplace that ensures psychological safety for employees and empowers them to work vibrantly. —

■ Developing an environment aimed at raising compliance awareness among employees
- Promoting training for all employees while encouraging the active use of whistleblowing and counseling hotline systems

■ Strengthening our capabilities for autonomous organizational management
- Securing a greater number of leaders equipped with robust integrity

Topics for FY2024

— Findings of the third-party agency evaluation of the effectiveness of the Board of Directors
- Through a large-scale overseas M&A and post-merger integration (PMI), there were more opportunities to hold discussions from the perspective of global-level group management and finances, and significant progress was confirmed. Discussions on DX, IT, and information security also progressed.

— Enhancing the quality of legal disclosure
- The Annual Securities Report for the 73rd fiscal year, prepared in line with the mandatory disclosure of sustainability information, was selected by the Financial Services Agency as a best-practice example in the areas of human capital and diversity, human rights, and audits.

— Strengthening Group governance
- We are rolling out group governance on a global basis, as we have built a system to promote MDC's PMI in cooperation with the various departments of the head office, including existing Group builders in the United States.

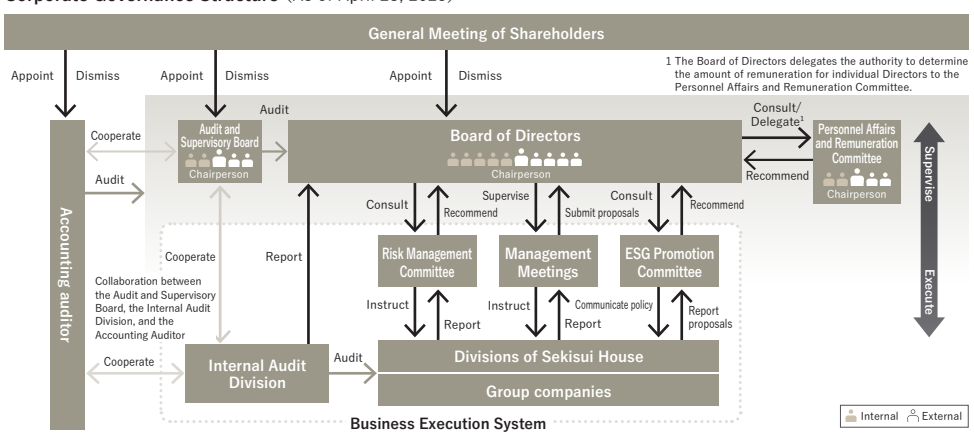
— Establishing an environment to enhance compliance awareness
- The external law firm handling the whistleblowing and consultation hotline system was unified across both domestic and overseas operations, and we engaged in awareness-raising activities targeting new domestic and overseas Group companies as well as suppliers.
- Human Relations Training and Compliance Training, which all employees attend, were combined into a single Human Rights and Compliance Training program.

Corporate Governance

Corporate Governance Structure

- In accordance with the organizational framework defined in the Companies Act, we have adopted an Audit and Supervisory Board structure, ensuring a high degree of independence for both the Board and its members. To accelerate decision-making and respond effectively to rapidly changing economic and market conditions, we have also implemented an executive officer system.
- As part of reforms introduced in April 2021, we established a four-tier structure within the executive officer system: Entrusted Executive Officers concurrently serving as Directors of the Board (President, Vice President, Senior Managing Officer), Entrusted Executive Officers who are candidates for Director of the Board (Senior Managing Officer, Managing Officer), Employed Executive Officers who retain employee status and can be flexibly appointed, and Operating Officers who are candidates for the above roles. Through clear definitions of roles, personnel requirements, and appointment and dismissal processes, we are strengthening leadership development across divisions and building a sustainable leadership pipeline.
- Also since April 2021, the role of Management Meetings has been expanded beyond pre-deliberation of key agenda items for the Board of Directors. Entrusted Executive Officers (Managing Officer and higher) now use these meetings to share information and make decisions on individual business execution. Outside Directors of the Board and Audit and Supervisory Board Members may attend as observers.
- The Board of Directors, including Outside Directors of the Board, is supported by a skill matrix encompassing diverse knowledge, experience and capabilities. This enables the Board of Directors to formulate business strategies, management policies, and plans while overseeing the execution of medium-to-long-term key business initiatives. To ensure a balanced governance structure, short-term and segment-specific business execution is delegated to Management Meetings and similar bodies, allowing for a moderate separation between supervisory and executive functions.

Corporate Governance Structure (As of April 23, 2025)



Organizations/Committees and Their Roles

Board of Directors

The Board of Directors consists of ten members (seven men and three women) including five Outside Directors of the Board. In principle, the Board meets once a month. Its primary responsibilities include formulating management policies, strategies and plans, and making decisions on key business operations, as well as supervising and evaluating the performance of Directors of the Board and Executive Officers and establishing systems, such as internal control and risk management, to ensure sound corporate governance and management integrity.

To encourage constructive dialogue, we have separated the roles of Chairperson of the Board of Directors and the convener. Since May 2021, an Outside Director of the Board, Toshifumi Kitazawa, has served as the Chairperson of the Board of Directors, while Representative Director of the Board, President, Executive Officer (Yoshihiro Nakai) serves as the convener.

The Board of Directors is composed of a number of members deemed appropriate for meaningful deliberation. We ensure that at least one-third of the Board of Directors consists of independent Outside Directors. A skill matrix is developed based on our business strategies and management plans to maintain a well-balanced composition of Board of Directors. This includes those with expertise in finance, accounting, laws, compliance, and other relevant fields. Consideration is also given to knowledge, experiences, capabilities, tenure, and gender to ensure both diversity and appropriate board size.

To support duties of Outside Directors of the Board, we have established the Office of Directors, staffed by several employees including dedicated personnel. Details on the number of agenda items and key topics discussed in FY2024 are available in the Annual Securities Report (P.119).

Annual Securities Report for the 74th fiscal year (FY2025)

Audit and Supervisory Board

The Audit and Supervisory Board consists of five members (four men and one woman), including three Outside Members. It formulates audit plans and, based on these 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 their respective duties. When necessary, it requests further explanations and provides relevant advice. It also holds regular discussions with the Representative Director and Outside Directors of the Board to ensure alignment and oversight.

Audit and Supervisory Board Members maintain close communication with the Internal Audit Division and hold regular meetings with the accounting auditor. These interactions foster mutual cooperation and help ensure that all audit activities are conducted efficiently and effectively.

To support the Audit and Supervisory Board's operations, we have established the Office of Audit and Supervisory Board Members, staffed by several employees including dedicated personnel. Employees assigned concurrently to this office maintain independence in their duties and are not subject to instructions from their original departments regarding work performed for the Audit and Supervisory Board. Personnel decisions concerning these employees are made with respect to the opinions of the Audit and Supervisory Board Members, ensuring operational autonomy.

Personnel Affairs and Remuneration Committee

As an advisory body to the Board of Directors, the Personnel Affairs and Remuneration Committee provides recommendations to ensure fairness and transparency in matters related to the appointment and remuneration of the Directors and Executive Officers. Based on delegation from the Board of Directors, the Committee also determines individual remuneration amounts for Directors and entrusted Executive Officers.

The Committee is chaired by an independent Outside Director and the majority of its members are also independent Outside Directors. Currently, the Committee comprises two Representative Directors and three independent Outside Directors, with independent Outside Director (Yukiko Yoshimaru) serving as the Chairperson.

Corporate Governance

Management Meetings

Management Meetings facilitate active discussions among Entrusted Executive Officers. Their purpose is to conduct prior deliberations on important matters to be submitted to the Board of Directors, make decisions on specific operational issues based on management policies and strategies, and share information on business execution policies and challenges.

Outside Directors of the Board and Audit and Supervisory Board Members may attend these meetings as observers. Depending on the agenda, Employed Executive Officers and Operating Officers are requested to participate, ensuring a dynamic and inclusive exchange of views.

ESG Promotion Committee

As an advisory body to the Board of Directors, the ESG Promotion Committee is composed of at least two external members with specialized expertise, along with internal Directors of the Board, Executive Officers, and other individuals responsible for business execution. The Committee enhances the effectiveness of ESG initiatives by facilitating discussions on the progress and challenges of ESG-related management efforts. Details on the Committee's structure and key agenda items are provided in the ESG Fact Book (P.90).

ESG Fact Book P89

Risk Management Committee

As an advisory body to the Board of Directors, the Risk Management Committee is responsible for building an effective risk management framework and ensuring its proper implementation across the Group. The Committee monitors the overall risk management status of the Group and provides recommendations to the Board of Directors as needed. The Committee conducts risk assessment using a risk map that evaluates risks along two axes: the likelihood of occurrence and the potential impact on the Group. This process helps identify key risk items, which are then monitored and reviewed in monthly meetings.

In addition, the Quality Management Committee and the Information Security Committee operate under the Risk Management Committee. These subcommittees conduct specialized discussions and regularly report their findings to the Risk Management Committee.

Internal Control System

In accordance with the Companies Act and its Enforcement Regulations, the Company has established and operates an internal control system based on basic policies approved by the Board of Directors.

The Auditing Department, our dedicated internal audit division, conducts on-site audits to verify that internal controls and management practices are being properly implemented in compliance with laws, regulations and internal rules. Where necessary, the department issues recommendations for corrective action. Audit results are reported to Directors of the Board, Audit and Supervisory Board Members, and relevant departments, and are also shared regularly at meetings of the Board of Directors. The Auditing Department works closely with the accounting auditor to ensure internal audits are conducted effectively and efficiently.

To oversee internal controls at Group companies, including those overseas, we dispatch Directors of the Board and other personnel to monitor management conditions and receive reports on key operational matters. In addition, the internal audit division conducts regular audits of Group companies and has strengthened oversight of overseas operations by establishing an International Auditing Office within the Auditing Department.

Policy for Selecting the Accounting Auditor

The Audit and Supervisory Board establishes the criteria for selecting the accounting auditor and its responsible for decisions regarding their appointment and reappointment. These selection process involves a comprehensive evaluation of factors such as the auditor's quality control system, independence, expertise, audit plan, audit system, and proposed audit fees.

Enhancing Transparency in CEO Evaluation and Selection, and Strengthening the Management Talent Pipeline

CEO Evaluation Meeting by Outside Members

To enhance the transparency of CEO evaluations and selection process, we hold an annual CEO Evaluation Meeting to assess the performance of the current CEO. This meeting is attended by the three Outside Directors of the Board who serve on the Personnel Affairs and Remuneration Committee, along with the CEO. The evaluation is based on the publicly disclosed CEO Evaluation Criteria, and includes discussions on the CEO's performance for the fiscal year, awareness of current challenges, self-assessment, and management vision. The outcomes of the meeting, along with recommendations for the appointment of Directors for the next term, are reported to the Board of Directors. The evaluation criteria are viewed annually to determine whether updated are necessary.

Establishing CEO Successor Requirements and a Development Framework

As part of the Sixth Mid-Term Management Plan's goal to strengthen the effectiveness of the management talent pipeline, discussions were held in FY2023 within the Personnel Affairs and Remuneration Committee. Based on these discussions, the CEO Successor Requirements and the CEO Successor Development Framework were introduced to the Board of Directors and formally established. These frameworks aim to ensure objectivity and transparency in the CEO selection process and reflect the CEO's own belief, shared directly with all employees, that "it is the responsibility for a leader to develop successors who can carry on their mission," the frameworks emphasize leadership development as a core duty. The Personnel Affairs and Remuneration Committee continues to review the ideal profile for the next CEO in light of the evolving management environment and updates the requirements as needed. As part of the development framework, the CEO Succession Plan Council, a dedicated body separate from the Committee, has been established. This council is responsible for creating a list of CEO successor candidates and monitoring their development through challenging assignments, personnel rotations, and other initiatives.

Key Points of CEO Evaluation

Qualification requirements	Embodies our Corporate Philosophy and possesses a broad perspective	Whether they extensively promote specific measures based on our Corporate Philosophy to achieve our Global Vision
Competence requirements	Conceives solutions to problems confronting society	Whether they accurately understand social issues and clearly envision how to resolve them as they develop business models
	Innovates to create new markets	Whether they properly delegate authority to foster a creative corporate culture that can respond to new markets
	Cooperates with various stakeholders	Whether they are constantly continuing to build and strengthen relationships with customers, employees, suppliers, investors and other stakeholders
	Develops organizations that enhance the Group's comprehensive power	Whether they, as the leader of the entire Group, are at the forefront of evolution and development of organizational systems, including those supporting global operations
Motivation and health	Supports the stability of mid-term management	Whether they pay attention to their health, and are motivated to complete their duties as the head of management

Human Resource Requirements for the Next CEO

Qualification	• Capable of carrying out the Sekisui House Group's social duties and, to this end, personifying our corporate philosophy • Possesses unshakeable, firm integrity	
Competence	Conceptualization	Understands new issues caused by social change, conceives of future plans to realize happiness through housing, and develops business models accordingly
	Innovativeness	Elicits diverse ideas in conversations, uses a flexible way of thinking to take appropriate opportunities to promote rapid innovation
	Cooperation	Accepts a variety of people, can create strong and trusting relationships with various stakeholders
	Organizational development ability	Fosters a highly autonomous global organizational culture, increases the value of the Sekisui House Group's human resources
Mindset	• Has a strong determination to lead the entire Sekisui House Group based on their personal responsibility • Is dedicated and continuously passionate towards realizing our Global Vision	

Corporate Governance

Stance on and Procedures for Selection of Prospective Directors of the Board

The Company shall select prospective Directors from among individuals who demonstrate high integrity (i.e., sincerity, earnestness, and strong ethical standards), possess strong management capabilities, are well-suited to embody and practice the Group's Corporate Philosophy, show a deep insight in the Group's businesses, and have the insight and commitment necessary to contribute to the creation of corporate value and the enhancement of business performance.

The stance on the selection of prospective Directors of the Board shall be deliberated by the Personnel Affairs and Remuneration Committee, a consultative body to the Board of Directors chaired by an independent Outside Director of the Board and comprised of a majority of independent Outside Directors of the Board. Based on the committee's recommendations, the final decision shall be made by the Board of Directors.

Additionally, proposals on specific prospective Directors of the Board shall be reviewed at the Personnel Affairs and Remuneration Committee and determined by the Board of Directors based on the recommendations of the committee. The selection of prospective Internal Directors of the Board shall be performed with consideration for the specified qualification requirements (i.e., individuals embodying the Corporate Philosophy and possessing broad perspective) and competence requirements (i.e., having the ability to conceive solutions to social issues, innovativeness for creating new markets, the ability to cooperate with various stakeholders, and the ability to develop organizations that enhance the Group's overall strength). These criteria shall be reviewed at the Personnel Affairs and Remuneration Committee based on requirements for human resources and a performance evaluation.

A More Sophisticated Executive Officer Selection Process

Selection of Entrusted Executive Officers: Implementation of Senior Management Assessment (Senior Management Assessment)

- Newly appointed candidates undergo performance evaluation, multi-rater evaluation, as well as a Senior Management Assessment conducted by an external organization.
- A variety of information from sources including extended interviews and multiple psychological assessments is used to comprehensively evaluate current capabilities and future potential.
- The Personnel Affairs and Remuneration Committee deliberates on appointments based on the assessment results.
- Assessment results are shared with candidates and used to formulate individualized development plans.

Selection of Employed Executive Officers: Conducting Succession Plan Council Meetings (Succession Plan Council Meetings)

- Meetings are conducted to visualize successors for Employed Executive Officers and Operating Officers, and to facilitate the sharing of succession-related information among division officers (Operating Officers and higher) and general managers.
- The management candidate pipeline is strengthened through discussions focused on successor identification and the development of tailored training plans.

Conducting Human Resource Promotion Council Meetings

- Entrusted Executive Officers (managing officer and higher) recommend candidates for Employed Executive Officer and Operating Officer
- Internal Directors of the Board and officers participate in Human Resource Promotion Council meetings, where each Director of the Board discusses the selection of candidates, upon which the President and Executive Officer determines the appointment plan and submits it to the Board of Directors for approval.

Personnel Affairs and Remuneration Committee supervises the selection and dismissal process. ← → Human Resource Promotion Council (largely composed of internal Directors) deliberates on selection and dismissal, personnel allocation and training.

Division	Directors of the Board who also serve as Entrusted Executive Officers (5 total Officers)	Entrusted Executive Officers (14 total Officers)	Employed Executive Officers (23 total Officers)	Operating Officers (32 total Officers)
	Ensuring moderate separation of supervision and execution, supervise the divisions for which they are responsible to achieve the goals of the Mid-Term Management Plan while taking responsibility for those divisions' execution of operations.	As Director of the Board candidates, responsible for key areas of their divisions and for those areas' execution of operations to achieve the goals of the Mid-Term Management Plan.	As entrusted Executive Officer candidates, responsible for business units and for those business units' execution of operations to achieve the Mid-Term Management Plan.	As employed Executive Officer candidates, responsible for business units and for those business units' execution of operations to achieve the goals of the Mid-Term Management Plan.
	Yoshihiro Nakai (Representative Director of the Board, CEO, President, Executive Officer)			
Division of Built-to-Order Business	Hiroshi Shinozaki (Senior Managing Officer) Yasushi Omura (Senior Managing Officer)	Shinji Aoki (Managing Officer) Takahiro Kondo (Managing Officer)	Yuji Yoshiyasu Takumi Nukanobu Motomichi Shozu Ken Miyakoshi Hiroshi Asada	Kenichi Kanazawa Tetsuya Takabatake Kaoru Sasaki Tomoyuki Murayama Yasuyuki Tsukada Hirohisa Suzuki Motohiro Kikkawa Kazuhiro Imaru Shigeo Shibutani Akito Ohara Hidekazu Haramoto
Division of Development Business	Toru Ishii (Senior Managing Officer)	Takehisa Yanagi (Managing Officer) Toru Tsuji (Managing Officer)	Hiroaki Takahama Naoki Tamori	Kenichi Kumemoto Kazuhito Miyajima
Business Strategy Division		Kohei Hirota (Managing Officer) Hiroaki Yoshida (Managing Officer) Norio Adachi (Managing Officer)	Yoshiyuki Kamiya Yoichi Komatsu	Satoshi Kawashima Kayo Kitada[1] Tsuguya Yakura
ESG Division		Haruhiko Toyoda (Senior Managing Officer)	Miwa Yamada[1] Toshiya Chikada	Hirokazu Kishimoto Yuki Isaka[1]
Finance Division	Satoshi Tanaka (Representative Director of the Board, Executive Vice President, Executive Officer)	Toru Fujita (Managing Officer)	Masahiro Kikuchi	Hiroyuki Kawabata
Human Resources Division			Hideaki Yasunobu	Junji Takeuchi Kenichi Yamazaki
Administration Division		Keizo Yoshimoto (Senior Managing Officer)	Naoki Kawamura	Keiko Yaguchi[1]
Auditing Department			Takahiro Kishi	
Division of Technology and Production		Masaru Noma (Senior Managing Officer) Koya Matsumura (Managing Officer)	Hidehiko Nakayama Naoya Matsui[2] Kenji Okazawa Hideaki Kono Atsushi Nakata	Yasuyo Sawabe[1] Naoko Yano[1] Masayoshi Ota Masashi Kotani Kouichi Ito Yoshiyuki Ueno
Affiliated Companies		Kenji Konishi (Managing Officer) Kazunori Ito (Managing Officer)	Atsushi Yoshida Ichiro Otaka Yoshitaka Iwata	Jun Nemoto Yuichi Ihara Eiichi Matsushita Tomoaki Minobe

1 Indicates female members
2 Serves concurrently in the Business Strategy Division

Corporate Governance | Directors of the Board (As of April 23, 2025)

Yoshihiro Nakai

Representative Director
of the Board, CEO,
President, Executive
Officer



Number of years in office as Director of the Board 9

Mr. Nakai consistently demonstrated exceptional conceptual leadership within the Corporate Management Planning Division, playing a central role in formulating and executing Sekisui House Group's management strategies and plans. Since assuming the role of President, he has focused on harnessing the Group's comprehensive strengths, guided by the Corporate Philosophy as a compass, while actively strengthening the corporate governance structure and promoting ESG management.

Under the slogan of "Innovation and Communication," he has prioritized the development of human resources with integrity and autonomy, aligning the directions of the entire Group. His strong leadership has been instrumental in driving the core policy of the Sixth Mid-Term Management Plan: "stable growth in Japan and proactive growth overseas." To achieve sustainable growth and increase the corporate value of the Group, especially by accelerating our initiatives in the U.S. homebuilding business and driving the transformation into a global company capable of providing integrated technologies, lifestyle design, and services centered on the residential domain, guided by the Global Vision, "Make Home the Happiest Place in the World," he has assumed the position of Director of the Board.

Significant concurrent post at other companies

Vice Chairman of Japan Federation of Housing Organizations

Satoshi Tanaka

Representative Director
of the Board
Executive Vice President,
Executive Officer
Managing Division of
Finance, Division of
Human Resources and
Auditing
In charge of Division of Administration



Number of years in office as Director of the Board 5

Mr. Tanaka has held key executive positions at a major general trading company, bringing extensive domestic and international management experience, particularly in the energy and consumer services sectors. From 2017, he served for two years as Representative Director of the Board, Vice President & Executive Officer of a trading company, overseeing corporate staff divisions in roles including CAO, CIO, and CPO. He joined Sekisui House as an Outside Director of the Board in 2020.

Since his appointment as Representative Director of the Board, Executive Vice President & Executive Officer in 2021, he has led the Administration and Personnel Division, promoting human resource strategies such as supporting employees' self-directed career development and enhancing diversity in the Group's core talent pool through mid-career recruitment. As Chairperson of the Risk Management Committee, he has actively worked to strengthen the effectiveness of the risk management structure.

To achieve sustainable growth and increase the corporate value of the Group, especially by leveraging his broad experience as a corporate executive to strategically manage growth investments and capital efficiency, implement human capital management with a global perspective, and strengthen the effectiveness of corporate governance and risk management structures, he has assumed the position of Director of the Board.

Significant concurrent posts at other companies

Outside Director of Kuraray Co., Ltd.
Outside Director of IHH Healthcare Berhad

Toru Ishii

Director of the Board
Senior Managing Officer
In charge of Division of
Development Business
and Head of
International Business
Headquarters



Number of years in office as Director of the Board 5

Since joining the Company, Mr. Ishii has been involved in sales planning within the urban development business and has contributed to the cultivation of new markets, including the hotel and office development sectors. Since 2012, he has overseen the development business, focusing on human resources development and demonstrating the comprehensive capabilities of the Sekisui House Group. In particular, within the overseas business, he has emphasized balancing investment and return, and has led M&A initiatives, primarily in the U.S., which significantly contributed to the achievement of the Fifth Mid-Term Management Plan.

He has steadily advanced the strengthening of the business foundation in new markets and the development of the organizational structure. Leveraging the creativity and determination he demonstrated as a pioneer in new markets, he has played a key role in driving "proactive growth overseas." In April 2024, he supported the full acquisition of M.D.C. Holdings, Inc., a leading homebuilder in the U.S. homebuilding business.

To achieve sustainable growth and increase the corporate value of the Group, especially by enhancing diversity in the rapidly expanding overseas business and further strengthening the governance structure through the appropriate execution of integration process, he has assumed the position of Director of the Board.

Hiroshi Shinozaki

Director of the Board
Senior Managing Officer
Managing Building
Sales Administration
In charge of TKC Project



Number of years in office as Director of the Board 2

Mr. Shinozaki held key positions, particularly in "Sha Maison" rental housing. Since 2021, as Managing Officer in charge of Building Sales Administration, he has promoted area marketing strategies to increase orders for three-and four-story rental houses, as well as improve sales of "Sha Maison ZEH," zero-energy rental housing. In addition, as a Director of the Board of Sekisui House Real Estate Holdings, Ltd., he has demonstrated strongly leadership and strategic thinking, contributing to the growth of this business segment by strengthening collaboration between the Company and Sekisui House Real Estate Group.

Since assuming the role of President and Representative Director of the Board of Sekisui House Real Estate Holdings, Ltd. in April 2024, he has steadily led a large-scale organizational restructuring across all companies under the Sekisui House Real Estate Group, aimed at strengthening expertise tailored to the characteristics of local communities and business operations.

To achieve sustainable growth and increase the corporate value of the Group, especially by advancing integrated business operations between the Company and Sekisui House Real Estate Group, thereby promoting "stable growth in Japan" and strengthening the effectiveness of corporate governance and the risk management structures, he has assumed the position of Director of the Board.

Significant concurrent post at other companies

President, Representative Director of the Board of Sekisui House Real Estate Holdings, Ltd.

Yasushi Omura

Director of the Board
Senior Managing Officer
Managing Detached
Housing Business



Assumed position on April 23, 2025

Mr. Omura has held key positions in the built-to-order business, including branch head and head of the Sales Administration Division. In April 2021, he was appointed Executive Officer and Senior Manager of the division overseeing the Sekisui House Construction Group, where he steadily implemented organizational reforms aimed at restructuring the Group's earnings base and strengthening its governance structure.

Since being appointed Managing Officer in April 2023, he has led efforts to establish Sekisui House Construction Holdings Co., Ltd., an intermediate holding company overseeing the Sekisui House Construction Group, and became its Representative Director in February 2024. Through business operations based on a consensus-driven decision-making model, he has contributed to strengthening governance while advancing reforms such as a more agile personnel system. At the same time, he has worked to ensure high-quality and safe construction by leveraging the strong ties with local communities maintained by the Sekisui House Construction Group's—an essential part of the Group's core competency in construction capabilities—with a focus on expanding its business domain.

To achieve sustainable growth and increase the corporate value of the Group, especially by enhancing and expanding construction capabilities as a key strategic priority in response to challenges in Japan's construction market, and by further advancing the integration of Sekisui House and the Sekisui House Construction Group to drive "stable growth in Japan" and reinforce the effectiveness of governance and risk management structures, he has newly assumed the position of Director of the Board.

Significant concurrent post at other companies

President, Representative Director of the Board of Sekisui House Construction Holdings, Ltd.

Corporate Governance | Directors of the Board (As of April 23, 2025)

Yukiko Yoshimaru

Outside Director of the Board

Outside | Independent



Number of years in office as Outside Director of the Board 7

Ms. Yoshimaru has extensive global experience, including management roles as a director at both domestic and overseas companies as well as M&A experience at the U.S. subsidiary of a major Japanese company. In particular, she has made significant contributions to constructive discussions and to strengthening the effectiveness of the Board of Directors meetings by offering insights grounded in her deeper expertise in human resources management, diversity and corporate governance. Since May 2020, she has served as Chairperson of the Personnel Affairs and Remuneration Committee, where she led the revision of officer remuneration in alignment with the Sixth Mid-Term Management Plan. She has also contributed to clarifying the process for appointing and dismissing Directors of the Board, strengthening remuneration governance, and improving the efficiency of the Personnel Affairs and Remuneration Committee through appropriate application of the CEO Succession Plan Council. In addition, she actively engages in dialogue with stakeholders, including institutional investors.

Currently she is helping deepen the Group's understanding of the overseas business through proactive exchanges of opinion with executives of overseas Group companies. To achieve sustainable growth and increase the corporate value of the Group, especially in the formulation of growth strategies from the perspectives of global business and diversity promotion, and in strengthening the management supervision function in areas including personnel affairs and remuneration, she has assumed the position of Outside Director of the Board.

Significant concurrent posts at other companies

Outside Director of Daiwabo Holdings Co., Ltd.
Outside Director of Nichirei Corporation

Toshifumi Kitazawa

Outside Director of the Board

Outside | Independent



Number of years in office as Outside Director of the Board 5

Having held key positions at a major insurance company, Mr. Kitazawa brings a wealth of experience and achievements as a corporate leader. He possesses broad expertise in global business, M&A, and the fields of risk management and compliance. Since May 2021, he has served as Chairman of the Board of Directors. In this role, he has led efforts to enhance the effectiveness of the Board of Directors meetings by flexibly managing proceedings to facilitate more active discussions on medium- to long-term management issues. He engages in dialogue with stakeholders, including institutional investors. As a member of the Personnel Affairs and Remuneration Committee of the Company, he contributes to the quality and depth of deliberations.

Currently, he is helping to deepen the Group's understanding of the overseas business through active exchanges of opinion with executives of overseas Group companies. To achieve sustainable growth and increase the corporate value of the Group, especially in the formulation of growth strategies from the perspective of global business, and in strengthening the management supervision function in areas including M&A and other financial strategies, risk management, and compliance, he has assumed the position of Outside Director of the Board.

Significant concurrent posts at other companies

Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd.
Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee) of MUFG Bank, Ltd.
Outside Director of Mitsubishi Logistics Corporation

Yoshimi Nakajima

Outside Director of the Board

Outside | Independent



Number of years in office as Outside Director of the Board 4

Having held key positions in both domestic and overseas companies, Ms. Nakajima has extensive experience in financial strategy, M&A, and related areas through her leadership roles at Asian and Japanese subsidiaries of global financial institutions. She exemplifies diversity in corporate management, having worked in environments where diversity in senior leadership is considered standard. Since April 2021, she has served as Outside Director of the Board of the Company. She has made significant contributions to constructive discussions and to strengthening the effectiveness of the Board of Directors meetings by actively sharing candid opinions that encourage appropriate risk-taking and management reform. She also proactively shares her expertise through direct exchanges with the Company's senior management.

Currently, she is helping deepen the Group's understanding of the overseas business through active dialogue with executives of overseas Group companies. To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspectives of global business and diversity promotion, and in strengthening the management supervision function in areas including M&A and other financial strategies, she has assumed the position of Outside Director of the Board.

Significant concurrent posts at other companies

Outside Director of AEON Financial Service Co., Ltd.
Outside Director of Japan Freight Railway Company
Outside Director of ULVAC, Inc.
Specially-appointed Professor of the Graduate School of Project Design

Shinichi Abe

Outside Director of the Board

Outside | Independent



Number of years in office as Outside Director of the Board 3

Having worked for an overseas consulting firm and software vendors, Mr. Abe was involved in launching Google's cloud business, where he oversaw operations in the Asia-Pacific region. He has extensive experience in the global business environment, particularly in the IT and digital fields. During the early stages of Google's cloud services for Japanese companies, he earned the strong trust of many client companies and worked alongside them to promote digital innovation. Currently, he serves as Representative Director of the Board, President and CEO of a venture company providing teleradiology (remote medical image diagnosis) services, a firm he has been involved with since its founding. Since April 2022, he has served as Outside Director of the Board of the Company. He has made significant contributions to constructive discussions and to strengthening the effectiveness of the Board of Directors meetings by actively sharing candid insights from the perspective of global business and digital transformation, and by disseminating information to promote innovation. He also provides thought-provoking perspectives on innovation through direct dialogues with the Company's senior management.

Currently, he is helping deepen the Group's understanding of the overseas business through proactive exchanges of opinion with executives of overseas Group companies. To achieve sustainable growth and increase the corporate value of the Group, especially in the formulation of alliances and growth strategies in new service business fields across the entire Group, including its overseas business, and in strengthening management supervision functions, including in the area of human resources development, he has assumed the position of Outside Director of the Board.

Significant concurrent post at other companies

Representative Director, President and CEO of MNES Inc.

Yukiko Kuroda

Outside Director of the Board

Outside | Independent



Assumed position on April 23, 2025

After working in overseas marketing at a private company, Ms. Kuroda joined a major U.S.-based management consulting firm. She later founded her own company, which provides employee training programs for Japanese firms under foreign ownership. As a business leader, she has delivered consulting services in organizational and global talent development and diversity promotion. In the early stages of her company, she focused on building client trust and developing services tailored to client needs, while also dedicating herself to nurturing the next generation of talent. In addition to her experience as a top executive since the founding of her company, she has provided extensive executive coaching to senior management and served as an outside officer for several listed companies, gaining deep insight into corporate management across a wide range of industries and business types.

To achieve sustainable growth and increase the corporate value of the Group, especially with the expectation that she will contribute to strengthening our management supervision functions, including in the areas of human resource development, human capital management, and sustainability as we pursue "proactive growth overseas" under our Global Vision and strive to become a leading company in ESG management through diversity promotion and contributions to a sustainable society, she has newly assumed the position of Outside Director of the Board.

Significant concurrent posts at other companies

Advisor and Founder of People Focus Consulting Co., Ltd.
Outside Director of Seven Bank, Ltd.
Independent Director of Obayashi Corporation
Outside Director of ORACLE CORPORATION JAPAN

Corporate Governance | Audit and Supervisory Board (As of April 23, 2025)

Takashi Ogino

Standing Audit and Supervisory Board Member



Number of years in office as Audit and Supervisory Board Member 3

For approximately 35 years since joining the Company, Mr. Ogino has served in various front-line sales roles, including housing salesperson, sales office manager, sales administration headquarters staff and branch head. After transferring to the Auditing Department in 2017, he was appointed Deputy General Manager in 2020 and became Operating Officer in charge of and the General Manager of the department in 2021. In these roles, he worked to strengthen internal auditing departments while fostering networks among governance-related human resources.

In April 2022, he assumed the position of Audit and Supervisory Board Member to leverage his strong integrity, proven track record in managing front-line sales activities, and information-gathering capabilities developed through his work in internal auditing in order to strengthen the audit structure of the Company.

Osamu Minagawa

Standing Audit and Supervisory Board Member



Assumed position on April 23, 2025

Since joining the Company, Mr. Minagawa has held key positions including area sales lead, branch head, and Head of the Sales Administration Division, consistently demonstrating outstanding management capabilities. In recognition of his performance, he was appointed Executive Officer in 2012, Managing Officer in 2018, and became Head of the Auditing Department in 2019. Since 2021, his responsibilities have expanded to include human resources and real estate, enabling him to contribute more broadly to strengthening the Group's governance.

With a high level of integrity and a proven track record in managing both sales and head office divisions, as well as experience gained through internal auditing and human resource development, he newly assumed the position of Audit and Supervisory Board Member in order to strengthen the audit structure of the Company.

Ryuichi Tsuruta

Standing Audit and Supervisory Board Member
Outside Audit and Supervisory Board Member

Outside | Independent



Number of years in office as Audit and Supervisory Board Member 7

In 2018, Mr. Tsuruta was appointed as an Outside Audit and Supervisory Board Member of the Company to leverage his track record in a diverse range of operations, including finance, accounting, information disclosure, auditing and overseas business at a major electric appliance manufacturer engaged in global businesses, along with his experience as an audit and supervisory board member at other companies, in order to strengthen the audit structure of the Company. Since assuming the office of Audit and Supervisory Board Member, he has greatly contributed to strengthening the supervisory functions of the Board of Directors and improving the transparency of its operations by providing candid opinions regarding ideals for the Company's corporate governance structure.

Based on his sophisticated expertise and unique perspectives backed by robust business experience, he has offered timely and well-informed opinions, playing a key role in enhancing the Company's management supervisory functions and developing a more effective corporate governance structure. In April 2022, he reassumed (second term) the position of Outside Audit and Supervisory Board Member, and also became Standing Member and Chairperson of the Audit and Supervisory Board.

Significant concurrent posts at other companies

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

Yoritomo Wada

Outside Audit and Supervisory Board Member

Outside | Independent



Number of years in office as Audit and Supervisory Board Member 5

In 2020, Mr. Wada assumed the position of Outside Audit and Supervisory Board Member to leverage his specialist expertise in finance and accounting as a certified public accountant (CPA) as well as his knowledge and experience as an Outside Audit and Supervisory Board Member at other companies in order to strengthen the audit structure of the Company. He has significantly contributed to enhancing the supervisory functions of the Board of Directors and improving the transparency of its operations by accurately identifying issues related to the Group governance structure.

Through timely and insightful opinions backed by his deep expertise and extensive experience as a CPA, he has supported the strengthening of the Company's management supervisory functions and the development of a more effective corporate governance structure. In April 2024, he reassumed (second term) the position of Outside Audit and Supervisory Board Member.

Significant concurrent posts at other companies

Certified Public Accountant, Wada CPA Accounting Firm
Outside Audit and Supervisory Board Member of TRUSCO NAKAYAMA Corporation

Yuko Tamai

Outside Audit and Supervisory Board Member

Outside | Independent



Assumed position on April 23, 2025

Ms. Tamai has long served as a legal advisor on corporate matters, particularly for listed companies, gaining extensive experience in domestic and overseas business integration and M&A-related cases, building internal control and governance structures, and supporting companies in crisis response management. In addition, she has held various roles, including serving as an outside officer at other companies and as a member of government advisory councils.

She newly assumed the position of Outside Audit and Supervisory Board Member to leverage her broad experience and insight in providing proactive advice that will contribute to strengthening the Company's management supervisory function and enhancing the corporate governance structure.

Significant concurrent posts at other companies

Partner of Nagashima Ohno & Tsunematsu
External Audit & Supervisory Board Member of MITSUI & CO., LTD.

Corporate Governance | Skill Matrix and Activities

FY2024 Attendance at Key Meetings by Directors of the Board

Director of the Board	Members/Attendance (FY2024)				
	Board of Directors	Personnel Affairs and Remuneration Committee[2]	Management Meetings	ESG Promotion Committee[3]	Risk Management Committee
Yoshihiro Nakai	13/13	10/10	◎ 13/13		
Yosuke Horiuchi[1]	13/13		13/13	◎ 4/4	
Satoshi Tanaka	13/13	9/9	13/13		◎ 11/11
Toru Ishii	13/13		13/13		
Hiroshi Shinozaki	13/13		13/13		
Yukiko Yoshimaru	13/13	◎ 10/10			
Toshifumi Kitazawa	◎ 12/13	10/10			
Yoshimi Nakajima	13/13				
Keiko Takegawa[1]	12/13	10/10			
Shinichi Abe	13/13				

◎ Chairperson

Note: Attendance as an observer at Management Meetings, the ESG Promotion Committee and the Risk Management Committee is not counted
1 Retired from office on April 23, 2025
2 Number of Personnel Affairs and Remuneration Committee meetings includes CEO Evaluation Meetings (attended only by Representative Director of the Board, President, Executive Officer and CEO and Outside Directors).
3 From FY2025, Senior Managing Officer Haruhiko Toyoda has assumed the position of Chairperson of the ESG Promotion Committee.

FY2024 Attendance at Key Meetings by Audit and Supervisory Board Members

Name	Audit and Supervisory Board	Board of Directors
Midori Ito	13/13	16/16
Takashi Ogino	13/13	16/16
Ryuichi Tsuruta	13/13	◎ 16/16
Takashi Kobayashi	12/13	15/16
Yoritomo Wada	13/13	16/16

◎ Chairperson

Training for Directors of the Board and Audit and Supervisory Board Members

We regularly provide training for Directors of the Board and Audit and Supervisory Board Members to deepen their knowledge of information essential or beneficial to effective management. These sessions include lectures by experts from various fields. Additionally, we allocate sufficient time to brief newly appointed Outside Directors of the Board and Outside Audit and Supervisory Board Members. These briefings ensure a comprehensive understanding of the Sekisui House Group's businesses operations, management strategies, business strategies, and financial position.

Composition and Skill Matrix of Directors of the Board (From April 23, 2025)

Director of the Board	Particular knowledge, experience, and abilities expected (Not all skills are displayed)					
	Corporate management Business strategy	Overseas business International knowledge	Financial strategy and accounting	Technology and environment Innovation	Improvement of social value Human resource development Diversity	Governance Risk management Compliance
Yoshihiro Nakai	●		●		●	●
Satoshi Tanaka	●	●	●		●	●
Toru Ishii	●	●			●	
Hiroshi Shinozaki	●			●		●
Yasushi Omura[4]	●			●		●
Yukiko Yoshimaru	●	●			●	●
Toshifumi Kitazawa	●	●	●			●
Yoshimi Nakajima	●	●	●		●	
Shinichi Abe	●	●		●	●	
Yukiko Kuroda[4]	●	●			●	●

4 Assumed office on April 23, 2025

Reasons for Selection of Each Skill

Skill Category	Rationale for Selection
Corporate management Business strategy	As a leading company in the housing industry with over 2.6 million dwellings constructed globally, we operate in a rapidly evolving business environment. To formulate sustainable growth strategies, we require Directors of the Board with proven management experience in housing, construction and urban redevelopment. Additionally, to realize our Global Vision—promoting happiness through the integration of technologies, lifestyle design, and services—we seek Directors of the Board with cross-industry experience, particularly in consumer services related to health, connectedness, and learning, as well as expertise in digital transformation and business model innovation.
Overseas business International knowledge	To develop growth strategies and oversee management of our overseas business, a key growth segment, we require Directors of the Board with deep knowledge and experience in international business management, as well as familiarity with diverse cultures, lifestyles, and business environments.
Financial strategy and accounting	To ensure accurate financial reporting, build a robust financial foundation, and promote growth investments including M&A that enhance long-term corporate value and shareholder returns, we seek Directors of the Board with strong expertise in finance and accounting.
Technology and environment Innovation	To deliver high-quality housing that integrates safety, peace of mind, and comfort with advanced technology, and to further develop our environmental technologies and construction capabilities, the Company requires Directors of the Board with a track record of driving innovation and the knowledge to proactively address global environmental challenges from a management perspective.
Social improvement Human resource development Diversity	To provide homes that enhance customer well-being and address various social issues through our business activities, the Company needs to formulate human resource strategies that empower every employee to reach their full potential. We seek Directors of the Board with expertise in human resources development, including the promotion of diversity and inclusion.
Governance Risk management Compliance	Establishing a robust governance framework is essential for sustainable value creation. To strengthen the effectiveness of the Board's oversight functions, we require Directors of the Board with solid knowledge and experience in corporate governance, risk management, and compliance.

Corporate Governance | Officer Remuneration

Basic Remuneration Policy for Officers

(1) In line with our Corporate Philosophy of "Love of Humanity," we shall remain committed to fairness for all stakeholders, including shareholders, investors, customers, and employees. To uphold this commitment, we shall apply a high standard of governance to ensure that remuneration decisions are objective, transparent, and fully accountable.
(2) As we strive to be a leading company in ESG management, we shall place strong emphasis on social value and make a clear commitment to executing innovative growth strategies. Our remuneration system shall be designed to provide sound, long-term incentives that support the sustainable enhancement of corporate value.
(3) We shall prioritize aligning remuneration with the development and evaluation of the senior management team. By fostering the growth of the next generation of leaders, we shall aim to enhance the long-term organizational vitality of the Sekisui House Group.

Remuneration Governance

To enhance the objectivity and independence of the remuneration decision-making 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.

Remuneration, etc. for Directors of the Board (Including the CEO and Excluding Outside Directors of the Board)

Remuneration level: We determine officer remuneration using objective market survey data provided by external specialist organizations. A benchmark group of companies is selected, and remuneration level are set appropriately in line with the scale operations and financial performance of the Sekisui House Group.

Overview of Remuneration and Incentive Systems: Remuneration for Directors of the Board (including the CEO and excluding Outside Directors of the Board) consists of basic remuneration (fixed amount) and incentive remuneration (variable amount). The latter includes; Performance-related bonuses (linked to short-term operating results), Performance Share Units (PSUs: linked to medium-term performance), and Restricted stock remuneration (linked to long-term performance).

To encourage long-term, sustainable growth in corporate value, the proportion of performance-related bonuses has been reduced, while the share-based remuneration component has been increased. The specific ratio for each component is determined based on Director's role and responsibilities. For Representative Directors of the Board, the standard ratio, assuming base performance, is approximately 1:1:1 for basic remuneration, performance-related bonuses, and share-based remuneration.

Remuneration for Outside Directors of the Board

Remuneration for Outside Directors of the Board consists of basic remuneration (fixed amount) and allowances, determined based on their responsibilities as Chairperson of the Board, or Chairperson or Member of the Personnel Affairs and Remuneration Committee. These amounts are set with reference to objective market data provided by external specialist organizations, reflecting their supervisory role and independent oversight of the Company's management.

Remuneration for Audit and Supervisory Board Members

Remuneration for Audit and Supervisory Board Members consists solely of basic remuneration (fixed amount) in recognition of their independent supervisory role. The level of remuneration is determined based on their responsibilities and benchmarked against objective market data from external specialist organizations.

The fundamental policy, structure and individual remuneration amounts are determined through deliberation among Audit and Supervisory Board Members, within the maximum limit approved at the General Meeting of Shareholders.

Introduction of Shareholding Guidelines

As part of our commitment to becoming a leader in ESG management, we believe it is essential to ensure long-term alignment between Director remuneration and shareholder value. In addition to incorporating ESG performance indicators into a portion of Performance Share Units (PSUs), we have established shareholding guidelines for Directors of the Board (excluding Outside Directors), who oversee business execution. Under these guidelines, Directors are expected to maintain ownership of Company shares equivalent to a predetermined baseline monetary value (based on current share prices) throughout their tenure. To reinforce this commitment, once the baseline is reached, Directors of the Board are required to continuously hold shares at or above that level.

The baseline monetary value is twice the annual basic remuneration for Representative Directors of the Board, and equal to the annual basic remuneration for other eligible Directors (excluding Outside Directors of the Board).

Stock Remuneration Return (Malus and Clawback Provisions)

To prevent excessive risk-taking and ensure sound management, we have established malus and clawback provisions in our officer remuneration rules. These provisions apply to Directors of the Board (excluding Outside Directors) who oversee business execution. If a Director is found to have engaged in serious misconduct or legal violations, in the course of, or in connection with, their duties, the Company may, based on the resolution of the Board of Directors following deliberations by the Personnel Affairs and Remuneration Committee, reclaim or forfeit all or part of the share-based remuneration, or demand repayment of the equivalent monetary value.

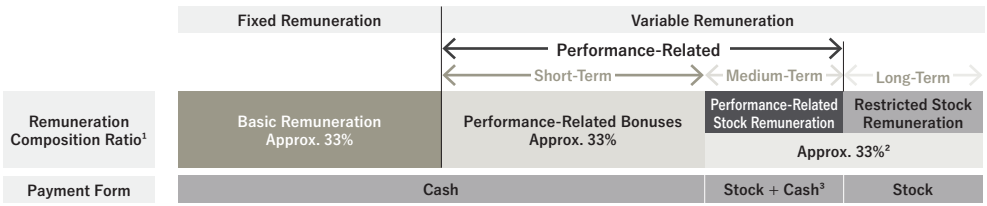
Remuneration and Incentive Framework for Directors of the Board (Including the CEO and Excluding Outside Directors of the Board)

Type of remuneration			KPI	Outline and reasons for selection of indicators for performance-related remuneration
Fixed	Basic remuneration		—	The amount shall be determined based on criteria such as representation rights and position, and shall be paid on a monthly basis.
Variable	Short term	Performance related bonuses	Consolidated ordinary profit	The amount shall be calculated by multiplying consolidated ordinary profit, a key management indicator, by a predetermined bonus coefficient based on each Director of the Board (including the CEO and excluding Outside Directors of the Board). The bonuses shall not be paid if profit attributable to owners of parent is less than ¥120 billion.
	Medium term	Performance-related stock remuneration (PSU)[1]	ROE and ESG	ROE (a key financial indicator for the medium term) and a non-financial ESG management indicator shall be used as performance indicators. A Reference Number of Share Units corresponding to a predetermined standard for each Director of the Board (including the CEO and excluding Outside Directors) position shall be granted. The number of units to be granted shall depend on the level 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 granted shall range from 0% to 150% of the reference amount. Half of the units granted shall be issued as shares and half in cash for tax payment. Management indicators shall have an 80:20 weighting in the evaluation, and ESG management indicators shall be subject to rigorous review by the Personnel Affairs and Remuneration Committee to ensure objectivity and transparency in goal setting and evaluation.
	Long term	Restricted stock remuneration (RS)[2]	—	Shares of Sekisui House, Ltd. common stock (with transfer restrictions) shall be granted corresponding to the predetermined basic amount set by position for each Director of the Board (including the CEO and excluding Outside Directors). The transfer restrictions shall be lifted when the individual ceases to serve as a Director of the Board or Executive Officer.

1 PSU: Performance Share Unit 2 RS: Restricted Stock

Corporate Governance | Officer Remuneration

Image of Remuneration Composition Ratio for Representative Directors of the Board (including the CEO) at Base Performance



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 (including the CEO) at base performance is presented.
2 The composition ratio of performance-related stock remuneration to restricted stock remuneration is approximately 1:1 (at base performance).
3 50% of the performance-related stock remuneration will be paid in cash for the purpose of appropriation to funds for tax payments.

ESG Management Indicators and Target Values for Performance Share Units (PSU4) for FY2023 through FY2025

ESG Management Indicators		Numerical Target (January 31, 2026)	Weighting
Environment	Rate of CO_2 emissions reduction from business activities (Scope 1–2)[4]	59%	40%
	Ratio of detached ZEH homes[5]	92%	
	Ratio of ZEH units for rent[5]	75%	
Social	Number of female managers[6]	350	30%
	Take-up rate for eligible male employee childcare leave[6]	98%	
	Take-up rate for annual paid leave[7]	70%	
Governance	Strengthening information security systems	Group-wide business will be properly operated following requirements and rules for security	30%
	Establishment of Group governance in the U.S.	U.S. subsidiaries establish unified business supervisory functions	

Indicators and Target Values for ESG Management-Related Performance Share Units (PSU5) for FY2024 through FY2026

ESG Management Indicators		Numerical Target (January 31, 2027)	Weighting
Environment	Rate of CO_2 emissions reduction from business activities (Scope 1–2)[4]	62%	40%
	Ratio of detached ZEH homes[5]	95%	
	Ratio of ZEH units for rent[5]	77%	
Social	Number of female managers[8]	410	30%
	Take-up rate for eligible male employee childcare leave[6]	98%	
	Take-up rate for annual paid leave[8]	70%	
Governance	Establish governance and risk management frameworks for the U.S. homebuilding businesses	Following guidance from the U.S. Homebuilding Steering Committee, we have begun implementing and operating various policies and measures	30%
	Establish governance and risk management frameworks for the overseas development businesses	Be able to implement and operate all policies and measures of the overseas development business	

4 Total is for the Group.
5 Total is for Sekisui House, Ltd.
6 Total is for Sekisui House, Ltd., Sekisui House Real Estate Group, Sekisui House Construction Group, Sekisui House noie Limited, and Sekisui House Remodeling, Ltd.
7 Total is for Sekisui House, Ltd., Sekisui House Real Estate Group, and Sekisui House Remodeling, Ltd.
8 Total is for Sekisui House, Ltd. and domestic consolidated subsidiaries.

Remuneration for FY2024

Total Remuneration for Parent Company Officers by Category, Type of Remuneration, and Number of Eligible Officers

Officer Category	Total Remuneration, etc. (Millions of yen)	Total Remuneration by Type (Millions of yen)				Number of Eligible Officers
		Basic Remuneration	Performance-Related Bonuses	Performance Share Units (PSU)	Restricted Stock Remuneration	
Directors of the Board (Excluding Outside Directors of the Board)	879	271	285	196	125	7
Audit and Supervisory Board Members (Excluding Outside Members)	81	81	—	—	—	2
Outside Officers	199	199	—	—	—	8

Note: The above includes a Director who retired from office as of the end of the 71st General Meeting of Shareholders on April 26, 2022, as well as a Director who retired as of the end of the 72nd General Meeting of Shareholders on April 25, 2023.

Target Values and Results Basis for Performance-Related Stock Remuneration (PSU3) Paid for FY2022 through FY2024

KPI	Weighting	Changes in payment ratio	Target value		Results	Payment ratio by indicator
ROE (average for three years)	80%	0%～150%	Maximum	12.00%	11.84%	146%
			Standard	10.00%		
			Minimum	8.00%		
ESG management indicator	20%	0%～150%	See note.			138%

Note: The ESG management indicator used in the determination of the amount of PSU consists of targets determined for the following items; E (Environment): (1) Ratio of detached ZEH homes; (2) Ratio of ZEH units for rent; S (Social): (3) Number of female managers; (4) Take-up rate for eligible male employee childcare leave; (5) Average monthly work hours; G (Governance): (6) Enhancing response to the Corporate Governance Code; (7) Enhancing the Group governance structure. The degree of achievement in items named above was evaluated by the Personnel Affairs and Remuneration Committee. As a result, the payment ratio vis-à-vis ESG management indicator was set at 138%.

Total Consolidated Remuneration for Directors of the Board (Excluding Outside Directors of the Board) (Millions of yen)

Name	Remuneration by Type				Total Remuneration
	Basic Remuneration	Performance-Related Bonuses	Performance Share Units (PSU)	Restricted Stock Remuneration	
Yoshihiro Nakai	82	93	65	43	285
Yosuke Horiuchi	56	62	46	29	194
Satoshi Tanaka	49	56	40	26	172
Toru Ishii	41	37	20	13	111
Hiroshi Shinozaki	41	37	17	13	108

Note: The above figures are only for individuals receiving total consolidated remuneration of ¥100 million or more and officers who were Directors of the Board (excluding Outside Directors of the Board) of Sekisui House as of January 31, 2025.

Corporate Governance

Enhancing the Group Governance Structure

Strengthening Group Company Administrative Systems

The Company has established a two-tier administrative framework to reinforce its Group Governance Structure. This includes administrative departments responsible for segment-based management and supervision of Group company operations, and specialized departments at the head office that provide functional support and leadership for highly specialized business areas.

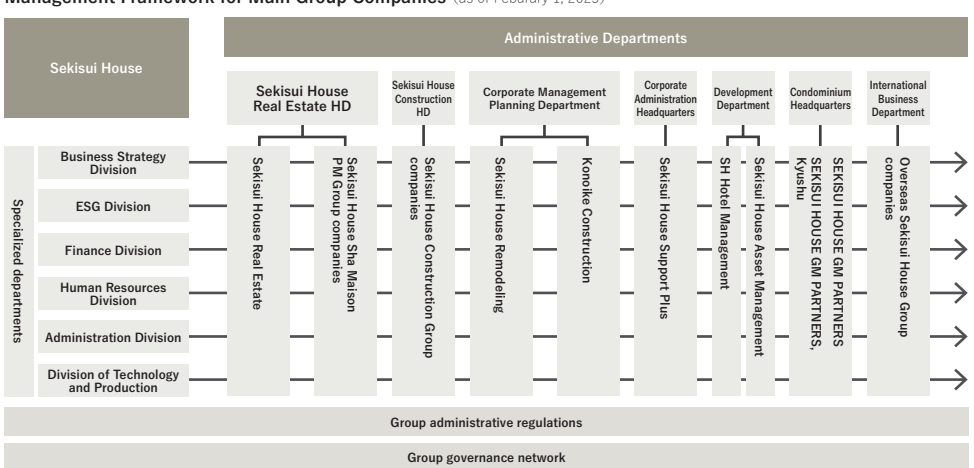
Administrative departments regularly or as needed request reports from subsidiaries on the status of their business execution. They also collaborate with head office departments to develop operational standards. In turn, head office departments provide guidance and oversight aligned with their respective responsibilities. For certain subsidiaries, the Company dispatches personnel to serve as Directors of the Board or Audit and Supervisory Board Members, thereby strengthening supervision and audit functions.

Strengthening Governance through Restructuring Group Companies

We established Sekisui House Real Estate Holdings, Ltd., a holding company for Sekisui House Real Estate companies, in February 2022, and Sekisui House Construction Holdings, Ltd., a holding company for Sekisui House Construction companies, in February 2024.

In February 2025, to strengthen the expertise of each business, the Company reorganized the Group companies of Sekisui House Real Estate, which specializes in the real estate and brokerage business, and Sekisui House Sha Maison PM companies, which specialize in the rental business. Furthermore, the after-sales service business of the Company was spun off to Sekisui House Support Plus, Ltd., establishing a structure aimed at actively enhancing added value in after-sales services.

Management Framework for Main Group Companies (as of Feburary 1, 2025)



Promoting Governance Networking

To strengthen the Group Governance Structure, we are actively promoting the optimal allocation of personnel responsible for corporate governance. This is based on a close assessment of the current status and challenges faced by key business subsidiaries, including all Sekisui House Real Estate Group companies, all Sekisui House Construction Group companies, Sekisui House Remodeling, and Konoike Construction. We also hold global governance meetings and area governance meetings on a regular basis. These meetings serve as platforms for discussion among Sekisui House Group companies, helping to reinforce governance practices and foster collaboration across the Group.

Risk maps developed at Group companies

Risk maps are being developed at major business subsidiaries, including Sekisui House Real Estate Group, Sekisui House Construction Group, Sekisui House Remodeling, Konoike Construction, and the development and homebuilding businesses in the U.S. and Australia. These maps assess risks based on frequency and potential impact. Each company reports its risk map findings to the Risk Management Committee, which conducts regular discussion to evaluate and align risk recognition across the Group.

Cross-Shareholdings

Basic stance on cross-shareholdings

1. The Company shall not engage in cross-shareholdings with business partners unless it determines that such holdings contribute to medium- and long-term enhancement of corporate value through the stable maintenance and strengthening of business relationships. Additionally, the Company shall comprehensively assess the economic rationale of transactions with entities holding cross-shareholdings to determine whether such relationships should be continued.
2. The appropriateness of cross-shareholdings shall be reviewed annually by the Board of Directors. This review is based on the minimum holdings required from the perspective of increasing capital and asset efficiency. Quantitative targets are set, and a phased reduction plan is formulated. Each individual stock shall be assessed comprehensively in terms of its holding purpose, associated risks and returns, and medium- to long-term economic rationale. Stocks deemed no longer meaningful to hold shall be sold, taking into account market conditions. Even for stocks considered appropriate to retain, the Company may sell all or part of the holdings depending on its capital policy and the market environment.
3. A summary of the Board of Directors' analysis regarding cross-shareholding shall be disclosed as appropriate in reports related to the Corporate Governance Structure.
4. If a company holding the Company shares as part of a cross-shareholdings expresses an intention to sell, the Company shall not obstruct the sale in any way, including by implying a reduction in business relations.

Overview of an Analysis on Cross-Shareholdings

At the meeting of the Board of Directors held in October 2024, the Company conducted a comprehensive analysis of all listed stocks held as cross-shareholding (excluding Sekisui House Reit, Inc. and companies accounted for using the equity method). This review covered 14 companies and assessed the overall significance of holding each stock based on factors such as shareholding status, risk and return indicators (including stock price divergence, dividend yields, ROE, credit rating) and the importance of business relationships. From the perspective of improving capital efficiency, the Company has adopted a policy to reduce cross-shareholdings in phases. Under this policy, a target has been set to reduce the ratio of cross-shareholdings to consolidated net assets[1] to 3% or less during the period of the Sixth Mid-Term Management Plan (by January 31, 2026).

Stocks sold during FY2024: Of the 14 companies reviewed, the Company sold a portion of shares in six companies.

Ratio of cross-shareholdings to consolidated net assets at the end of FY2024: The ratio on January 31, 2025 was 3.0%.

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

Promoting Compliance

Sekisui House Group Corporate Ethics Guidelines

The Sekisui House Group established Sekisui House Group Corporate Ethics Guidelines, which provide specific guidance regarding compliance with laws, regulations, the Articles of Incorporation, and other corporate ethics principles in October 2003. We are committed to ensuring that all officers and employees across the Group understand and adhere to these guidelines.

These Guidelines serves as the ethical standards for the Company, its officers and employees. They are reviewed and revised as necessary to reflect changes in the business environment. To promote awareness, we distribute pamphlets (including digital formats) containing the Corporate Philosophy and Corporate Ethics Guidelines to all Group employees. Additionally, all executives and employees are required to submit an annual Pledge of Compliance with the Guidelines.

Sekisui House Group Corporate Ethics Guidelines

Group Governance Structure for Advancing Compliance

To ensure compliance across the entire Group, we have established a Group Governance Structure that includes administrative departments responsible for overseeing each business division. Specialized departments in charge of specific regulatory areas collaborate with these administrative departments to promote cross-functional compliance management throughout the entire Group. The status of compliance management is regularly reported to and reviewed by the Risk Management Committee, an advisory body to the Board of Directors, as part of our continuous improvement efforts.

Implementation of Compliance Training

To foster a strong compliance culture, we conduct Human Rights and Compliance Training for all Group employees.

Until FY2021, we provided annual legal training focused on laws, regulations, and legal risks. In FY2022, this was renamed Compliance Training, and in FY2024, it was further evolved to Human Rights and Compliance Training, integrating human rights education. These programs emphasize group discussions based on real case studies of compliance and corporate ethics violations, encouraging employees to think critically and proactively about compliance beyond legal requirements.

To strengthen compliance at business sites, we also provide Risk Management Training to senior managers. In FY2024, this training focused on topics such as enhanced personal information management, business and related risks, risk mapping, and fostering a “Bad News First” culture. The sessions were discussion-based, allowing participants to learn from one another. Post-training, managers continue discussions within their teams to reinforce their leadership role in promoting compliance. Since FY2023, this training has been extended to senior managers at Group companies to further strengthen our group governance structure for advancing compliance.

Implementing the Governance Awareness Survey

Every year, we conduct the Governance Awareness Survey targeting all Group employees. This anonymous survey assesses awareness of corporate ethics, the Corporate Code of Conduct, workplace conditions, and compliance-related matters. The Board of Directors evaluates survey results with a focus on deepening the understanding of our Corporate Philosophy, the Corporate Code of Conduct. Business units also use the findings to assess current workplace conditions and facilitate open discussions. These efforts help cultivate a workplace culture that encourages transparent and open communication.

Initiatives for Compliance with Laws and Regulations

The Group conducts its business in Japan under the necessary permits and licenses based on key laws and regulations, including the Real Estate Brokerage Act, the Construction Business Act, and the Act on Architects and Building Engineers. In addition, our operations comply with a wide range of laws and ordinances related to construction, labor, environmental protection, and other areas essential to business execution. Our overseas operations are similarly subject to the laws and regulations of each respective country. Violation of laws and regulations related to construction in particular may result in significant remediation costs or administrative sanctions, such as business suspension, which could adversely impact the Group’s business performance.

To mitigate these risks, our domestic contracting business has implemented a legal and regulatory check system to prevent errors and omissions in design procedures under the Building Standard Law. We have also established a double check system between business bases and the head office to prevent non-compliance with type approval requirements. To ensure proper assignment of full-time supervising technicians under the Construction Business Act, specialized departments monitor assignment status and continue efforts to secure qualified personnel and enhance their capabilities. These departments also gather and analyze information on legal and regulatory trends, both domestic and overseas, and share relevant insights across the Group to support timely and appropriate responses.

Anti-Corruption Initiatives

Sekisui House is committed to maintaining a sound and ethical corporate presence. We believe that eliminating inappropriate relationships with government officials and politicians is essential to promoting fair and transparent business practices. The Sekisui House Group Corporate Code of Conduct and Sekisui House Group Corporate Ethics Guidelines explicitly prohibit improper relationships with public officials and political figures. To reinforce this stance, we have established the Anti-Bribery and Corruption Policy and accompanying Anti-Corruption Guidelines, which clearly define prohibited conduct involving government officials and outline expectations for all officers (including Directors of the Board, Audit and Supervisory Board members, Executive Officers, and Operating Officers) and employees (including contract employees and part-time employees).

Given the potential severity of a single improper act, employees are encouraged to consult with their supervisors, general affairs managers, or the Head Office Legal Department when in doubt, and to maintain appropriate records of their actions. Prior to conducting biennial audits of domestic operations, internal auditing departments review the results of the Governance Awareness Survey for the relevant business units to inform their audit approach.

Annual audits of overseas Group companies include monitoring and evaluation of compliance with corporate ethics and anti-corruption measures. These audits focus on:

- Verifying the availability of local language-versions of the Corporate Philosophy, Sekisui House Group Corporate Code of Conduct, and Sekisui House Group Corporate Ethics Guidelines, and confirming how these principles are communicated to employees.
- Identifying key legal risks faced by each company (e.g., bribery, labor management, environmental protection) and assessing the development of internal rules and manuals in accordance with applicable laws and regulations.
- Reviewing employee education methods related to anti-corruption and the content of periodic reports prepared to support these efforts.

Promoting Compliance

Promoting Active Use of Internal Reporting Systems and Consultation Services

The Sekisui House Group has established multiple internal reporting and consultation channels, including the Sekisui House Group Compliance Helpline, the Sexual and Power Harassment Hotline[1], and the Sekisui House Global Helpline. These systems are operated in accordance with the Whistleblower Protection Act, with the Human Rights and Compliance Promotion Department responsible for handling reports and consultations related to actual or suspected violations of laws or Corporate Ethics Guidelines. The Company's Board of Directors receives regular updates on the operation of these systems and exercises appropriate oversight.

The Sekisui House Group Compliance Helpline is available to all Group employees and includes an external point of contact managed by an independent law firm. In addition, the helpline accepts consultations and reports from officers and employees of partner building contractors and suppliers engaged in ongoing transactions with the Group. These reports may concern actual or potential violations of laws or corporate ethics in connection with business relationships.

The Sexual and Power Harassment Hotline is operated by the Human Rights and Compliance Promotion Department and is available to all Group employees for consultations related to human rights issues, including various forms of harassment.

To support employees at overseas subsidiaries in English-speaking regions, the Sekisui House Global Helpline was launched in June 2020. This helpline is jointly operated by the Human Rights and Compliance Promotion Department and an external law office serving as the contact point.

Overview of the Sekisui House Group's Whistleblowing and Counseling Hotline Systems

	Point of contact	Consultation methods	Scope of Reports and Consultations
Sekisui House Group Compliance Helpline	Internal contact: Human Rights and Compliance Promotion Department External contact: Law office	Phone Letter Email	Available to Group officers, employees, and ongoing business partners. Accepts reports and consultations regarding actual or potential violations of laws and regulations, or the Sekisui House Group Corporate Ethics Guidelines and Corporate Code of Conduct in connection with business operations.
Sexual and Power Harassment Hotline			Available to Group officers, employees, and ongoing business partners, handles consultations related to sexual harassment, power harassment and other human rights concerns, including those associated with pregnancy, childbirth, childcare leave, and nursing care leave.
Sekisui House Global Helpline		Email (English language support available)	Designated for officers and employees of overseas subsidiaries. Covers issues such as sexual harassment, bullying or human rights violations, and actual or suspected breaches of laws, regulations, or corporate ethics related to business activities.

In preparation for the enforcement of the revised Whistleblower Protection Act in June 2022, we established internal regulations in May 2022 titled "Rules on the Internal Reporting and Consultation System," which were updated in June 2024. These rules ensure compliance with the Act and stipulate that the system must accept anonymous reports and consultations. They also mandate the protection of whistleblowers by prohibiting retaliatory actions, banning attempts to identify whistleblowers, and requiring confidentiality from those handling reports.

While resolving issues within the workplace is ideal, we recognize the importance of ensuring that all employees are aware of and feel comfortable using the internal reporting system. To this end, we actively promote awareness of these systems through annual Human Rights and Compliance Training and other Group-wide training programs.

1 This system handles a broad range of issues, including bribery.

Number of Consultations Received by the Internal Reporting and Consultation Services (FY)

	2022	2023	2024
Sekisui House Group Compliance Helpline	32	63	81
Sexual and Power Harassment Hotline	213	253	258

Sekisui House Group Corporate Ethics Guidelines
Anti-Bribery and Corruption Policy

Personal Information Protection Initiatives

Under our internal Personal Information Handling Rules, we have established a management structure in which the Head of the Corporate Administration Headquarters serves as the Chief Officer responsible for the proper handling of personal information. We are committed to the proper handling of personal information and disclose our Privacy Policy and the Sekisui House, Ltd. Information Security Policy on our website.

We handle customers' personal information at various business locations, including housing exhibition sites and land sales offices. In accordance with the Act on the Protection of Personal Information and our internal rules, we provide ongoing e-learning and training programs to employees. These initiatives aim to instill a strong understanding of personal information protection, including awareness of internal guidelines related to compliance with the law. To further strengthen our Internal Control System, we have established a dedicated Customer Information Service Office within the CS Promoting Office. This office plays a central role in ensuring Group-wide compliance with the Personal Information Protection Law.

Customers may request the disclosure, correction, suspension of use, or deletion of their personal data by submitting an inquiry through the Contact for Inquiries About Customer Information at the Customer Information Service Office. In the event of a loss or theft of customers' information, we promptly notify affected individuals and, if necessary, publish details on our website regarding the nature of the incident and our response. We also make every effort to recover the compromised information.

Recognizing the global trend towards strengthening personal information protection laws, we are also advancing initiatives in our international businesses. These include developing appropriate systems and conducting training tailored to the business and legal requirements of each country in which we operate.

Global Website Privacy Policy Sekisui House, Ltd.
Information Security Policy (Japanese only)

Promoting Compliance

Marketing and Advertising Policy

In accordance with the Sekisui House Group Corporate Code of Conduct, we are committed to providing consumers and customers with appropriate and accurate information regarding our products and services. We comply with all relevant laws and regulations governing our business activities, including Japan's Construction Business Act and the Real Estate Brokerage Act, and strive to ensure the integrity of our sales and advertising practices. To support this, we have developed internal rules, manuals, and training programs for employees involved in real estate advertising. Moreover, our internal auditing departments conduct regular audits, and the head office departments responsible for overseeing sales offices carry out periodic operational inspections. We have also established and maintain a system for regularly reviewing the content of our corporate websites to ensure accuracy and compliance.

Sekisui House Group Corporate Code of Conduct (excerpt)

Building of trust with consumers and customers

5. Provide consumers and customers with appropriate and accurate information regarding our products and services, engage in sincere communications with them, and ensure their satisfaction and trust.

Sekisui House Group Corporate Code of Conduct (Japanese only)

Tax Transparency

The Sekisui House Group is committed to complying with tax laws and ensuring fairness in tax practices in every country where we operate. We disclose information related to tax transparency in the following report.

Tax transparency

Breakdown of Taxes Paid by Country

The Sekisui House Group's country-by-country tax payments for FY2024 are disclosed as follows.

(Millions of yen)

Country	Amount
Japan	67,056
The United States	16,997
Australia	(28)

Internal Audit

The Company has established the Auditing Department as part of its Internal Control System, responsible for conducting internal audits across the Company and Group companies to ensure operational integrity and continuous improvement. The department is staffed with professionals who possess strong expertise and skills in auditing, supporting the development of a robust, global auditing framework that encompasses both domestic and overseas Group entities. The Auditing Department comprises 54 employees (as of January 31, 2025; including 12 employees assigned to the International Auditing Office). This team conducts audits of the Company as well as domestic Group companies without dedicated internal auditing departments and overseas Group companies. In addition to the central Auditing Department, internal audit functions are also established at Sekisui House Real Estate Holdings, Sekisui House Construction Holdings, Sekisui House Remodeling, Konoike Construction Co., Ltd., and M.D.C. Holdings, Inc. These departments conduct their own internal audits while maintaining close collaboration with the Auditing Department of Sekisui House, Ltd., including sharing audit findings and coordinating audit activities.

As part of the ESG strategy outlined in the Sixth Mid-Term Management Plan, and in line with the goal of "Enhancing our internal auditing structure for global auditing," we dispatched audit personnel to the United States. As of January 31, 2025, a total of 109 employees are engaged in internal audit functions across the Group.

The Auditing Department conducts internal audits in accordance with the Internal Audit Guidelines and annual audit plans. In principle, audits of the Company's sales offices and domestic Group companies are conducted once every two years, while audits of overseas Group companies are conducted annually.

Overview of internal audits of business activities

Sekisui House's Auditing Department conducts periodic audits to assess whether our Internal Control System and internal management practices are appropriately and effectively implemented. These audits ensure compliance with relevant laws and regulations, such as the Construction Business Act and the Real Estate Brokerage Act, as well as internal rules. Audit activities include monitoring and evaluating the content of customer contracts and advertising practices, with recommendations for corrective action issued when necessary. In addition, monthly compliance inspections are conducted to verify key matters related to legal requirements and financial statements, based on data extracted from internal systems.

Audit findings are compiled into formal audit reports and shared in a timely manner with Directors of the Board, Audit and Supervisory Board members, and relevant departments. The Board of Directors receives audit reports semi-annually, while the Audit and Supervisory Board is briefed annually. Issues deemed particularly critical or requiring urgent attention are promptly communicated to relevant departments to facilitate early resolution and cross-functional knowledge sharing, helping to prevent recurrence. Furthermore, each sales office conducts independent, check-list based operational inspections on a semi-annual basis or more frequently. Supervisory departments at the head office also perform annual inspections to ensure consistent oversight across organizations.

Metrics and Targets

In FY2024, there were no significant violations of laws or regulations or voluntary standards related to bribery or corruption within the Group.

Legal compliance status in FY2024

Penalties for non-compliance with the anti-corruption policy

There were no disciplinary actions or dismissals of employees due to violation of the Anti-Corruption Policy. To the best of our knowledge, the Group did not incur any costs related to fines, surcharges, or settlements associated with corruption.

Infractions and penalties related to the environment

There were no significant violations or penalties related to environmental laws or regulations. Additionally, no incidents such as accidental spills occurred that impacted the environment surrounding our factories. While we recognize the importance of preparing for potential major environmental incidents, no provisions related to ESG matters, including environmental issues, were recorded during the fiscal year.

Infractions and penalties related to products and services, and health and safety

There were no legal or regulatory violations, nor any penalties incurred, in connection with the provision or use of our products and services. Furthermore, there were no infractions of health and safety regulations or voluntary standards. In the event that a serious issues related to our products or services arises, we are committed to promptly investigating the matter, confirming the facts, and disclosing both the details and our response policy in a timely manner.

Infractions and penalties related to customer privacy

There were no substantiated complaints or petitions for redress related to customer privacy infringements or loss of customer data.

Legal action related to anti-competitive practices

The Group faced no legal action, significant fines or punitive measures related to anti-competitive behavior, antitrust violations, or monopolistic practices.

Strengthening Risk Management

Risk Management Structure

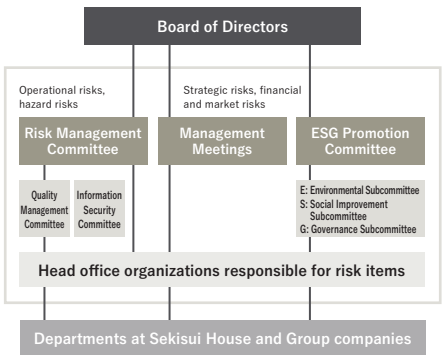
The Group has established a comprehensive Risk Management Structure to accurately identify and assess significant risks that may arise in the course of business activities. In the event that such risks materialize, we are prepared to take appropriate measures to mitigate their impact on the Group's operations.

Strategic risks and financial/market risks are deliberated by the Board of Directors, Management Meetings, and other key decision-making bodies responsible for management policies, strategies, and critical business execution. For operational risks and hazard risks, the Risk Management Committee (an advisory body to the Board of Directors chaired by an Executive Vice President, Executive Officer, who is also Representative Director of the Board) monitors the status of risk management across the Group.

The Risk Management Committee is composed primarily of members appointed by resolution of the Board of Directors and, in principle, meets monthly. For each material risk item identified, the Committee monitors the risk management status of the responsible organizations, including specialized departments at the head office and relevant cross-functional committees. Based on these findings, the committee evaluates the development and effectiveness of the Group's Risk Management Structure, provides necessary guidance, and reports its deliberations to the Board of Directors on a semi-annual basis. The Committee also includes representatives from the Internal Audit Division, ensuring coordination with the scope and findings of periodic audits.

Recognizing the importance of quality control and information security, the Quality Management Committee and the Information Security Committee have been established under the Risk Management Committee. These subcommittees take a specialized, cross-divisional approach to identify and address risks in their respective areas. These policies and deliberations are reported to the Risk Management Committee three times each year.

Risk Management Structure Diagram



Major Risks

Strategic risks/Financial and market risks

Changes in the housing market environment, corporate acquisition and business reorganization, assets held by the Group, fundraising costs, retirement benefit obligations

Operational risks, hazard risks

Compliance with laws and regulations, quality control, decline in the number of skilled construction professionals in Japan, information security initiatives, accidents during construction work, labor management, suspension of raw material supply, large-scale natural disasters, etc.

Details regarding these risks and the Group's responses are provided in the Annual Securities Report (P.64–75)

Annual Securities Report for the 74th fiscal year (FY2025)

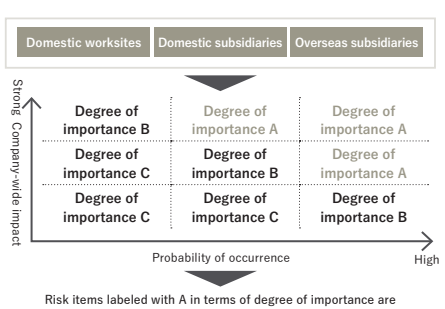
Risk Management Process

Strategic risks and financial and market risks identified by relevant departments at Sekisui House Group companies are deliberated by the Board of Directors, Management Meetings, and other decision-making bodies. These discussions are conducted in conjunction with agenda items related to the Company's overall business strategies, including its Mid-Term Management Plan, and individual projects. These bodies assess risk levels, formulate countermeasures, and monitor for incidents that could materially affect the Company's business operations.

The Risk Management Committee, an advisory body to the Board of Directors chaired by the Representative Director and Executive Vice President, focuses on identifying and evaluating operational risks and hazard risks. These risks are extracted from monitoring activities conducted in the previous fiscal year across domestic and overseas Group companies as well as from interviews with each head office department. The Committee evaluates each risk based on its likelihood and potential impact, and compiles a risk map to identify material risks. For each key risk theme, the responsible departments or committees formulate a basic risk management plan at the beginning of the fiscal year, report progress to the Risk Management Committee, and implement improvements based on feedback, thus promoting a PDCA cycle in risk management.

With regard to risk management for Group companies, we have clarified roles of administrative departments responsible for overall business management and specialized departments overseeing cross-sectional risk areas. This enables matrix-based risk management across the Group. To enhance risk information gathering, we are building a governance network that strengthens the check-and-balance functions of general affairs personnel at domestic and overseas Group companies and promotes active information sharing with specialized departments at the head office. Key business subsidiaries are required to obtain approval from the Company or a resolution from the Board of Directors for decisions involving significant business execution. These key Group companies also prepare risk maps similar to those used by the Company, and their contents are shared and discussed at the Risk Management Committee to ensure alignment in risk recognition.

In the event of a serious incident that could affect the Group's overall operations, the head office administrative department reports to the Risk Management Committee in accordance with the Crisis Response Manual. The Committee then assesses the crisis level based on predefined criteria. If the incident exceeds the threshold for serious impact, the Crisis Countermeasure Headquarters is activated under the direction of the chairperson of the Risk Management Committee. The headquarters acts as a dedicated team responsible for containing the incident and formulating specific countermeasures in order to ensure early resolution. To maintain readiness, crisis response drills are conducted periodically to validate and improve the manual's effectiveness.



Risk items labeled with A in terms of degree of importance are prioritized in monitoring by the Risk Management Committee

11-Year Highlights (Consolidated)

Financial Data

(Millions of yen)

(Fiscal year)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business performance											
Net sales	1,912,721	1,858,879	2,026,931	2,159,363	2,160,316	2,415,186	2,446,904	2,589,579	2,928,835	3,107,242	**4,058,583**
Gross profit	368,446	373,867	418,297	445,082	444,596	478,036	473,511	528,877	584,297	623,745	**785,993**
Gross profit margin (%)	19.3	20.1	20.6	20.6	20.6	19.8	19.4	20.4	19.9	20.1	**19.4**
Selling, general and administrative expenses	221,851	224,222	234,132	249,541	255,373	272,780	286,992	298,716	322,808	352,789	**454,626**
Operating profit	146,595	149,645	184,164	195,540	189,223	205,256	186,519	230,160	261,489	270,956	**331,366**
Operating profit margin (%)	7.7	8.1	9.1	9.1	8.8	8.5	7.6	8.9	8.9	8.7	**8.2**
Ordinary profit	156,426	160,589	190,989	203,678	195,190	213,905	184,697	230,094	257,272	268,248	**301,627**
Profit attributable to owners of parent	90,224	84,302	121,853	133,224	128,582	141,256	123,542	153,905	184,520	202,325	**217,705**
Return on investment											
ROE (%)	9.0	7.9	11.3	11.6	10.8	11.5	9.5	11.0	11.9	11.9	**11.7**
ROA (%)[1]	8.4	8.3	9.4	9.0	8.3	8.8	7.3	8.6	9.1	8.7	**8.3**
Assets and interest-bearing debt											
Total assets	1,929,409	2,029,794	2,184,895	2,419,012	2,413,035	2,634,748	2,625,861	2,801,189	3,007,537	3,352,798	**4,808,848**
Total net assets	1,079,064	1,068,428	1,118,264	1,208,121	1,196,923	1,306,850	1,368,887	1,520,959	1,667,546	1,794,052	**2,018,599**
Equity capital	1,068,423	1,057,696	1,103,359	1,194,975	1,182,808	1,266,195	1,326,535	1,473,940	1,632,830	1,754,585	**1,962,199**
Equity-to-asset ratio (%)	55.38	52.11	50.50	49.40	49.02	48.06	50.52	52.62	54.29	52.33	**40.80**
Interest-bearing debt	351,731	426,013	491,017	622,084	639,510	586,891	562,966	549,862	607,198	774,965	**1,877,410**
Debt/Equity ratio (Times)[2]	0.33	0.40	0.45	0.52 [0.45]	0.54 [0.47]	0.46 [0.40]	0.42 [0.36]	0.37 [0.32]	0.37	0.44	**0.96 [0.86]**
Net Debt/EBITDA[2]	0.89	1.29	1.32	1.34 [1.07]	1.37 [1.10]	0.01 [(0.25)]	(0.18) [(0.46)]	0.13 [(0.01)]	0.93	1.57	**3.79 [3.54]**
Sales/Total assets (Times)	1.03	0.94	0.96	0.94	0.89	0.96	0.93	0.95	1.01	0.98	**0.99**
Cash flows											
Cash flows from operating activities	117,358	45,884	115,820	165,355	125,088	363,766	191,972	118,034	125,464	15,683	**62,885**
Cash flows from investing activities	(128,529)	(76,166)	(107,397)	(76,150)	(70,184)	(65,229)	(95,504)	(113,706)	(165,409)	(69,124)	**(697,687)**
Cash flows from financing activities	19,611	32,084	5,511	30,154	(31,030)	(148,160)	(77,614)	(111,701)	(155,780)	6,483	**720,967**
Cash and cash equivalents at end of period	195,008	192,338	204,701	324,693	342,898	583,297	600,234	515,174	332,747	292,901	**390,307**
Investments											
Capital expenditure	121,550	81,258	98,277	68,799	58,680	73,255	96,609	89,512	95,330	86,709	**99,891**
Depreciation	25,692	24,438	23,125	21,983	22,155	21,518	21,726	24,069	26,711	27,745	**35,235**
Research and development expenses	4,726	4,772	4,991	5,181	6,041	7,313	9,665	9,478	9,562	9,050	**10,581**
Corporate value											
Market capitalization at end of period	1,067,964	1,329,946	1,297,656	1,379,985	1,123,051	1,630,703	1,382,375	1,584,699	1,678,159	2,218,601	**2,375,517**
Stock price at end of period (Yen)	1,526.0	1,874.0	1,828.5	1,998.0	1,626.0	2,361.0	2,019.0	2,314.5	2,451.0	3,347.0	**3,583.0**
Per-share information											
EPS: Earnings per share (Yen)	130.91	120.16	175.48	193.06	186.53	205.79	181.18	227.37	276.58	309.29	**335.95**
BPS: Book value per share (Yen)	1,527.52	1,508.81	1,598.90	1,731.60	1,718.82	1,852.62	1,948.12	2,184.36	2,466.04	2,707.90	**3,027.64**
Dividends per share (Yen)	50.00	54.00	64.00	77.00	79.00	81.00	84.00	90.00	110.00	123.00	**135.00**
Dividend payout ratio (%)	38.2	44.9	36.5	39.9	42.4	39.4	46.4	39.6	39.8	39.8	**40.2**
Stock price indicators											
PER (Times)	11.66	15.60	10.42	10.35	8.72	11.47	11.14	10.18	8.86	10.82	**10.67**
PBR (Times)	1.00	1.24	1.14	1.15	0.95	1.27	1.04	1.06	0.99	1.24	**1.18**

1 (Operating profit + Interest income + Dividend income + Equity in earnings of affiliates) ÷ Total assets
2 Values in square brackets account for hybrid bonds

11-Year Highlights (Consolidated)

Other key reference data

(Fiscal year)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
New Housing Starts in Japan (Units)[1]											
Owner-occupied houses	285,270	283,366	292,287	284,283	283,235	288,738	261,088	285,575	253,287	224,352	**218,132**
Built-for-sale houses	237,428	241,201	250,532	255,191	255,263	267,696	240,268	243,944	255,487	246,299	**225,309**
Condominiums	110,475	115,652	114,570	114,830	110,510	117,803	107,884	101,292	108,198	107,879	**102,427**
Detached houses	125,421	123,624	133,739	138,189	142,393	147,522	130,753	141,094	145,992	137,286	**121,191**
Rental housing	362,191	378,718	418,543	419,397	396,404	342,289	306,753	321,376	345,080	343,894	**342,044**
Corporate houses	7,372	6,014	5,875	5,770	7,468	6,400	7,231	5,589	5,675	5,078	**6,613**
Total	892,261	909,299	967,237	964,641	942,370	905,123	815,340	856,484	859,529	819,623	**792,098**
Number of Houses Built by Sekisui House in Japan (Units)											
Detached houses (Built-to-order)	13,104	11,248	11,105	10,617	9,822	10,663	8,411	8,349	7,842	8,967	**8,273**
Built-for-sale houses[2]	2,162	2,364	2,071	2,677	2,336	2,589	1,958	2,261	2,219	205	**279**
Rental houses	34,709	32,631	35,156	32,937	30,078	27,981	26,033	25,321	27,203	23,676	**21,660**
Condominiums (for sale)	1,250	2,002	1,231	1,184	1,499	2,081	1,510	2,320	1,865	1,311	**1,403**
Total	51,225	48,245	49,563	47,415	43,735	43,314	37,912	38,251	39,129	34,159	**31,615**
Sekisui House's market share in Japan (%)	5.7	5.3	5.1	4.9	4.6	4.8	4.6	4.5	4.6	4.2	**4.0**
Total Number of Houses Built (Japan)[3]	2,236,414	2,284,659	2,334,222	2,381,637	2,425,372	2,468,686	2,506,598	2,544,849	2,583,978	2,618,137	**2,649,752**
Total Number of Houses Built (overseas)	4,706	5,345	8,251	12,731	16,137	22,301	27,953	33,166	38,767	44,046	**57,085**
Trend in Housing Constructed by Sekisui House											
Built-to-order detached houses											
Sales per detached house (Thousands of yen)	35,659	37,002	37,292	38,074	38,753	39,935	41,388	42,656	46,196	49,551	**52,486**
Floor area per detached house (Square meters)	140.25	140.43	138.63	137.94	138.03	137.68	135.91	135.04	137.41	136.23	**135.75**
Built-to-order rental housing (Low-rise apartments)											
Sales per building (Thousands of yen)	68,549	76,771	83,612	93,959	100,194	102,415	117,962	126,566	141,619	165,437	**193,159**
Floor area per building (Square meters)	346.64	366.10	385.19	418.35	432.28	427.67	470.83	485.52	515.23	550.03	**599.67**
Trends in Sekisui House Sha Maison PM Block Leasing Operation											
Occupancy ratio (%)[4]	96.4	96.5	96.5	96.7	97.8	97.7	97.7	97.9	97.8	97.7	**97.9**
Units under management (Units)	545,757	565,471	584,096	601,582	619,494	639,780	657,190	674,125	691,635	708,464	**721,293**

1 Calendar year basis
2 In FY2023, built-to-order houses were recategorized from built-for-sale houses to custom detached houses.
3 Figures for FY2016 onward are for the entire Group.
4 Presentation changed to monthly data from month-end data as of FY2018.

11-Year Highlights (Consolidated)

Sales and Operating Profit by Segment

(Millions of yen)

	Former segments (Fiscal year)	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net sales	Built-to-Order Business									
	Custom detached houses	427,044	393,786	383,129	371,171	357,944	390,995	323,332	352,732	352,463
	Rental housing	398,483	400,601	440,312	442,845	416,062	360,026	358,745	384,022	426,116
	Architectural/ Civil engineering	—	—	—	—	—	120,986	302,837	261,930	298,777
	Subtotal	825,527	794,388	823,442	814,017	774,006	872,008	984,915	998,685	1,077,357
	Supplied Housing Business									
	Real estate management fees	428,227	448,751	469,132	489,891	514,035	534,876	557,632	584,969	619,271
	Remodeling	134,166	134,458	133,498	136,843	141,416	152,729	141,090	156,167	165,910
	Subtotal	562,393	583,210	602,631	626,735	655,452	687,606	698,722	741,136	785,182
	Development Business									
	Houses for sale	118,730	137,484	142,014	155,481	148,880	151,268	139,151	191,488	238,252
	Condominiums	56,699	81,470	66,125	77,497	89,581	103,984	77,091	90,612	90,883
	Urban redevelopment	178,344	93,038	130,491	103,777	173,391	131,920	104,953	102,736	135,320
	Subtotal	353,774	311,993	338,631	336,756	411,853	387,173	321,195	384,837	464,456
	Overseas Business									
	Overseas Business	79,835	89,522	182,127	306,716	245,953	389,866	370,686	388,936	521,124
	Other Business	91,190	79,764	80,099	75,137	73,050	78,531	71,384	75,984	80,715
	Total	1,912,721	1,858,879	2,026,931	2,159,363	2,160,316	2,415,186	2,446,904	2,589,579	2,928,835
Operating profit	Built-to-Order Business									
	Custom detached houses	48,894	47,208	49,514	48,043	42,255	45,942	32,231	42,475	38,309
	Rental housing	45,825	51,918	60,832	60,883	50,376	49,710	47,052	56,047	58,407
	Architectural/ Civil engineering	—	—	—	—	—	3,730	16,051	15,146	13,214
	Subtotal	94,719	99,127	110,347	108,926	92,632	99,383	95,335	113,668	109,931
	Supplied Housing Business									
	Real estate management fees	23,405	26,819	31,278	33,133	39,407	41,054	43,869	50,480	50,659
	Remodeling	14,997	15,847	17,544	19,760	21,109	23,535	20,479	25,546	27,561
	Subtotal	38,402	42,667	48,823	52,893	60,516	64,589	64,348	76,027	78,221
	Development Business									
	Houses for sale	8,491	11,919	8,822	13,460	11,088	12,259	7,586	14,548	20,777
	Condominiums	4,738	8,031	2,248	9,229	6,478	10,134	8,817	12,486	13,403
	Urban redevelopment	25,802	24,747	23,414	16,994	40,403	17,045	16,565	11,276	15,051
	Subtotal	39,032	44,698	34,485	39,684	57,970	39,439	32,969	38,311	49,233
	Overseas Business									
	Overseas Business	4,419	(5,673)	25,172	29,761	16,340	44,551	39,708	50,147	73,860
	Other Business	3,123	2,511	726	1,234	(44)	(273)	(2,480)	(1,208)	(439)
	Eliminations and back office	(33,102)	(33,686)	(35,390)	(36,960)	(38,192)	(42,434)	(43,363)	(46,786)	(49,317)
	Total	146,595	149,645	184,164	195,540	189,223	205,256	186,519	230,160	261,489

New segments[2]	2022	2023	2024
Built-to-Order Business			
Detached houses	476,416	471,056	**479,091**
Rental housing and commercial buildings	506,307	524,121	**544,934**
Architectural/ Civil engineering	267,317	274,653	**325,024**
Subtotal	1,250,040	1,269,832	**1,349,050**
Supplied Housing Business			
Rental housing management	617,245	646,588	**687,119**
Remodeling	166,975	174,996	**183,868**
Subtotal	784,221	821,584	**870,988**
Development Business			
Real estate and brokerage	221,040	288,456	**356,060**
Condominiums	97,110	109,450	**102,494**
Urban redevelopment	86,130	135,131	**124,021**
Subtotal	404,281	533,039	**582,576**
Overseas Business			
Overseas Business	521,124	511,055	**1,278,511**
Other	9,454	11,171	**14,066**
	(40,287)	(39,440)	**(36,610)**
Total	2,928,835	3,107,242	**4,058,583**
Built-to-Order Business			
Detached houses	41,474	41,065	**46,069**
Rental housing and commercial buildings	74,450	78,016	**81,796**
Architectural/ Civil engineering	11,826	12,904	**15,218**
Subtotal	127,751	131,986	**143,084**
Supplied Housing Business			
Rental housing management	47,585	50,180	**56,804**
Remodeling	22,431	23,482	**26,624**
Subtotal	70,016	73,663	**83,429**
Development Business			
Real estate and brokerage	17,531	25,857	**28,971**
Condominiums	13,762	17,532	**14,648**
Urban redevelopment	5,130	22,454	**26,665**
Subtotal	36,424	65,845	**70,285**
Overseas			
Overseas Business	73,854	48,898	**78,945**
Other	1,890	1,630	**2,466**
Eliminations and back office	(48,448)	(51,067)	**(46,844)**
Total	261,489	270,956	**331,366**

1 Architectural/Civil engineering became a reportable segment as of FY2020. The figures for FY2019 have been reclassified to reflect this change.
2 To further enhance the link between business strategies, and organizational coherence and improve capital efficiency in FY2023, we introduced management methods for each individual business and revised segment composition. Thus, figures for FY2022 are shown alongside the figures after segment restructuring.

Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

	As of January 31, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	293,152	**390,559**
Notes receivable, accounts receivable from completed construction contracts and other	176,466	**211,114**
Costs on construction contracts in progress	17,351	**14,127**
Buildings for sale	774,297	**1,068,926**
Land for sale in lots	856,404	**1,374,237**
Undeveloped land for sale	233,197	**396,123**
Other inventories	12,474	**12,164**
Other	134,627	**245,867**
Allowance for doubtful accounts	(1,026)	**(1,013)**
Total current assets	2,496,947	**3,712,106**
Non-current assets		
Property, plant and equipment		
Buildings and structures	321,467	**346,487**
Machinery, equipment and vehicles	73,927	**76,430**
Tools, furniture and fixtures	40,740	**47,408**
Land	252,548	**258,559**
Leased assets	23,313	**27,826**
Construction in progress	52,173	**45,976**
Other	—	**5,855**
Accumulated depreciation	(267,916)	**(274,304)**
Total property, plant and equipment	496,253	**534,240**
Intangible assets		
Goodwill	17,808	**134,217**
Industrial property	3,032	**57,903**
Leasehold interests in land	2,057	**2,986**
Software	15,779	**25,198**
Right to use facilities	145	**130**
Telephone subscription right	238	**238**
Other	1,326	**1,199**
Total intangible assets	40,388	**221,873**
Investments and other assets		
Investment securities	198,437	**205,632**
Long-term loans receivable	3,971	**13,656**
Retirement benefit asset	35,440	**46,749**
Deferred tax assets	20,242	**10,643**
Other	62,989	**64,994**
Allowance for doubtful accounts	(1,872)	**(1,047)**
Total investments and other assets	319,208	**340,628**
Total non-current assets	855,851	**1,096,742**
Total assets	3,352,798	**4,808,848**

(Millions of yen)

	As of January 31, 2024	As of January 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	134,026	**195,028**
Electronically recorded obligations—operating	103,266	**79,360**
Short-term bonds payable	—	**40,000**
Short-term borrowings	440,075	**477,840**
Current portion of bonds payable	16	**8**
Current portion of long-term borrowings	21,611	**252,793**
Income taxes payable	39,777	**44,652**
Advances received on construction contracts in progress	210,030	**220,645**
Provision for bonuses	36,699	**39,706**
Provision for bonuses for directors (and other officers)	2,553	**6,675**
Provision for warranties for completed construction	6,152	**14,073**
Other	143,827	**184,863**
Total current liabilities	1,138,038	**1,555,648**
Non-current liabilities		
Bonds payable	50,008	**620,121**
Long-term borrowings	239,089	**456,321**
Long-term leasehold and guarantee deposits received	58,659	**52,626**
Deferred tax liabilities	6,111	**13,443**
Provision for retirement benefits for Directors (and other officers)	707	**862**
Retirement benefit liability	30,716	**31,632**
Other	35,415	**59,593**
Total non-current liabilities	420,707	**1,234,601**
Total liabilities	1,558,745	**2,790,249**
Net assets		
Shareholders' equity		
Share capital	202,854	**203,094**
Capital surplus	260,126	**260,297**
Retained earnings	1,132,275	**1,266,985**
Treasury shares	(40,979)	**(40,957)**
Total shareholders' equity	1,554,276	**1,689,420**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	44,597	**35,610**
Deferred gains or losses on hedges	—	**(123)**
Foreign currency translation adjustment	132,895	**215,217**
Remeasurements of defined benefit plans	22,816	**22,075**
Total accumulated other comprehensive income	200,309	**272,779**
Share acquisition rights	100	**87**
Non-controlling interests	39,366	**56,311**
Total net assets	1,794,052	**2,018,599**
Total liabilities and net assets	3,352,798	**4,808,848**

Consolidated Financial Statements

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Net sales	3,107,242	**4,058,583**
Cost of sales	2,483,496	**3,272,590**
Gross profit	623,745	**785,993**
Selling, general and administrative expenses		
Selling expenses	58,936	**87,903**
General and administrative expenses	293,852	**366,723**
Total selling, general and administrative expenses	352,789	**454,626**
Operating profit	270,956	**331,366**
Non-operating income		
Interest income	2,947	**9,287**
Dividend income	2,191	**2,163**
Foreign exchange gains	4,293	**3,578**
Share of profit of entities accounted for using equity method	1,900	—
Other	4,284	**2,839**
Total non-operating income	15,618	**17,869**
Non-operating expenses		
Interest expenses	12,371	**33,634**
Share of loss of entities accounted for using equity method	—	**3,085**
Other	5,954	**10,887**
Total non-operating expenses	18,325	**47,607**
Ordinary profit	268,248	**301,627**
Extraordinary income		
Gain on sale of investment securities	5,735	**19,312**
Gain on liquidation of subsidiaries and associates	9,778	**3,456**
Gain on sale of shares of subsidiaries and associates	10,519	**1,540**
Reversal of allowance for doubtful accounts	632	—
Total extraordinary income	26,666	**24,309**
Extraordinary losses		
Acquisition related expenses	—	**18,232**
Loss on sale and retirement of non-current assets	1,398	**1,584**
Loss on sale of shares of subsidiaries and associates	41	**386**
Impairment losses	484	**147**
Loss on business liquidation	4,023	—
Loss on valuation of investment securities	8	—
Total extraordinary losses	5,956	**20,351**
Profit before income taxes	288,958	**305,586**
Income taxes—current	79,648	**84,687**
Income taxes—deferred	1,784	(**358**)
Total income taxes	81,433	**84,328**
Profit	207,525	**221,257**
Profit attributable to non-controlling interests	5,199	**3,552**
Profit attributable to owners of parent	202,325	**217,705**

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Profit	207,525	**221,257**
Other comprehensive income		
Valuation difference on available-for-sale securities	4,408	(**8,900**)
Foreign currency translation adjustment	29,999	**84,007**
Remeasurements of defined benefit plans, net of tax	(932)	(**723**)
Share of other comprehensive income of entities accounted for using equity method	2,595	(**1,824**)
Total other comprehensive income	36,071	**72,558**
Comprehensive income	243,596	**293,815**
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	238,079	**290,175**
Comprehensive income attributable to non-controlling interests	5,517	**3,640**

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

Fiscal year ended January 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	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	202,591	259,864	1,056,475	(50,656)	1,468,274	40,449	623	99,689	23,793	164,556	134	34,581	1,667,546
Changes during period													
Issuance of new shares	263	263	—	—	526	—	—	—	—	—	—	—	526
Dividends of surplus	—	—	(76,864)	—	(76,864)	—	—	—	—	—	—	—	(76,864)
Profit attributable to owners of parent	—	—	202,325	—	202,325	—	—	—	—	—	—	—	202,325
Purchase of treasury shares	—	—	—	(40,018)	(40,018)	—	—	—	—	—	—	—	(40,018)
Disposal of treasury shares	—	—	(41)	75	34	—	—	—	—	—	—	—	34
Cancellation of treasury shares	—	—	(49,619)	49,619	—	—	—	—	—	—	—	—	—
Purchase of shares of consolidated subsidiaries	—	(1)	—	—	(1)	—	—	—	—	—	—	—	(1)
Change in treasury shares arising from change in equity in entities accounted for using equity method	—	—	—	—	—	—	—	—	—	—	—	—	—
Net changes in items other than shareholders' equity	—	—	—	—	—	4,148	(623)	33,205	(977)	35,753	(33)	4,784	40,504
Total changes during period	263	261	75,799	9,676	86,002	4,148	(623)	33,205	(977)	35,753	(33)	4,784	126,506
Balance at end of period	202,854	260,126	1,132,275	(40,979)	1,554,276	44,597	—	132,895	22,816	200,309	100	39,366	1,794,052

Fiscal year ended January 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	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	202,854	260,126	1,132,275	(40,979)	1,554,276	44,597	—	132,895	22,816	200,309	100	39,366	1,794,052
Changes during period													
Issuance of new shares	239	239	—	—	479	—	—	—	—	—	—	—	479
Dividends of surplus	—	—	(82,968)	—	(82,968)	—	—	—	—	—	—	—	(82,968)
Profit attributable to owners of parent	—	—	217,705	—	217,705	—	—	—	—	—	—	—	217,705
Purchase of treasury shares	—	—	—	(18)	(18)	—	—	—	—	—	—	—	(18)
Disposal of treasury shares	—	—	(26)	38	12	—	—	—	—	—	—	—	12
Cancellation of treasury shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchase of shares of consolidated subsidiaries	—	(68)	—	—	(68)	—	—	—	—	—	—	—	(68)
Change in treasury shares arising from change in equity in entities accounted for using equity method	—	—	—	1	1	—	—	—	—	—	—	—	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	239	171	134,710	21	135,143	(8,987)	(123)	82,322	(740)	72,470	(12)	16,945	224,546
Balance at end of period	203,094	260,297	1,266,985	(40,957)	1,689,420	35,610	(123)	215,217	22,075	272,779	87	56,311	2,018,599

Consolidated Financial Statements

Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Cash flows from operating activities		
Profit before income taxes	288,958	**305,586**
Depreciation	27,745	**35,235**
Impairment losses	484	**147**
Increase (decrease) in retirement benefit liability	(2,143)	**588**
Decrease (increase) in retirement benefit asset	(702)	**(12,086)**
Interest and dividend income	(5,139)	**(11,451)**
Interest expenses	12,371	**33,634**
Share of loss (profit) of entities accounted for using equity method	(1,900)	**3,085**
Loss (gain) on sale of investment securities	(5,735)	**(19,312)**
Loss (gain) on valuation of investment securities	8	—
Loss (gain) on liquidation of subsidiaries and affiliates	(9,778)	**(3,456)**
Loss (gain) on sale of shares of subsidiaries and affiliates	(10,478)	**(1,154)**
Loss on business liquidation	4,023	—
Notes regarding reversal of allowance for doubtful accounts	(632)	—
Decrease (increase) in trade receivables	(19,109)	**(32,741)**
Decrease (increase) in inventories	(217,996)	**(101,081)**
Increase (decrease) in trade payables	8,303	**(11,562)**
Increase (decrease) in advances received on construction contracts in progress	17,056	**5,048**
Other, net	6,951	**(21,494)**
Subtotal	92,286	**168,986**
Interest and dividends received	5,764	**10,680**
Interest paid	(16,440)	**(32,756)**
Income taxes paid	(77,255)	**(84,053)**
Income tax refunded	11,327	**28**
Net cash provided by (used in) operating activities	15,683	**62,885**

(Millions of yen)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Cash flows from investing activities		
Purchase of securities	—	**(26,826)**
Proceeds from redemption of securities	—	**39,374**
Purchase of property, plant and equipment	(76,937)	**(76,693)**
Proceeds from sale of property, plant and equipment	437	**798**
Purchase of investment securities	(6,820)	**(25,229)**
Proceeds from sale and redemption of investment securities	26,317	**38,492**
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(14,618)	**(557,022)**
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	74	**122**
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	3,718	—
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(841)	**(854)**
Loan advances	(749)	**(76,849)**
Proceeds from collection of loans receivable	3,343	**2,191**
Other, net	(3,050)	**(15,191)**
Net cash provided by (used in) investing activities	(69,124)	**(697,687)**
Cash flows from financing activities		
Net increase (decrease) in short-term bonds payable	—	**40,000**
Net increase (decrease) in short-term borrowings	155,886	**(12,783)**
Proceeds from long-term borrowings	55,536	**464,564**
Repayments of long-term borrowings	(85,621)	**(38,875)**
Proceeds from issuance of bonds	30,000	**352,540**
Redemption of bonds	(30,000)	**(16)**
Dividends paid	(76,864)	**(82,968)**
Purchase of treasury shares	(40,018)	**(18)**
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(21)	**(180)**
Other, net	(2,412)	**(1,295)**
Net cash provided by (used in) financing activities	6,483	**720,967**
Effect of exchange rate change on cash and cash equivalents	7,112	**11,240**
Net increase (decrease) in cash and cash equivalents	(39,846)	**97,405**
Cash and cash equivalents at beginning of period	332,747	**292,901**
Cash and cash equivalents at end of period	292,901	**390,307**

Company Information (As of January 31, 2025)

Corporate Profile

Corporate Name
Sekisui House, Ltd.

Head Office
Umeda Sky Building Tower East, 1-1-88, Oyodonaka, Kita-ku, Osaka, 531-0076, Japan

Date of Establishment
August 1, 1960

Number of Employees
32,265 (consolidated basis)
16,916* (non-consolidated basis)

Share Capital
¥203,094.38 million

* Including employees seconded to subsidiaries.

Production Bases
Five locations in Japan
(in Miyagi, Ibaraki, Shizuoka, Hyogo, and Yamaguchi prefectures)

Research Institutes
Comprehensive Housing R&D Institute
SHIAWASE SUMAI Institute

Sales Offices
Sales Offices: 101
Customer Service Centers: 28
Display House Locations: 263

Affiliated Companies
Consolidated Subsidiaries
376 companies (50 in Japan, 326 overseas)
Sekisui House Real Estate Holdings, Ltd.
– Sekisui House Real Estate Group: 6 companies
Sekisui House Remodeling, Ltd.
Sekisui House Construction Holdings, Ltd.
– Sekisui House Construction Group: 8 companies
Sekisui House Innovation & Communication, Ltd.
Sekisui House Asset Management, Ltd.
Konoike Construction Co., Ltd.
SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED
SEKISUI HOUSE US HOLDINGS, LLC
NORTH AMERICA SEKISUI HOUSE, LLC
SH RESIDENTIAL HOLDINGS, LLC
WOODSIDE HOMES COMPANY, LLC
HOLT GROUP HOLDINGS, LLC
CHESMAR HOLDINGS, LLC
M.D.C. HOLDINGS, INC.

Equity-method Affiliates
36 companies (11 in Japan, 25 overseas)

Notes
1 Organizational restructuring and changes to business names took place within the Sekisui House Real Estate Group on February 1, 2025, involving specialized companies in the real estate and brokerage business (Sekisui House Real Estate, Ltd.) and 6 specialized companies in the rental business (Sekisui House Sha Maison PM).
2 Sekisui House Support Plus, Ltd. was spun off the Company's after-sales service business on February 1, 2025.

Locations

● Head Office, Business Headquarters, Sales Administration Headquarters, Factories, Research Institutes ● Group Companies



* TLM:Tomorrow's Life Museum

External Recognition

Environment/Social/Information Disclosure

Awarded a "Triple A" by the CDP for leadership across the fields of climate change, forests and water security (February 2024)

Received Environmentally Sustainable Company Category, Bronze Award
Fifth ESG Finance Awards Japan (February 2024)

First Platinum Kurumin Certification (February 2024)

Certified Health and Productivity Management Outstanding Organization 2024, Large Enterprise Category (White 500) for the fifth consecutive year (March 2024)

Selected as one of the top 5% companies in the S&P Global Sustainability Yearbook 2024 (February 2024)

Voted "Most Honored Company," earning first place in the Institutional Investor 2024 All-Japan Executive Team ranking (May 2024)

ESG indices (selected by GPIF)

MSCI Japan ESG Select Leaders Index

MSCI Japan Empowering Women Index (WIN)

FTSE Blossom Japan Index

S&P/JPX Carbon Efficient Index

FTSE Blossom Japan Sector Relative Index

Morningstar Japan ex-REIT Gender Diversity Tilt Index

Integrated Report

Selected as an "Outstanding Integrated Report" by the domestic equity management institutions of the Government Pension Investment Fund (GPIF) in March 2025.

Received the Grand S Prize at the Nikkei Integrated Report Award 2024 in March 2025.

Share Information (As of January 31, 2025)

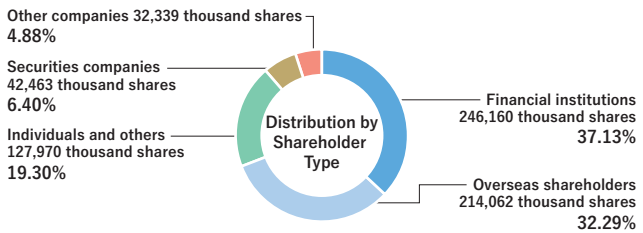
Total number of shares authorized	1,978,281,000
Total number of shares issued	662,996,866 (including 14,729,962 treasury shares)
Trading unit	100 shares
Total number of shareholders	208,318

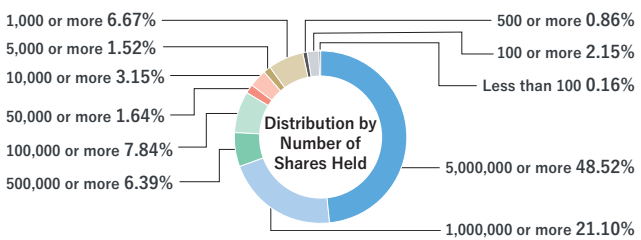
Major Shareholders (Top 10)

Name	Number of Shares Held (Thousands)	Shareholding Ratio
The Master Trust Bank of Japan, Ltd. (Trust Account)	108,847	16.79%
Custody Bank of Japan, Ltd. (Trust Account)	49,529	7.64%
Sekisuihouse Ikushikai	21,378	3.30%
Sekisui Chemical Co., Ltd.	14,168	2.19%
State Street Bank West Client – Treaty 505234	13,573	2.09%
SMBC Nikko Securities Inc.	13,350	2.06%
JPMorgan Securities Japan Co., Ltd.	10,943	1.69%
The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders	10,270	1.58%
Japan Securities Finance Co., Ltd.	8,477	1.31%
The Nomura Trust and Banking Co., Ltd. as the Trustee of Repurchase AG Fund 2024 – 09 (LIMITED OT FINANC IN RESALE RSTRCT)	8,403	1.30%

1 Sekisuihouse Ikushikai is the Company's employee stockholders association.
2 The Company holds 14,729 thousand shares of treasury stock. These shares are excluded from the above list of major shareholders. The shareholding ratio is calculated by dividing the number of shares held by the total number of shares issued, excluding treasury shares.
3 The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders is the holder of deposited shares for the purpose of issuing American Depositary Receipts (ADRs).

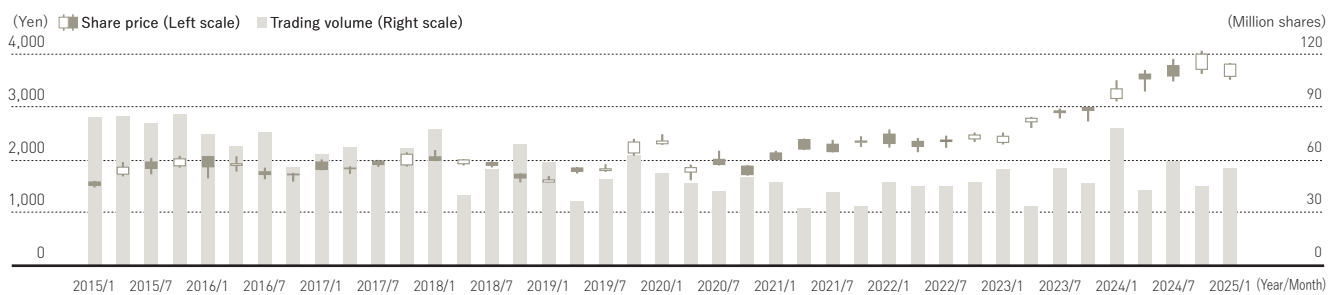
Share Distribution





Note: 14,729 thousand treasury shares are included in "Individuals and others."

Stock Price and Trading Volume



Note: Using quarter-end data (from the Tokyo Stock Exchange) for each month

Total Shareholder Return

Fiscal Year	2020	2021	2022	2023	2024
Sekisui House	89.1%	105.4%	115.8%	159.0%	174.7%
TOPIX (including dividends)	110.0%	117.7%	126.0%	166.9%	186.7%

Editorial Policy

On the Publication of Value Report 2025

The “Value Report” reflects the Sekisui House Group’s commitment to communicating the value we create from both financial and non-financial perspectives. This year, we have added the subtitle “Our Impact” to highlight how our value reaches society and amplifies as happiness. We define value as something that resonates with people’s hearts and lives. The impact generated when that value is delivered is, we believe, our true contribution to the future.

This report not only presents the outcomes of our activities, but also shares the story of our people and organization—what we value, how we face challenges, and how we act. Building on feedback and suggestions received from stakeholders on last year’s “Value Report 2024,” we have further enriched the content. We sincerely hope this report serves as an opportunity to connect with our vision and opens the door to dialogue as we work together to shape a better and happier future.

Reporting Period

February 1, 2024 to January 31, 2025 (FY2024)

Note: The report also contains information beyond this reporting period.

Target Organizations

Sekisui House, Ltd. and its 376 consolidated subsidiaries. Departures from this scope are indicated in the text.

Note on Forward-Looking Statements

Forward-looking statements in this report, such as performance forecasts, are estimates made by Sekisui House, Ltd. based on information available at the time this report was prepared and include potential risks, uncertainties, and other factors. Please be aware that actual results may differ significantly from forecasts due to changes in various factors.

Guidelines Referenced

- GUIDANCE FOR INTEGRATED CORPORATE DISCLOSURE AND COMPANY-INVESTOR DIALOGUE FOR COLLABORATIVE VALUE CREATION 2.0, Ministry of Economy, Trade and Industry
- The International Integrated Reporting Framework, IFRS Foundation
- SASB Standards, Sustainability Accounting Standards Board (SASB), IFRS Foundation
- GRI Standards

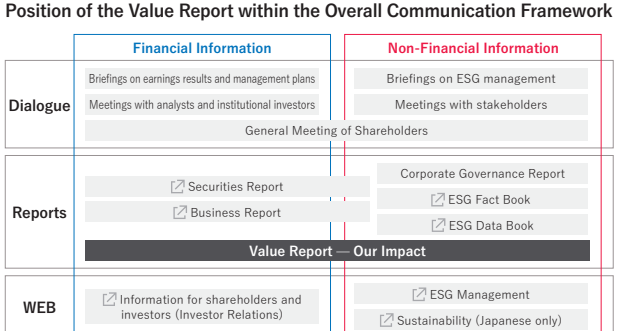
Navigating the Report (online version)

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Link to an external website

Jump to related page in this report

Position of the Value Report within the Overall Communication Framework



Related Materials

- Value Report 2025 – Our Impact (Published July 2025)
https://www.sekisuihouse.co.jp/english/company/sustainable/library/2025/ValueReport2025alle.pdf

- Sekisui House ESG FACT BOOK 2025 (Published July 2025)
https://www.sekisuihouse.co.jp/english/company/sustainable/library/2025/ESG_factbook_en.pdf

- Sekisui House ESG DATA BOOK 2025 (Published April 2025)
https://www.sekisuihouse.co.jp/library/company/sustainable/download/2025/esg_data/ESG_databook.pdf

- Sekisui House Group Human Rights Report
https://www.sekisuihouse.co.jp/english/company/sustainable/esg_attempt/human_rights/

- 2024 Annual Securities Report (Published April 2025)
https://www.sekisuihouse.co.jp/company/financial/library/ir_document/_227230/2025_kessan/yuho_2024e.pdf

- 2024 Consolidated Financial Statements (Published April 2025)
https://www.sekisuihouse.co.jp/company/financial/library/ir_document/_227230/2025_kessan/naibu_2024.pdf

Editorial Note

At the Sekisui House Group, we believe that true value lies not only in what we build, but in how we make people feel. Whether it is supporting someone in need or connecting with the passion of our colleagues, these moments create invisible yet meaningful fragments of happiness that define who we are. Our journey has not always been glamorous, but it has been steady and sincere. Every quiet effort, every challenge met with determination, has shaped the foundation of our values—and continues to drive our future.

In preparing this report, we paused time and again to reflect on the path we have walked. We looked beyond the numbers to consider a sense of care, commitment, and purpose—qualities that cannot always be measured, but are deeply felt. What we have come to realize is that “happiness” is not a distant ideal. It is found at every site, in each person’s dedication, and in the steady accumulation of challenges met, one step at a time.

If this report leaves you with the sense that the happiness we create is something worth valuing, we believe it has fulfilled its purpose.

Sekisui House, Ltd.; ESG Management Promotion Headquarters/Investor Relations Department

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ESG Management
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Investor Relations
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Global Website
https://www.sekisuihouse.co.jp/english/

ECO FIRST 環境大臣認定 エコ・ファースト企業
業界初の〈エコ・ファースト企業〉として環境大臣より認定を受けました。

COOL CHOICE 未来のために、いま選ぼう。

Published July 2025