

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.

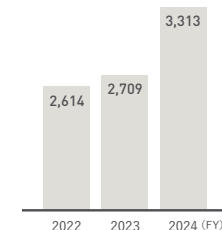
These efforts, we have created a stable and trusted management foundation.

We will continue building on this foundation to create value and maintain the trust of our stakeholders.

Highlights

Operating profit

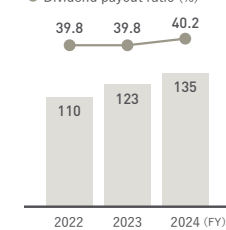
(Billions of yen)



We saw record high consolidated operating profit of ¥331.3 billion in FY2024.

Shareholder returns

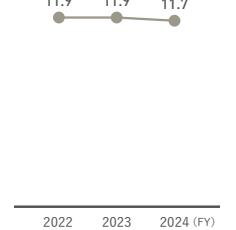
■ Dividends per share (yen)
● Dividend payout ratio (%)



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 recruitment 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.

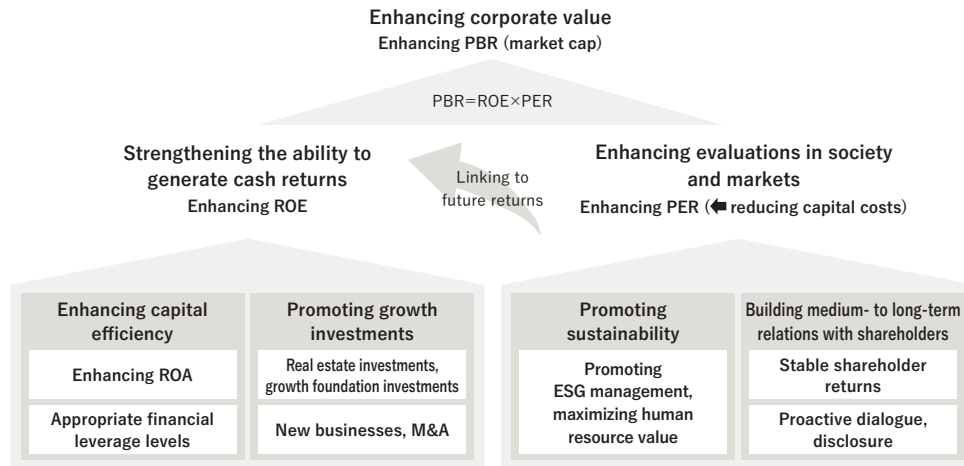
Satoshi Tanaka

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



Progress in Real Estate Investments (FY2023–FY2025)

	Investment		Recoupment		
	Domestic	Overseas	Domestic	Overseas	(Billions of yen)
Three-year total (plan)	1,300.0	1,700.0	1,300.0	2,000.0	Total: 3,000.0
	Progress: 75.5%	Progress: 112.1%	Progress: 76.8%	Progress: 90.9%	
Two-year total (results)	981.3	1,905.4	998.2	1,818.3	Total: 2,816.6 (Progress: 96.2%)

* "Two-year total (results)" figures include investments and recoupment related to MDC.

Managing Return on Equity (ROE) and Enhancing Corporate Value

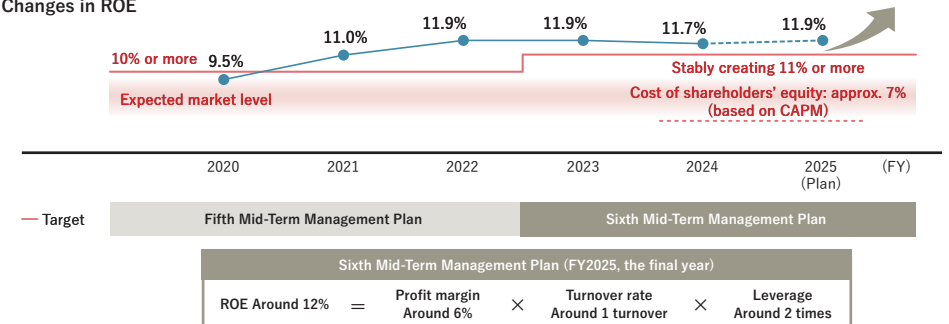
We aim for sustainable growth in corporate value and consider maximizing shareholder value to be one of our key management priorities. Accordingly, ROE is positioned as a key management indicator, and under the Sixth Mid-Term Management Plan, we are targeting a stable ROE of 11% or more, with a goal 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,

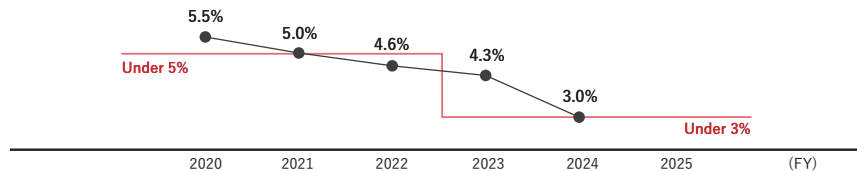
we focus on both improving profit margins and asset turnover rates, aiming to maximize returns by carefully selecting high-quality projects and selling them at the appropriate time after development.

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



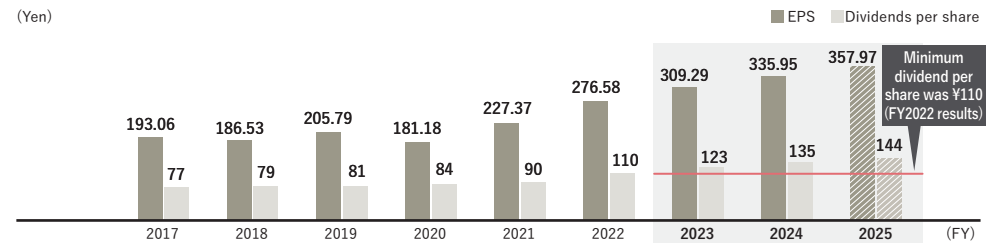
● Consolidated net asset ratio (including holdings in unlisted companies)

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.

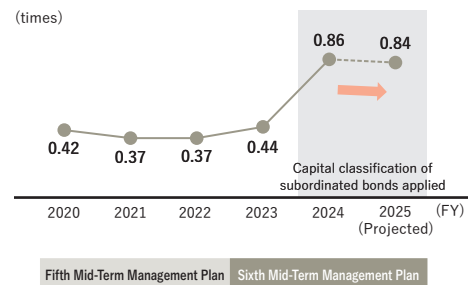
Overview of Permanent Financing

Overview of bridge financing at the time of MDC acquisition	Completed permanent financing
Yen-denominated ¥418.25 bn	Subordinated bonds ¥200.0 bn
	Straight bonds ¥140.0 bn
US\$-denominated US\$1.55 bn	Loan ¥75.0 bn
	Loan US\$0.55 bn
	Straight bonds US\$1.00 bn

Long-term credit ratings (as of May 2025)

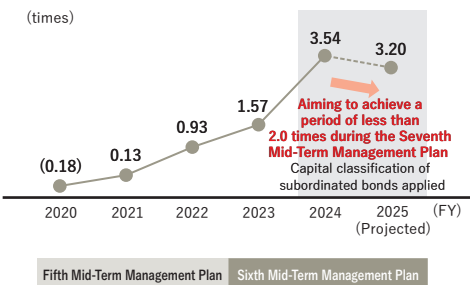
Japan Credit Rating Agency (JCR)	AA
Rating and Investment Information (R&I)	AA-
S&P Global Ratings (S&P)	BBB+

Changes in the D/E ratio



Note: Net Debt/EBITDA = net interest-bearing debt ÷ EBITDA, where EBITDA = operating profit + depreciation + amortization of goodwill + interest income + dividends received

Change in the Net Debt/EBITDA



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

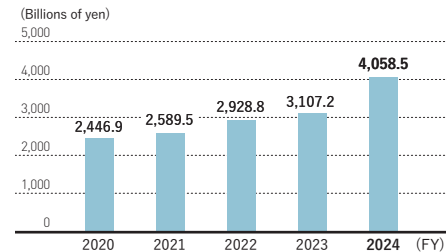
In FY2024, results were driven by growth in existing domestic and overseas businesses, as well as the consolidation of MDC, which was acquired in April 2024. As a result, consolidated net sales increased by ¥951.3 billion year on year, or 30.6%, reaching ¥4,058.5 billion, surpassing the ¥4,000 billion 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.

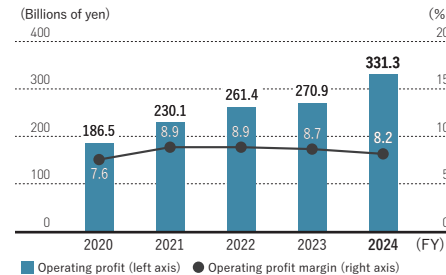
Profit attributable to owners of the parent increased by ¥15.3 billion year on year, or 7.6%, to ¥217.7 billion, reaching a record high along with consolidated ordinary profit.

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

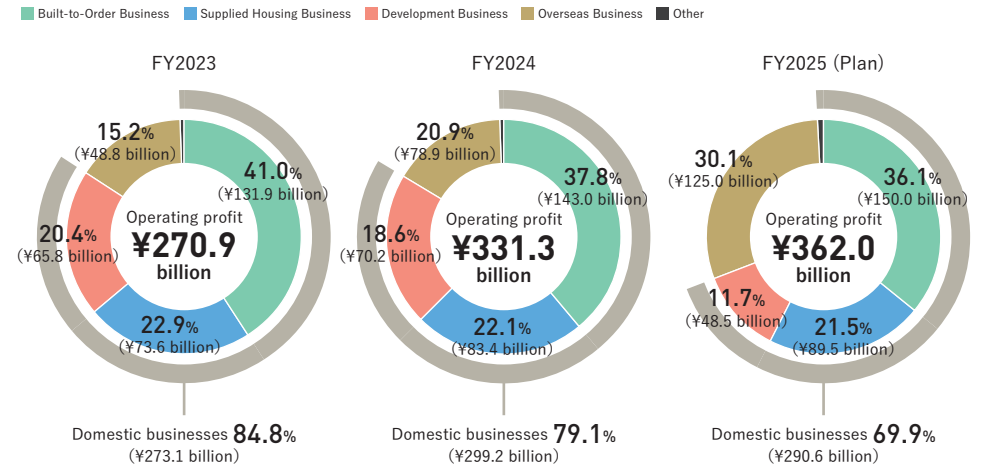


Profit by Business Model

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.

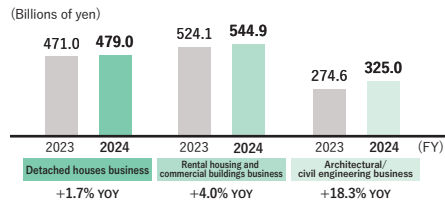
Results and Financial Analysis

Results by Segment

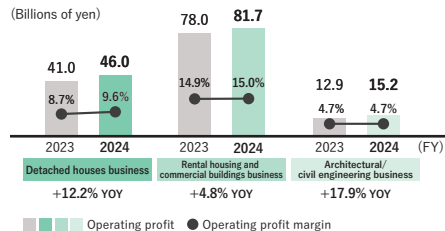
Built-to-Order Business

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



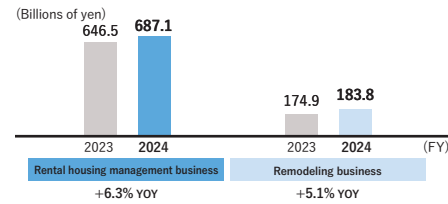
Segment Operating Profit



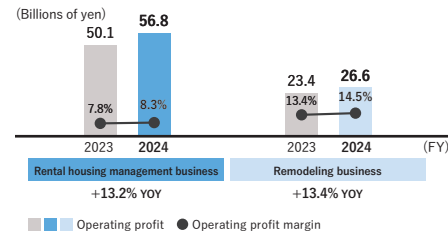
Supplied Housing Business

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



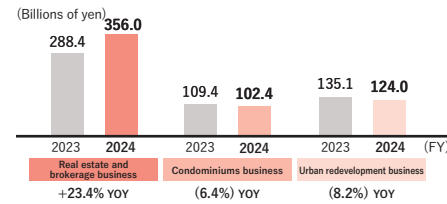
Segment Operating Profit



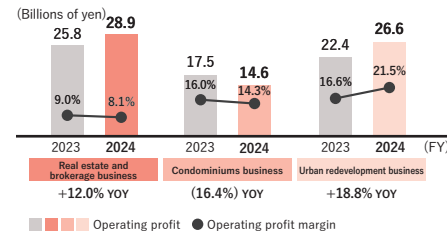
Development Business

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

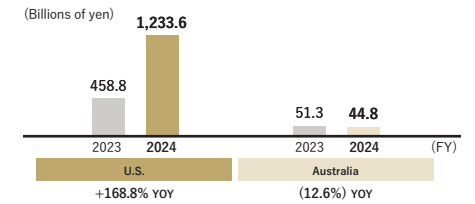


Overseas Business

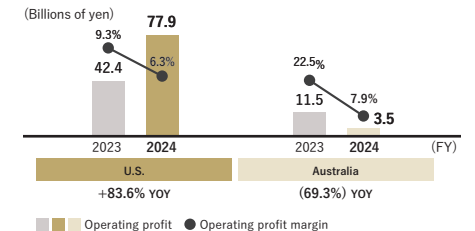
In the U.S. homebuilding business, both the consolidation of MDC and organic growth among existing Group builders contributed to increased sales and profits, despite the amortization of goodwill and trademarks resulting from acquisitions. In the master-planned community business, sales of developed residential 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

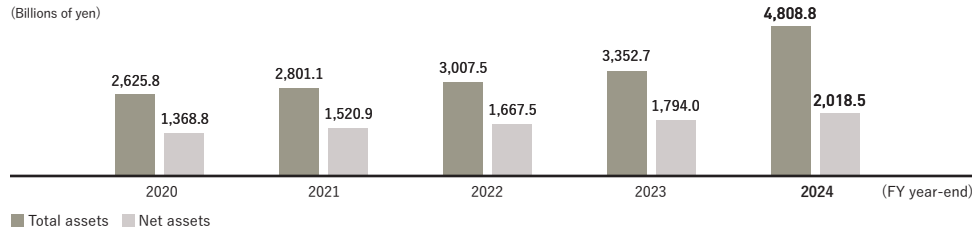


Results and Financial Analysis

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.

(Billions of yen)



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.

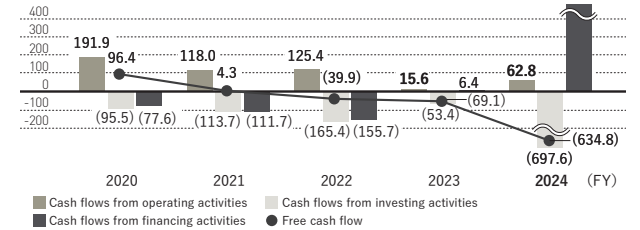
■ Cash flows from investing activities

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.

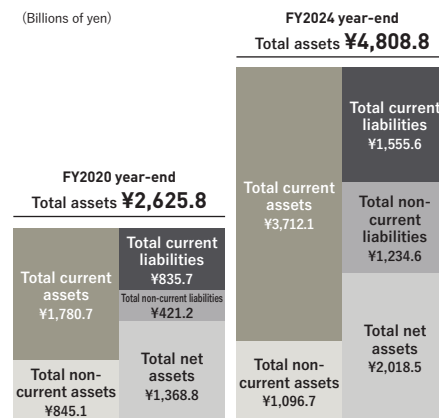
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Balance Sheet Comparison

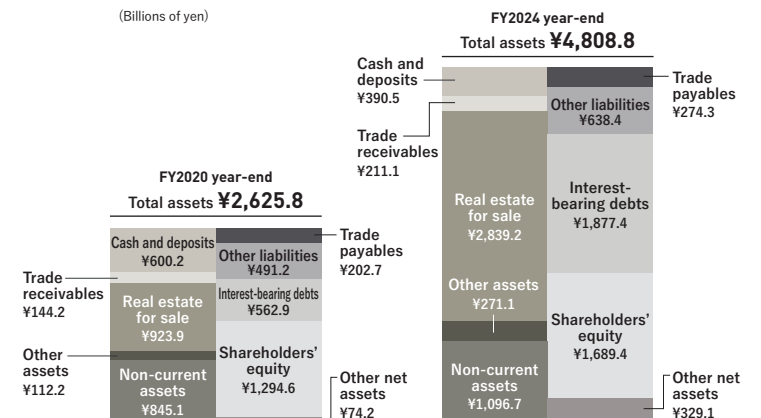
Comparing the consolidated balance sheet at the FY2020 and FY2024 year-ends, total assets increased ¥2,182.9 billion to ¥4,808.8 billion at the end of FY2024. Within this, the increase of ¥1,931.3 billion to ¥3,712.1 billion in current assets is especially striking, while non-current assets rose ¥251.5 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.

(Billions of yen)



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.

(Billions of yen)

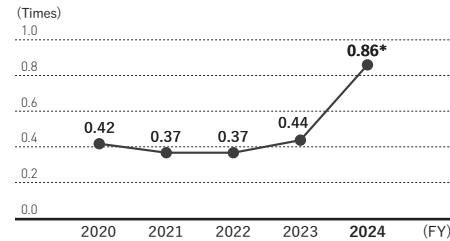


Results and Financial Analysis

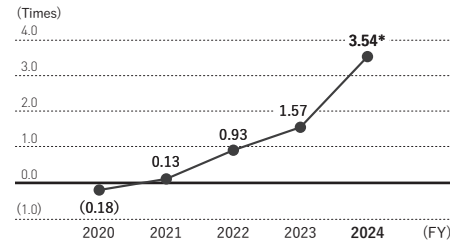
Financial Resources for Capital and Liquidity of Funds

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



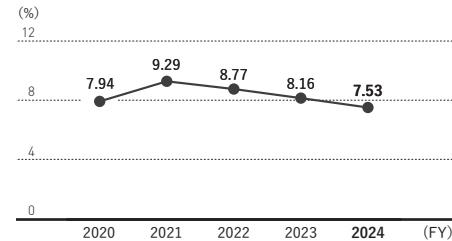
Note: These figures take into account the ¥100 billion that was recognized as capital by credit rating agencies for the amount procured from the publicly offered subordinated bonds issued in July 2024.

Targeted Performance Indicators

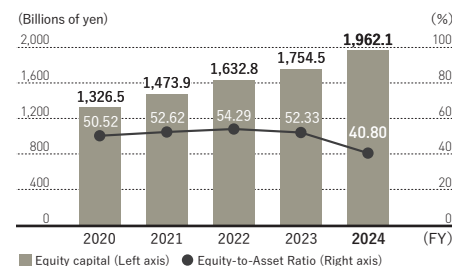
In order to promote business efficiency, we aim to strengthen our balance sheet and raise asset efficiency in each of our businesses. Through such efforts, we seek to improve the ratio of profit to equity capital (ROE) and the ratio of profit to total assets (ROA), aiming to stably create ROE of 11% 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.

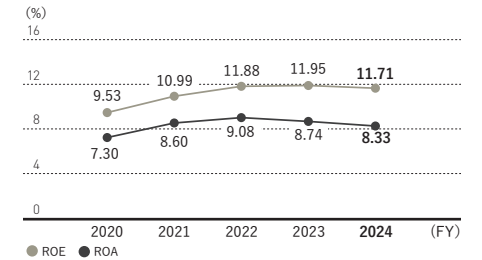
Return on Invested Capital (ROIC)



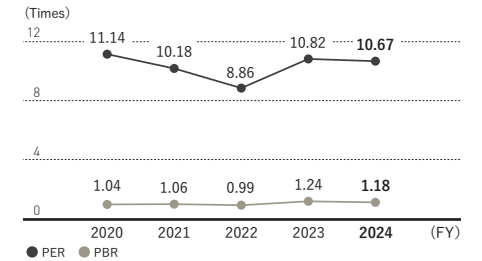
Equity Capital/Equity-to-Asset Ratio



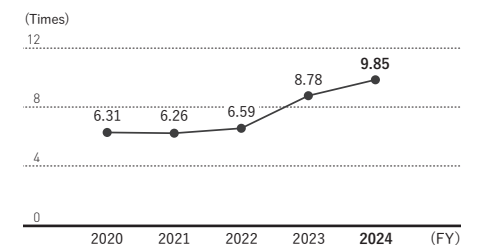
ROE/ROA



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

Utilizing Management Resources and Enhancing Value



Human capital



DX and data



Products and services



Growth investments

Technical expertise

Our core competencies

Construction capabilities

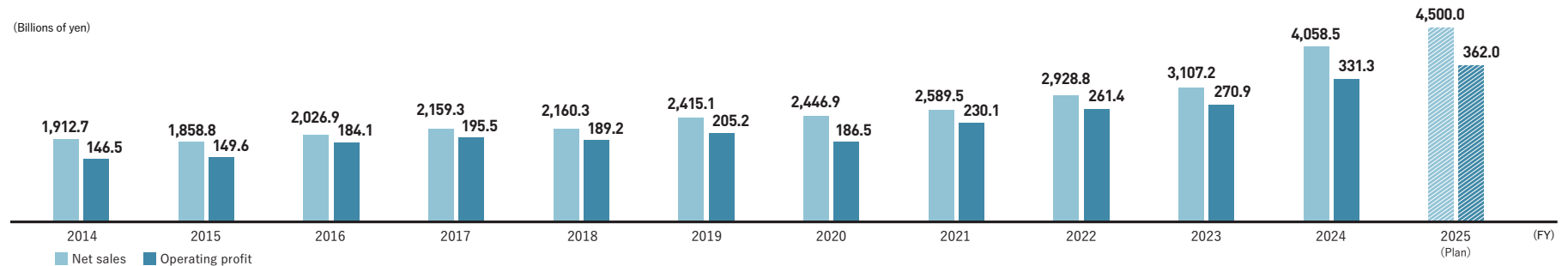
Customer base

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.

(Billions of yen)



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.

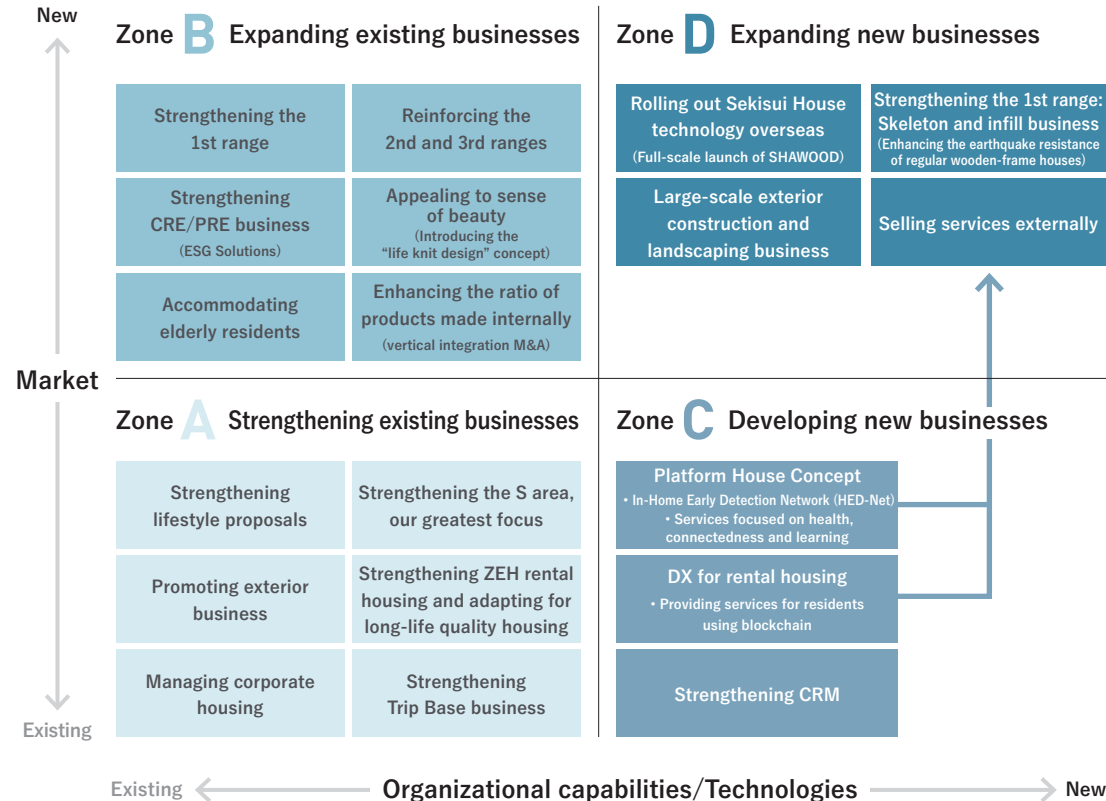
Key Measures

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

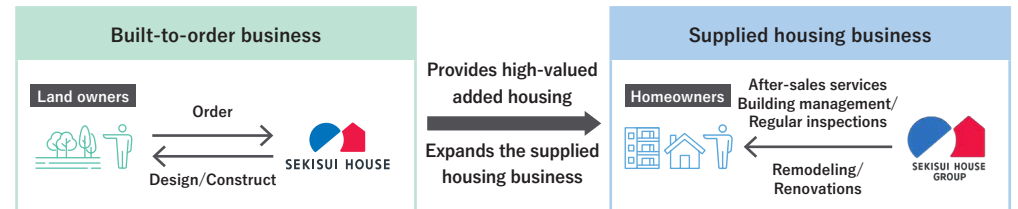


Within the built-to-order business, the detached houses and rental housing and commercial buildings businesses create strong customer bases by providing high-value added properties. Moreover, the architectural/civil engineering business, via Group company Konoike Construction, takes on both governmental 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.

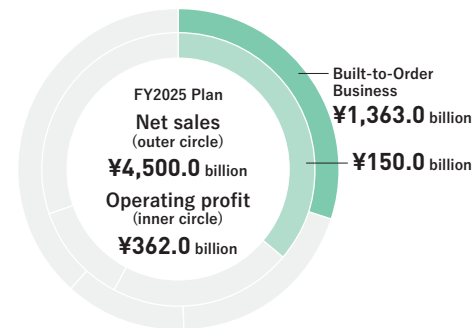
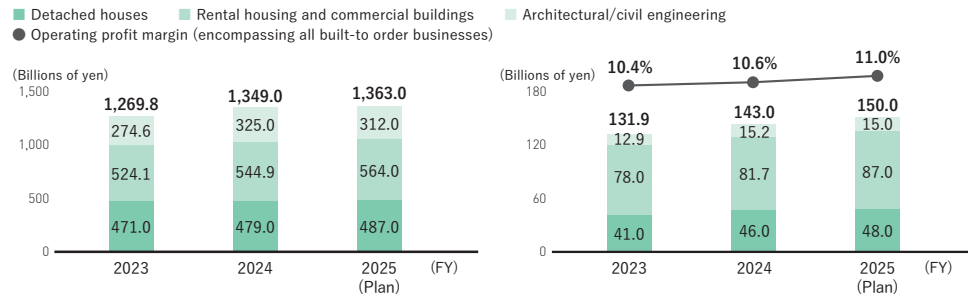
The Company's built-to-order business, characterized by these features, represents approximately 36% of our business portfolio in terms of operating profit, and about 30% in terms of net sales.

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



- 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

Overview/
strengths

Key measures

- Enhancing our three-brand strategy
- Promoting CRM* strategy
- Integrating our technologies, lifestyle design, and services

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

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"

Rental housing and commercial buildings business



- 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

- Strengthening area marketing
- Providing high value-added Sha Maison
- Strengthening CRE and PRE businesses

- 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

- 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

Architectural/civil engineering business



Nozomigaoka Elementary School and Junior High School

- 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

- Architectural construction: Expanding and enhancing our channels for receiving orders
- Civil engineering: Differentiating through eco-friendly measures and technical expertise

- 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

- 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

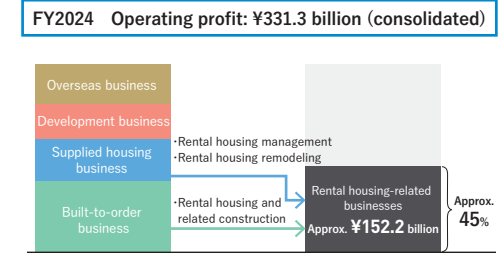
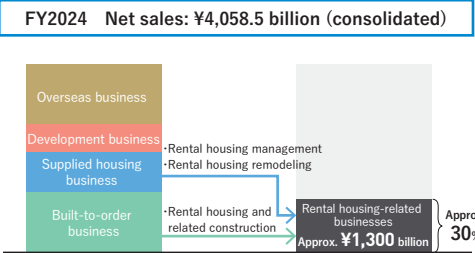
Rental housing management business Remodeling business



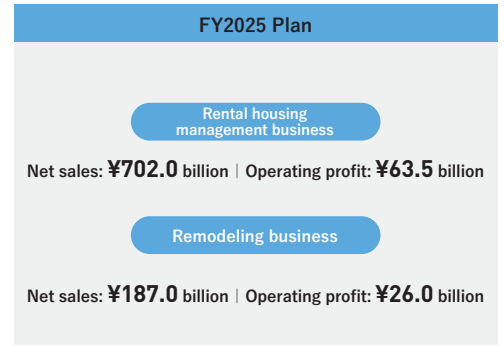
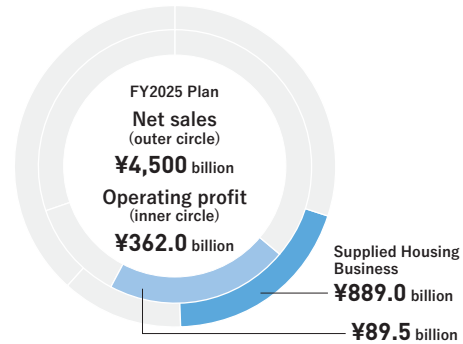
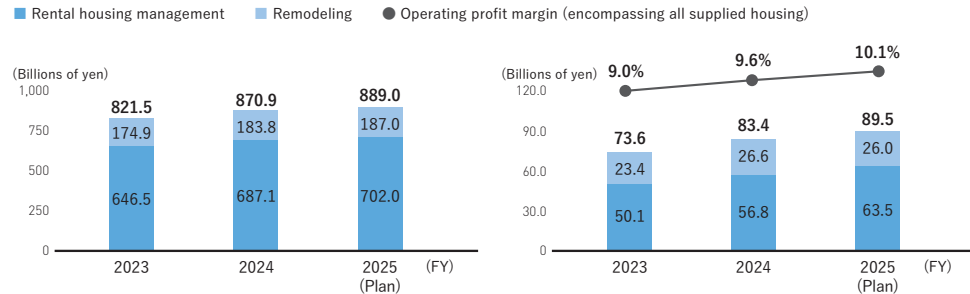
Classified under the supplied housing business, our rental housing management business—led by Sekisui House Sha Maison PM companies—operates and manages rental housing constructed through our built-to-order business. The remodeling business involves the remodeling and renovation of detached houses and 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.



Results and plans for net sales and operating profit
(Each fiscal year; left graph shows net sales, right shows operating profit)



Business Strategies

Supplied Housing Business

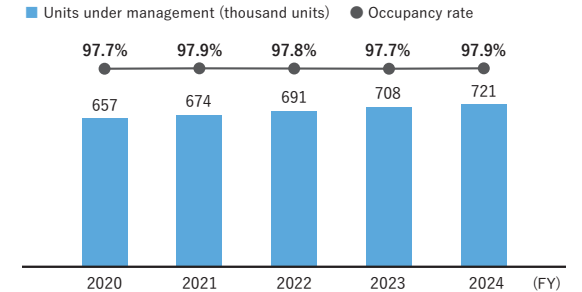
Rental housing management business



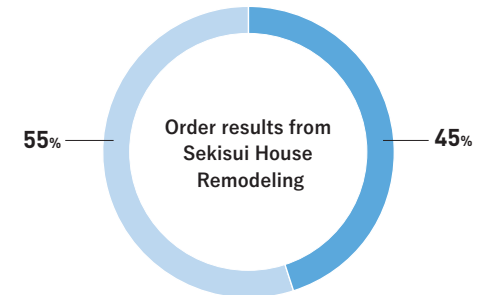
Remodeling business



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

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

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

Environmental awareness

- Accelerating development of compact cities
- Changing rental needs amid increasingly diverse life and workstyles
- Rising labor and other costs

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

- 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

- Detached houses: Strengthening large-scale remodeling
- Rental housing: Promoting value-enhancing renovations

- 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

- 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

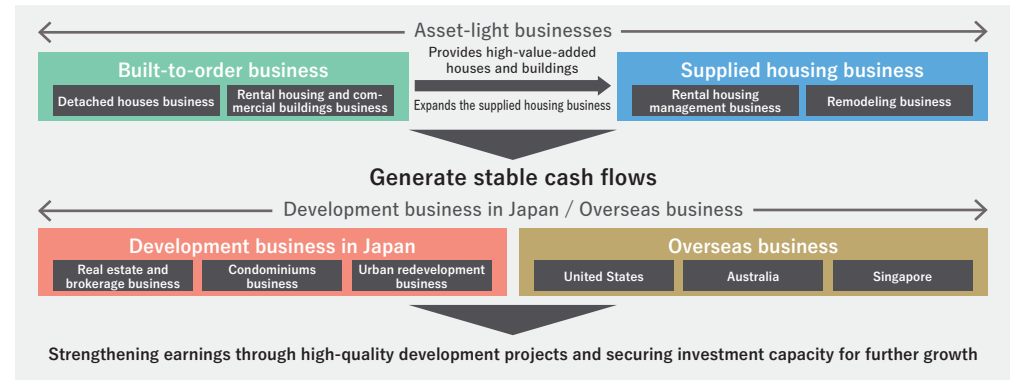
Business Strategies

Development Business

- Real estate and brokerage business
- Condominiums business
- Urban redevelopment business

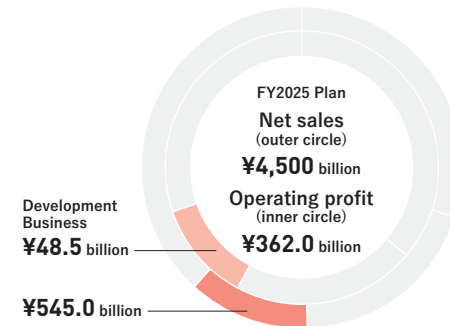
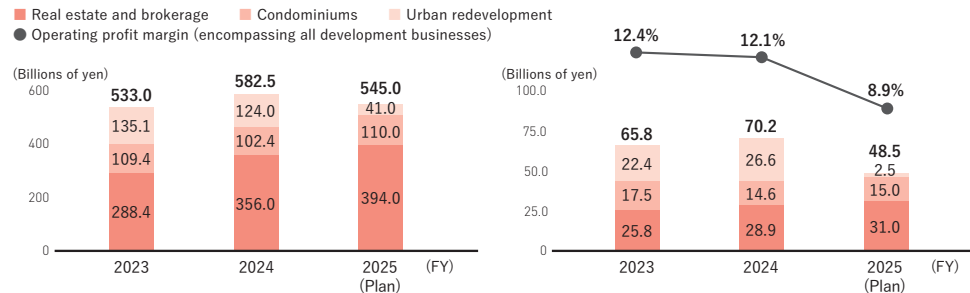


The development business aims to generate larger returns through both high-quality development projects and the utilization of profits gained from the built-to-order and supplied housing businesses. Due to the upfront investments in acquiring land for development, we aim to manage the business with a 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

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

**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

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

- 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

- 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

- Rising prices of condominiums in strategic areas
- Facing persistently high material and construction costs
- Intensifying competition for land acquisition in strategic areas

- 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

- 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

- 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

- 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

- 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

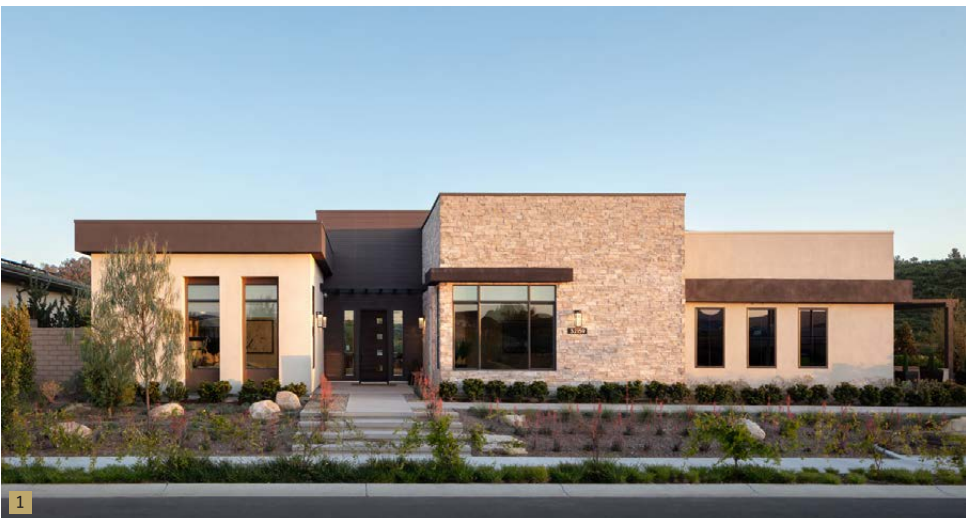
Singapore

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."

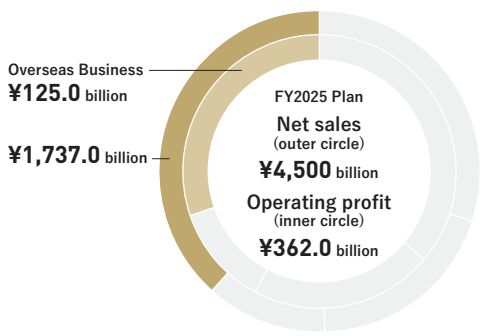
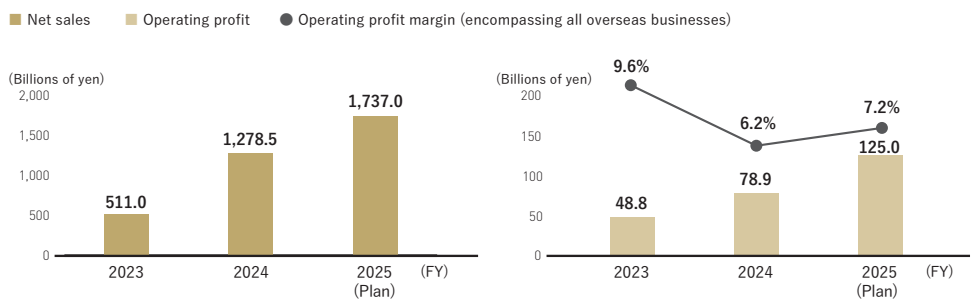
Sommers Bend, the first SHAWOOD community in the U.S., has received the Gold Award (first place) in four categories at The Nationals 2025, the most prestigious award in North America's housing industry.

- 1 Exterior of the Yuri model house
- 2 Interior of the Kiri model house
- 3 Garden of the Sakura model house



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 life-style 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.

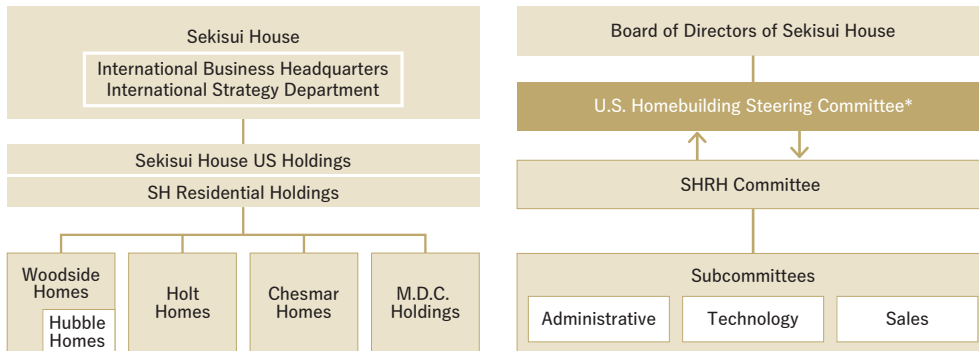
The PMI promotion structure involves the “U.S. Homebuilding Steering Committee,” an organization under direct control of the Company’s Board of Directors. This committee formulates overall policies and strategies that are then integrated into each Group builder through the U.S.-based “SHRH Committee.”

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

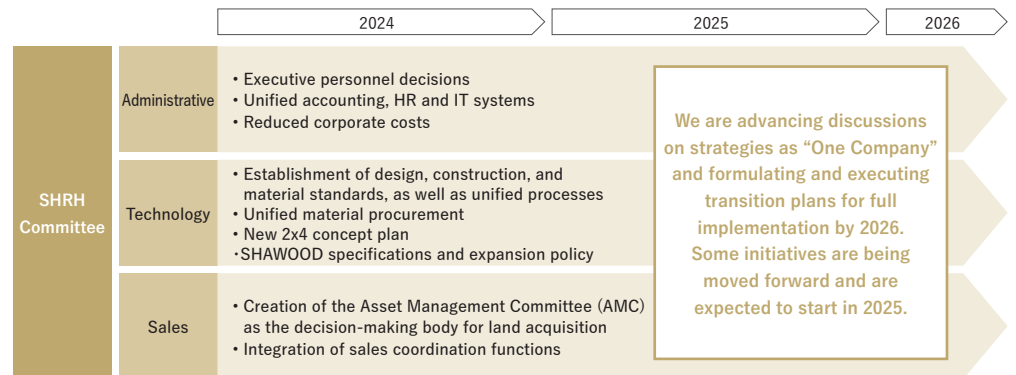
One Company Promotion Structure



* 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



Award trophy

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

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.

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.



Clearview Design

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)



Melrose Park (Apartment & mixed-use development business)

Homebuilding business (Australia)



North Turramurra (CGI) (Homebuilding business)

Singapore



Robertson Opus (CGI) (Complex development business)

<p>Overview/ strengths</p>
<p>Key measures</p>
<p>Environmental awareness</p>
<p>Growth strategies</p>

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.

- 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

- 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

- 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

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.

- 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

- 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

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.






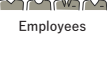

- Building deeper relationships with partner businesses and strengthening cooperation
- Creating new business opportunities via cooperation with partner businesses

- Continuing rise of selling prices, although gradual
- Ongoing firm housing demand

- 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.	<ul style="list-style-type: none"> Membership-based "My STAGE" service (a service for homeowners) Customer surveys 	<ul style="list-style-type: none"> Informative magazines published as communication tools <ul style="list-style-type: none"> Kizuna (detached housing, twice annually) Maisonner (rental housing, twice annually) gm (condominiums, three times annually) Customer Service Center Owner Desk House Celebration 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Sha Maison.com Sha Maison Life CLUB <ul style="list-style-type: none"> Electronic application and contract services One-stop services using blockchain technology 	<ul style="list-style-type: none"> Subscription services and various discount coupons Helpdesk services that accommodate repair requests and troubleshooting Sha Maison Life POINT <ul style="list-style-type: none"> Point services for residents Sha Maison Life GUARD <ul style="list-style-type: none"> Fire insurance for residents Promoting LGBTQ+ friendly practices, as well as services for the elderly, when finding tenants 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Corporate brand communications Product brand communications "My STAGE" (for those considering building a house) SEKISUI HOUSE channel 	<ul style="list-style-type: none"> Home Visit Days (tours of completed homes) Sha Maison FESTA Tomorrow's Life Museum (Japanese only house) Sekisui House Eco First Park House Celebration Juno Park (opening August 2025) 	<ul style="list-style-type: none"> 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 our order to develop together with our business partners by satisfying customers.	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> Financial results briefings and management plan briefing sessions Meetings and facility tours with Japanese and international institutional investors and analysts 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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.	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 <i>Michi-no-Eki</i> Stations Project "A Letter from Dr. Forest" and happy homes educational programs for elementary and junior high school students 	<ul style="list-style-type: none"> 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 individual 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	<ul style="list-style-type: none"> • 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. 	Improvement now under way
	<p>Main initiatives</p> <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • 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. 	
2 Further strengthening of secretariat functions	<ul style="list-style-type: none"> • 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. 	Improvement now under way
	<p>Main initiatives</p> <ul style="list-style-type: none"> • 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. <ul style="list-style-type: none"> • 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. 	

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	
2 Enhancement of discussions on succession to ensure the continued high effectiveness of the Board of Directors	a. Deeper understanding of candidates	<ul style="list-style-type: none"> • 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	

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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).	<ul style="list-style-type: none"> • 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

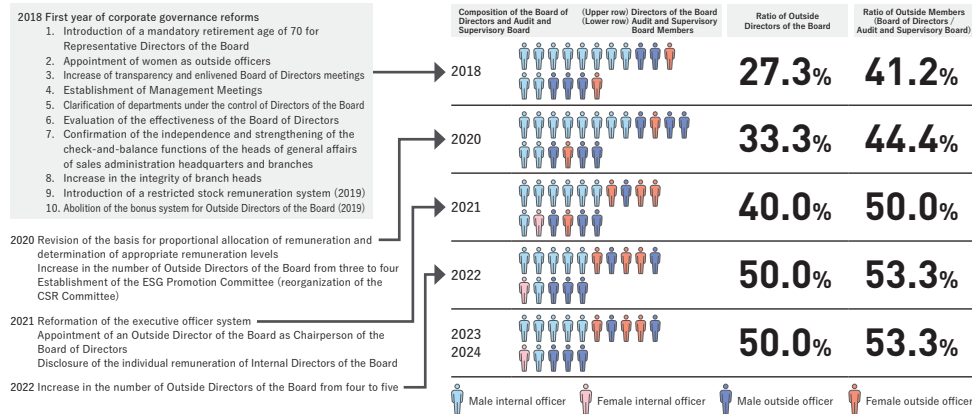
The Sekisui House Group's fundamental philosophy is "Love of Humanity." Guided by our corporate philosophy of "Truth & Trust," "Deliver the highest quality and technology," and "Create enriching homes and environments," we regard corporate governance as a critical management priority. To continuously 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

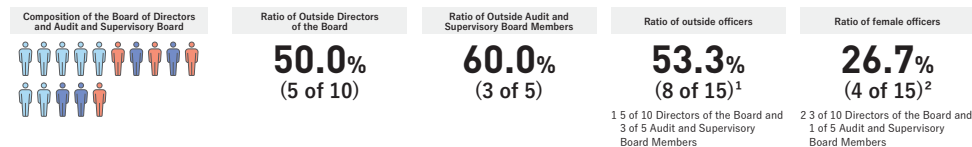
steadily implemented a range of initiatives aimed at building a resilient management foundation for long-term, sustainable growth. These initiatives include introducing a mandatory retirement age of 70 for Representative Directors, establishing Management Meetings, clarifying the areas of responsibility 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



Corporate Governance Highlights (As of April 23, 2025)



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	Topics for FY2024
<h3>Senior Management Level</h3> <p>1 Moving forward from the development of a corporate governance framework to the new stage of realizing its functional effectiveness</p> <p>— The Board of Directors, now equipped with greater diversity than before, exercises its functions to the fullest. —</p> <ul style="list-style-type: none"> 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 	<p>2 Increasing the sophistication of stakeholder engagement</p> <p>— Exercising spontaneous judgment for consistent information disclosure. —</p> <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 Services 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.
<h3>Business Management Level</h3> <p>1 Rolling out Group governance systems on a global basis</p> <p>— Removing boundaries between domestic and overseas Group entities, with the aim of creating a network based on mutual trust. —</p> <ul style="list-style-type: none"> 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 	<p>2 Fostering a corporate culture based on mutual trust achieved via robust communications</p> <p>— Aiming for the creation of a workplace that ensures psychological safety for employees and empowers them to work vibrantly. —</p> <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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.

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 (P119).

 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.

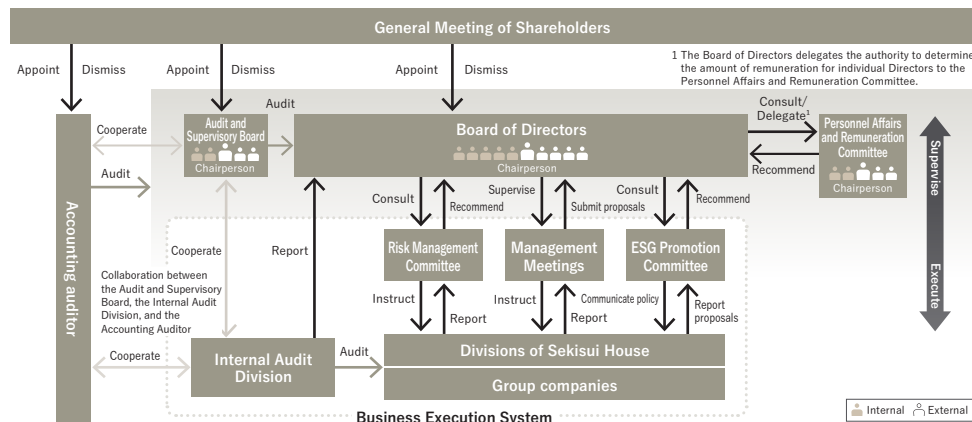
To support the Audit and Supervisory Board's operations, we have established the Office of Audit and Supervisory Board Members, staffed by several employees including dedicated personnel. Employees assigned concurrently to this office maintain independence in their duties and are not subject to instructions 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 Structure (As of April 23, 2025)



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 (P90).

 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
Motivation and health	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
		Supports the stability of mid-term management

Human Resource Requirements for the Next CEO

Qualification	<ul style="list-style-type: none"> Capable of carrying out the Sekisui House Group's social duties and, to this end, personifying our corporate philosophy Possesses unshakable, 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	<ul style="list-style-type: none"> 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.

Division	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.	
	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 Kazuhiko 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 Kazuhiro 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 ²
Finance Division		Toru Fujita (Managing Officer)	Masahiro Kikuchi	Hiroyuki Kawabata
Human Resources Division	Satoshi Tanaka (Representative Director of the Board, Executive Vice President, Executive Officer)		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) Naoya Matsui ² Kenji Okazawa 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

**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

**Toru Ishii**

Director of the Board
Senior Managing Officer
In charge of Division of Development Business and Head of International Business Headquarters

**Hiroshi Shinozaki**

Director of the Board
Senior Managing Officer
Managing Building Sales Administration
In charge of TKC Project

**Yasushi Omura**

Director of the Board
Senior Managing Officer
Managing Detached Housing Business

**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

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

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.

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.

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



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



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



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



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



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

**Osamu Minagawa**

Standing Audit and Supervisory Board Member

**Ryuichi Tsuruta**

Standing Audit and Supervisory Board Member
Outside Audit and Supervisory Board Member

Outside Independent

**Yoritomo Wada**

Outside Audit and Supervisory Board Member

Outside Independent

**Yuko Tamai**

Outside Audit and Supervisory Board Member

Outside Independent

**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.

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.

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

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

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, 2025² 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.

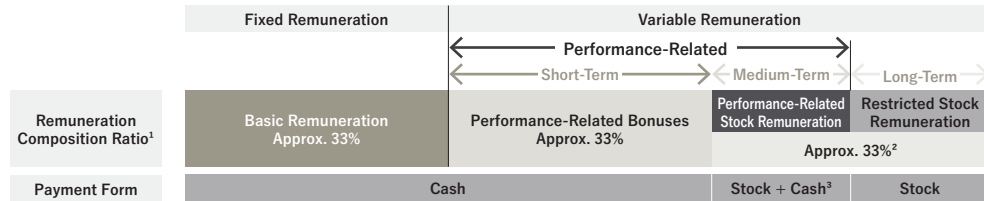
Remuneration and Incentive Framework for Directors of the Board (Including the CEO and Excluding Outside Directors of the Board)

Type of remuneration		KPI	Outline and reasons for selection of indicators for performance-related remuneration	
Fixed	Basic remuneration		—	
	Variable	Short term	Performance related bonuses	Consolidated ordinary profit
		Medium term	Performance-related stock remuneration (PSU) ¹	ROE and ESG
Long term	Restricted stock remuneration (RS) ²	—	—	

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 ⁶	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
			Maximum	12.00%		
ROE (average for three years)	80%	0%~150%	Standard	10.00%	11.84%	146%
			Minimum	8.00%		
			ESG management indicator	20%		

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.

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.

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

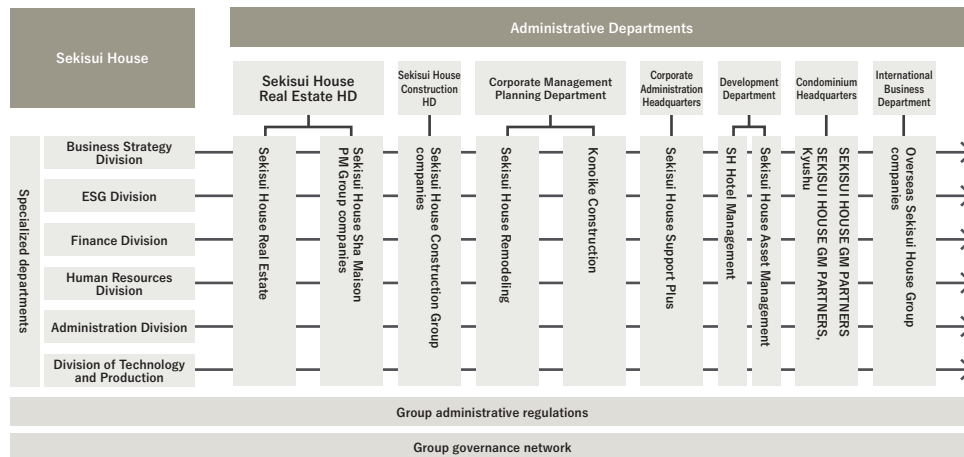
At the meeting of the Board of Directors held in October 2024, the Company conducted a comprehensive analysis of all listed stocks held as cross-shareholding (excluding Sekisui House Reit, Inc. and companies accounted for using the equity method). This review covered 14 companies and assessed the overall 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 assets¹ 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.

Management Framework for Main Group Companies (as of February 1, 2025)



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

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 Hotline¹, 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.

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.

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)

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.

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


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 issue critical or requiring urgent attention 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.

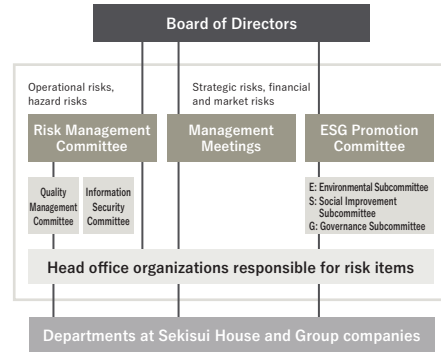
Strategic risks and financial/market risks are deliberated by the Board of Directors, Management Meetings, and other key decision-making bodies responsible for management policies, strategies, and critical business execution. For operational risks and hazard risks, the Risk Management Committee (an advisory 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

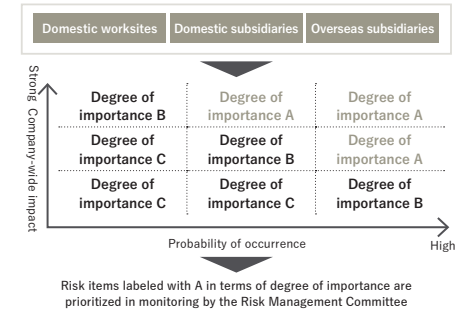
Strategic risks and financial and market risks identified by relevant departments at Sekisui House Group companies are deliberated by the Board of Directors, Management Meetings, and other decision-making bodies. These discussions are conducted in conjunction with agenda items related to the Company's 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.



11-Year Highlights (Consolidated)

Financial Data

(Fiscal year)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
(Millions of yen)											
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

Former segments (Fiscal year)		2014	2015	2016	2017	2018	2019	2020	2021	2022	New segments ²			
											2022	2023	2024	
Net sales	Built-to-Order Business										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	Detached houses	476,416	471,056	479,091
	Rental housing	398,483	400,601	440,312	442,845	416,062	360,026	358,745	384,022	426,116	Rental housing and commercial buildings	506,307	524,121	544,934
	Architectural/ Civil engineering	—	—	—	—	—	120,986	302,837	261,930	298,777	Architectural/ Civil engineering	267,317	274,653	325,024
	Subtotal	825,527	794,388	823,442	814,017	774,006	872,008	984,915	998,685	1,077,357	Subtotal	1,250,040	1,269,832	1,349,050
	Supplied Housing Business											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	Rental housing management	617,245	646,588	687,119
	Remodeling	134,166	134,458	133,498	136,843	141,416	152,729	141,090	156,167	165,910	Remodeling	166,975	174,996	183,868
	Subtotal	562,393	583,210	602,631	626,735	655,452	687,606	698,722	741,136	785,182	Subtotal	784,221	821,584	870,988
	Development Business											Development Business		
Houses for sale	118,730	137,484	142,014	155,481	148,880	151,268	139,151	191,488	238,252	Real estate and brokerage	221,040	288,456	356,060	
Condominiums	56,699	81,470	66,125	77,497	89,581	103,984	77,091	90,612	90,883	Condominiums	97,110	109,450	102,494	
Urban redevelopment	178,344	93,038	130,491	103,777	173,391	131,920	104,953	102,736	135,320	Urban redevelopment	86,130	135,131	124,021	
Subtotal	353,774	311,993	338,631	336,756	411,853	387,173	321,195	384,837	464,456	Subtotal	404,281	533,039	582,576	
Overseas Business											Overseas Business			
Overseas Business	79,835	89,522	182,127	306,716	245,953	389,866	370,686	388,936	521,124	Overseas Business	521,124	511,055	1,278,511	
Other Business											Other			
	91,190	79,764	80,099	75,137	73,050	78,531	71,384	75,984	80,715		9,454	11,171	14,066	
											(40,287)	(39,440)	(36,610)	
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	Total	2,928,835	3,107,242	4,058,583	
Operating profit	Built-to-Order Business										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	Detached houses	41,474	41,065	46,069
	Rental housing	45,825	51,918	60,832	60,883	50,376	49,710	47,052	56,047	58,407	Rental housing and commercial buildings	74,450	78,016	81,796
	Architectural/ Civil engineering	—	—	—	—	—	3,730	16,051	15,146	13,214	Architectural/ Civil engineering	11,826	12,904	15,218
	Subtotal	94,719	99,127	110,347	108,926	92,632	99,383	95,335	113,668	109,931	Subtotal	127,751	131,986	143,084
	Supplied Housing Business											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	Rental housing management	47,585	50,180	56,804
	Remodeling	14,997	15,847	17,544	19,760	21,109	23,535	20,479	25,546	27,561	Remodeling	22,431	23,482	26,624
	Subtotal	38,402	42,667	48,823	52,893	60,516	64,589	64,348	76,027	78,221	Subtotal	70,016	73,663	83,429
	Development Business											Development Business		
	Houses for sale	8,491	11,919	8,822	13,460	11,088	12,259	7,586	14,548	20,777	Real estate and brokerage	17,531	25,857	28,971
	Condominiums	4,738	8,031	2,248	9,229	6,478	10,134	8,817	12,486	13,403	Condominiums	13,762	17,532	14,648
	Urban redevelopment	25,802	24,747	23,414	16,994	40,403	17,045	16,565	11,276	15,051	Urban redevelopment	5,130	22,454	26,665
Subtotal	39,032	44,698	34,485	39,684	57,970	39,439	32,969	38,311	49,233	Subtotal	36,424	65,845	70,285	
Overseas Business											Overseas			
Overseas Business	4,419	(5,673)	25,172	29,761	16,340	44,551	39,708	50,147	73,860	Overseas Business	73,854	48,898	78,945	
Other Business											Other			
	3,123	2,511	726	1,234	(44)	(273)	(2,480)	(1,208)	(439)		1,890	1,630	2,466	
Eliminations and back office											Eliminations and back office			
	(33,102)	(33,686)	(35,390)	(36,960)	(38,192)	(42,434)	(43,363)	(46,786)	(49,317)		(48,448)	(51,067)	(46,844)	
Total	146,595	149,645	184,164	195,540	189,223	205,256	186,519	230,160	261,489	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)			(Millions of yen)	
	As of January 31, 2024	As of January 31, 2025		As of January 31, 2024	As of January 31, 2025
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	293,152	390,559	Notes payable, accounts payable for construction contracts	134,026	195,028
Notes receivable, accounts receivable from completed construction contracts and other	176,466	211,114	Electronically recorded obligations—operating	103,266	79,360
Costs on construction contracts in progress	17,351	14,127	Short-term bonds payable	—	40,000
Buildings for sale	774,297	1,068,926	Short-term borrowings	440,075	477,840
Land for sale in lots	856,404	1,374,237	Current portion of bonds payable	16	8
Undeveloped land for sale	233,197	396,123	Current portion of long-term borrowings	21,611	252,793
Other inventories	12,474	12,164	Income taxes payable	39,777	44,652
Other	134,627	245,867	Advances received on construction contracts in progress	210,030	220,645
Allowance for doubtful accounts	(1,026)	(1,013)	Provision for bonuses	36,699	39,706
Total current assets	<u>2,496,947</u>	<u>3,712,106</u>	Provision for bonuses for directors (and other officers)	2,553	6,675
Non-current assets			Provision for warranties for completed construction	6,152	14,073
Property, plant and equipment			Other	143,827	184,863
Buildings and structures	321,467	346,487	Total current liabilities	<u>1,138,038</u>	<u>1,555,648</u>
Machinery, equipment and vehicles	73,927	76,430	Non-current liabilities		
Tools, furniture and fixtures	40,740	47,408	Bonds payable	50,008	620,121
Land	252,548	258,559	Long-term borrowings	239,089	456,321
Leased assets	23,313	27,826	Long-term leasehold and guarantee deposits received	58,659	52,626
Construction in progress	52,173	45,976	Deferred tax liabilities	6,111	13,443
Other	—	5,855	Provision for retirement benefits for Directors (and other officers)	707	862
Accumulated depreciation	(267,916)	(274,304)	Retirement benefit liability	30,716	31,632
Total property, plant and equipment	<u>496,253</u>	<u>534,240</u>	Other	35,415	59,593
Intangible assets			Total non-current liabilities	<u>420,707</u>	<u>1,234,601</u>
Goodwill	17,808	134,217	Total liabilities	<u>1,558,745</u>	<u>2,790,249</u>
Industrial property	3,032	57,903	Net assets		
Leasehold interests in land	2,057	2,986	Shareholders' equity		
Software	15,779	25,198	Share capital	202,854	203,094
Right to use facilities	145	130	Capital surplus	260,126	260,297
Telephone subscription right	238	238	Retained earnings	1,132,275	1,266,985
Other	1,326	1,199	Treasury shares	(40,979)	(40,957)
Total intangible assets	<u>40,388</u>	<u>221,873</u>	Total shareholders' equity	<u>1,554,276</u>	<u>1,689,420</u>
Investments and other assets			Accumulated other comprehensive income		
Investment securities	198,437	205,632	Valuation difference on available-for-sale securities	44,597	35,610
Long-term loans receivable	3,971	13,656	Deferred gains or losses on hedges	—	(123)
Retirement benefit asset	35,440	46,749	Foreign currency translation adjustment	132,895	215,217
Deferred tax assets	20,242	10,643	Remeasurements of defined benefit plans	22,816	22,075
Other	62,989	64,994	Total accumulated other comprehensive income	<u>200,309</u>	<u>272,779</u>
Allowance for doubtful accounts	(1,872)	(1,047)	Share acquisition rights	100	87
Total investments and other assets	<u>319,208</u>	<u>340,628</u>	Non-controlling interests	39,366	56,311
Total non-current assets	<u>855,851</u>	<u>1,096,742</u>	Total net assets	<u>1,794,052</u>	<u>2,018,599</u>
Total assets	<u>3,352,798</u>	<u>4,808,848</u>	Total liabilities and net assets	<u>3,352,798</u>	<u>4,808,848</u>

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

	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

	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.

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.

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)

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.

Locations

● Head Office, Business Headquarters, Sales Administration Headquarters, Factories, Research Institutes ● Group Companies



* TLM: Tomorrow's Life Museum

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)

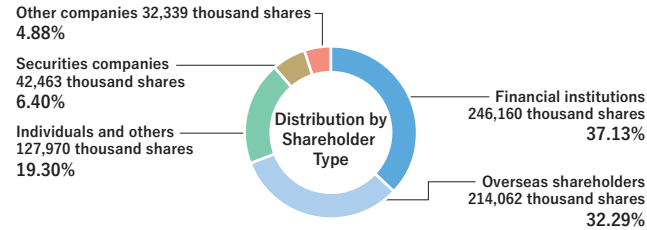
Name	Number of Shares Held (Thousands)	Shareholding Ratio
The Master Trust Bank of Japan, Ltd. (Trust Account)	108,847	16.79%
Custody Bank of Japan, Ltd. (Trust Account)	49,529	7.64%
Sekisuihouse Ikushikai	21,378	3.30%
Sekisui Chemical Co., Ltd.	14,168	2.19%
State Street Bank West Client – Treaty 505234	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 Depository Bank for Depository 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.

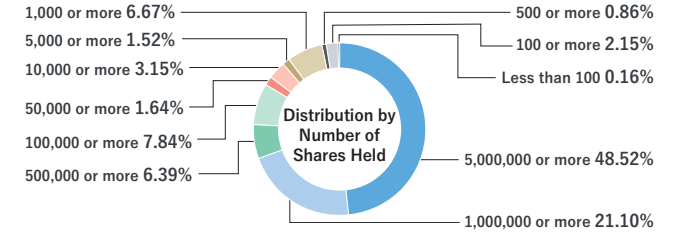
2 The Company holds 14,729 thousand shares of treasury stock. These shares are excluded from the above list of major shareholders. The shareholding ratio is calculated by dividing the number of shares held by the total number of shares issued, excluding treasury shares.

3 The Bank of New York Mellon as Depository Bank for Depository Receipt Holders is the holder of deposited shares for the purpose of issuing American Depositary Receipts (ADRs).

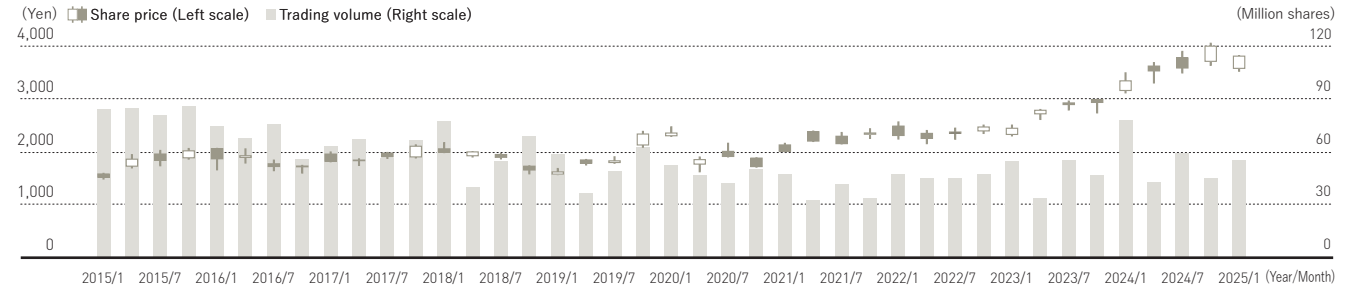
Share Distribution



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)

-  Return to table of contents
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-  Jump to related page in this report

Position of the Value Report within the Overall Communication Framework

	Financial Information	Non-Financial Information
Dialogue	<ul style="list-style-type: none"> Briefings on earnings results and management plans Meetings with analysts and institutional investors General Meeting of Shareholders 	<ul style="list-style-type: none"> Briefings on ESG management Meetings with stakeholders
Reports	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Securities Report <input checked="" type="checkbox"/> Business Report 	<ul style="list-style-type: none"> Corporate Governance Report <input checked="" type="checkbox"/> ESG Fact Book <input checked="" type="checkbox"/> ESG Data Book
WEB	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Information for shareholders and investors (Investor Relations) 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> ESG Management <input checked="" type="checkbox"/> Sustainability (Japanese only)

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



SEKISUI HOUSE

SEKISUI HOUSE, LTD.

Head Office

Umeda Sky Building Tower East,
1-1-88, Oyodonaka, Kita-ku, Osaka 531-0076, Japan

Contact:

ESG Management Promotion Headquarters (Head Office)

Tel: +81-6-6440-3440

Email: esg@sekisuihouse.co.jp

Investor Relations Department

Akasaka Garden City, 4-15-1, Akasaka, Minato-ku, Tokyo
107-0052, Japan

TEL: +81-3-5575-1730

Email: investor.relations@sekisuihouse.co.jp

Website:

<https://www.sekisuihouse.co.jp/english/>

ESG Management

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

Sustainability

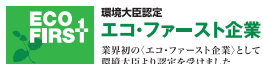
<https://www.sekisuihouse.co.jp/company/activity/>

Investor Relations

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

Global Website

<https://www.sekisuihouse.co.jp/english/>



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