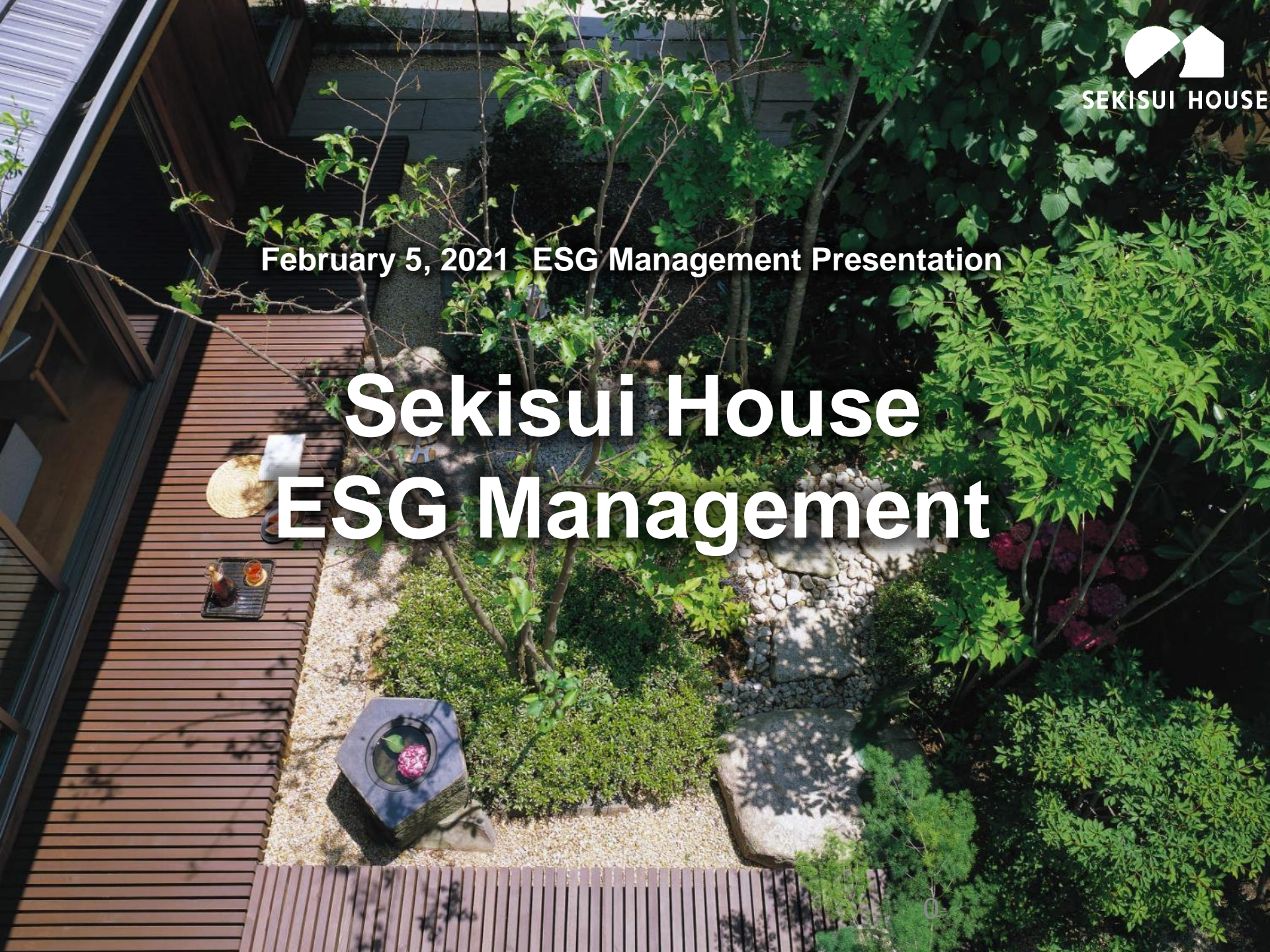


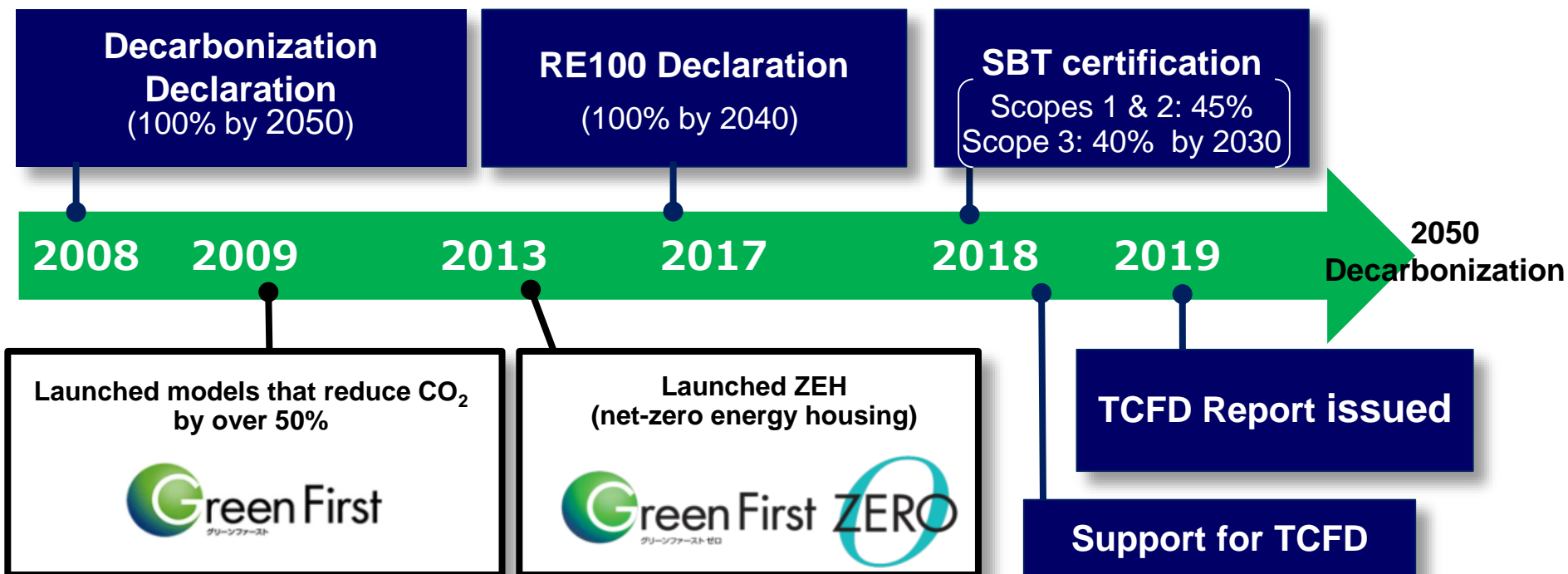
February 5, 2021 ESG Management Presentation

Sekisui House ESG Management



Global Vision “Make home the happiest place in the world”

- Sekisui House does not sell homes. It provides happy living.
- To ensure happy lives, in addition to safety, security, healthy, and comfortable homes, a healthy global environment is necessary.
- To preserve happy homes, we, as a company, need to survive. To survive, we need to address environmental issues and ensure that we are a company that is truly needed by society.



Percentage of custom detached houses that are ZEH

87%

April 2019 to March 2020

Cumulative number of ZEH homes

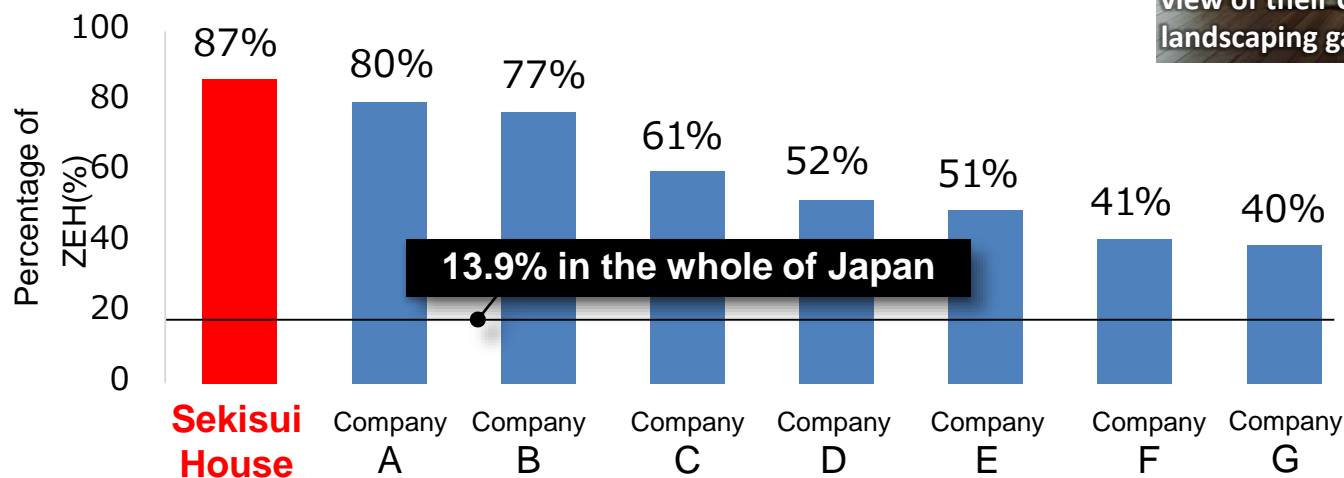
51,793 homes

March 31, 2020

- Sekisui House has already made ZEH (net-zero energy housing) a standard specification.
- We promote ZEH, to aid in the mitigation of global warming and provide comfortable, healthy, safe and secure homes.



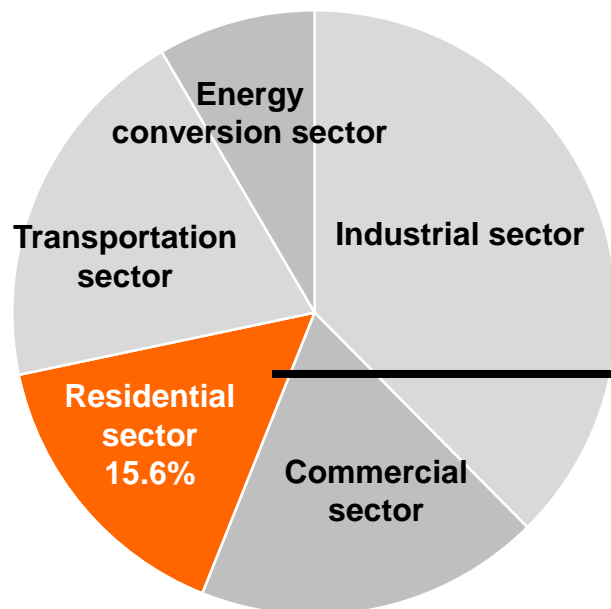
ZEH built by major house builders (FY2019)



Source: Sustainable open Innovation Initiative (SII)
List of ZEH builders and planners

Survey of net zero energy housing support (2020)

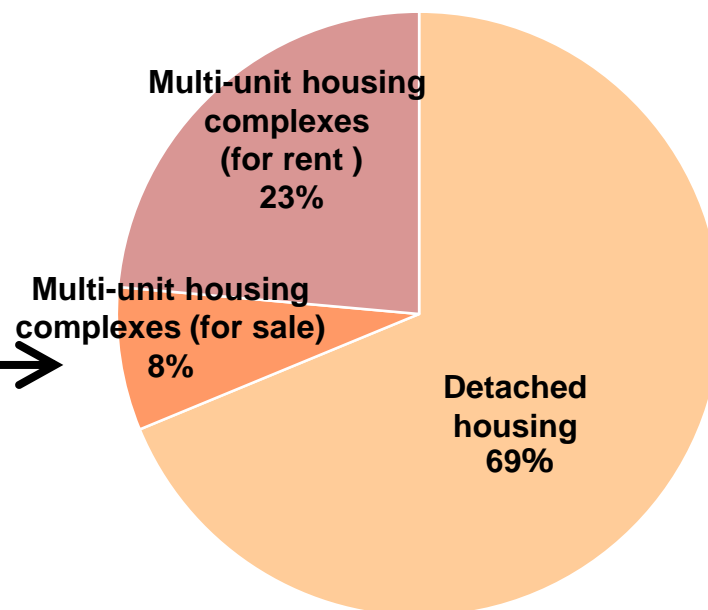
- The residential sector accounts for 15.6% of all CO₂ emissions in Japan. Of the CO₂ emissions in the residential sector, detached housing accounts for about 70% and multi-unit housing complexes account for about 30%.
- We promote net-zero energy housing in the new detached house domain and other business domains.



Breakdown of CO₂ emissions

(after CO₂ allocation on entities which used the electricity and heat)

Source: National Institute of Environmental Studies
Japan's GHG Emissions Data (final figures for 2018)



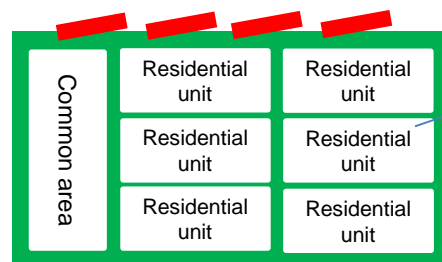
Breakdown of CO₂ emissions

In the residential sector

Source: Sekisui House estimate based on the 2018 Housing and Land Statistical Survey (Ministry of Internal Affairs and Communications) and the 2018 Residential Sector CO₂ Emissions Statistical Survey (Ministry of the Environment)

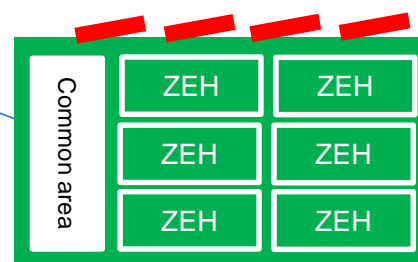
Promotion of Net-Zero Energy Rental Housing

- There are two types of ZEH multi-unit housing. We promote the residential unit ZEH that puts residents first.



The ZEH standard applies to the entire building.

The net-zero energy housing (ZEH) standard applies to the entire building in both types (ZEH-M).

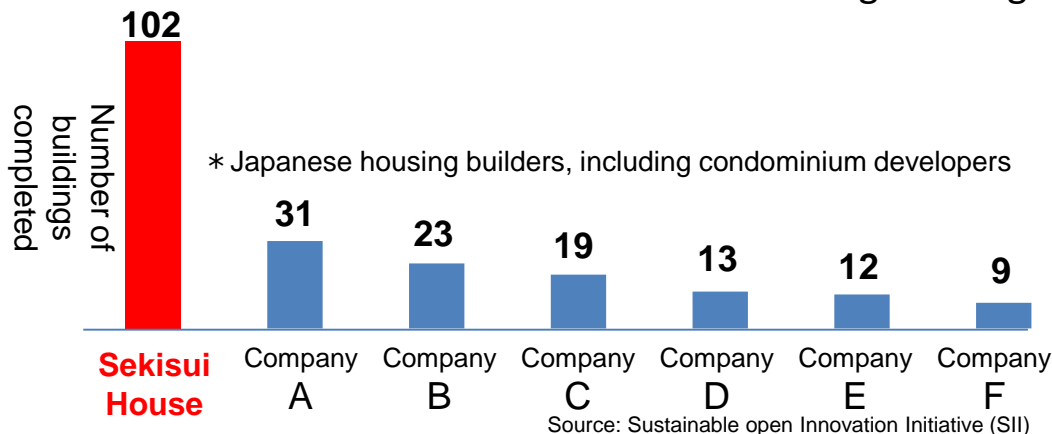


The ZEH standard applies to the entire building and each residential unit.

In our multi-unit housing complexes, the ZEH standard also applies individually to each unit.

Because each unit meets the ZEH standard, residents are able to enjoy the benefits of ZEH, such as comfort, reduced utility expenses due to solar power generation, and the sense of security due to the availability of electricity in the event of a power failure.

- In January 2018, in Kanazawa, we completed the first rental housing property in Japan where all units meet the ZEH specification.
- In the 5th Mid-term Management Plan, we aim to build 2,500 ZEH rental housing units annually to create a ZEH rental housing market.
- Cumulative number of ZEH multi-unit housing buildings completed (March 31, 2020)



Sha Maison ZEH, a building where all units meet ZEH specifications (Hiroshima)

Promotion of Net-Zero Energy Condominiums

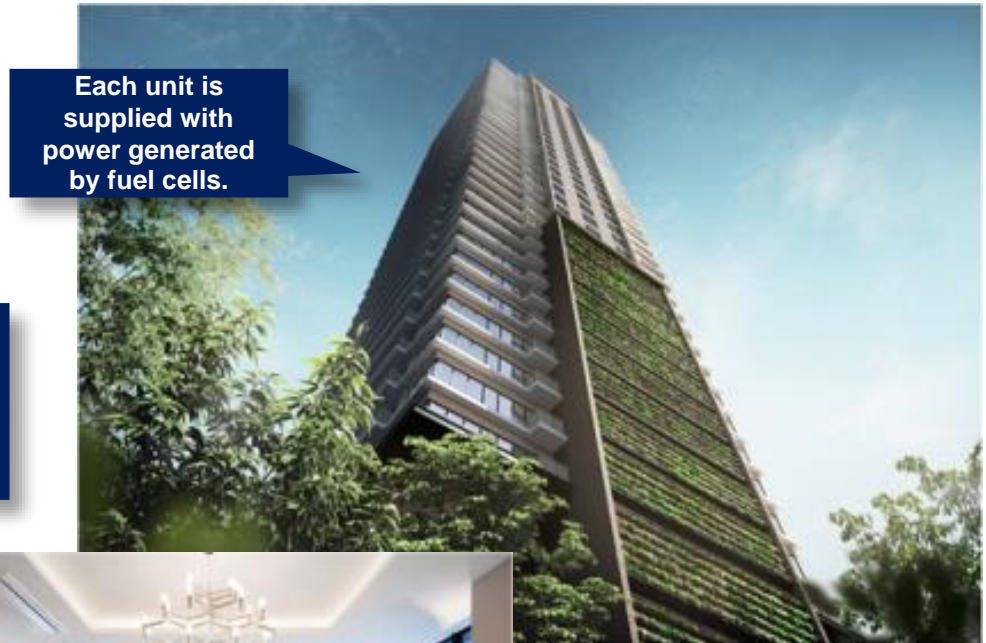
- We also promote the creation of ZEH units in condominiums. In February 2019, we completed the first condominium in Japan where all units meet ZEH specifications in Nagoya.
- A total of five condominiums have been built as ZEH multi-unit housing properties subsidized by the national government.
- In the 5th Mid-term Management Plan, we aim to build a total of 540 ZEH condominiums.

The first ZEH condominium in Japan where all units meet ZEH specifications.



Each unit is supplied with power generated by solar and fuel cells.

Grande Maison Kakuozan Kikuzakacho, a low-rise condominium complex (Nagoya, completed in 2019)



Each unit is supplied with power generated by fuel cells.

Grande Maison Uemachi Ichome Tower (Osaka, to be completed in 2022)

High-performance vacuum double-glazed glass is used in all windows. The double-glazed windows enable a gorgeous view from large windows that provide the superior thermal insulation achieving the ZEH specifications.



Net-Zero Energy in Other Fields

Net-zero energy renovation



- We increase the comfort of all living spaces and conserve energy to achieve net-zero carbon emissions chiefly by increasing insulation.



Solar power generation



A fuel cell unit



Storage cells

Net-zero energy non-residential buildings

- Office buildings, child care facilities, nursing homes
- We will greatly increase the number of non-residential buildings that leverage the technology and expertise that we have developed as the No. 1 ZEH builder.



ZEB office building (Miyagi)



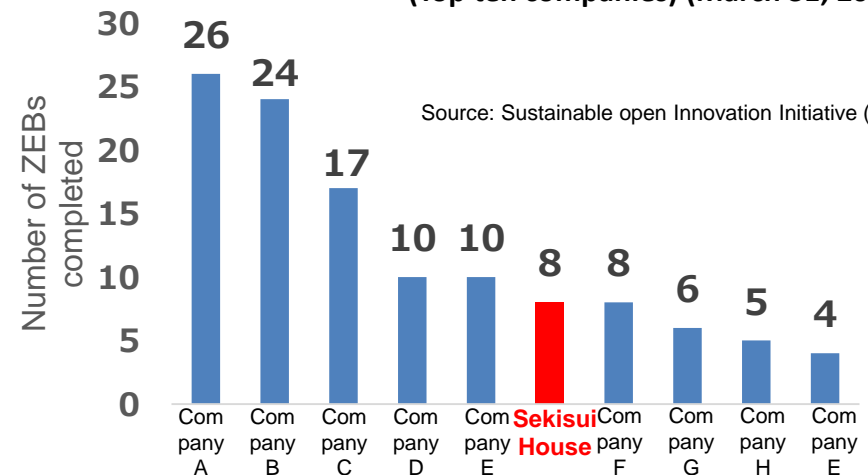
ZEB nursing home (Fukushima)



ZEB child care facility (Tokyo)

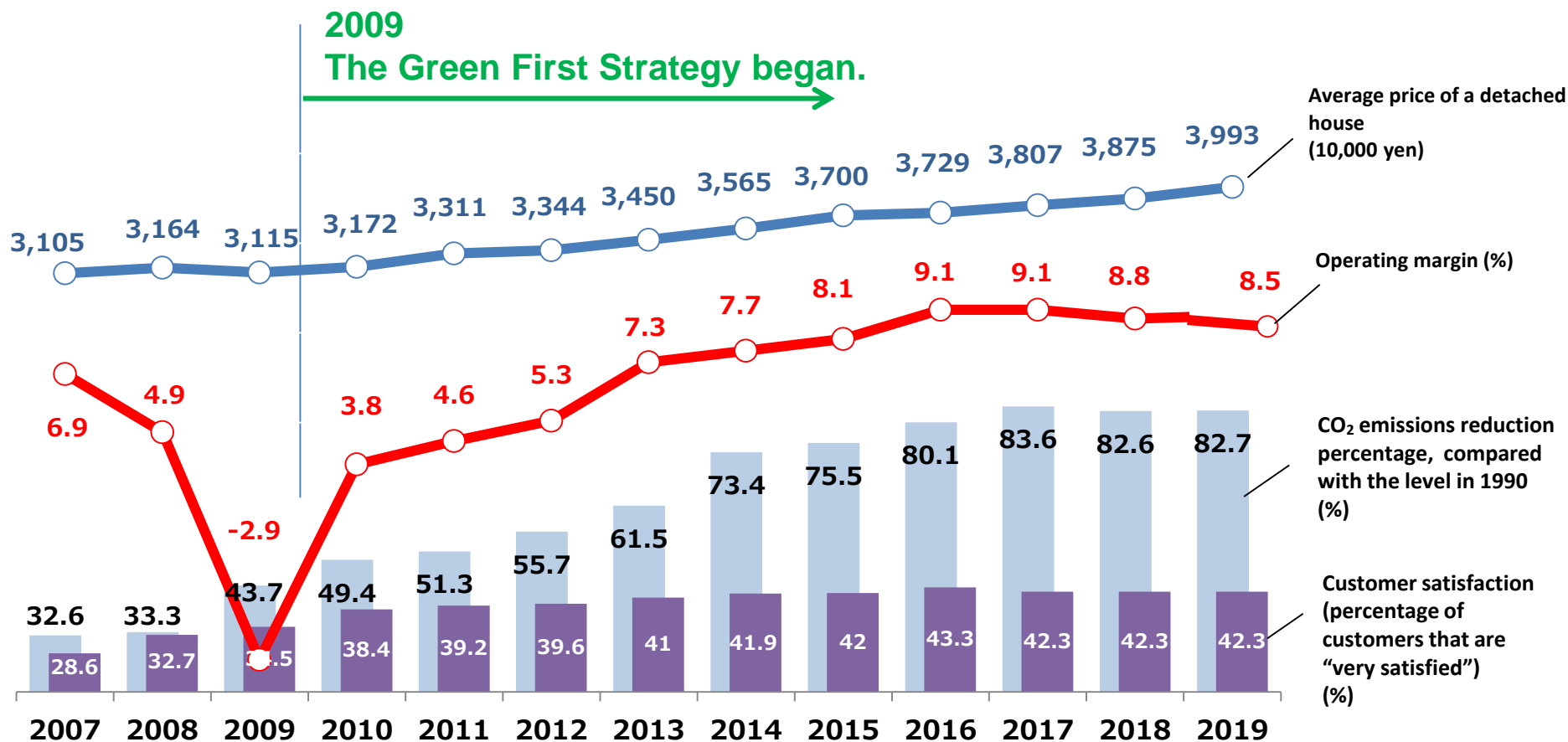
Progress in ZEB (net-zero energy building)

(Top ten companies) (March 31, 2019)



Advancing the Environmental Strategy and Business Together

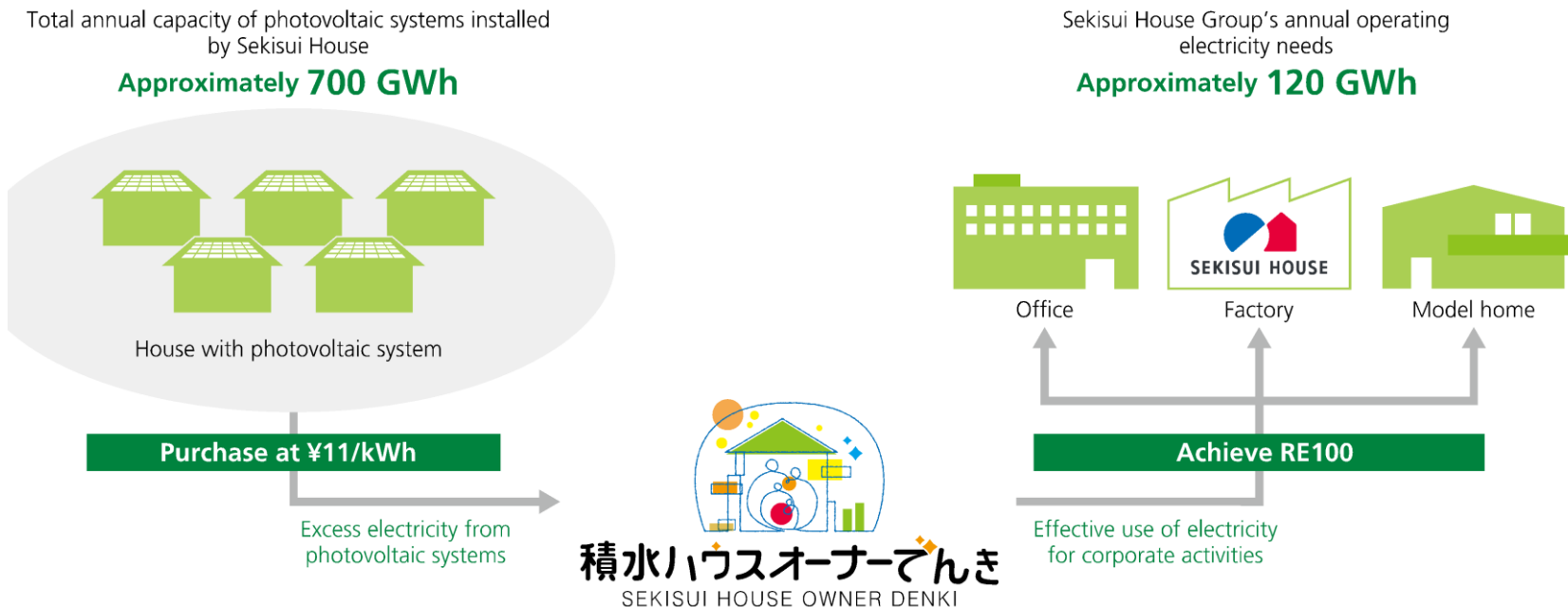
- Since the start of the Green First Strategy, while increasing the CO₂ emission reduction rate, the average construction price, operating income, and customer satisfaction have also improved.



Relationship between the Green First strategy and business performance

Promotion of Decarbonization in Business

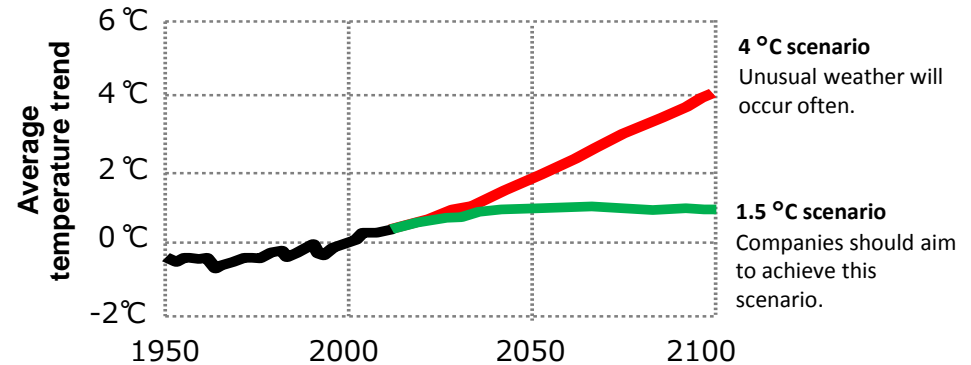
- We purchase post-FIT power from customers for which we have installed solar power equipment at a rate higher than the market rate (11 yen per kWh) (Sekisui House Owner Denki) and use it in our business.
- Through this scheme, we will achieve the RE100 goal. We planned to achieve RE100 in 2040 but will likely achieve it around 2030.



- We encourage our suppliers to receive SBT initiative accreditation and participate in the RE100 to reduce CO₂ emissions in the supply chain.
- We promote carbon pricing by promoting the decarbonization of overall business operations.

Scenario Analysis in Response to TCFD Recommendations

- We need to assume that both the risks assumed in the 1.5 °C scenario and the 4 °C scenario will occur at the same time and manage risk accordingly, considering the risks involved in both scenarios.

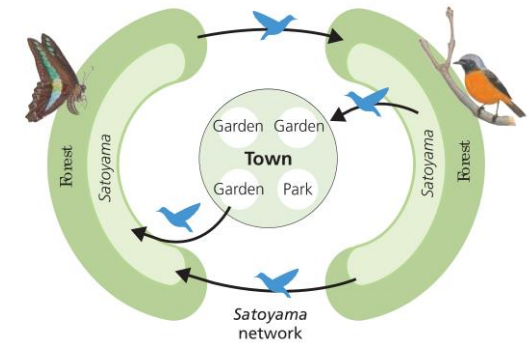


For more information, please see the TCFD report.

Scenario	Major assumed risks and opportunities		Effects on Sekisui House
1.5 °C	Risk	<ul style="list-style-type: none"> ● Tightening of energy-saving laws and regulations ● Decarbonization needs in the market 	<ul style="list-style-type: none"> ● We have already shifted our operations to decarbonization at a top scale in the industry, and the impact of the tightening of regulations will not be significant.
		<ul style="list-style-type: none"> ● Introduction of carbon tax 	<ul style="list-style-type: none"> ● A 10,000 yen per ton carbon tax would be a tax burden of 19.5 billion yen per year (estimate based on FY2018 results). We are participating in the RE100 and are reducing CO₂ emissions.
4 °C	Risk	<ul style="list-style-type: none"> ● Increasing needs for products achieving decarbonization 	<ul style="list-style-type: none"> ● We are already a leading ZEH provider. We will promote also ZEB and environmental remodeling to increase sales 35.76 billion yen per year.
		<ul style="list-style-type: none"> ● Supply chain disruptions and increases in the price of construction materials due to natural disasters 	<ul style="list-style-type: none"> ● Purchases from multiple manufacturers, dispersion of production bases ● Flood damage at plants is estimated at 28.5 billion yen. Insurance has been purchased.
	Opportunity	<ul style="list-style-type: none"> ● Health of residents and building site workers impacted by rising temperatures 	<ul style="list-style-type: none"> ● ZEH effectively prevents heatstroke. ● We are taking steps to prevent heatstroke at building sites.
	Opportunity	<ul style="list-style-type: none"> ● Increasing need for products with high disaster resilience. 	<ul style="list-style-type: none"> ● ZEH and ZEB are very disaster resilient.

Advancing the *Gohon No Ki* Ecosystem Conservation Project to Provide Convenience and Enjoyment

- Many exotic and ornamental trees commonly used in greening are difficult for local birds and other creatures to use and have low resistance to diseases and pests.
- In 2001, Sekisui House began its *Gohon no Ki* landscaping project, where we actively plant native species to build a *Satoyama* network connecting gardens, local hills and mountains.
- We have planted more than 16 million trees. Annual sales in our exterior construction and landscaping business has exceed 60 billion yen. We are Japan's largest exterior construction and landscaping business operator.
- We add unique value to trees that are usually hard to differentiate, by showing relationships between trees, birds and butterflies.



An original booklet describing the relationships between plants, wild birds, and other organisms.

自 生 域	B(△) C(△) D(△) E(△)
用 途	シンボルツリー・サブツリー・アクセントツリー
観賞ポイント	花 紅葉 実
観 賞 時 期	花は5～6月、実は9～10月、紅葉は11～12月
呼べる鳥や蝶	ヒヨドリ・メジロ・ムクドリ・オナガ(大井川以南)・カケス・コムクドリ

※お家のガーベラです。

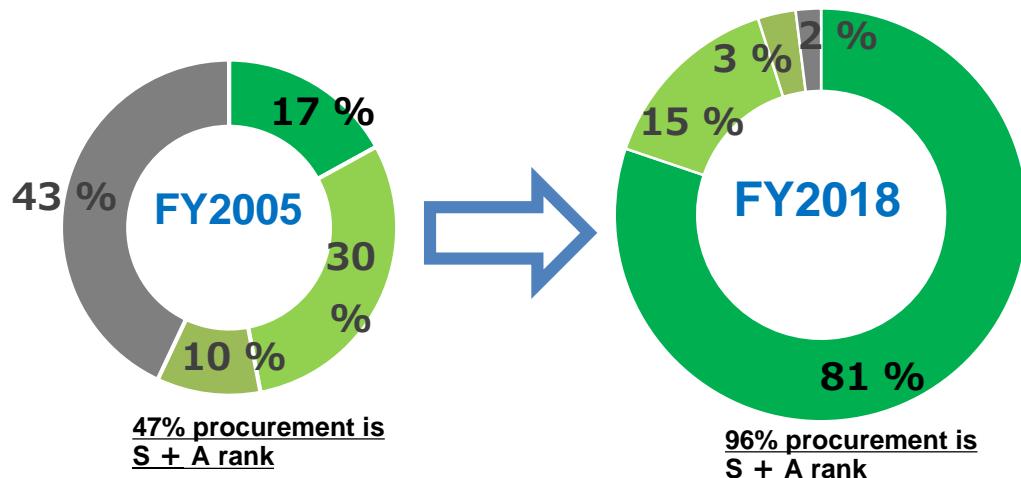
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Sustainable Wood Procurement

- Wood procurement guidelines for the sustainable use of wood have been in place since 2006.
- We have adopted guidelines that consider laws, ecosystems and people's livelihoods within logging areas. We survey suppliers every year.
- We have achieved 96% of procurement with Rank S and A timbers.
- We ensure the traceability of wood. We conduct surveys at production sites.

Total score (43 points maximum)	Rank
34 and above	S
26 and above, below 34	A
17 and above, below 26	B
Not evaluable, or below 17	C



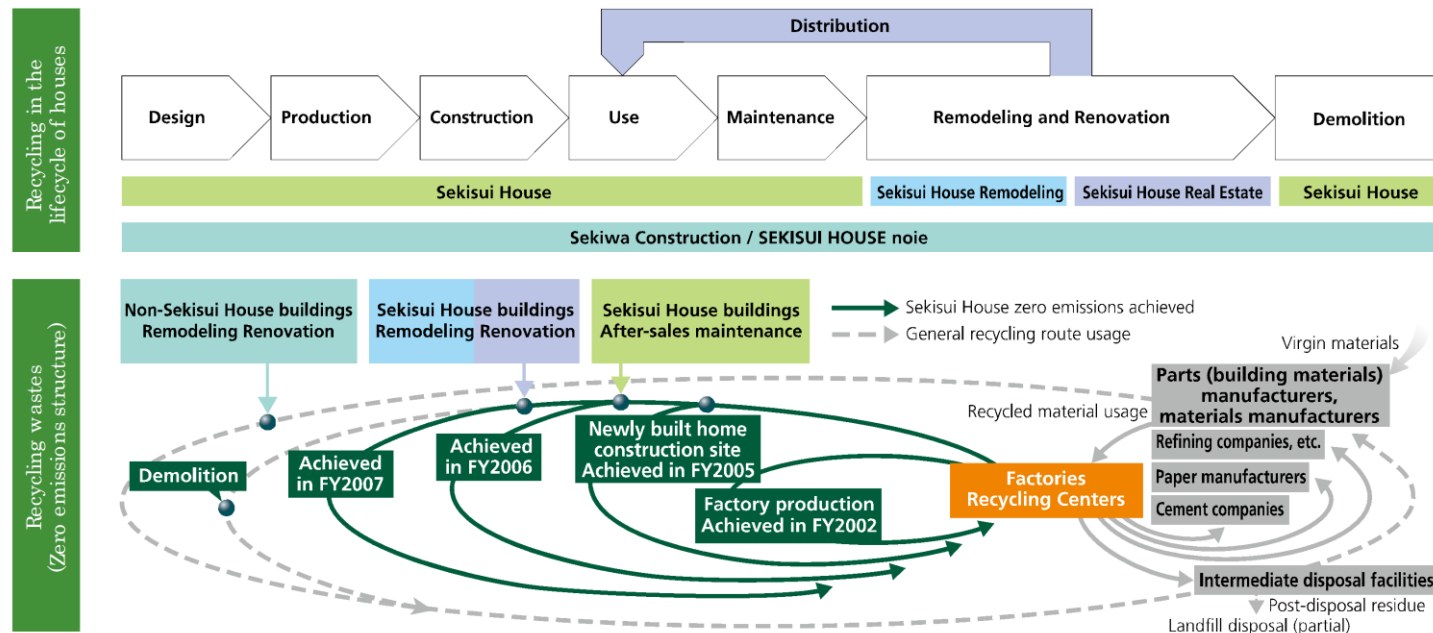
10 Wood Procurement Guidelines

- (1) Source wood products from areas with a relatively low risk of illegal logging.
- (2) Source wood products from areas without sensitive ecosystems.
- (3) Do not source wood products from areas with local ecosystems that have been seriously damaged by large-scale logging of natural forests.
- (4) Do not use wood products made from endangered species.
- (5) Minimize CO₂ emissions when producing, processing, and transporting wood products.
- (6) When logging wood products, avoid conflict with local communities and refrain from unfair labor practices. Wood procurement should contribute to local community's stability.
- (7) Source wood products from areas with controlled logging, to ensure the forest regeneration rate is not exceeded.
- (8) Source wood products from domestic forests with well-planned forest management to conserve ecosystems.
- (9) Source wood products from managed plantation forests to promote conservation and ecosystem development.
- (10) Use recyclable wood building materials.

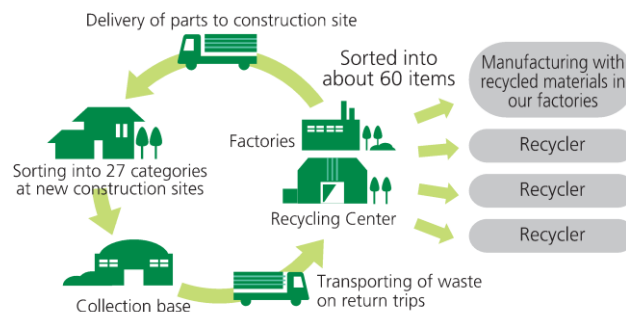
100% Recycling of Waste

- Using a system that collects and sorts waste thoroughly, we have achieved 100% recycling of the waste generated by production, construction, after-sales maintenance and renovation sites.
- We are implementing the Plastics Smart initiative. We collect 100% of the plastics at construction sites. The number of employees bringing reusable bottles to work has increased, and the number of PET bottles used by the company has decreased 70%.

Increasing the life of houses through circular business model based on in-group alliances



Waste disposal flow through our recycling centers



- 1. Build a human resources pipeline to strategically develop next-generation managers and leaders**
- 2. Strengthen the ability to recruit and secure a range of talent for new business domains**
- 3. Promote diversity – Create workplaces that demonstrate the power of diversity**
- 4. Workstyle reform – Increase the growth generated by intangible assets**
- 5. Address social issues – Help create a society that delivers maximum value to customers and achieves the SDGs**

1. Build a Human Resources Pipeline to Strategically Develop Next-Generation Managers and Leaders

Sekisui House Management Training

Sekisui House Management Training began in 2018. From its second term, the scope of its participants expanded to include branch manager candidates, factory manager candidates, and senior manager candidates at the head office. Over the one year program, participants learn how to expand their conceptual thinking and push their boundaries as humans.

SHINE! Challenge Program

The SHINE! Challenge Program cultivating young leader candidates (from 30 to 35 years old) began in 2019. Fifteen participants were carefully selected and given opportunities to be inspired and learn directly from President Yoshihiro Nakai, internal and external innovators, and

managers of new ventures.

Participants in the Management Training and SHINE! Challenge Programs

	Management Training		SHINE!	
First term	Nov. 2018 - June 2020	35 people	Oct. 2019 - July 2020	15 people
Second term	June 2020 - May 2021	42 people	Oct. 2020 - July 2021	15 people

Clarification of standards for the assessment and selection of officers

In 2020, the MBO method for evaluating the performance of executive officers, general managers, head office senior managers and factory managers was adopted. The qualities and capabilities of employees and officers are assessed based on the new requirements for internal directors and executive officers. The assessments are regularly tracked by the human resources review committee. We will cultivate next-generation managers systematically and ensure the transparency of selection.

2. Strengthen the ability to recruit and secure a range of talent for new

business domains

(1) Expanding hiring channels for new graduates

Year-round hiring

We will hire new graduates in the fall of 2021 to hire excellent students, including those who have studied abroad.

Referrals

We will hire a wide variety of human resources, including employees, prospective employees and school officials.

Internships in cooperation with other industries

We have participated in the *engawa* young academy (hosted by Dentsu Inc., with the participation of students who will graduate in 2021 and 2022).

(2) Hiring individuals with a diverse array of skills

Hiring people at an advanced career level in other industries

We began hiring people at an advanced career level in February 2018, and more than 30 people have joined us.

Hiring human resources in STEM fields and highly skilled IT engineers

We have established a five-member project team.

- Preparation period: December 2020 to January 2021
- Hiring people graduating in 2022 on a probationary basis: February 2021 to January 2022
- Full-scale hiring of people graduating in 2023: February 2022 to January 2023

3. Promote diversity – Create workplaces that demonstrate the power of diversity

(1) Promoting the active participation of women

Sales position: Nationwide Women's Sales Representative Conference, Women's Sales Support Committee, a mentoring system

Technical position: Chief architects, Female On-site Supervisor Support Program

Managerial position: Sekisui House Women's College

(2) Supporting the active participation of diverse personnel

People with disabilities: Establishment of the Promotion of the Employment of People with Disabilities Office, Participation in The Valuable 500, diversity meet-and-greet events

LGBTQ: Establishment of a personnel registration system that includes both opposite-sex de-facto marriage and same-sex partnerships, the establishment of an LGBT-specific consultation service, the President's declaration of allyship, the creation of an original ally sticker, the reception of a PRIDE Index gold rating for three consecutive years



Ally sticker

Foreign nationals: Foreign nationals actively participate, particularly in international business. The Yamaguchi Factory, the Sekiwa Construction Group and building contractors have foreign workers as a part of the Foreign Technician Training System. We have established a technical training center in Hanoi, Vietnam.

4. Workstyle reform – Increase the growth generated by intangible assets

(1) Continuing with the full implementation of childcare leave for men, *Ikumen Leave*, for a minimum of one month

All of the 804 male employees with children who were entitled to take childcare leave by the end of 2020 have taken childcare leave for a month or more. We have created an *Ikumen* Guide and have established Think About Childcare Leave Day. The *Ikumen* Forum 2020 was held, and the *Ikumen* White Paper 2020 was published. We received the Ministry of Health, Labour and Welfare's *Ikumen* Award 2020 Grand Prize.



(2) Providing support to encourage employees to balance work and childcare, nursing care, or medical treatment

We held a forum about the balancing of work and childcare. Our enhanced support systems enable employees to work while providing nursing care or receiving fertility or cancer treatments.

(3) Promoting smart work

During the COVID-19 pandemic, we have expanded the ability of our employees to work from home. We will develop a system enabling any employee to work from home in normal times. We will allow employees to work using mobile equipment and in satellite offices.

(4) Promoting good health management

We visualize overtime hours and total working hours using an attendance management app. The average total working hours of employees is an indicator for the President's Award. We have started the Walking Challenge using our original Sekisui House FIT app. We use AI to analyze health risks based on the results of medical checkups. We have established a smoking cessation outpatient care support system. We held the Sekisui Smoking Cessation Challenge 2020.

5. Address social issues – Help create a society that delivers maximum value to customers and achieves the SDGs

Supporting a society contributing to people's longevity, regional revitalization, the education of children, and collaboration between industry, government, and academia through business and social initiatives

Trip Base *Michi-no-eki* Station Project, a regional revitalization project proposing a travel style leveraging the hotel business

We are advancing the Trip Base *Michi-no-eki* Station Project for regional revitalization. We will build 15 roadside hotels in six prefectures, offering approximately 1,000 rooms from October 2020.

Sekisui House Matching Program, in which employees and the company jointly make donations

We have supported activities nationwide related to the achievement of the SDGs. We have donated more than 400 million yen to 345 civic groups.



Supporting computer-programming education at elementary schools

We participate in the Learning Consortium for the Future, which has been established by the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Internal Affairs and Communications, and the Ministry of Economy, Trade and Industry. We have given "Everyone's House! Houses for the Future!" lessons about advanced technology in housing to more than 430 elementary school children.



Comprehensive cooperation agreement with Osaka Prefecture

Sekisui House has signed a comprehensive agreement with Osaka Prefecture on cooperation in seven areas: children and social welfare, employment and the promotion of small and medium-sized enterprises, health and workstyle reform, prefectural government PR, regional revitalization, the environment, and disaster mitigation and crime prevention.

Implement governance reforms both at senior management level and business management level.
—Create organizational climate for the realization of innovation & communication—

Initiative 1

Senior Management Level

1

Reform corporate governance systems and strengthen their effectiveness

Aim to reform management through collaboration (collaborative creation) and the creation of a fair and healthy tension with outside directors.

(1) Review grand design of governance systems

- i Review the Personnel Affairs and Remuneration Committee system (chairperson and composition) to strengthen its effectiveness.)
- ii Review the role of the Management Meeting in the business execution system.
- iii Reform the Executive Officer system and develop candidates for the senior management team.

(2) Implement PDCA cycle that utilizes third-party reviews and draws on outside expertise.

- i Have an external third-party evaluate the effectiveness of the Board of Directors on a regular basis.
- ii Improve CG Code and SR activities based on third-party reviews.

2

Enhance information disclosure and promote dialogue with stakeholders

Gain trust of stakeholders through honest and fair information disclosure.

- i Produce “Integrated Report” – Tell corporate story.
- ii Further enhance opportunities for dialogue with institutional investors and individual shareholders.

Initiative 2

Business Management Level

1

Increase integrity at business management level

Achieve governance based on mutual trust by managers with integrity..

2

Strengthen Group governance systems

Foster mutual trust between Group companies based on corporate philosophy.

Progress of Governance Reform (Status of Strengthening of Corporate Governance System)

	FY2018	FY2019	FY2020
Introduction of a mandatory retirement age of 70 for representative directors	➤ Resolved at the meeting of Board of Directors in Mar. 2018		
Appointment of women as External Directors	➤ Approved at the General Meeting of Shareholders in Apr. 2018 (Elected one female external director and one female external corporate auditor)		
Transparency and invigoration of Board of Director meeting operations	➤ Resolved at the meeting of Board of Directors in Feb. 2018 (Separation of the chairman of the Board and the convener)		
Establishment of the Management Meeting	➤ Resolved at the meeting of Board of Directors in Feb. 2018 (held 8 times in FY2018, held 10 times in FY2019, held 8 times in FY2020)		
Clarification of Directors Responsibilities for Each Department	➤ Resolved at the meeting of Board of Directors in Mar. 2018 (Structural reform in Apr. 2018)		
Evaluation of the Efficacy of the Board of Director	➤ Resolved at the meeting of Board of Directors in Mar. 2018 (To conduct a survey once a year in the form of a questionnaire. At the FY2019, an independent third party will conduct surveys and individual interview)		
Reform of the approval system	➤ From Jun. 2018 (Clarification of the department responsible for the review, introduction of an electronic approval system)		
Ensuring independence and strengthening internal checks of chief managers in charge of general affairs in sales administration headquarters and branches (Building a governance network that includes group companies)	➤ Started from Nov. 2018 (Provided training for those in charge of general affairs, Reviewed process of team and personnel evaluation)		
Improving the integrity of branch managers Expand the scope of the Integrity Management training	➤ Started from Nov. 2018 (Launched Sekisui House Management School (program to cultivate and select future branch managers) ➤ Expand the scope in Aug. 2020 (Head office employees, Group officers)		
Next Generation managers / Development of Future Leaders	➤ Started from Oct. 2019 (Young human resources development training “SHINE! Challenge Program”)		
Introduced restricted stock into the system of compensation	➤ Approved at the General Meeting of Shareholders in Apr. 2019 (Paid in Jun. 2019)		
Elimination of the officer bonus system for outside directors	➤ Approved at the General Meeting of Shareholders in Apr. 2019		
Review of the term of office of directors	➤ Policy resolved at the meeting of Board of Directors in Sep. 2019 (Introduced in Apr. 2020)		
Abolish the Advisor / Advisory system	➤ Policy resolved at the meeting of Board of Directors in Sep. 2019 (Introduced in Apr. 2020)		

<FY2020> Progress of Governance Reform

	FY2020
Overhaul of the executive compensation system	➤ Implemented in Apr. 2020
Introduction of guidelines for holding stock	➤ Introduced in Apr. 2020
Establishment of Stock Compensation Refund Clause (Malus and Clawback)	➤ Introduced in Apr. 2020
Development of criteria and procedures for the selection and dismissal of senior management	➤ Started from Apr. 2020
Increased Board Independence	➤ Ratio of outside directors is one-third from Apr. 2020
Development of an overseas whistleblower system	➤ Started from Jun. 2020
Establishment of the Office of the Board of Directors	➤ Established in Aug. 2020 (Supporting the enhancement of activities of outside directors)

<Recent new initiatives>

Development of an overseas whistleblower system (Started from Jun. 2020)

Launched the Sekisui House Global Helpline in the US, Australia, U.K., and Singapore, which is operated by a third-party law firm.

Establishment of the Office of the Board of Directors (Established in Aug. 2020)

Organizational structure to support enhanced activities in light of the increase in the number of outside directors.

- Review opportunities for information and awareness sharing, such as regular meetings between outside directors and representative directors, between outside directors and representative directors, between outside directors and corporate auditors, and between outside directors and outside corporate auditors.
- Proactive dissemination of information from the Office of the Board of Directors to outside directors.

Revision of Executive Compensation, KPIs based on the Performance Linked Stock Remuneration System

1. Revision to Remuneration System for Officers

- ◆ April 2019
Introduction of the Restricted Stock Remuneration Plan (RS), Abolish Executive Advisor System for the Outside Directors
- ◆ April 2020 – Overhauling the Executive Remuneration System –
 - Clarify the basic policy of Remuneration, review the compensation composition ratio and setting appropriate remuneration levels
 - Introduction of Performance Related Bonuses, Stock Remuneration plans, and revision of the Remuneration Limit for Restricted Stock Remuneration Plans
 - Establishment of guidelines for holding stock and Stock Compensation Refund Clause (Malus and Clawback)

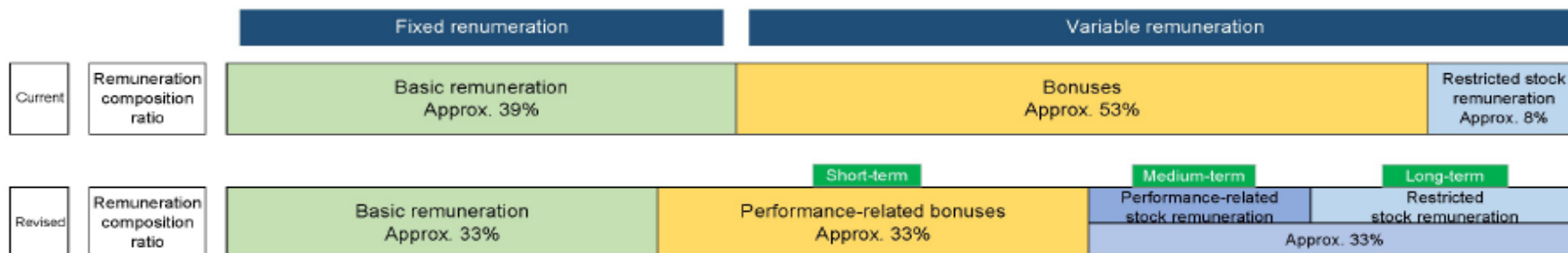
2. Performance Related Stock Remuneration Plans for KPIs (ESG Management Indicators)

- ◆ After the General Meeting in April 2020, the fifth Mid-term Management, ESG Management Strategy and ESG Indicators (Sustainability Report) will be discussed by the Personnel Affairs and Remuneration Committee

E (Environment)	Working towards a Carbon-free Society (Global Warming Prevention) <ul style="list-style-type: none"> • Detached ZEH ratio, Number of ZEH Sha-Maisons
S (Social)	Promoting Diversity and Workplace Reform <ul style="list-style-type: none"> • Number of Female Managers, Take up rate of “Ikumen Leave”, Annual Leave Attainment Rate
G (Governance)	Management Oversight and operational Clarity, CG Code support, Improved Integrity <ul style="list-style-type: none"> • Progress on Institutional reform, external evaluation scores, and integrity Training

Overview of the New Executive Compensation System

【Image shows the Percentage of Compensation Composition of the Representative Directors at the Base Performance】



※ Performance-related stock remuneration(Medium-term performance-related) is based on evaluation with ROE and ESG management index connected with the Medium-term management plan.

【Overview of Performance Linked Compensation】

◆ Performance linked bonuses (Short Term)

- KPI : Consolidated Ordinary Income (Total amount paid to be capped at 0.18%)
+ Consolidated Net Income (100 Billion Yen) by Setting up a Non-Payment Line
- Calculation Method : Calculated by multiplying the coefficient for each position by consolidated ordinary income for each fiscal year.
 - Coefficients for each position is disclosed in the annual report

◆ Performance linked stock remuneration (Medium-Term)

- KPI : ROE(80%) + ESG Management Indicator (20%)
- Calculation Method :

(ROE Section) Base Stock Unit × 80% × Payment Ratio
 (ESG Management Indicator Section) Base Stock Unit × 20% × Payment

- The formula for calculating the number of reference stock units by position and the rate of payment of the ROE portion is disclosed in a report
- At the time of payment, 50% will be paid in shares and 50% will be in case (due to tax)

Review the structure of Human Resources and the Compensation Committee in order to Strengthen its Effectiveness

1. Review of the Personnel Affairs and Remuneration Committee (April 2020 ~)

Chairperson and a majority of committee members to be outside directors <~April 2020>

Chairperson : Mr. Yoshihiro Nakai (President & Representative Director)

Committee Members :

Mr. Teruyuki Saegusa (Outside Director),

Mr. Shiro Wakui (Outside Director),

Mr. Yoshinori Shinohara (Outside Auditor),

Mr. Takashi Kobayashi (Outside Auditor),

Mr. Toshinori Abe (Chairman & Representative Director),

Mr. Shiro Inagaki (Vice Chairman & Representative Director)

<April 2020~ >



Chairperson : Ms. Yukiko Yoshimaru (Outside Director)

Committee Members :

Mr. Shiro Wakui (Outside Director),

Mr. Satoshi Tanaka (Outside Director)

Mr. Toshinori Abe (Chairman & Representative Director),

Mr. Yoshihiro Nakai (President & Representative Director)

Review the structure of Human Resources and the Compensation Committee in order to Strengthen its Effectiveness

2. Continued Deliberation of the Personnel Affairs and Remuneration Committee to Develop Human Resources for Building a Succession Plan

During the 5th Mid-Term Management plan, establish a succession plan (peacetime and contingency) and conduct ongoing deliberations to aim for a gradual separation of the board's management oversight function and business implementation.

<Main Agenda for Selection of Director Candidates and Succession Planning>

- FY2019 <6 Sessions>
 - Function of the Board of Directors (What our goal is)
 - Human resource requirements for Internal Directors
 - Succession Planning Roadmap
- FY2021 <8 sessions in May 2020 to January 2021>
 - How the Personnel Affairs and Remuneration Committee Oversees Succession Planning Candidate Selection Process and Monitoring
 - The Function of the Board of Directors, Composition (What our goal is)
Gradual Separation of management oversight function and corporate governance functions, number of directors • ratio of outside directors
 - Reform the Executive Officer system
Changing the Positioning of Executive Officers, Clarification of Human Resource requirements,
Evaluation Methods and Criteria for Election and Dismissal • Procedures

Although the document is prepared on the information believed to be credible, Sekisui House does not guarantee the accuracy or the completeness of such information. Also the information herein contains forward-looking statements regarding the company's plan, outlook, strategies and results for the future. The Company undertakes no obligation to publicly update any forward-looking statements. All the forward looking statements are based on judgments derived from information available to the Company at the time for this release. Certain risks and uncertainties could cause the company's actual results to differ materially from any projections presented here.