



Sekisui House Group Company Presentation for FY2021 2Q

* Value of order backlog stated on sheet 18 and 20 were corrected in February 2022.

September 10, 2021

Management Direction

**Deployment of growth strategies
focused on the residential business domain**

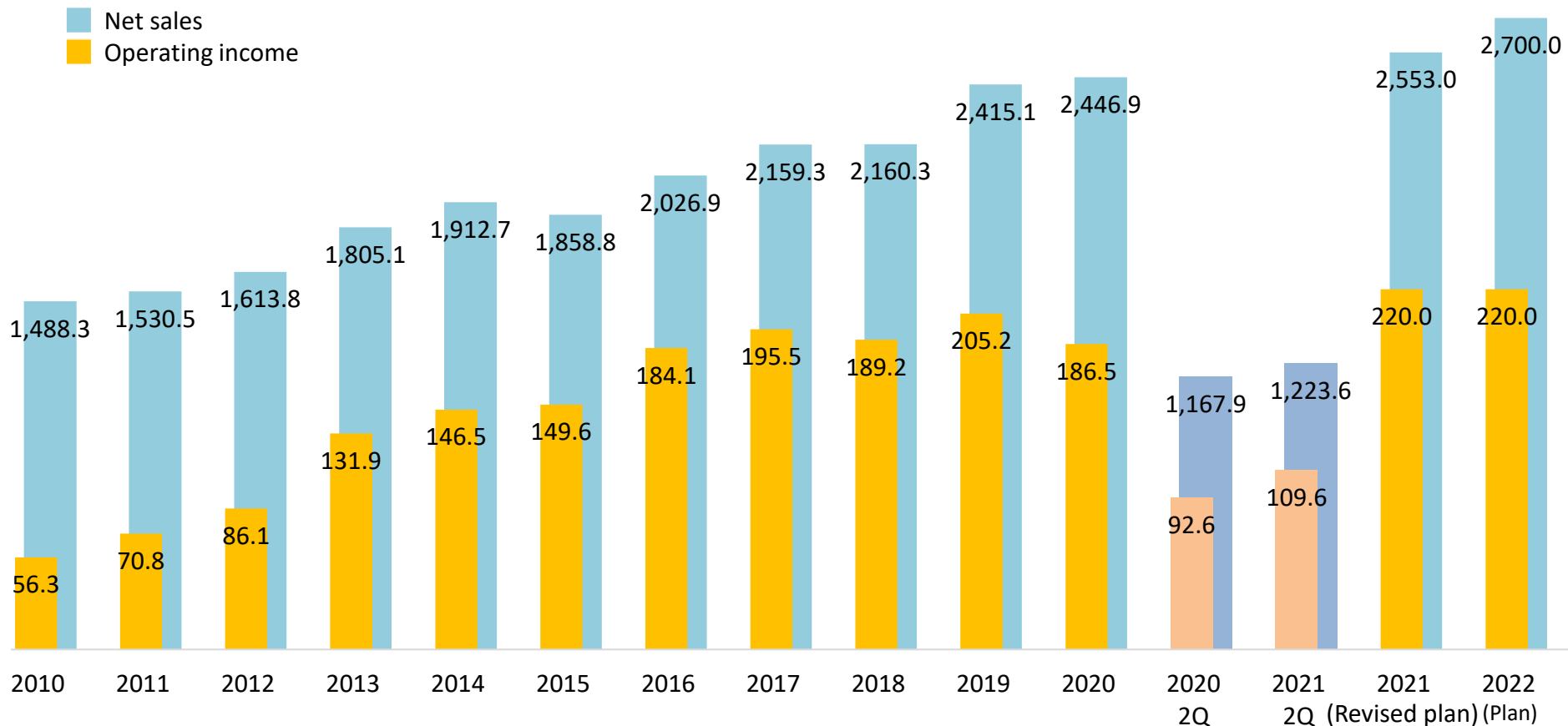
Fundamental Policy of Fifth Mid-Term Management Plan

**Further strengthening core businesses and
embarking on new businesses**

Progress in Fifth Mid-Term Management Plan

(Billions of yen)

Net sales
Operating income



1st Plan

Establishment of lean earnings base

2nd Plan

Acceleration of Profit growth through business expansion

3rd Plan

Strengthening the synergies in the Group and taking on new challenges in the residential-related business

4th Plan

Building the foundation for the residential-related business toward BEYOND 2020

5th Plan

Further strengthening core businesses and embarking on new businesses

Progress to FY2021 Management Plan

(Billions of yen)

		FY2020 2Q Results			FY2021 2Q Results			YOY		FY2021 Initial plan			Progress to Initial plan	
		Net sales	Operating income	Operating margin	Net sales	Operating income	Operating margin	Net sales	Operating income	Net sales	Operating income	Operating margin	Net sales	Operating income
Built-to-Order Business	Custom detached houses	157.5	14.9	9.5%	167.1	20.3	12.2%	9.5	5.4	344.0	37.0	10.8%	48.6%	55.0%
	Rental housing	176.3	21.8	12.4%	183.0	25.8	14.1%	6.7	4.0	388.5	55.0	14.2%	47.1%	47.0%
	Architectural / Civil engineering	160.1	11.6	7.3%	137.0	11.7	8.6%	(23.0)	0.0	315.5	13.0	4.1%	43.4%	90.4%
	Subtotal	493.9	48.3	9.8%	487.2	57.9	11.9%	(6.7)	9.5	1,048.0	105.0	10.0%	46.5%	55.2%
Supplied Housing Business	Remodeling	68.9	9.7	14.2%	79.7	13.2	16.6%	10.7	3.4	167.0	26.5	15.9%	47.8%	50.0%
	Real estate management fees	277.0	22.7	8.2%	291.4	26.5	9.1%	14.3	3.8	576.0	50.0	8.7%	50.6%	53.1%
	Subtotal	346.0	32.5	9.4%	371.1	39.8	10.7%	25.1	7.2	743.0	76.5	10.3%	50.0%	52.0%
Development Business	Houses for sale	62.7	3.6	5.8%	86.1	6.8	7.9%	23.4	3.2	163.0	11.0	6.7%	52.9%	62.2%
	Condominiums	41.7	6.0	14.5%	40.2	5.9	14.8%	(1.5)	(0.0)	84.0	11.5	13.7%	47.9%	51.9%
	Urban redevelopment	46.5	9.5	20.5%	51.8	3.6	7.1%	5.2	(5.9)	103.0	11.0	10.7%	50.3%	33.2%
	Subtotal	151.1	19.2	12.7%	178.2	16.4	9.2%	27.1	(2.7)	350.0	33.5	9.6%	50.9%	49.1%
Overseas Business		140.5	15.6	11.1%	149.5	18.1	12.1%	8.9	2.5	333.0	30.5	9.2%	44.9%	59.5%
Other Businesses		36.3	(1.4)	(3.9%)	37.3	(0.5)	(1.6%)	1.0	0.8	78.0	0.0	0.0%	47.9%	-
Eliminations and back office		-	(21.6)	-	-	(22.0)	-	-	(0.3)	-	(45.5)	-	-	-
Total		1,167.9	92.6	7.9%	1,223.6	109.6	9.0%	55.6	17.0	2,552.0	200.0	7.8%	47.9%	54.8%

Earnings Plan (by Segment)

(Billions of yen)

		FY2020 Results		FY2021				YOY			
				Initial plan		Revised plan		Net sales		Operating income	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Initial plan	Revised plan	Initial plan	Revised plan
Built-to-Order Business	Custom detached houses	323.3	32.2	344.0	37.0	344.0	41.0	6.4%	6.4%	14.8%	27.2%
	Rental housing	358.7	47.0	388.5	55.0	382.0	55.0	8.3%	6.5%	16.9%	16.9%
	Architectural / Civil engineering	302.8	16.0	315.5	13.0	269.0	13.0	4.2%	(11.2%)	(19.0%)	(19.0%)
	Subtotal	984.9	95.3	1,048.0	105.0	995.0	109.0	6.4%	1.0%	10.1%	14.3%
Supplied Housing Business	Remodeling	141.0	20.4	167.0	26.5	162.0	27.0	18.4%	14.8%	29.4%	31.8%
	Real estate management fees	557.6	43.8	576.0	50.0	584.0	51.5	3.3%	4.7%	14.0%	17.4%
	Subtotal	698.7	64.3	743.0	76.5	746.0	78.5	6.3%	6.8%	18.9%	22.0%
Development Business	Houses for sale	139.1	7.5	163.0	11.0	172.0	12.5	17.1%	23.6%	45.0%	64.8%
	Condominiums	77.0	8.8	84.0	11.5	91.0	12.5	9.0%	18.0%	30.4%	41.8%
	Urban redevelopment	104.9	16.5	103.0	11.0	103.0	11.0	(1.9%)	(1.9%)	(33.6%)	(33.6%)
	Subtotal	321.1	32.9	350.0	33.5	366.0	36.0	9.0%	13.9%	1.6%	9.2%
Overseas Business		370.6	39.7	333.0	30.5	372.3	42.5	(10.2%)	0.4%	(23.2%)	7.0%
Other Businesses		71.3	(2.4)	78.0	0.0	73.7	(0.6)	9.3%	3.2%	-	-
Eliminations and back office		-	(43.3)	-	(45.5)	-	(45.4)	-	-	-	-
Total		2,446.9	186.5	2,552.0	200.0	2,553.0	220.0	4.3%	4.3%	7.2%	18.0%

■ Revised the dividend plan along with the upward revision of consolidated financial forecasts.

	Initial plan	Revised plan
Net sales	¥2,552.0 billion	¥2,553.0 billion
Operating income	¥200.0 billion	¥220.0 billion
Profit attributable to owners of parent	¥135.0 billion	¥148.0 billion
Earnings per share (EPS)	¥200.62	¥218.65
Return on equity (ROE)	10.0%	10.7%
Dividend per share	¥86.00	¥88.00
Dividend payout ratio	42.9%	40.2%
Repurchased Company shares	¥15.0 billion	¥15.0 billion

[Highlight] Custom detached houses and Houses for sale

➤ **Promoting the lifestyle design proposal (started before COVID-19) matches current trends.**

Promoting lifestyles such as Family Suite (released in 2018) that has been underway since before the COVID-19 outbreak matches the rising consumer interest in houses, triggered by the increase in time spent at home.

➤ **Sales of SMART-ECS, a next-generation indoor environment system are strong.**

Sales of SMART-ECS (released in Dec. 2020) are strong (latest acceptance rate exceeds 80%). Our advanced technologies responding to new lifestyles satisfy customer needs.

Core Technology of Sekisui House (Premise for promoting lifestyle design)

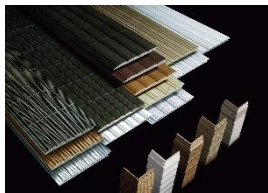
Highest-grade exterior wall
Material for steel frames

DYNE CONCRETE



Earthenware exterior wall
for SHAWOOD

Bellburn



Seismic control system
SHEQAS



High-quality indoor air system
Airkis



Lifestyle design proposal

Large living room for happy family time
Family Suite



Life relaxing in a cozy bower,
nestled beneath trees
KOKAGE LOUNGE



Next-generation indoor
environment control system
SMART-ECS



[Highlight] Custom detached houses and Houses for sale

➤ **Renewal of *Sumai no Yume Kojo* housing theme park to change to Tomorrow's Life Museum.**

A single place presenting all elements needed to create “a happy home,” including lifestyle-based model houses, a technology and structure exhibition, and an environment exhibition. Developed into a facility offering fun learning and convincing information, aiming to further raise satisfaction with customer experience (from Aug. 2021 at five locations across Japan).



In Sep. 2020, The “7 stories” (seven lifestage-themed model houses) were opened in Koga, Ibaraki. They offer detailed depictions of seven different life stages, reflecting diverse values, based on the concept of “sympathy” with various forms of family and values.

Childrearing family home

The Kobayashi residence



A home for a three-generation, outdoor-loving family

The Toyama residence



A home for living amid art

The Toyama residence



Active seniors' home

The Yamamoto residence

A home with a Japanese sensibility

The Gabriel residence

A home for living amid greenery

The Mori residence

A music-lovers' home

The Naito residence

[Highlight] Rental housing and Real estate management fees

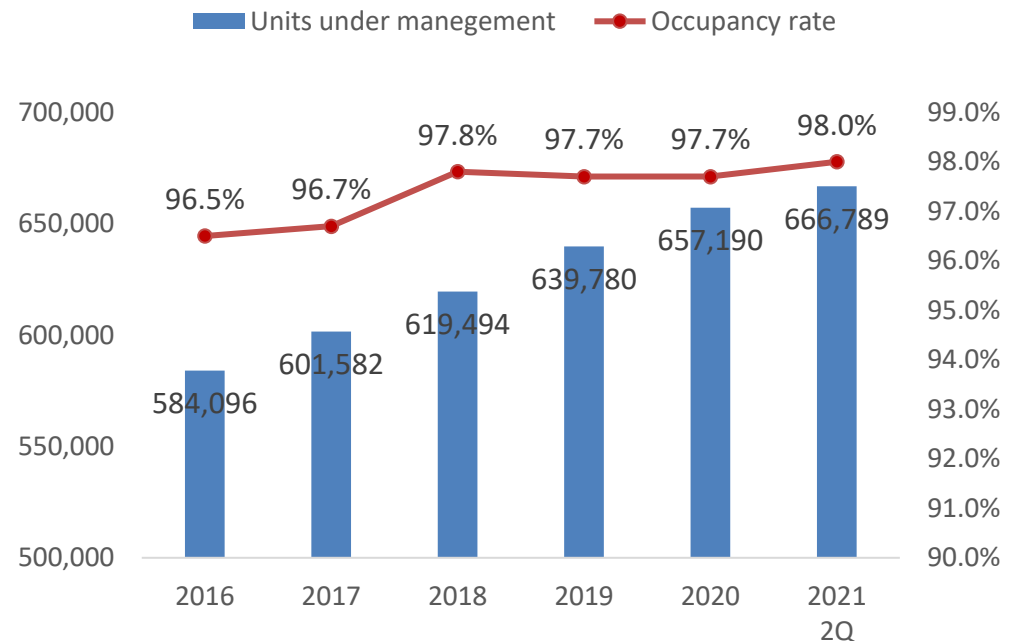
- **Differentiation strategy is successful, achieving long-term stable management of owners.**
Differentiated from competitors through “area marketing focusing on urban centers” and “supply of value-added Sha Maison and price leader strategy.” Achieved long-term stable management of rental housing.
- **Gained trust of customers and Sha Maison owners through high occupancy rates and rent levels of property management by Sekisui House Real Estate companies.**
High-quality property management was successful. High occupancy rates and rent levels were achieved even amid the COVID-19 pandemic.

■ Hotel-like styling

Distinctive facility specifications that change the perception of rental housing.



■ Trend in the number of units under management and occupancy rate



[Highlight] Rental housing and Real estate management fees

➤ The number of ZEH Sha Maison contracts is very high at 3,486 units (as of 2nd qtr.)

To contribute to a decarbonized society, Full-fledged promotion of new, ethical choice, “ZEH rental housing,” under the Sha Maison brand.

Advantages for Owners

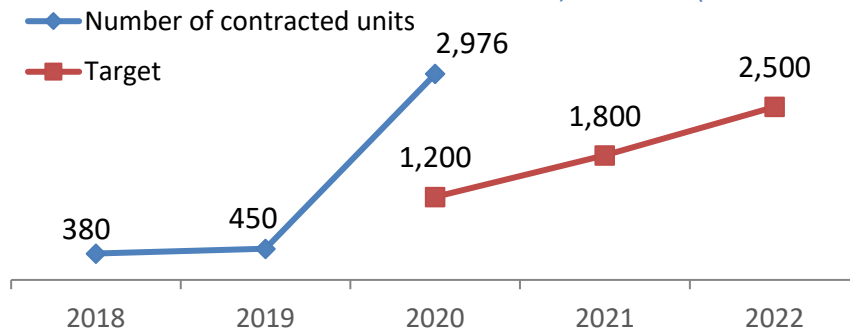
- ZEH housing can help prevent global warming.
- It is high-value-added rental housing that commands higher rents, thus helping to improve rental housing management efficiency.
- Long-term stable asset building based on environmental performance in view of the future.

Advantages for Tenants

- Tenants can contribute to the prevention of global warming just by living in ZEH housing.
- Its high-performance thermal insulation makes life more comfortable and healthier by reducing the risk of heat shock, etc.
- It is expected to contribute to a significant reduction in utility costs through the use of photovoltaic power generated by the rental unit and income from selling electricity.
- The photovoltaic power generation system has an emergency electrical outlet to provide electricity on sunny days even during a power outage.

■ Trend in the number of ZEH Sha Maison contracts

◆ 3,486 units (as of FY2021 2Q)



[Highlight]

Rental housing and Real estate management fees

➤ Acceleration of growth by deepening collaboration among Sekisui House Real Estate Group.

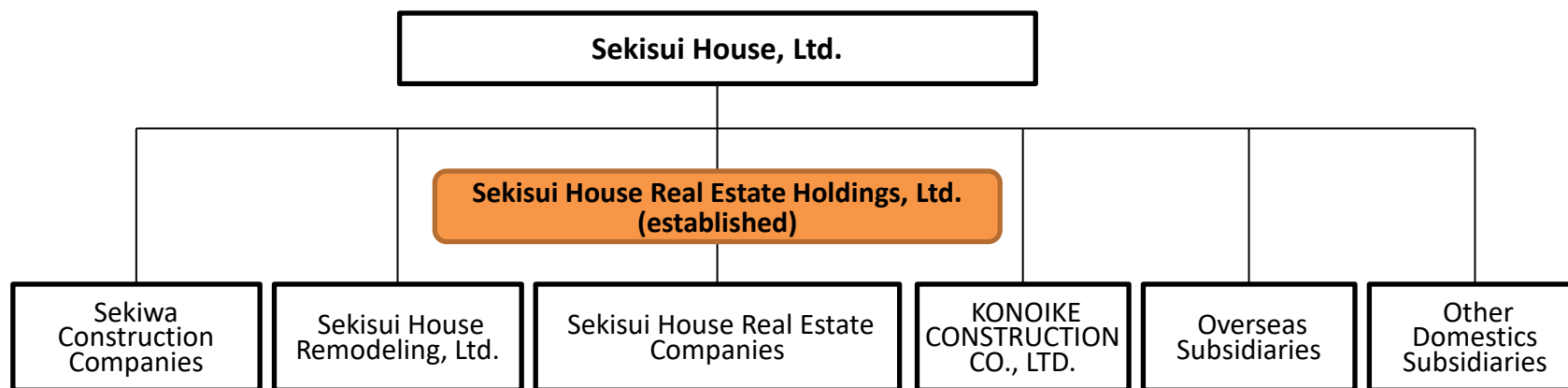
Deepened collaboration among group companies by supervising the promotion of respective companies' businesses through Broking and Leasing Business Headquarters of the Company (established in Feb., 2019), and enhancing brand awareness through a change of the trade name to Sekisui House Real Estate Companies (Feb., 2020). Growth in net sales, operating income and profitability accelerated.

Seek to achieve further growth through the establishment of an Intermediary holding company.

Seek to maximize group value and enhance the management of respective operating companies through the delegation of authority to the Intermediary holding company.

■ Role of the Intermediary holding company

- Developing growth strategies for the Group's real estate business.
- Controlling the directions of respective operating companies.
- Judgment and implementation of investments in real estate and/or growth from the comprehensive perspective of the real estate business.
- Improvement of services for the residents of Sha Maison.



- **Business development focusing on large cities and supply of value-added Grande Maison were successful.**

Sales remained strong thanks to “business development in Tokyo, Nagoya, Osaka and Fukuoka” and “supply of value-added Grande Maison through the promotion of environmental performance and lifestyle design proposal built in the Custom Detached Houses Business.”

■ **Grand Maison Uemachi 1-chome Tower** (Chuo-ku, Osaka, scheduled for completion in late Nov. 2022)

Super high-rise tower residence offering both comfortable living performance and high insulation.

Glass insulation improved while keeping the large size windows as they are, and all units (188 units) meet ZEH-M orientation criteria.

Used for the FY2019 super high-rise ZEH-M demonstration project of the Ministry of Economy, Trade and Industry (METI).



Living room



Entrance hall

➤ Woodside Homes in US to become a customer-based premium brand.

Growth exceeded the competition based on both the average selling price and monthly sales by providing high value-added through comprehensive research and lifestyle design proposals.

Transfer of Sekisui House technologies implemented after making Woodside Homes a wholly owned subsidiary has been the growth driver.

Sekisui House technologies

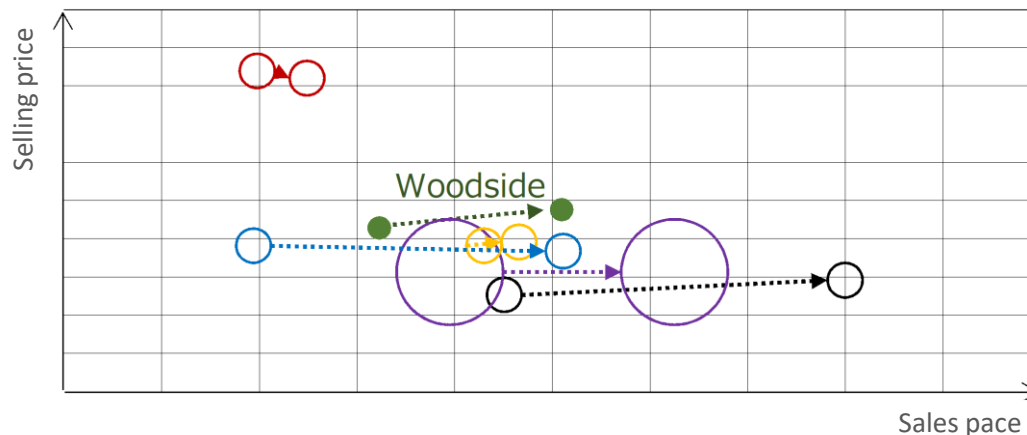


Local Knowledge

“Marketing & Insights” connecting the two

Digital technologies are used to extract needs and trends and perform sensitivity analysis, accuracy analysis, etc.

■ Year-on-year change in positioning of large builders in the US and Woodside Homes



Comparison between Q1 2020 and Q1 2021

Avg. of top 10 builders

- Selling price: up 2%
- Sales: up 29%

Woodside Homes

- Selling price: up 13%
- Sales: up 59%

PLATFORM HOUSE

- House that help customers achieve “happiness in the era of the 100-year lifespan”.
- Provides services focused on “Health, Connections, and Learning” that becomes the basis of new lifestyles.



Health
“the house creating
health”



Connectedness
Broaden human relationships and
connect to the activity of society



Learning
Live flexibly by adapting to
change

Point 1. Increase in internal security by installing edge computer

Point 2. House allowing consecutive installations of services

Point 3. Accumulation of lifestyle data and living environment data

(1) Edge computer



(2) Installation 1st step

Floor plan-linked “home remote control”
Floor plan-linked “self-home security”
Floor plan-linked living environment monitoring

**PLATFORM HOUSE
touch**

(2) Installation 2nd step

Curation of services concerning
“Health, Connections, and Learning”

(2) Installation 3rd step

HED-NET service



(3) Accumulation of lifestyle data and living environment data

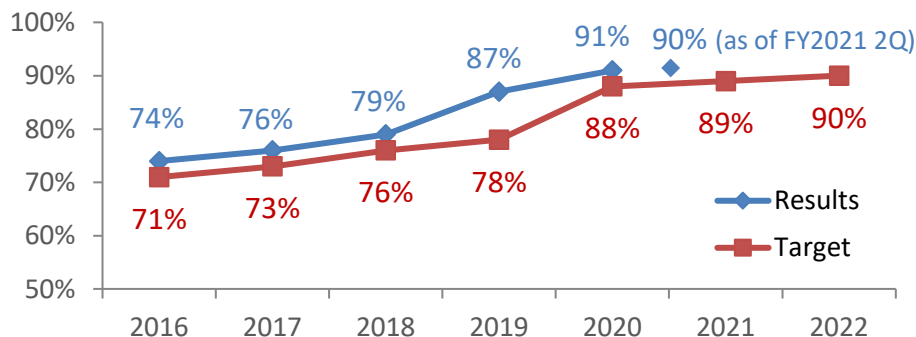
- **Achieved ZEH targets (detached houses and rental housing) for the final year of the medium-term plan ahead of schedule.**

The number of units under FY2021 Sha Maison ZEH contract is very high at 3,486 units. (as of 2nd qtr.)

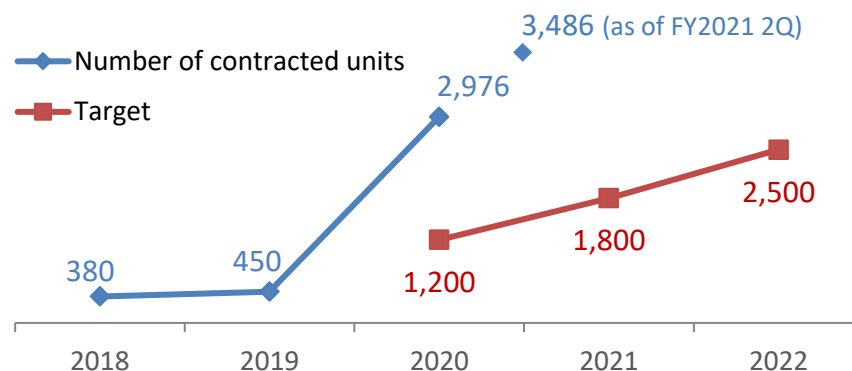
	Percentage of ZEH detached houses	ZEH rental housing units	Total ZEH condominium units built
Targets for FY2022, the final year of the MMP	90%	2,500 units per year	540 units
Results for FY2020	91%	2,976 units per year	32 units

* MMP : Fifth Mid-Term Management Plan

■ Trend in the ZEH Detached Houses

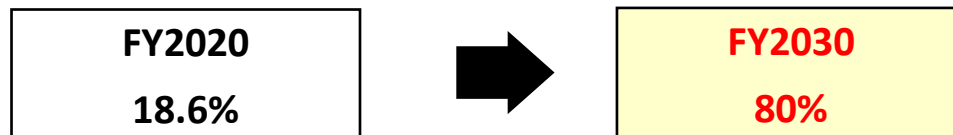


■ Trend in the ZEH Rental Housing



■ Providing information to support our suppliers' efforts for decarbonization

Improve, as a KPI, the percentage of major suppliers that have set SBT targets.



■ Achieved targets of female managers number for the final year of the medium-term management plan ahead of schedule.

Candidate manager training program, “Sekisui House Women’s College,” established in FY2014, started the curriculum for 8th generation students in June 2021.

	Results for FY2020	Results for FY2021 2nd qtr.	Target for FY2022
Number and ratio of female managers	236 people 3.79%	271 people 4.21%	260 people

■ Participated in the national competition in Minecraft Cup 2021 as a Gold Partner

Made “everyone’s house and future town in the age of SDGs” the theme for works
Supported programming education to foster children’s logical thinking from the housing industry and provided children with opportunities to think about homes and towns in a sustainable future
Provided SDG learning program at our exhibition booth.

■ Set up special site



What's New

2021.8.6

株式会社セキスイハウスの新しさを開始しました

■ Held online events

Minecraftカップ2021 全国大会 横水ハウス応援企業

スペシャル対談!

「これからのみんなの家、未来のまちって?」

8月28日(土) 10:30~11:30 オンライン開催

Kazu 動画クリエイター
タツナミシュウイチ プロダクションディレクター
Masahiro 正義 横水ハウス 一級建築士

■ Provided SDG learning program at our exhibition booth. Distributed “strategy book” and “graduation certificate.”



■ Increased independence and diversity of the Board of Directors

- Raise the ratio of Outside Directors to 40% and the ratio of female Directors to 30%.
- Appointment the chairperson of the Board from among Outside Directors.

■ Clarification of the Skill Matrix

- Reexamination of the skill matrix based on management strategies and plans, and clarification of the reasons for choosing each skill category
- Clarification the reasons and the expected roles for selecting each candidate for Director.

■ Reform of Executive Officer System

- Clarification the role, responsibility, personnel requirements, and appointment and dismissal process.
- Visualize management human resource development in four levels and six divisions.

■ Increase in transparency of executive compensation system

- Disclose items and targets for ESG management indicator, which is KPI for performance share unit (PSU).
- Disclose amount of remuneration by type and total amount of remuneration for each internal Directors.

APPENDIX

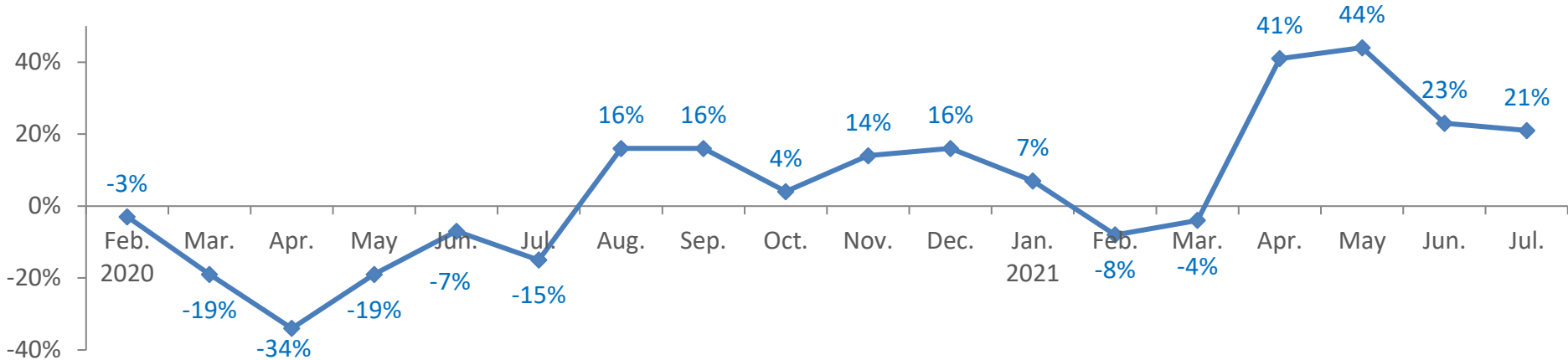
- Progress in priority measures by business
- Progress of Corporate Governance Reforms

[Built-to-Order Business]

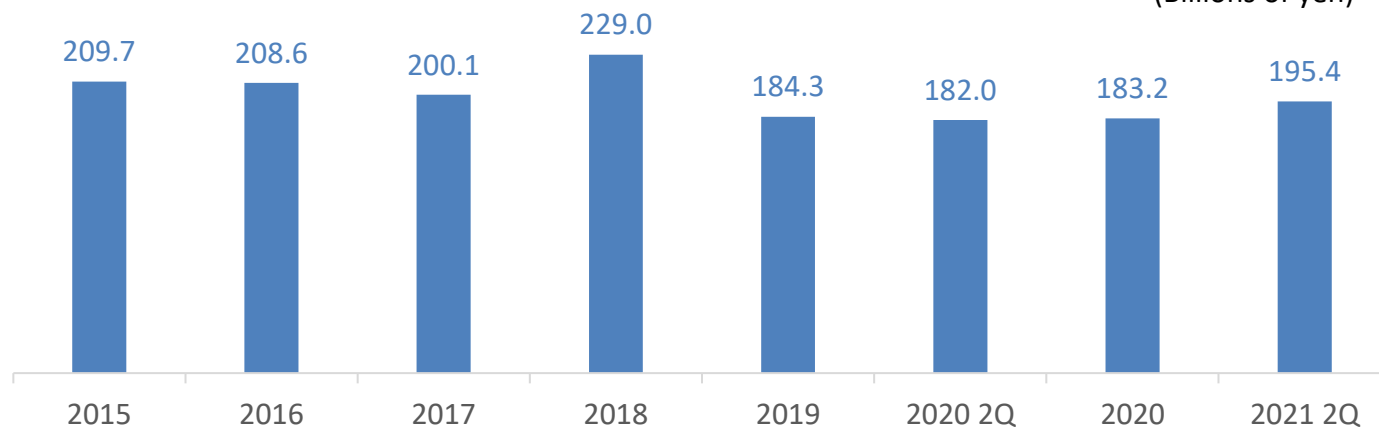
Order Status of Custom detached houses

Trend in Monthly Order (year-on-year changes based on preliminary figures)

- Steadily increasing thanks to a rise in consumer interest in houses as a result of more time spent at home due to COVID-19 and home purchase support measures such as the extension of tax breaks for mortgages.



[Trend in Order backlog]



Key initiatives

1. Implement three brand strategies
2. Advance the CRM (Customer Relationship Management) strategy
3. Enhance technologies, lifestyle design and services

Implement three brand strategies

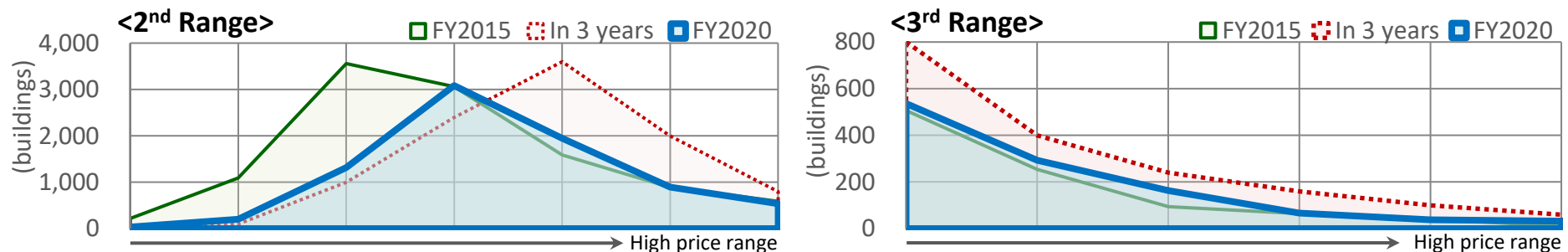
1st Range (Sekisui House noie) * Including new wooden houses of Sekiwa Construction companies.

- Orders received are 135% of the volume in the previous year thanks to the enhanced sales capacity of group companies working in cooperation.
- Aim for further sales growth by improving product appeal (prices and quality) and promoting lifestyles proposals.

2nd Range and 3rd range

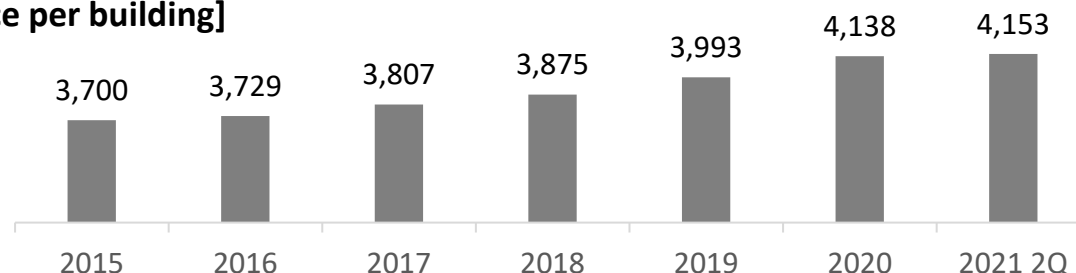
- High value-added proposals, etc. were successful. Average sales price of detached houses continued to rise

[Distribution of orders for buildings by selling price range]



[Trend in unit price per building]

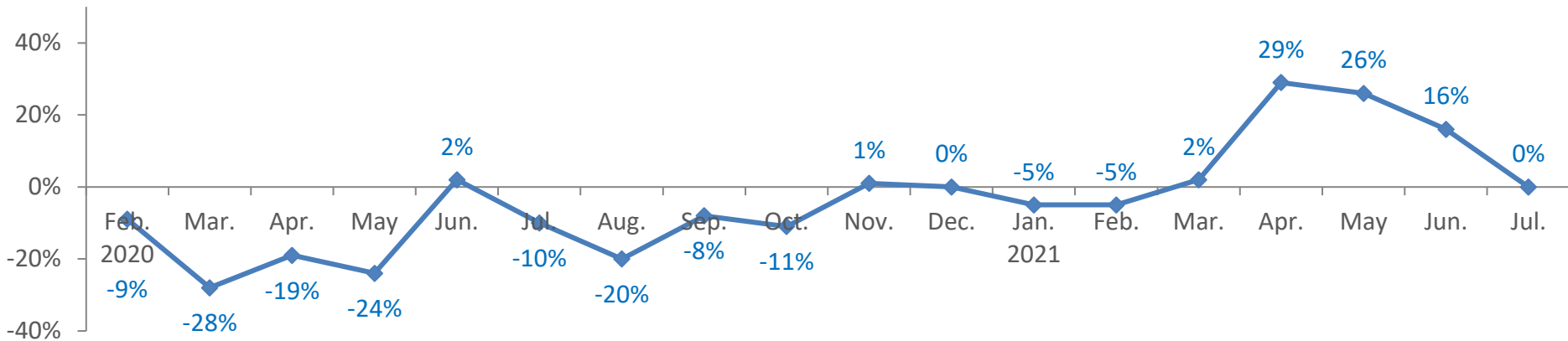
(10 thousand yen)



[Built-to-Order Business] Order Status of Rental housing

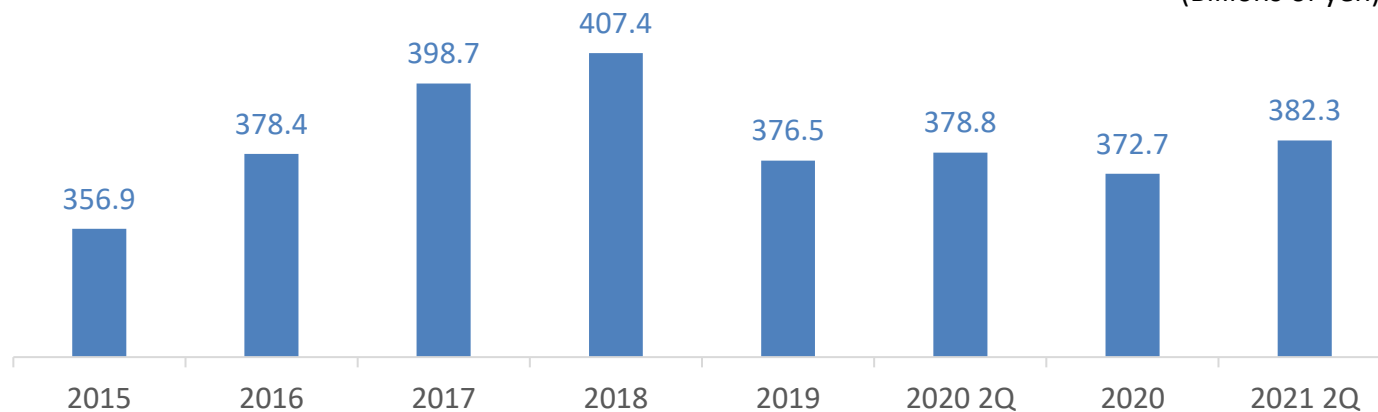
Trend in Monthly Order (year-on-year changes based on preliminary figures)

- Sha Maison has continued to recover since the second half of the previous year.
- Orders for non-residential facilities, including hotels, continued to struggle due to COVID-19.



[Trend in Order backlog]

(Billions of yen)



* The Architectural / Civil engineering Business was included starting with the FY2020, and therefore, figures for the FY2019 are also presented after the reclassification.

Key initiatives

1. Strengthen CRE (corporate real estate) and PRE (public real estate) businesses by bolstering capabilities to make proposals
2. Supply value-added Sha Maison rental housing and price leader strategy
3. Promote sales of β System construction method

Strengthen CRE and PRE businesses by bolstering capabilities to make proposals

- Ratio of corporate business increased thanks to improved proposals for use of land owned by companies.
- Improved proposals from customers' perspectives of ESG management such as Sha Maison ZEH and ZEB offices.

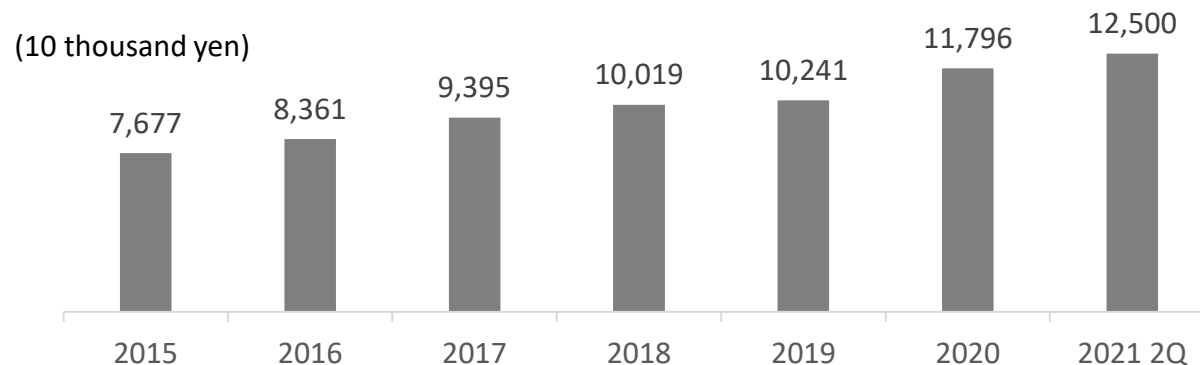
Supply value-added Sha Maison rental housing and price leader strategy

- High value-added proposals such as Sha Maison ZEH, hotel style design specs, and addition of EV were successful.
- The group's collective strength that realizes high occupancy rates and rent levels through property management by Sekisui House Real Estate companies was recognized.

Promote sales of β System construction

- Average sales price of rental housing rose thanks to increased sales of β System (3- and 4-story buildings) and high value-added proposals.

[Trend in unit price per building]



[Supplied Housing Business]

Key initiatives

<Remodeling>

Actively deploy proposal-based and environment-based remodeling

<Real estate management fees>

1. Fundamental reforms of brokerage business
2. Strengthen relations with owners of rental apartments
3. Improve the level of tenant services

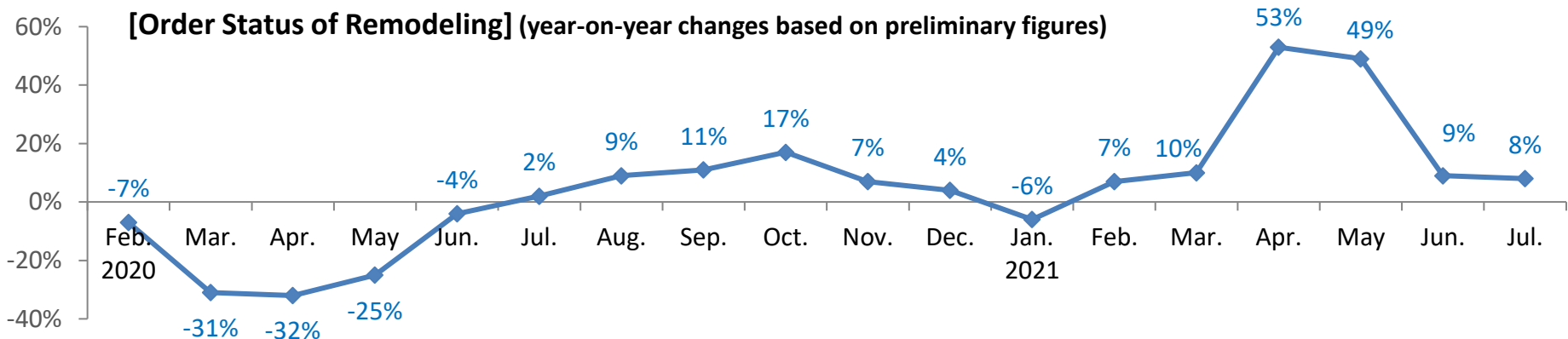
<Remodeling>

Orders for proposal-based and environmental renovations increased. The gross profit margin also rose.

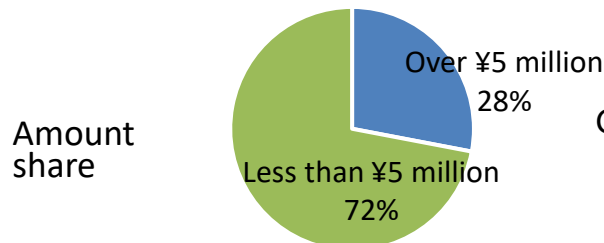
<Real estate management fees>

Steady growth thanks to an increase in the number of units under management and high occupancy rates.

[Order Status of Remodeling] (year-on-year changes based on preliminary figures)



<FY2018>

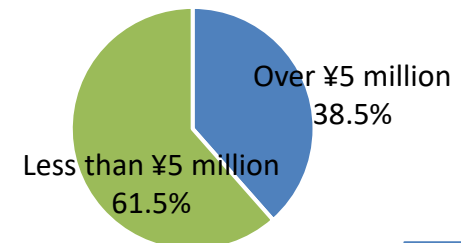


Gross margin
27.1%



Gross margin
28.5%

<FY2021 2Q>



Key initiatives

<Houses for sale>

Promote land purchases in target areas and increase turnover

<Condominiums>

1. Supply of value-added Grande Maison housing and price leader strategy
2. Sekisui House GM Partners. Ltd., provides high value-added services

<Urban redevelopment>

1. Attractive urban development focusing on Tokyo, Osaka, Nagoya and Fukuoka
2. Advance the Trip Base *Michi-no-Eki* Stations Project

<Houses for sale>

- Steadily increasing thanks to a rise in consumer interest in houses as a result of more time spent at home due to COVID-19 and home purchase support measures such as extension of tax breaks for mortgages.
- steady progress was made in land acquisition. Balance of real estate for houses for sale increased.

<Condominiums>

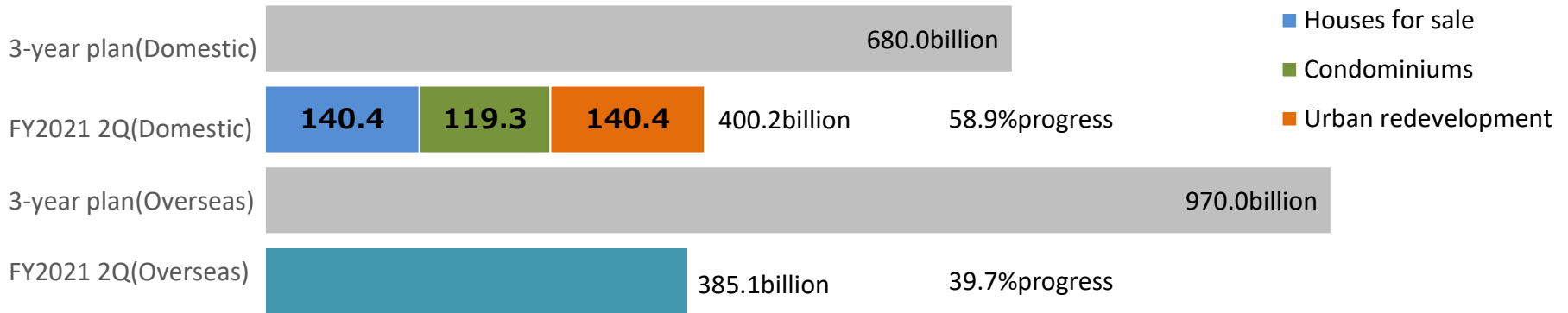
- Progress is made as planned. Progress of contracts is 96% of full-year sales plan. Completed inventory is 98 units.

<Urban redevelopment>

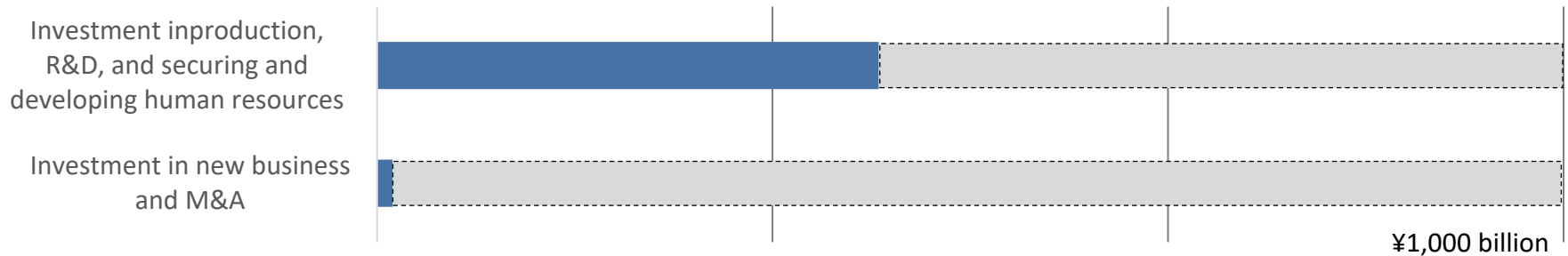
- Progress is made as planned.
- Office rent revenue was secured despite a fall in hotel revenue due to COVID-19.

Progress of Investment in Real Estate and Investment for growth

■ Real estate investment



■ Investment for growth



[United States]

Multifamily business [Development of rental houses]

Inquiries for rental properties in urban areas such as Denver and Oakland are increasing with progress in COVID-19 vaccinations.

Contracts signed have also been steadily increasing, tenant movement continues to be active, and occupancy rates are constantly rising.

Investors' wait-and-see attitude about the market is also ending and appetite for investment is high.

Master-planned community business [Residential land development] / Woodside Homes [Homebuilding]

Current sales growth is slowing moderately in comparison to special demand that started in the mid-2020s largely due to a surge in building material prices and supply restrictions from supply chains. Our sales of detached houses have also been reduced while managing construction starts since May. Meanwhile, mortgage interest rates remain low and customer demand is strong, and the appetite for purchasing suburban detached houses remain high. In addition to builders' moves to purchase housing land due to the strong housing sales market, the purchase of commercial land is also increasingly active due to the prospect of an increase in market activity along with progress in COVID-19 vaccinations, resulting in the strong performance of the master-planned community business.

[Australia]

Mortgage interest rates remain at record lows and the federal government is providing housing purchase subsidies to domestic residents and people planning temporary acquisitions, which is encouraging sales and resulting in an upward trend in housing prices, particularly of detached houses. Meanwhile, condominium prices are partly affected by the ongoing restrictions on foreign investors, interruptions in the inflow of immigrants due to entry controls as a result of COVID-19, and a significant decrease in investment from overseas.

Travel in specific districts of Sydney was limited due to city lockdowns in response to the pandemic, affecting the business due to a decrease in the number of people allowed to enter construction sites and partial delays in the construction of condominiums.

[China]

The decrease in economic activity due to COVID-19 has mostly ended and consumption activity is being sustained. GDP has been growing steadily, albeit slowly. Appetite for purchases remains strong in the real estate market in FY2021. Conditions have returned to the pre-COVID 19 level, and the business has also been strong.

[U.K.]

The housing price index is trending higher, indicating 139.3 from 2015 (up 13.2% year on year). Despite the economic uncertainty due to COVID-19, the stamp duty exemption period as a housing market stimulus measure was extended from the end of March to the end of June and steady progress in vaccination has been made, helping sustain a recovery in housing market sentiment.

Meanwhile, business has been affected by the suspension of sales and construction activity due to lockdowns of several months and a decrease in factory productivity due to the social distancing requirement.

[Singapore]

Housing sales have been gradually recovering since the end of 2020, and real estate prices have been steadily rising (up 0.8% year on year as of the end of June). Meanwhile, restrictions in response to COVID-19 caused a shortage of foreign workers at construction sites, a fall in productivity due to working in team shifts, and an impact on the business such as delays in the construction of One Holland Village and the construction of an underground path at Woods Square.

[Overseas Business] Major Projects Sold in FY2021 2Q

[United States]

Multifamily	¥14.9 billion
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[Zera \(Multifamily\)](#)

Master-planned community	¥34.2 billion
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[Elyson : 293 lots \(Master-planned community\)](#)

Homebuilding	¥69.5 billion
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[Woodside Homes : 1,303 houses](#)

[Australia]

Condominiums	¥16.4 billion
Detached houses for sale, built-to-order	¥2.9 billion



[Sanctuary : 189 units](#)

[China]

Condominiums, etc.	¥10.0 billion
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[Wuxi Yuqin : 68 units](#)

[Overseas Business] Earnings Plan

(Billions of yen)

Country	FY2020 2Q			FY2021 2Q			FY2021 (Initial plan)			FY2021 (Revised plan)		
	Net sales	Operating income	Ordinary income	Net sales	Operating income	Ordinary income	Net sales	Operating income	Ordinary income	Net sales	Operating income	Ordinary income
Australia	10.0	0.1	0.1	19.5	0.1	0.1	38.9	2.0	1.9	39.5	0.5	0.4
China	40.7	6.7	7.8	10.0	0.2	1.0	46.0	5.0	5.8	51.0	6.8	7.6
U.S.A.	89.6	9.1	9.0	119.7	18.3	17.6	248.1	24.7	24.0	281.8	36.4	35.2
Multifamily	17.4	3.3	-	14.9	3.7	-	47.5	5.9	-	57.2	8.2	-
Master-planned community	19.1	2.3	-	34.2	7.3	-	55.0	7.7	-	69.8	13.2	-
Homebuilding	51.7	2.7	-	69.5	6.4	-	143.1	10.5	-	153.1	14.2	-
Singapore	-	-	1.1	-	-	0.2	-	-	0.8	-	-	0.6
U.K.	-	-	(0.4)	-	-	(0.1)	-	-	(0.6)	-	-	(0.8)
Other administrative expenses	0.0	(0.4)	(0.4)	0.0	(0.5)	(0.5)	-	(1.2)	(1.2)	-	(1.2)	(1.2)
Total	140.5	15.6	17.2	149.5	18.1	18.4	333.0	30.5	30.7	372.3	42.5	42.0

* The Singapore and U.K. businesses are classified under equity in earnings (losses) of affiliates.

[ESG] Progress of Corporate Governance Reforms

	Strategy	Date	Outline
1	Introduction of a mandatory retirement age of 70 for representative directors	Mar. 2018	Resolved at the meeting of Board of Directors
2	Appointment of women as External Directors	Apr. 2018	Approved at the General Meeting of Shareholders (Elected one female external director and one female external Audit & Supervisory Board member)
3	Transparency and invigoration of Board of Director meeting operations	Feb. 2018	Resolved at the meeting of Board of Directors (Separation of the chairman of the Board and the convener)
4	Establishment of the Management Meeting	Feb. 2018	Resolved at the meeting of Board of Directors
5	Clarification of Directors Responsibilities for Each Department	Mar. 2018	Resolved at the meeting of Board of Directors (Structural reform in Apr. 2018)
6	Evaluation of the Efficacy of the Board of Director	Mar. 2018	Resolution of the Board of Directors (third-party evaluation in FY2019 and FY2020)
7	Reform of the approval system	Jun. 2018	Clarification of the department responsible for the review, introduction of an electronic approval system
8	Ensuring independence and strengthening internal checks of chief managers in charge of general affairs in sales administration headquarters and branches (Building a governance network involving Group companies)	Nov. 2018	Start of operation (training program, review of positions and personnel appraisal process)
9	Improving the integrity of branch managers Expand the scope of the Integrity Management training	Nov. 2018 Aug. 2020	Started Launched "Sekisui House Management School" .) Expansion of applicability (head office personnel in responsible positions, Group company executives)
10	Next Generation managers / Development of Future Leaders	Oct. 2019	Started ("SHINE! Challenge Program")
11	Introduced restricted stock into the system of compensation	Apr. 2019	Approved at the General Meeting of Shareholders
12	Elimination of the officer bonus system for outside directors	Apr. 2019	Approved at the General Meeting of Shareholders
13	Review of the term of office of directors	Sep. 2019	Policy resolved at the meeting of Board of Directors(Approved at the General Meeting of Shareholders in Apr. 2020)
14	Abolish the Advisor / Advisory system	Sep. 2019	Policy resolved at the meeting of Board of Directors(Approved at the General Meeting of Shareholders in Apr. 2020)
15	Fundamental revision of the executive compensation system	Apr. 2020	Approved at the General Meeting of Shareholders

[ESG] Progress of Corporate Governance Reforms

	Strategy	Date	Outline
16	Introduction of guidelines for holding stock	Apr. 2020	Introduced
17	Establishment of Stock Compensation Refund Clause (Malus and Clawback)	Apr. 2020	Introduced
18	Development of criteria and procedures for the selection and dismissal of senior management	Apr. 2020	Started
19	Increased independence of the Board of Directors	Apr. 2020	Proportion of outside directors: 1/3 (Proportion of outside directors : 40% in Apr. 2021)
20	Increase in effectiveness of personnel and remuneration advisory committee	Apr. 2020	Appointment the chairperson from among Outside Directors and increase in Outside Directors to be a majority of the members
21	Development of an overseas whistleblower system	Jun. 2020	Started
22	Establishment of the Office of the Board of Directors	Aug. 2020	Support for enhancement of Outside Directors' activities
23	Clarification of the skill matrix	Apr. 2021	Clarification of the reasons for choosing each skill category, the reasons and the expected roles for selecting each candidate for Director.
24	Reform of Executive Officer System	Apr. 2021	Start of operation (visualization of management human resource development in four levels and six divisions)
25	Selection of the chairperson of the Board of Directors' meetings from Outside Directors.	Apr. 2021	Resolution of the Board of Directors
26	Increase in transparency of executive compensation system	Apr. 2021	Individual disclosure, at the securities report, of remuneration for all internal Directors regardless of remuneration amounts

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.