

**Consolidated Financial Statements Summary**  
**for the Third Quarter of FY2021 (February 1, 2021 through October 31, 2021)**  
**(Japanese Standard)**

December 9, 2021

Company name : **Sekisui House, Ltd.** (URL <https://www.sekisuihouse.co.jp>)  
Listed exchanges : Tokyo, Nagoya  
Stock code : 1928  
Representative : Yoshihiro Nakai, Representative Director  
President & Executive Officer, CEO  
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Tel +81 6 6440 3111  
Filing date of quarterly securities report : December 14, 2021  
Date of scheduled payment of dividends : -  
Quarterly earnings supplementary explanatory documents : Yes  
Quarterly earnings results briefing : Yes (for institutional investors and analysts, in Japanese)

(Amounts are rounded down to the nearest million yen.)

**1. Consolidated Results for the Nine Months Ended October 31, 2021 (February 1, 2021 through October 31, 2021)**

## (1) Consolidated Financial Results

(% figures represent changes from the same period of the previous year.)

|                                 | Net sales |     | Operating income |        | Ordinary income |        | Profit attributable to owners of parent |        |
|---------------------------------|-----------|-----|------------------|--------|-----------------|--------|---|--------|
|                                 | ¥ million | %   | ¥ million        | %      | ¥ million       | %      | ¥ million                               | %      |
| Nine months ended Oct. 31, 2021 | 1,844,812 | 4.3 | 168,225          | 24.8   | 168,649         | 28.1   | 115,895                                 | 30.3   |
| Nine months ended Oct. 31, 2020 | 1,768,886 | 1.9 | 134,820          | (13.0) | 131,668         | (18.2) | 88,963                                  | (24.3) |

(Note) Comprehensive income:

Nine months ended Oct. 31, 2021: ¥158,046 million (96.7%) Nine months ended Oct. 31, 2020: ¥80,356 million (24.0%)

|                                 | Profit per share | Fully diluted profit per share |
|---------------------------------|------------------|--------------------------------|
|                                 | ¥                | ¥                              |
| Nine months ended Oct. 31, 2021 | 171.06           | 170.97                         |
| Nine months ended Oct. 31, 2020 | 130.41           | 130.30                         |

## (2) Consolidated Financial Position

|                        | Total assets | Net assets | Equity capital ratio |
|------------------------|--------------|------------|----------------------|
|                        | ¥ million    | ¥ million  | %                    |
| As of October 31, 2021 | 2,750,912    | 1,456,220  | 51.2                 |
| As of January 31, 2021 | 2,625,861    | 1,368,887  | 50.5                 |

(Reference) Equity capital\*

As of October 31, 2021: ¥1,409,591 million As of January 31, 2021: ¥1,326,535 million

**2. Cash Dividends**

|                                      | Cash dividends per share |                       |                      |          |        |
|--------------------------------------|--------------------------|-----------------------|----------------------|----------|--------|
|                                      | End of first quarter     | End of second quarter | End of third quarter | Year-end | Annual |
|                                      | ¥                        | ¥                     | ¥                    | ¥        | ¥      |
| Year ended Jan. 31, 2021             | -                        | 45.00                 | -                    | 39.00    | 84.00  |
| Year ending Jan. 31, 2022            |                          | 43.00                 |                      |          |        |
| Year ending Jan. 31, 2022 (forecast) |                          |                       | -                    | 45.00    | 88.00  |

(Note) Revised dividend forecast for the quarter under review: None

**3. Consolidated Results Forecast for FY2021 (February 1, 2021 through January 31, 2022)**

(% figures represent changes from the same period of the previous year.)

|                              | Net sales  |     | Operating income |      | Ordinary income |      | Profit attributable to owners of parent |      | Profit per share |
|------------------------------|------------|-----|------------------|------|-----------------|------|---|------|------------------|
|                              | ¥ millions | %   | ¥ millions       | %    | ¥ millions      | %    | ¥ millions                              | %    | ¥                |
| Year ending January 31, 2022 | 2,553,000  | 4.3 | 220,000          | 18.0 | 218,000         | 18.0 | 148,000                                 | 19.8 | 218.65           |

(Note) Revised forecast for the quarter under review: None

**Notes**

(1) Changes in significant subsidiaries (changes in specific subsidiaries that caused a change in scope of consolidation): Yes

New Consolidated Companies: - Excluded: Sekisui House·Changcheng (Suzhou) Real Estate Development Co., Ltd.

(2) Application of accounting treatment specific to the preparations for consolidated quarterly financial statements: Not applicable

(3) Changes in accounting policies, accounting estimates and restatements

(a) Changes in accounting policies due to amendment of accounting standards: Not Applicable

(b) Changes in accounting policies due other than (a): Not applicable

(c) Changes in accounting estimates: Not applicable

(d) Restatements: Not applicable

(4) Number of shares outstanding (common stock)

(i) Number of shares outstanding at the end of each period (including treasury stock):

As of Oct. 31, 2021: 684,683,466 shares

As of Jan. 31, 2021: 684,683,466 shares

(ii) Number of treasury stock at the end of each period:

As of Oct. 31, 2021: 9,927,194 shares

As of Jan. 31, 2021: 3,753,722 shares

(iii) Average number of shares outstanding in each period (cumulative quarterly consolidated accounting period):

Nine months ended Oct. 31, 2021: 677,521,037 shares

Nine months ended Oct. 31, 2020: 682,177,291 shares

**\* This quarterly financial results report is exempt from quarterly review.****\* Notes Regarding the Appropriate Use of Results Forecasts and Other Important Matters**

Descriptions regarding forward-looking statements, etc. contained in these materials are based on information currently available to the Company and certain assumptions judged reasonable. The Company makes no warranty as to the feasibility of its projections. Future results may differ materially from projections due to various factors. For the assumptions underlying the earnings forecast, please see “(3) Information Regarding Consolidated Results Forecast” in “1. Quarterly Qualitative Analysis” of the “Attached Material” on page 9.

(Obtaining supplementary explanatory documents)

The Company plans to hold a briefing for institutional investors and analysts on December 9, 2021. Relevant financial explanatory documents to be handed out at the briefing will be posted on our official website on the same day.

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**Appendix: Segment breakdown for the Nine Months Ended October 31, 2021****Consolidated****(1) Sales**

¥ millions

|                                 |                                 | Nine months ended<br>October 31, 2020 | Nine months ended<br>October 31, 2021 | YOY(%) |
|---------------------------------|---------------------------------|---------------------------------------|---------------------------------------|--------|
| Built-to-order<br>Business      | Custom detached houses          | 235,277                               | 254,871                               | 8.3    |
|                                 | Rental housing                  | 262,509                               | 276,458                               | 5.3    |
|                                 | Architectural/Civil Engineering | 237,240                               | 194,283                               | (18.1) |
|                                 | Subtotal                        | 735,026                               | 725,613                               | (1.3)  |
| Supplied<br>Housing<br>Business | Remodeling                      | 98,179                                | 111,354                               | 13.4   |
|                                 | Real estate management fees     | 416,545                               | 437,835                               | 5.1    |
|                                 | Subtotal                        | 514,725                               | 549,190                               | 6.7    |
| Development<br>Business         | Houses for sale                 | 94,874                                | 134,884                               | 42.2   |
|                                 | Condominiums                    | 48,369                                | 51,326                                | 6.1    |
|                                 | Urban redevelopment             | 61,583                                | 87,275                                | 41.7   |
|                                 | Subtotal                        | 204,827                               | 273,487                               | 33.5   |
| Overseas Business               |                                 | 263,088                               | 242,999                               | (7.6)  |
| Other businesses                |                                 | 51,218                                | 53,522                                | 4.5    |
| Consolidated                    |                                 | 1,768,886                             | 1,844,812                             | 4.3    |

**(2) Operating income and Operating margin**

¥ millions

|                                 |                                 | Nine months ended<br>October 31, 2020<br>Amount | Nine months ended<br>October 31, 2021<br>Amount | YOY(%) |
|---------------------------------|---------------------------------|---|---|--------|
|                                 |                                 | Operating margin                                | Operating margin                                |        |
| Built-to-order<br>Business      | Custom detached houses          | 22,511<br>9.6%                                  | 30,696<br>12.0%                                 | 36.4   |
|                                 | Rental housing                  | 32,318<br>12.3%                                 | 39,505<br>14.3%                                 | 22.2   |
|                                 | Architectural/Civil Engineering | 14,345<br>6.0%                                  | 13,350<br>6.9%                                  | (6.9)  |
|                                 | Subtotal                        | 69,175<br>9.4%                                  | 83,552<br>11.5%                                 | 20.8   |
| Supplied<br>Housing<br>Business | Remodeling                      | 12,947<br>13.2%                                 | 17,458<br>15.7%                                 | 34.8   |
|                                 | Real estate management fees     | 33,707<br>8.1%                                  | 39,284<br>9.0%                                  | 16.5   |
|                                 | Subtotal                        | 46,655<br>9.1%                                  | 56,742<br>10.3%                                 | 21.6   |
| Development<br>Business         | Houses for sale                 | 5,468<br>5.8%                                   | 10,639<br>7.9%                                  | 94.6   |
|                                 | Condominiums                    | 6,407<br>13.2%                                  | 7,275<br>14.2%                                  | 13.5   |
|                                 | Urban redevelopment             | 11,064<br>18.0%                                 | 10,976<br>12.6%                                 | (0.8)  |
|                                 | Subtotal                        | 22,939<br>11.2%                                 | 28,891<br>10.6%                                 | 25.9   |
| Overseas Business               |                                 | 30,608<br>11.6%                                 | 34,026<br>14.0%                                 | 11.2   |
| Other businesses                |                                 | (2,355)<br>(4.6%)                               | (1,235)<br>(2.3%)                               | -      |
| Eliminations and back office    |                                 | (32,204)  | (33,752)  | -      |
| Consolidated                    |                                 | 134,820<br>7.6%                                 | 168,225<br>9.1%                                 | 24.8   |

## (3) Orders

¥ millions

|                                 |                                 | Nine months<br>ended<br>October 31, 2020 | Nine months<br>ended<br>October 31, 2021 | YOY(%) |
|---------------------------------|---------------------------------|--|--|--------|
| Built-to-order<br>Business      | Custom detached houses          | 238,892                                  | 270,246                                  | 13.1   |
|                                 | Rental housing                  | 265,130                                  | 287,909                                  | 8.6    |
|                                 | Architectural/Civil Engineering | 222,585                                  | 235,755                                  | 5.9    |
|                                 | Subtotal                        | 726,608                                  | 793,911                                  | 9.3    |
| Supplied<br>Housing<br>Business | Remodeling                      | 104,777                                  | 120,548                                  | 15.1   |
|                                 | Real estate management fees     | 416,545                                  | 437,835                                  | 5.1    |
|                                 | Subtotal                        | 521,322                                  | 558,384                                  | 7.1    |
| Development<br>Business         | Houses for sale                 | 109,630                                  | 155,141                                  | 41.5   |
|                                 | Condominiums                    | 51,102                                   | 60,950                                   | 19.3   |
|                                 | Urban redevelopment             | 64,459                                   | 79,249                                   | 22.9   |
|                                 | Subtotal                        | 225,193                                  | 295,341                                  | 31.2   |
| Overseas Business               |                                 | 259,194                                  | 273,210                                  | 5.4    |
| Other businesses                |                                 | 46,688                                   | 57,710                                   | 23.6   |
| Consolidated                    |                                 | 1,779,006                                | 1,978,557                                | 11.2   |

## (4) Order backlog

¥ millions

|                                 |                                 | As of<br>January 31, 2021 | As of<br>October 31, 2021 | YOY (%) |
|---------------------------------|---------------------------------|---------------------------|---------------------------|---------|
| Built-to-order<br>Business      | Custom detached houses          | 183,298                   | 198,674                   | 8.4     |
|                                 | Rental housing                  | 372,723                   | 384,173                   | 3.1     |
|                                 | Architectural/Civil Engineering | 362,407                   | 403,879                   | 11.4    |
|                                 | Subtotal                        | 918,428                   | 986,727                   | 7.4     |
| Supplied<br>Housing<br>Business | Remodeling                      | 28,584                    | 37,778                    | 32.2    |
|                                 | Real estate management fees     | -                         | -                         | -       |
|                                 | Subtotal                        | 28,584                    | 37,778                    | 32.2    |
| Development<br>Business         | Houses for sale                 | 47,705                    | 67,962                    | 42.5    |
|                                 | Condominiums                    | 91,651                    | 101,275                   | 10.5    |
|                                 | Urban redevelopment             | 28,901                    | 20,875                    | (27.8)  |
|                                 | Subtotal                        | 168,259                   | 190,113                   | 13.0    |
| Overseas Business               |                                 | 199,620                   | 229,831                   | 15.1    |
| Other businesses                |                                 | 48,527                    | 52,715                    | 8.6     |
| Consolidated                    |                                 | 1,363,421                 | 1,497,166                 | 9.8     |

## 1. Quarterly Qualitative Analysis

### (1) Information Regarding Consolidated Business Results

The global economy continued to face harsh conditions during the consolidated third quarter this fiscal year due to the spread of the COVID-19 infection worldwide. Markets did show some recovery with progress in COVID-19 vaccinations and revitalization of some economic activities as Japan lifted its emergency declaration. With the Green Housing Point System, an extension in the reduction of mortgage tax rate, and other such measures to support housing acquisitions, the Japan housing market continues to show an uptick in new housing construction plus higher interest in home ownership and new residential needs as lifestyles change during the pandemic.

The Sekisui House Global Vision aims to make home the happiest place in the world in this business climate. The Fifth Mid-Term Management Plan (fiscal 2020 to 2022) lays out a basic policy to further strengthen core businesses and embark on new businesses. Our Group has steadily advanced initiatives to become a global company that offers integrated proposals of technologies, lifestyle design and services, based on the residential domain. With the safety of all stakeholders from customers and partners to employees as its top priority, the Sekisui House Group has continuously spearheaded efforts that include measures necessary to limit the spread of COVID-19 as well as online customer negotiations and new product development done remotely.

The Platform House Concept takes advantage of big data from housing to provide services emphasizing health, connectedness, and learning for the purpose of evoking happiness in an era of the 100-year lifespan. As a first step, the Sekisui House launched the PLATFORM HOUSE touch connectivity service. This is the industry's first smart home service linking housing floor plans with household appliances for remote operation. The second stage of the Trip Base Michi-no-Eki Stations Project, a project on regional revitalization, has begun gradually opening fourteen hotels across eight prefectures to offer a total of 1,184 rooms from the spring of 2022.

Detached and rental housing businesses worldwide performed very strongly during the third quarter of the consolidated fiscal year under review with net sales of ¥1,844,812 million, up 4.3 % year on year. Sekisui House showed operating income of ¥168,225 million, up 24.8 % year on year, an ordinary income of ¥168,649 million, up 28.1 % year on year, and quarterly profit attributable to owners of parent of ¥115,895 million, up 30.3 % year on year.

Business results by segment are outlined below.

#### <Built-to-Order Business >

##### (Custom Detached Houses)

The Custom Detached Housing Business not only received favorable orders since the latter half of the previous term but also increased earnings thanks to stable construction progress. The business showed net sales of ¥254,871 million, up 8.3 % year on year, and operating income of ¥30,696 million, up 36.4 % year on year, during the third quarter of the consolidated fiscal year under review.

The Custom Detached Housing Business concentrated on the promotion of mid- to high-end products. This resulted in a favorable order trend driven by several factors: the Family Suite Ouchi Premium proposals for new lifestyles responding to diverse residential needs and changes in lifestyles during the COVID-19 pandemic, Green First ZERO for net zero energy housing (ZEH) that reached adoption rate of 91% in fiscal 2020, and Sekisui Housing's popular next-generation SMART-ECS indoor environment control system that exceeded 80% in just six months after its release.

In addition, the business renovated five Sumai no Yume Kojo facilities throughout Japan into Tomorrow's Life Museums. The new venues let visitors experience everything about real life centered on a concept of empathy from lifestyle model homes to technical, structural and environmental pavilions. The renewal has upgraded each facility to a venue where people can enjoy learning, which has further enhanced customer satisfaction.

**(Rental Housing)**

The Rental Housing Business increased income thanks to stable construction progress. The segment showed net sales of ¥276,458 million, up 5.3 % year on year, and operating income of ¥39,505 million, up 22.2 % year on year, during the third quarter of the consolidated fiscal year under review.

The business engaged in full-scale urban and other area-specific marketing while concentrating on the promotion of three- and four-story rental houses built using an original Sekisui House construction method to achieve both a resilient structure and flexible design. Sekisui House real estate companies succeeded in providing Sha Maison ZEH, rental housing with hotel-like specifications, and other high-added value proposals as well as property management which achieved a high occupancy rate and rent prices. These accomplishments sustained a favorable upward trend in B-to-B rental businesses and rental housing orders. However, the Rental Housing Business struggled to expand orders for small hotels and other non-residential projects due to the challenges of the COVID-19 pandemic.

**(Architectural / Civil Engineering)**

The Architectural and Civil Engineering Business showed net sales of ¥194,283 million, down 18.1 % year on year, and operating income of ¥13,350 million, down 6.9 % year on year, during the third quarter of the consolidated fiscal year under review.

Konoike Construction Co., Ltd. moved forward with its architectural and civil engineering projects as planned, yet earnings fell because of revenue generated during the previous period from several large property sales. The COVID-19 pandemic continued to largely affect orders for hotels and other commercial facilities, but several large project orders resulted in higher orders compared to the previous fiscal year.

**<Supplied Housing Business >**

**(Remodeling)**

The Remodeling Business contributed to higher income thanks to favorable orders from the second half of the previous period. During the third quarter of the consolidated fiscal year under review, this business showed net sales of ¥111,354 million, up 13.4 % year on year, and operating income of ¥17,458 million, up 34.8 % year on year.

The Remodeling Business sustained a high-level of orders made up mostly of large-scale projects thanks to the popularity of remodeling proposals adapted to growing interest in more comfortable living spaces and lifestyle changes in addition to renovations for energy savings and other such environment-based remodeling.

**(Real Estate Management Fees)**

The Real Estate Management Fees Business showed net sales of ¥437,835 million, up 5.1 % year on year, and operating income of ¥39,284 million, up 16.5 % year on year, during the third quarter of the consolidated fiscal year under review.

The Real Estate Management Fees Business steadily increased the number of housing units under management through the supply of Sha Maison high-quality and high-performance rental homes built in prime locations. High-quality building management to support long-term management stability and services enhancing the lives of residents maintained high occupancy rates and rental prices, which in turn contributed to higher earnings.

An intermediary holding company established to oversee the Sekisui House Real Estate Group has also developed business with a broader view on expanding business domains.

**<Development Business >****(Houses for Sale)**

The Houses for Sale Business not only received favorable orders since the latter half of the previous term but also increased income thanks to stable construction progress. The business showed net sales of ¥134,884 million, up 42.2 % year on year, and operating income of ¥10,639 million, up 94.6 % year on year, during the third quarter of the consolidated fiscal year under review.

The Houses for Sale Business actively continued to acquire prime land and strengthened its sales system to respond to higher demand. These efforts strongly drove sales by targeting promotions to customers considering the purchase of land to develop properties.

**(Condominiums)**

The Condominiums Business showed net sales of ¥51,326 million, up 6.1 % year on year, and operating income of ¥7,275 million, up 13.5 % year on year, during the third quarter of the consolidated fiscal year under review.

The Condominiums Business developed high-added-value properties via comprehensive area-specific strategies and proposals for environmental performance and lifestyle features developed for custom detached housing. This approach successfully delivered the Grande Maison Shimizudani (Tennoji-ku, Osaka City), the Grande Maison Ohori Koen Tower Residence (Chuo-ku, Fukuoka City), and other such properties on schedule. The Condominiums Business successfully sold every unit of the Grande Maison Shin Umeda Tower Residence (Kita-ku, Osaka City). In addition, sales of the Grande Maison Ohori Koen The Tower (Chuo-ku, Fukuoka City) and other condominiums also remained strong.

**(Urban Redevelopment)**

The Urban Redevelopment Business showed net sales of ¥87,275 million, up 41.7 % year on year, and operating income of ¥10,976 million, down 0.8 % year on year, during the third quarter of the consolidated fiscal year under review.

The Urban Redevelopment Business sold some of its share in W Osaka (Chuo-ku, Osaka City), in addition to selling Prime Maison Shimokitazawa (Setagaya-Ku, Tokyo) and two other rental housing properties to Sekisui House Reit, Inc. The segment is gradually increasing the occupancy rate of Sekisui House Group properties, such as the Sekisui House office buildings and Prime Maison rental housing. However, hotel revenue has fallen with the decline in travelers and other factors resulting from the COVID-19 pandemic.

**< Overseas Business >****(Overseas)**

The Overseas Business showed net sales of ¥242,999 million, down 7.6 % year on year, and operating income of ¥34,026 million, up 11.2 % year on year, during the third quarter of the consolidated fiscal year under review.

The Master-planned community business and Woodside Homes homebuilding business continued to show strength in the United States with historically low mortgage rates. The Multifamily Business increased its earnings with the delivery of Zera (Portland) and Neon Local (Denver). The Condominium Business in Australia has begun the first stage of delivery on its Sanctuary high-rise condominiums (Sydney). Sekisui House businesses in China moved forward with deliveries on schedule, but earnings dropped due to concentrated deliveries of condominiums in Suzhou during the previous financial term.

**<Other >**

Other businesses showed net sales of ¥53,522 million, up 4.5 % year on year, but an operating loss of ¥1,235 million during the third quarter of the consolidated fiscal year under review.

The Exterior Business undertook various initiatives including the Gohon no Ki Project. This venture strengthened proposals integrating housing and exteriors while encouraging the use of native vegetation for both detached homes and rental housing.

#### < ESG management >

Sekisui House aims to become a leading company in environmental, social, and governance (ESG) management. Therefore, the Group continually pioneers initiatives and contributions to the development of a better society through businesses ensuring the happiness of all Sekisui House stakeholders. The Company raises employee awareness and understanding to promote ESG management toward sustainable business growth.

Sekisui House environmental management increased its ZEH ratio in new detached houses to 91% in fiscal 2020, achieving the 90% target set by the Fifth Mid-Term Management Plan before its final year with total of more than 60,000 ZEH homes (as of March 31, 2021). In addition to furthering ZEH in detached homes and Sha Maison rental housing, Sekisui House also has set ZEH specifications for every Grande Maison condominium in fiscal 2023, which will help decarbonization in the household sector. To promote decarbonization throughout the supply chain, Sekisui House has set a target to raise the percentage of major suppliers that set SBT targets, which certify that plans to reduce greenhouse gases are founded in scientific knowledge. The Sekisui Group cooperates with its suppliers to promote initiatives to reduce CO2 through sharing information and raise awareness about the initiatives by holding briefings that introduce initiatives undertaken by Sekisui House and leading suppliers.

Sekisui House Women's College has improved social value through strategic ongoing development of female employees in managerial positions as a training organization encouraging empowerment of women in management and achieved the target of 260 female managers set for the final year of the Fifth Mid-Term Management Plan ahead of time. The University of Tokyo School of Engineering and Sekisui House has also teamed up to launch and start operations at the new T-BOX Sekisuihouse - Kuma Lab International Architectural Education Platform dedicated to exploring the future of housing and cultivating a new global generation of architectural talent.

Sekisui House strengthened its corporate governance at the April General Meeting of Shareholders by increasing the ratio of outside directors to 40% and the percentage of female directors to 30%. The appointment of an outside director as Chairperson of the Board has enhanced the independence and diversity and further strengthened the management supervision functions of the Board of Directors. Moreover, Sekisui House is delegating the authority for business execution from the Board of Directors to executive and other corporate officers to gradually separate management supervision and business execution functions.

#### (2) Information Regarding Consolidated Financial Conditions

Total assets increased by ¥125,051 million to ¥2,750,912 million at the end of the third quarter of the consolidated fiscal year under review, primarily owing to the increases in real estate for sale. Liabilities increased ¥37,717 million to ¥1,294,692 million, despite decreases in the redemption of bonds, mainly due to the increase in loans payable. Net assets increased by ¥87,333 million to ¥1,456,220 million as increase in translation adjustment and a result of posting profit attributable to owners of parent, which more than offset dividend payments.

#### (3) Information Regarding Consolidated Results Forecast

The consolidated results forecast for the fiscal year ending January 31, 2022 remained unchanged from the plan announced on September 9, 2021, considering the progress in improvements in the respective business segments

## 2. Consolidated Quarterly Financial Statements and Notes

### (1) Consolidated Quarterly Balance Sheet

(¥ million)

|   | As of January 31, 2021 | As of October 31, 2021 |
|---|------------------------|------------------------|
| Assets  |                        |                        |
| Current assets  |                        |                        |
| Cash and deposits   | 600,284                | 596,650                |
| Notes receivable, accounts receivable from completed construction contracts | 144,253                | 121,401                |
| Costs on uncompleted construction contracts                                 | 16,451                 | 23,458                 |
| Buildings for sale  | 341,721                | 431,440                |
| Land for sale in lots   | 495,950                | 505,660                |
| Undeveloped land for sale   | 86,290                 | 114,763                |
| Other inventories   | 7,333                  | 9,393                  |
| Other   | 89,500                 | 93,905                 |
| Less allowance for doubtful accounts  | (1,073)                | (1,109)                |
| Total current assets  | 1,780,711              | 1,895,563              |
| Noncurrent assets   |                        |                        |
| Property, plant and equipment   |                        |                        |
| Buildings and structures  | 186,720                | 192,783                |
| Machinery, equipment and vehicles   | 9,061                  | 9,078                  |
| Land  | 287,307                | 290,945                |
| Construction in progress  | 42,516                 | 44,926                 |
| Other, net  | 9,787                  | 10,054                 |
| Total property, plant and equipment   | 535,393                | 547,788                |
| Intangible assets   | 19,727                 | 17,955                 |
| Investments and other assets  |                        |                        |
| Investment in securities  | 180,570                | 194,698                |
| Long-term loans receivable  | 18,952                 | 4,267                  |
| Asset for retirement benefits   | 1,381                  | 1,600                  |
| Deferred tax assets   | 24,597                 | 26,722                 |
| Other   | 65,026                 | 62,634                 |
| Less allowance for doubtful accounts  | (498)                  | (317)                  |
| Total investments and other assets  | 290,029                | 289,605                |
| Total noncurrent assets   | 845,150                | 855,349                |
| Total assets  | 2,625,861              | 2,750,912              |

(¥ million)

|  | As of January 31, 2021 | As of October 31, 2021 |
|--|------------------------|------------------------|
| <b>Liabilities</b>   |                        |                        |
| <b>Current liabilities</b>                                       |                        |                        |
| Notes payable, accounts payable for construction contracts       | 104,972                | 108,739                |
| Electronically recorded obligations-operating                    | 97,780                 | 81,293                 |
| Short-term loans   | 166,019                | 208,599                |
| Short-term bonds   | 30,000                 | —                      |
| Current portion of long-term loans payable                       | 56,520                 | 51,794                 |
| Accrued income taxes   | 29,704                 | 27,831                 |
| Advances received on construction contracts in progress          | 208,750                | 237,332                |
| Accrued employees' bonuses                                       | 26,105                 | 36,620                 |
| Accrued directors' and corporate auditors' bonuses               | 1,258                  | 590                    |
| Provision for warranties for completed construction              | 3,164                  | 3,499                  |
| Other  | 111,485                | 102,011                |
| <b>Total current liabilities</b>                                 | <b>835,763</b>         | <b>858,313</b>         |
| <b>Long-term liabilities</b>                                     |                        |                        |
| Bonds payable  | 170,000                | 170,000                |
| Long-term loans payable  | 132,665                | 150,066                |
| Guarantee deposits received                                      | 59,169                 | 58,807                 |
| Deferred income taxes  | 364                    | 628                    |
| Accrued retirement benefits for directors and corporate auditors | 857                    | 824                    |
| Liabilities for retirement benefits                              | 43,011                 | 42,255                 |
| Other  | 15,142                 | 13,795                 |
| <b>Total long-term liabilities</b>                               | <b>421,211</b>         | <b>436,378</b>         |
| <b>Total liabilities</b>   | <b>1,256,974</b>       | <b>1,294,692</b>       |
| <b>Net assets</b>  |                        |                        |
| <b>Shareholders' equity</b>                                      |                        |                        |
| Common stock   | 202,591                | 202,591                |
| Capital surplus  | 258,989                | 258,989                |
| Retained earnings  | 839,985                | 902,147                |
| Less treasury stock, at cost                                     | (6,883)                | (21,007)               |
| <b>Total shareholders' equity</b>                                | <b>1,294,682</b>       | <b>1,342,721</b>       |
| <b>Accumulated other comprehensive income</b>                    |                        |                        |
| Net unrealized holding gain on securities                        | 40,174                 | 44,617                 |
| Deferred (loss) gain on hedges                                   | (45)                   | 75                     |
| Translation adjustments  | 2,355                  | 29,995                 |
| Retirement benefits liability adjustments                        | (10,631)               | (7,818)                |
| <b>Total accumulated other comprehensive income</b>              | <b>31,852</b>          | <b>66,870</b>          |
| Stock subscription rights  | 508                    | 199                    |
| Non-controlling interests  | 41,842                 | 46,429                 |
| <b>Total net assets</b>  | <b>1,368,887</b>       | <b>1,456,220</b>       |
| <b>Total liabilities and net assets</b>                          | <b>2,625,861</b>       | <b>2,750,912</b>       |

**(2) Consolidated Quarterly Statement of Income and Consolidated Quarterly Statement of Comprehensive Income**  
**(Consolidated Quarterly Statement of Income)**  
**For the nine months ended October 31, 2020 and 2021**

|  | (¥ million)                 |                              |
|--|-----------------------------|------------------------------|
|  | Feb. 1, 2020– Oct. 31, 2020 | Feb. 1, 2021 – Oct. 31, 2021 |
| Net sales  | 1,768,886                   | 1,844,812                    |
| Cost of sales  | 1,426,384                   | 1,461,114                    |
| Gross profit   | 342,501                     | 383,698                      |
| Selling, general and administrative expenses           | 207,681                     | 215,472                      |
| Operating income                                       | 134,820                     | 168,225                      |
| Non-operating income                                   |                             |                              |
| Interest income  | 2,106                       | 1,845                        |
| Dividends income                                       | 1,138                       | 1,085                        |
| Foreign exchange gain                                  | —                           | 1,222                        |
| Equity in earnings of affiliates                       | 378                         | —                            |
| Other  | 2,285                       | 2,581                        |
| Total non-operating income                             | 5,908                       | 6,735                        |
| Non-operating expenses                                 |                             |                              |
| Interest expenses                                      | 2,094                       | 2,248                        |
| Foreign exchange losses                                | 3,825                       | —                            |
| Equity in losses of affiliates                         | —                           | 847                          |
| Other  | 3,141                       | 3,215                        |
| Total non-operating expenses                           | 9,061                       | 6,311                        |
| Ordinary income  | 131,668                     | 168,649                      |
| Extraordinary income                                   |                             |                              |
| Gain on liquidation of subsidiaries and associates     | —                           | 3,067                        |
| Gain on sales of shares of subsidiaries and affiliates | —                           | 2,242                        |
| Gain on sales of investments in securities             | 3,182                       | 757                          |
| Total extraordinary income                             | 3,182                       | 6,066                        |
| Extraordinary loss                                     |                             |                              |
| Loss on sales or disposal of fixed assets              | 840                         | 1,031                        |
| Loss on impairment of fixed assets                     | 77                          | 61                           |
| Loss on revaluation of investments in securities       | 490                         | 21                           |
| Loss related to COVID-19                               | 615                         | 19                           |
| Loss on sales of investment securities                 | 6                           | —                            |
| Total extraordinary losses                             | 2,030                       | 1,134                        |
| Profit before income taxes                             | 132,820                     | 173,582                      |
| Income taxes-current                                   | 39,939                      | 53,564                       |
| Income taxes-deferred                                  | (1,070)                     | (3,178)                      |
| Total income taxes                                     | 38,868                      | 50,386                       |
| Profit   | 93,951                      | 123,195                      |
| Profit attributable to non-controlling interests       | 4,988                       | 7,300                        |
| Profit attributable to owners of parent                | 88,963                      | 115,895                      |

**(Consolidated Quarterly Statement of Comprehensive Income)****For the nine months ended October 31, 2020 and 2021**

|   | Feb. 1, 2020– Oct. 31, 2020 | Feb. 1, 2021 – Oct. 31, 2021 |
|---|-----------------------------|------------------------------|
| Profit  | 93,951                      | 123,195                      |
| Other comprehensive income  |                             |                              |
| Net unrealized holding gain (loss) on securities  | (7,579)                     | 4,260                        |
| Translation adjustments   | (9,129)                     | 25,300                       |
| Retirement benefits liability adjustments   | 4,139                       | 2,825                        |
| Share of other comprehensive gain (loss) of affiliates accounted for by the equity method | (1,026)                     | 2,463                        |
| Total other comprehensive income  | (13,595)                    | 34,850                       |
| Comprehensive income  | 80,356                      | 158,046                      |
| Comprehensive income attributable to  |                             |                              |
| Owners of the parent  | 76,040                      | 150,912                      |
| Non-controlling shareholders' interests   | 4,316                       | 7,134                        |

**(3) Notes to Consolidated Quarterly Financial Statements****(Notes Regarding Assumption of a Going Concern)**

Not applicable

**(Notes on significant changes in the amount of shareholders' equity)**

Not applicable