



Sekisui House Group Company Presentation for FY2022

March 11, 2022

Management Direction

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

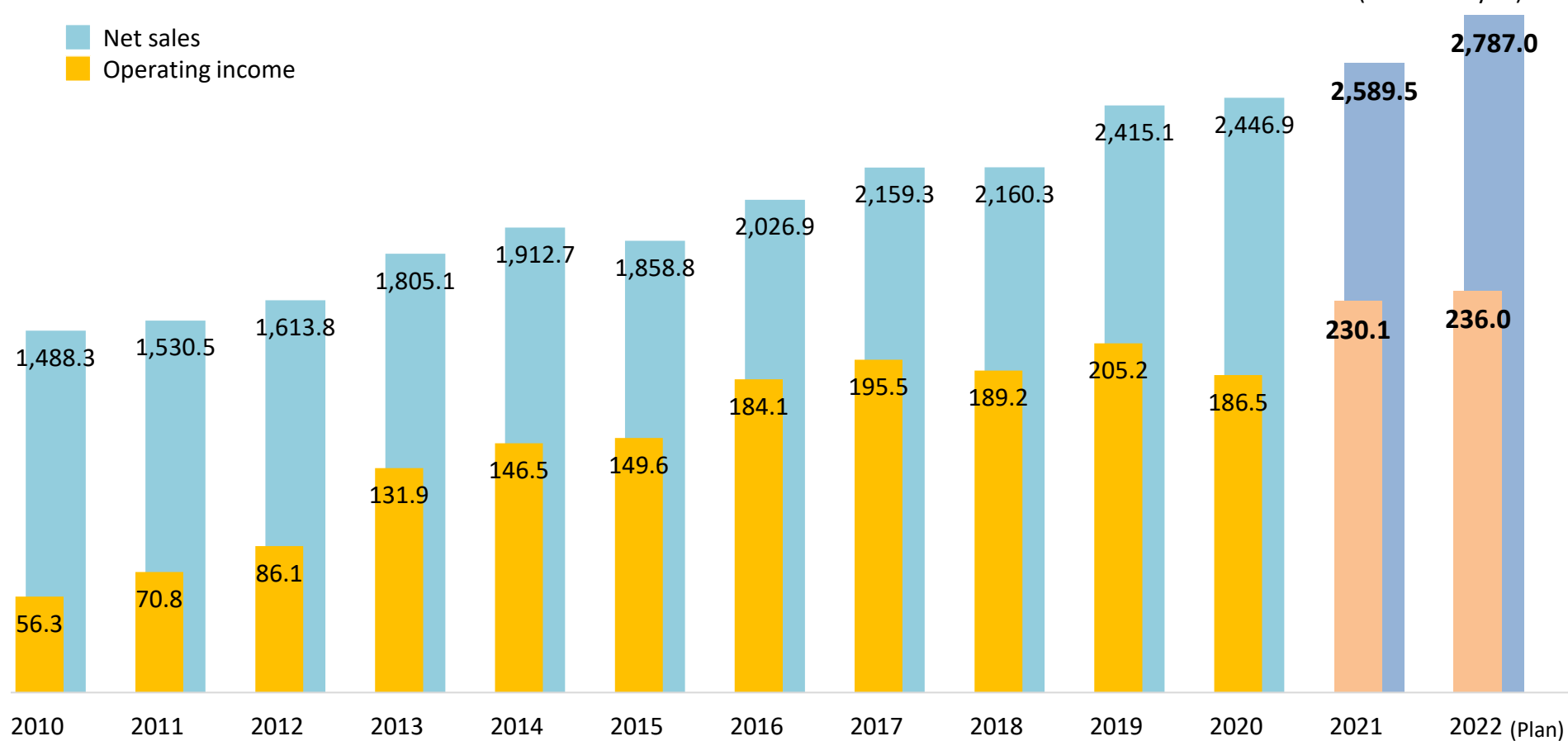
Fundamental Policy of Fifth Mid-Term Management Plan

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

Progress in Fifth Mid-Term Management Plan

Net sales
Operating income

(Billions of yen)



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 in Fifth Mid-Term Management Plan

■ Fifth Mid-Term Management Plan Target announced in March 2020

(Billions of yen)

	FY2020	FY2021	FY2022	Total in three years
Net sales	2,585.0	2,578.0	2,700.0	7,863.0
Operating income	206.0	210.0	220.0	636.0
Ordinary income	205.0	208.0	219.0	632.0
Profit attributable to owners of parent	137.0	138.0	147.0	422.0



	Results		Plan	
	FY2020	FY2021	FY2022	Total in three years
Net sales	2,446.9	2,589.5	2,787.0	7,823.4
Operating income	186.5	230.1	236.0	652.6
Ordinary income	184.6	230.0	234.0	648.6
Profit attributable to owners of parent	123.5	153.9	158.0	435.4

FY2021 Results by Segment

(Billions of yen)

		FY2020 Results			FY2021 Results			YOY			FY2021 revised plan announced in Sep. 2021		Compared to revised plan	
		Net sales	Operating income	Operating margin	Net sales	Operating income	Operating margin	Net sales	Operating income	Operating margin	Net sales	Operating income	Net sales	Operating income
Built-to-Order Business	Custom detached houses	323.3	32.2	10.0%	352.7	42.4	12.0%	29.4	10.2	2.0p	344.0	41.0	8.7	1.4
	Rental housing	358.7	47.0	13.1%	384.0	56.0	14.6%	25.2	8.9	1.5p	382.0	55.0	2.0	1.0
	Architectural / Civil engineering	302.8	16.0	5.3%	261.9	15.1	5.8%	(40.9)	(0.9)	0.5p	269.0	13.0	(7.0)	2.1
	Subtotal	984.9	95.3	9.7%	998.6	113.6	11.4%	13.7	18.3	1.7p	995.0	109.0	3.6	4.6
Supplied Housing Business	Remodeling	141.0	20.4	14.5%	156.1	25.5	16.4%	15.0	5.0	1.9p	162.0	27.0	(5.8)	(1.4)
	Real estate management fees	557.6	43.8	7.9%	584.9	50.4	8.6%	27.3	6.6	0.7p	584.0	51.5	0.9	(1.0)
	Subtotal	698.7	64.3	9.2%	741.1	76.0	10.3%	42.4	11.6	1.1p	746.0	78.5	(4.8)	(2.4)
Development Business	Houses for sale	139.1	7.5	5.5%	191.4	14.5	7.6%	52.3	6.9	2.1p	172.0	12.5	19.4	2.0
	Condominiums	77.0	8.8	11.4%	90.6	12.4	13.8%	13.5	3.6	2.4p	91.0	12.5	(0.3)	(0.0)
	Urban redevelopment	104.9	16.5	15.8%	102.7	11.2	11.0%	(2.2)	(5.2)	(4.8p)	103.0	11.0	(0.2)	0.2
	Subtotal	321.1	32.9	10.3%	384.8	38.3	10.0%	63.6	5.3	(0.3p)	366.0	36.0	18.8	2.3
Overseas Business		370.6	39.7	10.7%	388.9	50.1	12.9%	18.2	10.4	2.2p	372.3	42.5	16.6	7.6
Other Businesses		71.3	(2.4)	(3.5%)	75.9	(1.2)	(1.6%)	4.5	1.2	1.9p	73.7	(0.6)	2.2	(0.6)
Eliminations and back office		-	(43.3)	-	-	(46.7)	-	-	(3.4)	-	-	(45.4)	-	(1.3)
Total		2,446.9	186.5	7.6%	2,589.5	230.1	8.9%	142.6	43.6	1.3p	2,553.0	220.0	36.5	10.1

FY2022 Earnings Plan by Segment

(Billions of yen)

		FY2021 Results			FY2022 Plan						YoY		
					Announced in MMP*								
		Net sales	Operating income	Operating margin	Net sales	Operating income	Operating margin	Net sales	Operating income	Operating margin	Net sales	Operating income	Operating margin
Built-to-Order Business	Custom detached houses	352.7	42.4	12.0%	370.0	33.5	9.1%	368.0	43.5	11.8%	15.2	1.0	(0.2p)
	Rental housing	384.0	56.0	14.6%	400.0	55.5	13.9%	406.0	58.0	14.3%	21.9	1.9	(0.3p)
	Architectural / Civil engineering	261.9	15.1	5.8%	334.0	18.0	5.4%	327.0	15.7	4.8%	65.0	0.5	(1.0p)
	Subtotal	998.6	113.6	11.4%	1,104.0	107.0	9.7%	1,101.0	117.2	10.6%	102.3	3.5	(0.8p)
Supplied Housing Business	Remodeling	156.1	25.5	16.4%	174.0	28.0	16.1%	164.0	26.5	16.2%	7.8	0.9	(0.2p)
	Real estate management fees	584.9	50.4	8.6%	605.0	53.0	8.8%	612.0	52.5	8.6%	27.0	2.0	-
	Subtotal	741.1	76.0	10.3%	779.0	81.0	10.4%	776.0	79.0	10.2%	34.8	2.9	(0.1p)
Development Business	Houses for sale	191.4	14.5	7.6%	155.0	12.5	8.1%	208.0	15.0	7.2%	16.5	0.4	(0.4p)
	Condominiums	90.6	12.4	13.8%	87.0	10.0	11.5%	91.0	11.0	12.1%	0.3	(1.4)	(1.7p)
	Urban redevelopment	102.7	11.2	11.0%	112.0	14.0	12.5%	117.2	10.0	8.5%	14.4	(1.2)	(2.5p)
	Subtotal	384.8	38.3	10.0%	354.0	36.5	10.3%	416.2	36.0	8.6%	31.3	(2.3)	(1.4p)
Overseas Business		388.9	50.1	12.9%	382.0	43.0	11.3%	414.8	54.0	13.0%	25.8	3.8	0.1p
Other Businesses		75.9	(1.2)	(1.6%)	81.0	1.5	1.9%	79.0	0.0	-	3.0	1.2	-
Eliminations and back office		-	(46.7)	-	-	(49.0)	-	-	(50.2)	-	-	(3.4)	-
Total		2,589.5	230.1	8.9%	2,700.0	220.0	8.1%	2,787.0	236.0	8.5%	197.4	5.8	(0.4p)

* MMP: Fifth Mid-Term Management Plan

Third-Phase Vision

The Sekisui House Global Vision

**Make home the happiest place
in the world**



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



Become a leading company in
ESG management



Make Sekisui House
technologies the global de
facto standard

**Become a global company that offers integrated proposals of technologies,
lifestyle design and services, based on the residential domain**

Integration of Technologies, Lifestyle Design and Services to Date (2017–2018)

2017

■ Introduced Dynamic Beam, with a Span of up to 7 m

Proprietary lightweight steel frame structure offering superior safety and freedom of design
Large, open living spaces of over 50 m² uninterrupted by pillars

■ Launched the Flexible β System for Constructing 3- and 4-Story Buildings

High-strength pillars and beams with a maximum span of 9 m enable large openings and pillar-free large spaces

2018

■ Inaugurated the Human Life R&D Institute, Japan's First Institute to Research Well-Being

Started research on houses where happiness grows the longer you live there
Focused on well-being, including health and family bonding

い主めばい主むほど幸せい主まい

■ Launched the Family Suite proposition

Launched the IS ROY+E Family Suite

Proposed new ways of living based on the results of well-being research and cutting-edge technologies

Technologies
Lifestyle design
Services



High-strength beams enable dramatic large spaces
Dynamic Beam

World's first heavy-gauge steel rigid structure
Flexible β System



Family Suite

Breaking away from Japan's conventional living room, dining room and kitchen (LDK) configuration to flexibly accommodate diverse family lifestyles

Integration of Technologies, Lifestyle Design and Services to Date (2019–Jan. 2020)

2019

■ Launched REGNUM COURT Detached Houses for Urban Settings

The Flexible β System's advanced technology offers great design freedom, balancing privacy with light, air and greenery

■ Announced the Platform House Concept at CES 2019

A new project to turn the home into a platform for happiness aimed at creating homes that generate the intangible assets of health, connectedness and learning



January 2020

■ Formulated HED-Net, the World's First-Ever In-Home Early Detection Network for Acute Diseases

The system uses contactless detection and analysis of vital signs. If needed, it notifies an emergency call center to perform a safety check, request dispatch of emergency services, and remotely unlock and lock the front door

- Technologies
- Lifestyle design
- Services

A new option for urban living for consumers interested in high-rise condominiums

REGNUM COURT 3- and 4-story steel-frame urban detached houses



Platform House Concept
Building houses that help residents achieve happiness in the era of 100-year lifespan

In-Home Early Detection Network HED-Net



Technologies, Lifestyle Design and Service Integration under the Fifth Mid-Term Management Plan

2020

■ Launched Family Suite *Ouchi Premium*

Family Suite, since 2018, suited to the new lifestyles caused by increased time spent at home. Enhanced the lifestyle design propositions such as *Ouchi-de-Fitness* (at-home Fitness).

■ Opened *Minna no Kurashi 7 Stories Lifestyle Model Houses*

Lifestyle proposals based on the concept of resonance

■ Launched SHAWOOD KOKAGE LOUNGE Wooden-Frame Detached Houses

The sloping line of the ceiling extends through the eaves, creating a generous open space; achieved with advanced technology, our SHAWOOD is the only wooden frame structure with type-approval in Japan

■ Launched SMART-ECS Next-Generation Indoor Environment Control System

Ventilates and purifies the air of contaminants, such as viruses and pollen, while minimizing temperature changes

■ Started HED-Net Testing with Consumers

By testing HED-Net in the context of the real lives of consumers, we aim to develop services for responding to acute illnesses and even aiding in prevention

Technologies
Lifestyle design
Services

■ *Minna no Kurashi 7 Stories* (Ibaragi Prefecture)

Creating a realistic lifestyle vision for seven family stories
Responding to diversifying needs

Childrearing family home
The Kobayashi residence



A home for living amid art

The Saimon residence

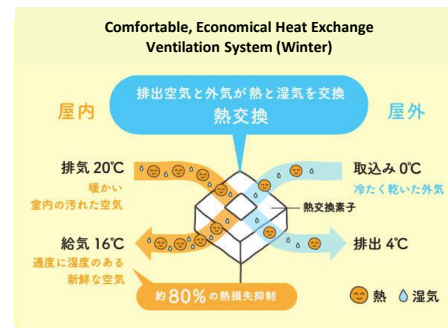


■ KOKAGE LOUNGE

Like living in a cozy bower, nestled beneath trees

■ SMART-ECS

Zoning, ventilation and air purification to keep the air in the home clean



Technologies, Lifestyle Design and Service Integration under the Fifth Mid-Term Management Plan

2021

■ *Sumai-no-Yume-Kojo* Revamped to Tomorrow's Life Museum

The *Sumai-no-Yume-Kojo* has been re-developed into an all-in-one facility where visitors can enjoy learning through first-hand experience at lifestyle model houses, a technology and structure exhibition, and an environment exhibition

■ Launched PLATFORM HOUSE touch, a Floor Plan-Linked Smart Home Service

Launched a connection-based service to watch over homes and family while away

After pre-sales in some areas, nationwide sales begun in December

Orders received in January 2022: 35%, 2nd range adoption; 47% 3rd range adoption

Technologies
Lifestyle design
Services

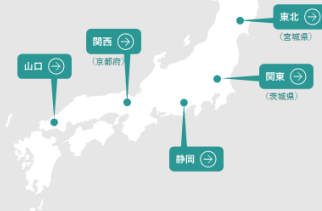


SEKISUI HOUSE

Tomorrow's Life Museum

Tomorrow's Life Museumは、
全国に5か所。

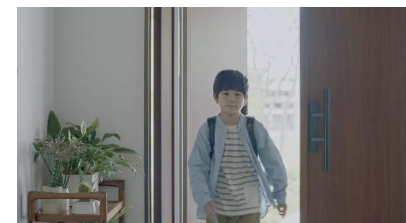
それぞれの「Tomorrow's Life Museum」ごとに、
工夫を凝らした展示物や抽選のイベントも用意して
みなさまのご来場をお待ちしております。
ぜひ、お近くの
「Tomorrow's Life Museum」へ。



■ PLATFORM HOUSE touch

Check on your house with an app that has its floor plan

Available services include self-home security, living environment monitoring and notifications when someone enters or leaves the home



Integration of Technologies, Lifestyle Design and Services Platform House Concept

PLATFORM HOUSE

- House that help customers achieve happiness in the era of the 100-year lifespan
- Provides services focused on health, connectedness, and learning that becomes the basis of new lifestyles.



Health
homes that support
health



Connectedness
Expanding interpersonal contact
to maintain vitality and social
connection



Learning
Live flexibly by adapting to
change

Feature 1. Edge computing strengthens in-home security

Feature 2. Homes can be installed with numerous services

Feature 3. Collects lifestyle and living environment data

(1) Edge computer



(2) Installation 1st step

Floor plan-linked remote control of the home
Floor plan-linked automated home security
Floor plan-linked monitoring of the living environment

PLATFORM HOUSE touch

(2) Installation 2nd step

Curation of services related to
health, connectedness, and learning

(2) Installation 3rd step

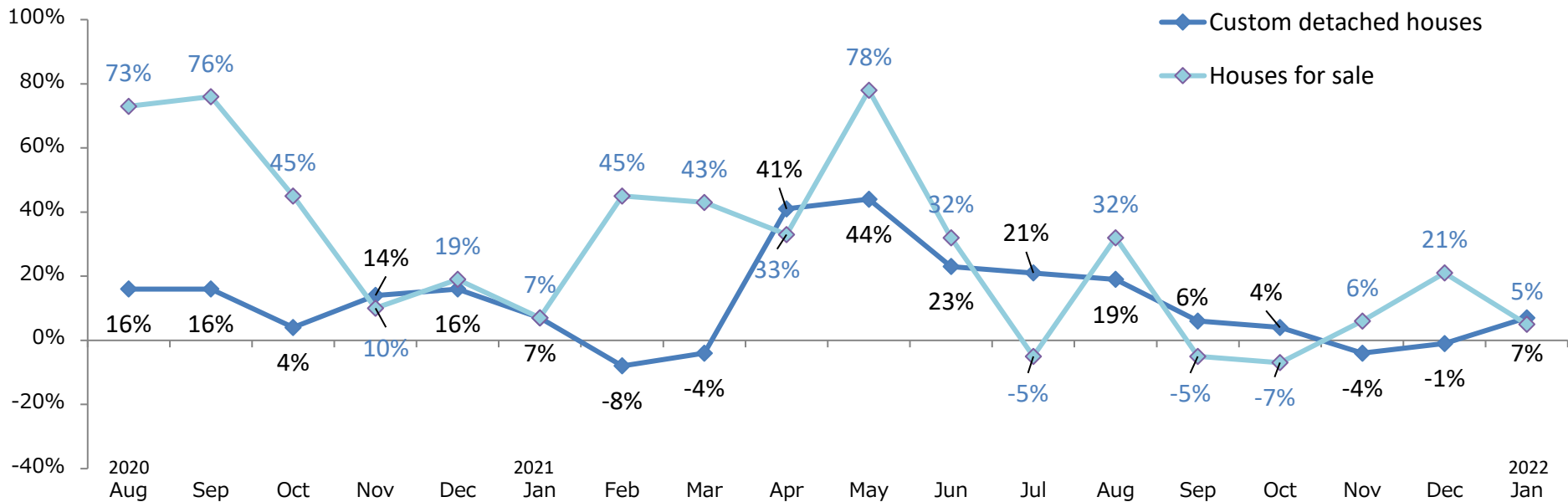
HED-NET service



(3) Accumulation of lifestyle data and living environment data

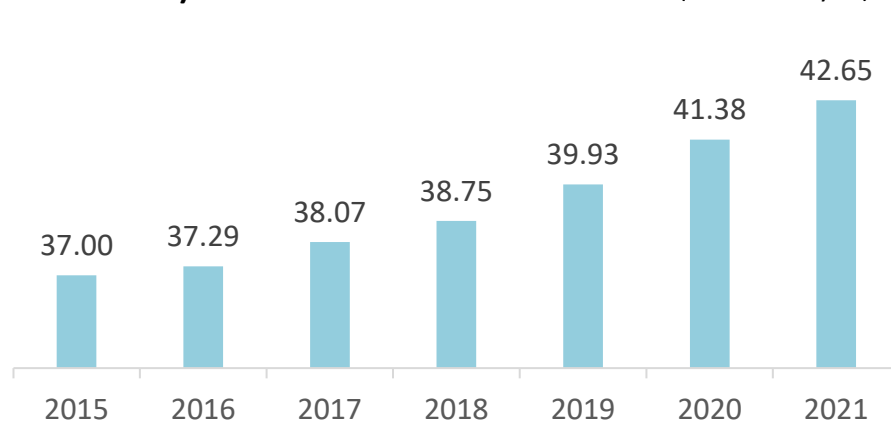
Order Status of the Custom Detached Houses Business and Houses for Sale Business

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

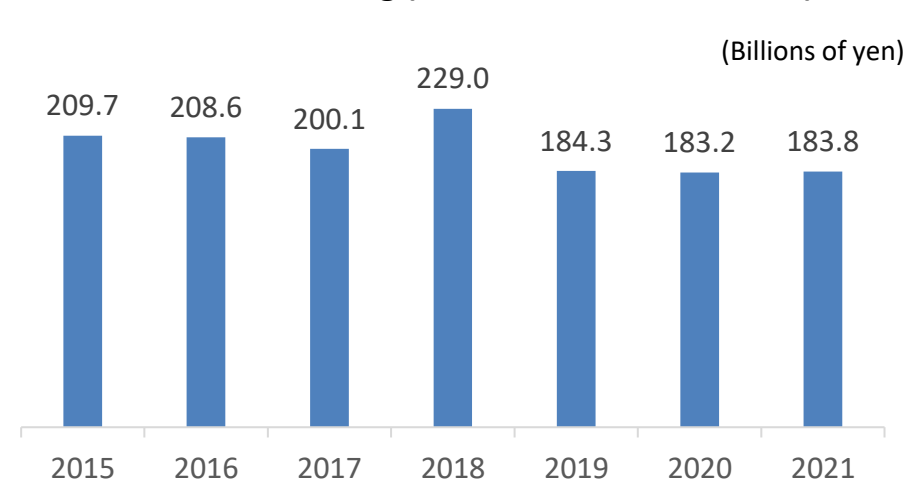


■ Trend in unit price per building (Custom detached houses)

(Millions of yen)



■ Trend in order backlog (Custom detached houses)



Integration of Technologies, Lifestyle Design and Services in the Rental Housing Business and the Real Estate Management Fees Business

- Promote the proposition of technologies, lifestyle design and services in the rental housing business

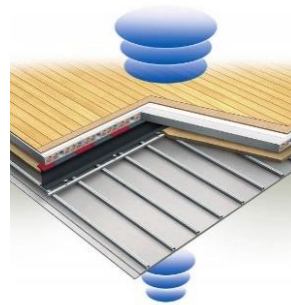
Technologies
Lifestyle design
Services

Technologies

BEREO heavy steel frame rental apartments



SHAIDD high-performance acoustic isolation floor system



Flexible β System construction method for 3 and 4-story buildings



Lifestyle design

Sha Maison ZEH
Realize both eco-friendliness and increase in profitability. Tenants can earn income by selling electricity.



Sha Maison Renovations
Improve and maintain the quality of the rental housing to achieve high occupancy



Received orders for 8,501 Sha Maison ZEH units, exceeding the 2021 target of 1,800.

Sha Maison Life CLUB app, a service for tenants

The app provides a variety of services, including information useful for daily life and disaster prevention, and contact information in case of equipment breakdowns or other problems, with further service expansion under consideration.

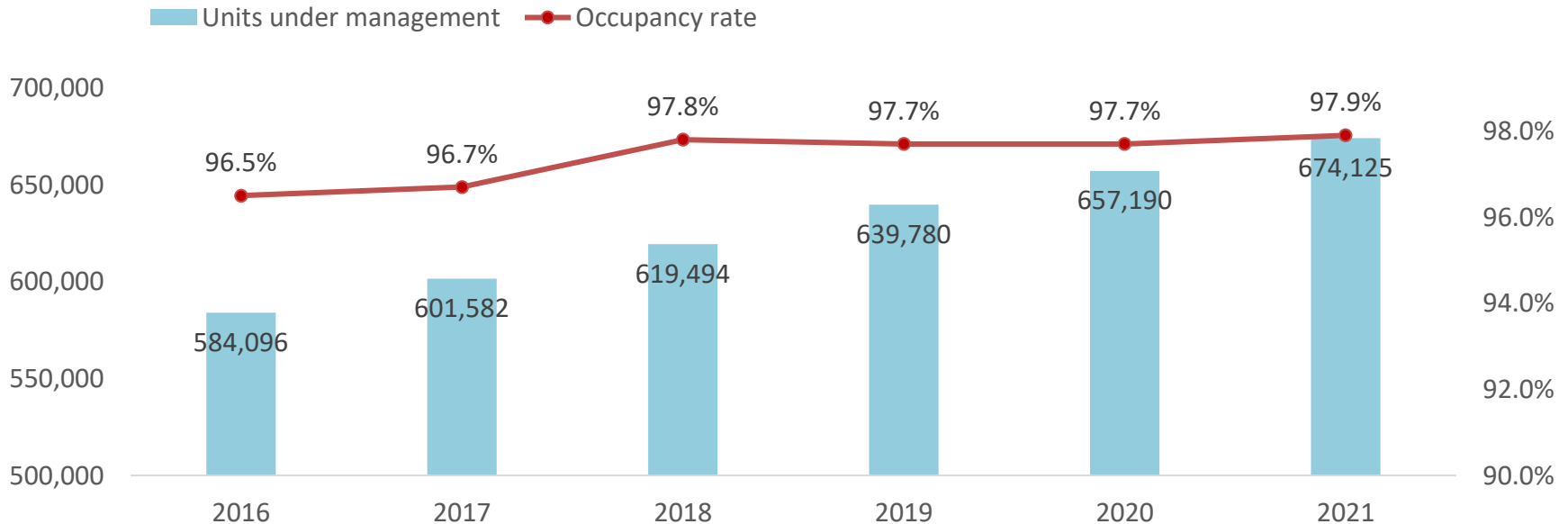
More than 250,000 has registered for the app.



Integration of Technologies, Lifestyle Design and Services in the Rental Housing Business and the Real Estate Management Fees Business

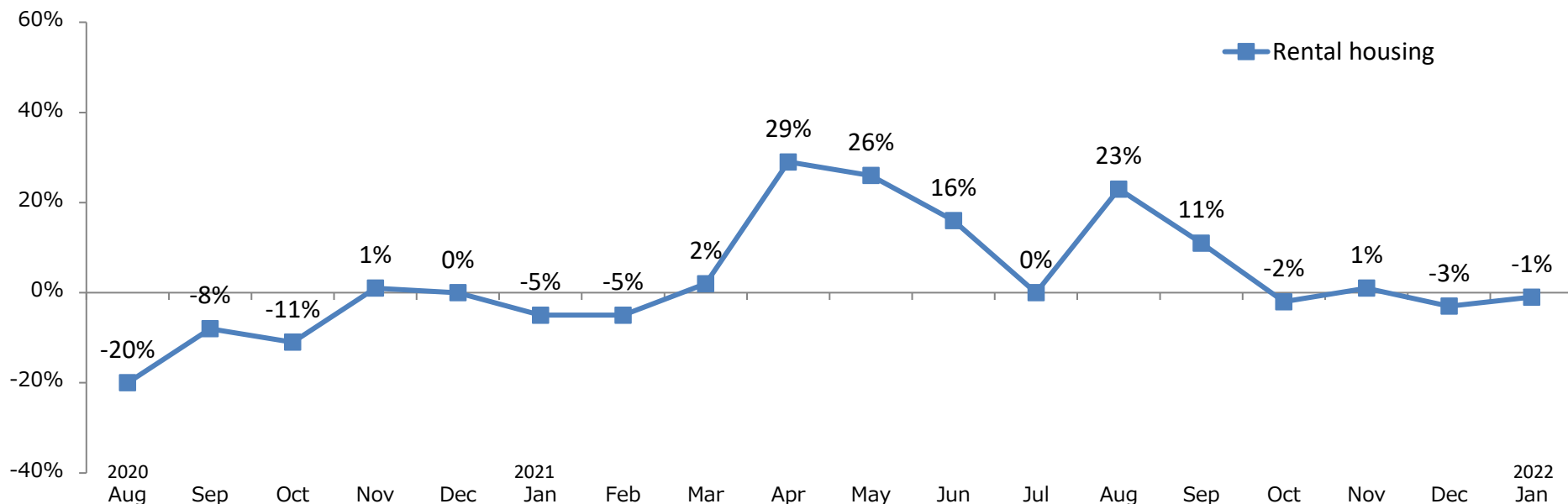
- Sekisui House real estate companies' property management has achieved high occupancy rates and rent levels, even amidst the COVID-19 pandemic, and earned the trust of tenants and Sha Maison owners
- Established an intermediate holding company, Sekisui House Real Estate Holdings, and reorganized the Sekisui House Real Estate Group (February 2022)
 - Strengthen owner and tenant services (standardized nationwide)
 - Become a real estate company with strength in housing: Wide-ranging value creation, including purchasing, fixed leasing, and brokerage

■ Units under management and Occupancy Rate



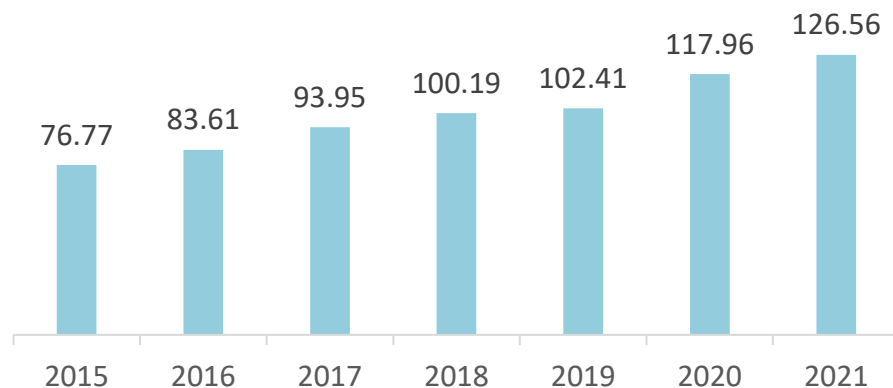
Order Status of Rental Housing Business

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



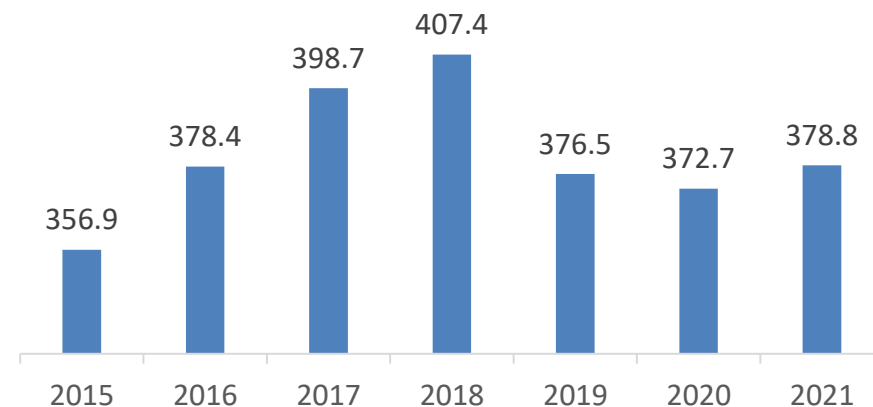
■ Trend in unit price per building (Rental housing)

(Millions of yen)



■ Trend in order backlog (Rental housing)

(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..

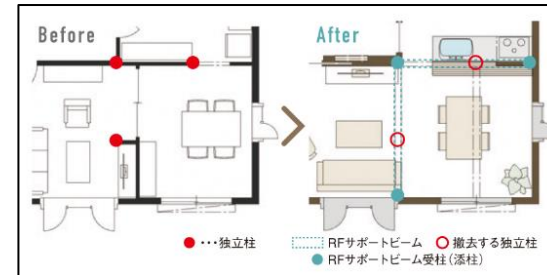
Integration of Technologies, Lifestyle Design and Services in the Remodeling Business

➤ **Proposal-based and environment-based remodeling have been well received; orders remain strong**

■ Proposal-based remodeling: Family Suite renovation

Realize large living spaces without partitions in our existing detached houses

RF Support Beam System enables the reduction of existing columns and walls to create a larger open space



■ Environment-based remodeling

Developed environmental-based renovation options based on the number of years of construction

SMART-ECS, popular for new custom detached houses, was launched for remodeling in December 2021

For owners of properties built between 1960 and 2000

Idocoro Dan-netsu

Warm in winter, cool in summer; thermal insulation enhancement, mainly in the central living space

SMART-ECS Renovation

Clean air / ventilation system + air cleaning

For owners of properties built from 1990 to present

Energy generation renovation

Private power generation; storage cell/Ene-Farm

Low-performance insulation

**1992
New energy efficiency
standards**

**1998
Next generation of
energy efficiency standards**

High-performance insulation

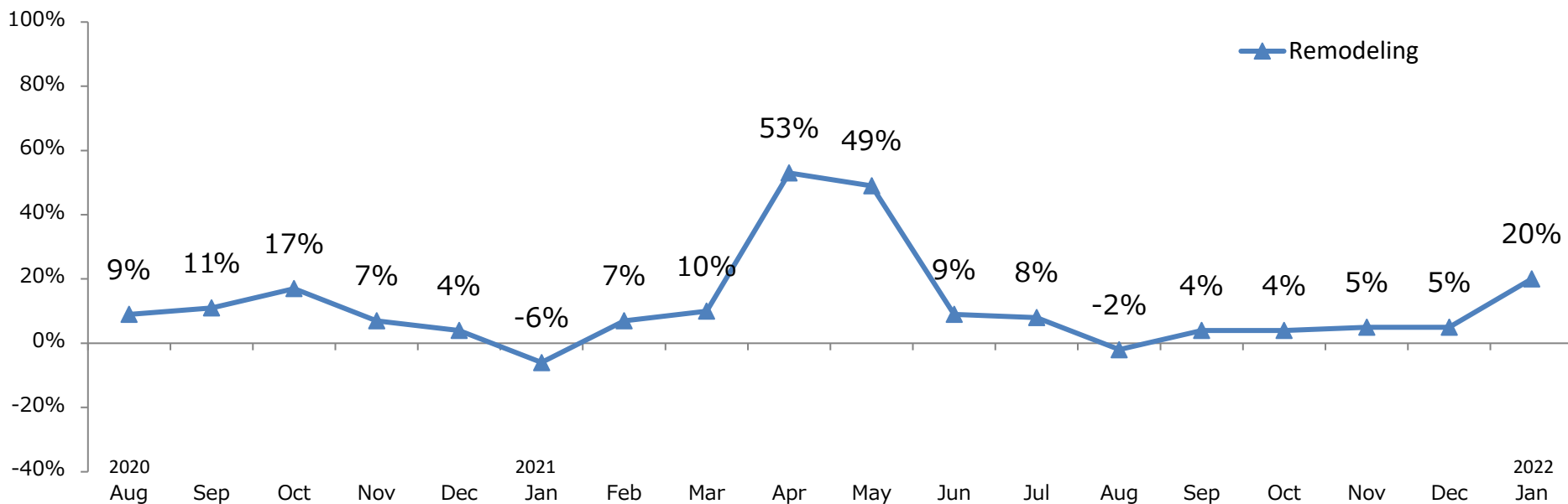
No ventilation systems

**2003
Ventilation system made
mandatory**

Ventilation systems as standard

Order Status of Remodeling Business

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



Integration of Technologies, Lifestyle Design and Services in the Condominiums Business

- Development focused on prime locations in Tokyo, Nagoya, Osaka and Fukuoka
- All units of our Grande Maison condominiums released in and after 2023 will be ZEH. Contribute the decarbonization of the household sector in the condominiums business.



Grande Maison Uemachi 1-chome Tower

(Chuo-ku, Osaka, completion scheduled for November 2022)

A super high-rise tower residence that offers both comfortable living and high-performance thermal insulation. Insulation performance of window glass has also been improved to keep the windows large. All 188 units meet ZEH-M

Oriented standards for condominiums. This project was selected by the Ministry of Economy, Trade and Industry as a high-rise ZEH-M condominium demonstration project for FY2019.



Grande Maison Josui Garden City Central Forest I

(Chuo-ku, Fukuoka, completed in January 2022)

Residences that aim to create a stately environment by treating the entire development block as an urban forest



Making Sekisui House technologies the global de facto standard

Overseas Business – Results and Earnings Plan

(Billions of yen)

Country	FY2020			FY2021 (Revised plan)			FY2021 results			FY2022 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	37.9	0.5	0.5	39.5	0.5	0.4	34.3	(3.9)	(3.9)	66.9	6.7	6.6
China	91.8	14.9	16.4	51.0	6.8	7.6	57.0	7.9	8.8	22.0	5.0	5.1
U.S.A.	240.7	25.2	24.7	281.8	36.4	35.2	297.4	47.4	45.4	325.9	43.6	41.8
Multifamily	62.4	10.3	-	57.2	8.2	-	62.3	14.1	-	70.2	13.6	-
Master-planned community	57.5	4.9	-	69.8	13.2	-	75.5	16.5	-	58.2	10.8	-
Homebuilding	119.1	8.6	-	153.1	14.2	-	157.8	16.5	-	196.2	20.0	-
Singapore	-	-	1.7	-	-	0.6	-	-	0.5	-	-	1.2
U.K.	-	-	(0.8)	-	-	(0.8)	-	-	(1.7)	-	-	(1.1)
Other administrative expenses	0.1	(0.9)	(0.9)	-	(1.2)	(1.2)	0.1	(1.2)	(1.2)	-	(1.3)	(1.3)
Total	370.6	39.7	41.7	372.3	42.5	42.0	388.9	50.1	47.9	414.8	54.0	52.3

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

Strategy for Homebuilding Business in the United States

Step 1: Create foundation for the homebuilding business in the United States

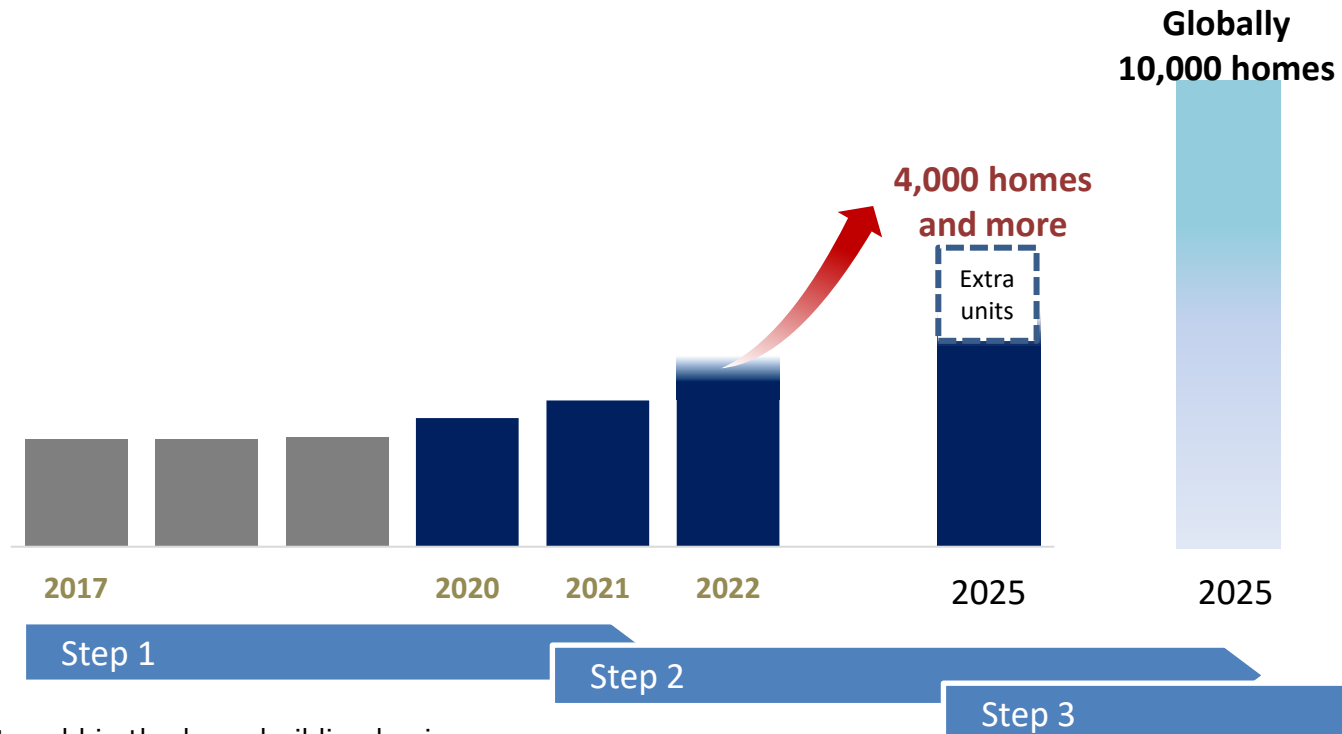
= **Post-merger integration to Woodside Homes - integration of philosophy, business, and management**

- i. Sharing our corporate philosophy and customer-oriented principle
- ii. Introducing data-driven customer-oriented marketing methods
- iii. Implementing lifestyle solution options
- iv. Improving profitability by streamlining construction, shortening construction period, and selling high-value-added homes
- v. Launching the sales of SHAWOOD homes, in addition to the sales of conventional 2x4 homes

Step 2: Horizontal development into promising areas across the United States

= **Holt Homes and future M&A candidates**

Step 3: Develop SHAWOOD, which best embodies the ideals of Sekisui House, across the United States



* Based on units sold in the homebuilding business

Strategy for Homebuilding Business in the United States

Backed by technologies and knowledge developed in Japan, make inroads into the western and southern United States, markets with strong growth potential. Increase the value of homes by transferring Sekisui House technologies to expand SHAWOOD nationwide.

Western United States

Housing starts
Roughly **25%** share
of the U.S. market

High-end homes
above \$750k
About 25,000

Housing starts: About 341,000 (FY2020)
High-end market: **7.3%** of homes are priced above \$750k
Harbor and transport: Marine transport easy, short land-travel distances

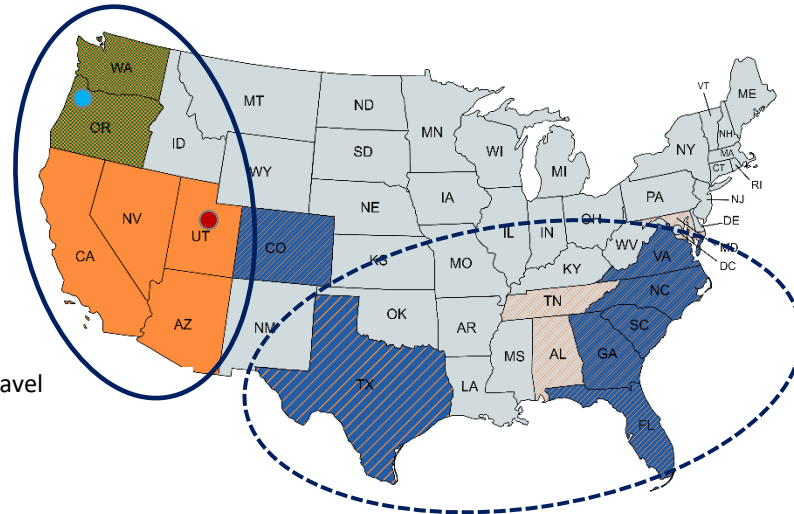
Group homebuilders
Provide high-quality homes

Woodside Homes
Holt Homes

SHAWOOD business development

Safety, security, and comfort
Provide unrivaled value

Future M&A candidates
Area: Western United States
Collaborate with Group homebuilders



● Woodside Homes Head Office
● Holt Homes Head Office

Southern United States

Housing starts
Roughly **50%** share
of the U.S. market

High-end homes
above \$750k
About 24,000

Housing starts: About 735,500 (FY2020)
High-end market: **3.2%** of homes are priced above \$750k
Harbor and transport: Marine transport easy, SHAWOOD business also feasible

Future M&A candidates
Area: Southern United States
High-ROA management with option contracts

SHAWOOD business development

Safety, security, and comfort
Provide unrivaled value

ESG related External Evaluations and Awards

E	S
  	     

ESG
    

Sekisui House has been **included in all four indices selected by GPIF**, the world's top pension fund since their inception.



FTSE Blossom Japan



2021 CONSTITUENT MSCIジャパン ESGセレクト・リーダーズ指数

2021 CONSTITUENT MSCI日本株 女性活躍指数 (WIN)

Become a leading company in ESG management

Evaluation/Award	Details
2021 All-Japan Executive Team (<i>Institutional Investor Magazine</i>)	1st place (Three categories in the Construction sector)
Exemplifying Excellence in Corporate Disclosure chosen by The Securities Analysts Association of Japan	1st place (Construction / Housing / Real Estate Industry)
The 3 rd Nikkei SDGs Management Survey	Rated 5 stars (deviation score of 70 or higher)
Nikkei Integrated Report Award 2021	Award for Excellence
S&P Global Sustainability Awards 2022	Silver Class
Integrated Reports Selected by GPIF's External Asset Managers	"Excellent integrated report" and "most-improved integrated report"
CDP Climate Change	A List
Third ESG Finance Awards Japan	Gold Award in the Environmentally Sustainable Enterprise Category
Energy Conservation Grand Prize (2021)	Prize of the Chairman of ECCJ (Energy Conservation Best Practices at Workplaces category)
Minister of the Environment Award for Climate Action	Climate Change Action Award
New Energy Award (Advanced model category for decentralized renewable energy)	Commissioner's Prize from Japan's Agency for Natural Resources and Energy
The Grand Prize for the Global Environment Award	The Grand Prize for the Global Environment Award
Bloomberg Gender-Equality Index	Selected (for the second consecutive year)
Nadeshiko Brand (FY2020)	Selected (6th time)
2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program	Certified (3rd consecutive year; large enterprise category/White 500)
PRIDE Index 2021	Gold (4th consecutive year)
D&I Award 2021	D&I Award Grand Prize (large enterprise category)
"Kurumin" certification based on the Act on Advancement of Measures to Support Raising Next-Generation Children	Selected (5th time)
Kids Design Awards 2021	METI Minister's Award and six other awards
Award for Good Practices of Consumer-Oriented Management (2021)	Consumer Affairs Agency Commissioner's Award commendation (special category)
Osaka City Leading Company in Women's Participation	2-star certification, Ikumen Award

Become a leading company in ESG management

1997	Adoption of Kyoto Protocol at the Third session of the Conference of the Parties (COP 3)
1999	Announced the Environmental Future Plan
2000	Adopted heat insulating window sashes and heat insulating and repelling double-glazing as standard
2001	Launched the <i>Gohon no Ki landscaping</i> project
2002	Achieved zero emissions at the factories
2003	Next-generation energy-saving technologies standardized for all custom detached homes
2005	Kyoto Protocol takes effect Issued the Declaration of Sustainability and Action Plan 20
2007	Formulated the Urban Development Charter Established the Wood Procurement Guidelines
2008	Hokkaido Toyako Summit held Collaborated the construction of the Zero Emission House displayed at the Summit Marketed CARBON NEUTRAL HOUSE, Recognized as Eco-First Company, Announced 2050 Vision, Declared decarbonization
2009	Launched the Green First model of ecofriendly homes
2013	Launched Green First Zero, a net zero energy house
2015	Adoption of Paris Agreement at COP21 United Nations formulates sustainable development goals (SDGs)
2017	Joined the RE100 initiative
2018	Received accreditation for SBTi
2019	Launched Sekisui House <i>Owner Denki</i> , Released the TCFD Report 2019
2020	Promote net zero energy and expand net zero energy properties (rental housing, condominiums for sale, and remodeling of detached houses)
2021	Quantitatively measured the biodiversity conservation effect of the <i>Gohon no Ki</i> landscaping project over 20 years

World's 1st

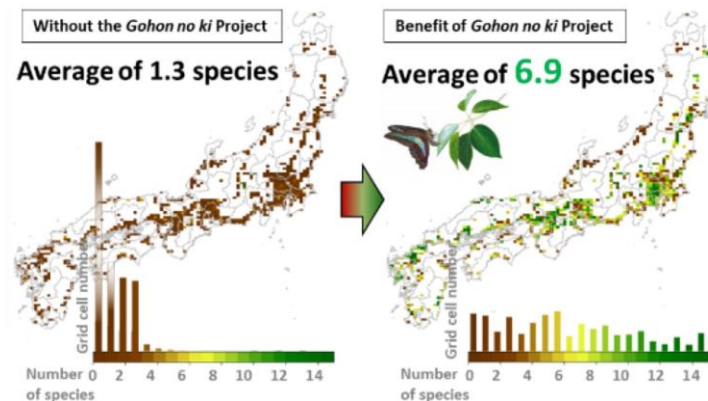
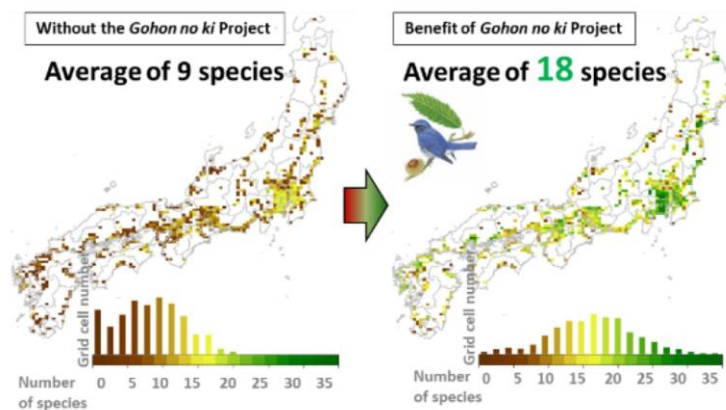
Quantitatively measured the biodiversity conservation effect of the *Gohon no Ki* landscaping project over 20 years



2-fold increase in
bird species



Five-fold increase in
butterfly species



Securing and developing human capital as investment in foundations for growth and promoting human capital initiatives

■ Three Pillars of Human Resources Strategy

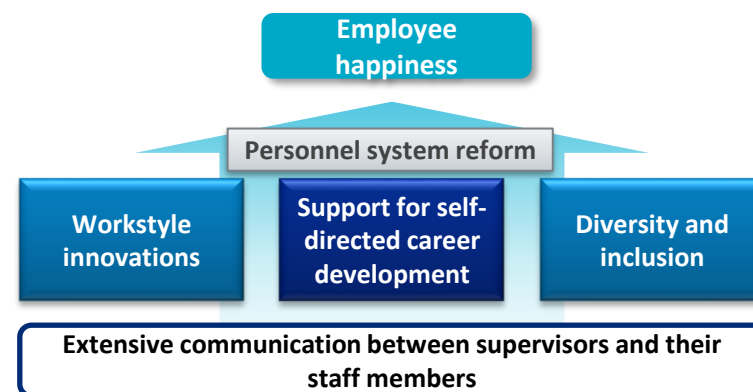
Diversity and inclusion, workstyle innovations and support for self-directed career development

■ Personnel System Reform for Self-Directed Career Development

Support for self-directed career development through a multi-track career system (with management and specialist tracks), a highly transparent evaluation system and a career interview system

■ Diversity Promotion

We announced our Human Resources Sustainability policy in 2006. We are implementing initiatives based on three pillars: promoting the active participation of female employees; active participation of diverse human resources; and promoting diverse workstyles and work-life balance



Women	<p>Women in management positions: 273 (Achieved the target of 260 for the final year of the Mid-Term Management Plan ahead of schedule)</p> <p>Ratio of female regular employees: 27.3%</p> <p>Ratio of female new graduates hired: 41.6% (FY2020)</p>
Mid-Career Hires	<p>Recruitment of 100+ mid-career professionals each year</p> <p>Strengthening diversity among management, IT/digital transformation, governance and other human resources</p> <p>Percentage of total hires: 19.3%</p> <p>Percentage of management positions: approx. 10%</p> <p>Percentage of executive posts: approx. 14%</p>
International Hires	<p>87.7% (355 persons) of managers and above at major overseas subsidiaries are local hires</p>

Response to the Revised Corporate Governance Code

- Governance enhancement measures completed in December as required for the transition to the Prime Market.

Enhance the structure of the Board of Directors (Election of directors to be referred at the General Meeting of Shareholders in Apr. 2022)

- Further increase the ratio of outside directors from 40% to 50%

Strengthen Remuneration Governance (Increase decision-making transparency and independence)

- Delegation of authority to determine individual remuneration amounts for directors and entrusted executive officers from the Board of Directors to the Personnel Affairs and Remuneration Committee.

Strengthen Group Governance

Sekisui House Real Estate Group	Established an intermediate holding company, Sekisui House Real Estate Holdings. Oversee and strengthen governance by deploying specialized organizations and personnel.
Sekiwa Construction companies	Established Sekiwa Construction Business Headquarters. Oversees comprehensive planning and operation of businesses.
Overseas subsidiaries	Collaboration with domestic leadership: Individual meetings with local subsidiaries in each country. (twice monthly) Global governance meetings with governance officers of overseas subsidiaries. Spreading awareness of our corporate philosophy: Using the English translation of our corporate philosophy to spread awareness globally, including by establishing an education system. Established the International Auditing Office and a whistleblowing system outside of Japan. Strengthen risk management: Formulating international crisis response guidelines.

■ Shareholder Returns

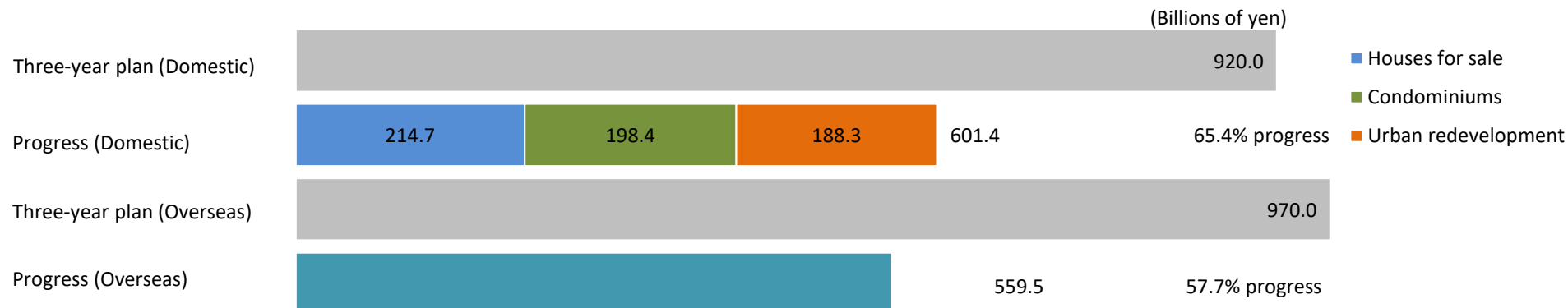
FY2021: Per-share dividend of ¥90 (¥6 increase year-on-year), Company stock repurchase of ¥15 billion

FY2022: Per-share dividend of ¥94 (¥4 increase year-on-year), Company stock repurchase of ¥30 billion planned

■ Real estate investment

Emphasize investment efficiency to achieve a total asset turnover ratio of at least 1

➤ **Budget for the domestic businesses over three years has been increased from ¥680.0 billion to 920.0 billion.**



■ Investment in Foundations for Growth

Strengthen business foundation and implement M&A as needed

Over three years: ¥200 billion level

- **Acquired Holt Homes Group (U.S.A.)**
- **Progress in other investments, mainly in production facilities and R&D**

Appendix

- Progress in priority measures by business
- Initiatives to ESG management

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

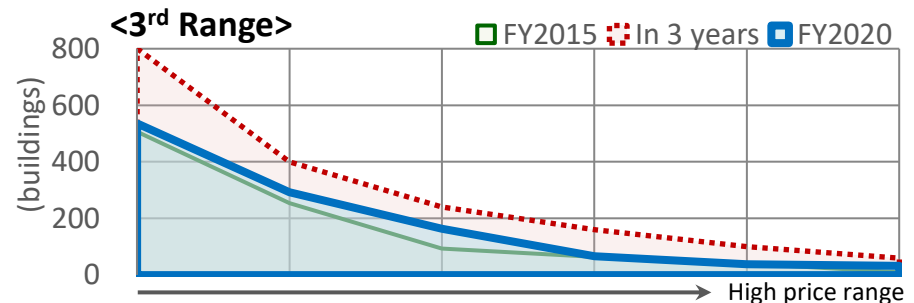
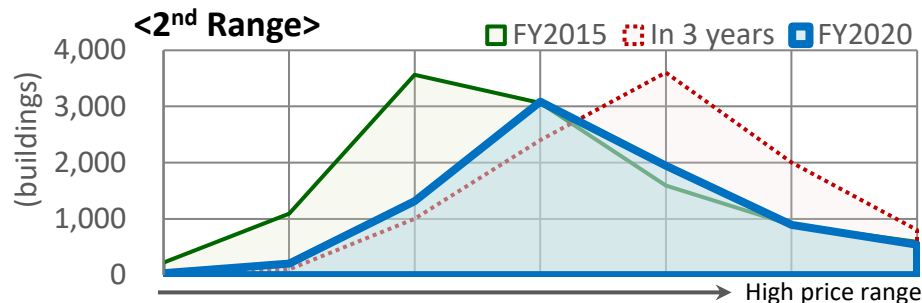
1st Range (Sekisui House noie) * Including new wooden houses of Sekiwa Construction companies.

- Received orders for 593 homes (YoY: +25%), 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

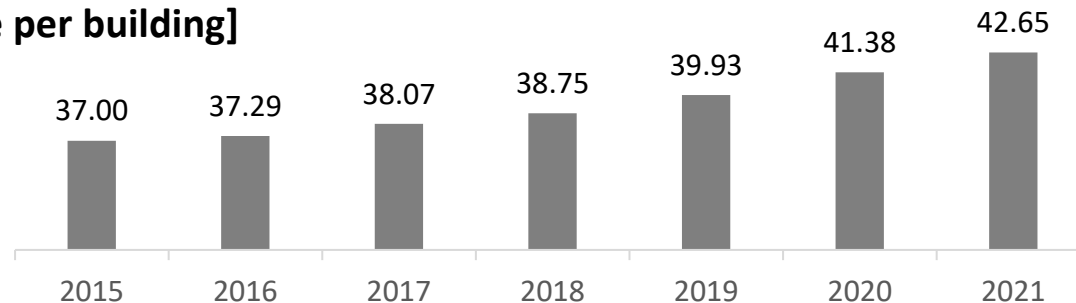
- High value-added proposals, etc. were successful. Average sales price of detached houses continued to rise.

[Distribution of orders for buildings by selling price range]



[Trend in unit price per building]

(Millions of yen)

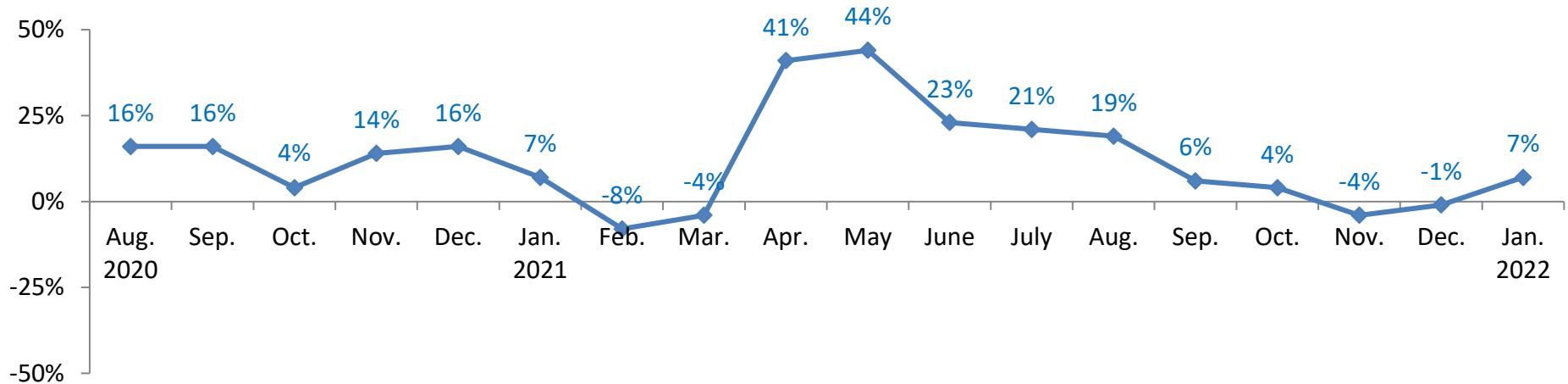


Built-to-Order Business

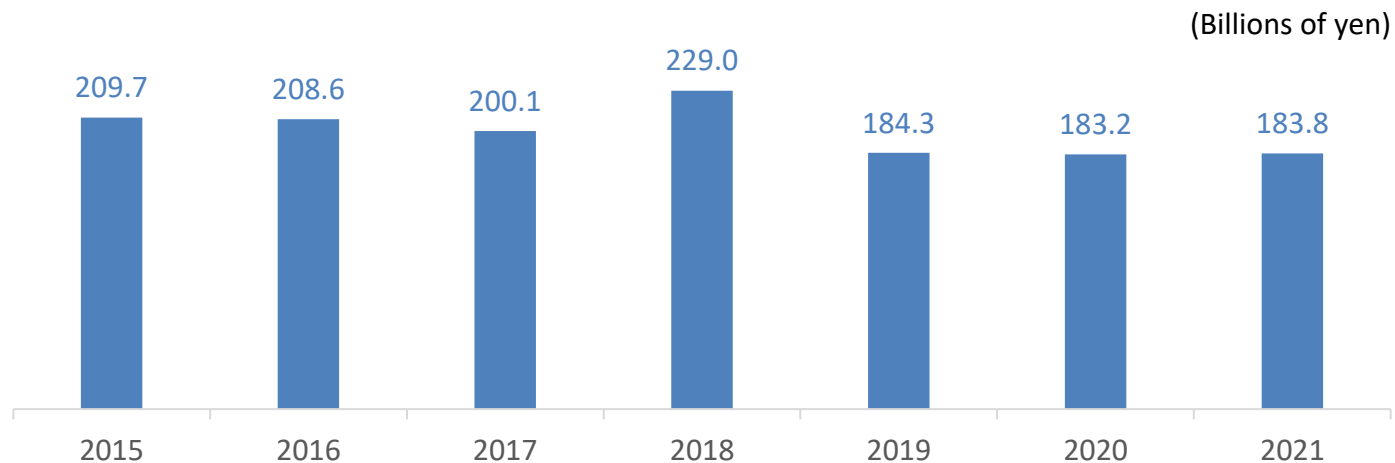
Order Status of Custom detached houses

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

- Secured same high level of orders as the previous year thanks to proposals such as Family Suite and other products that match the new style of living.



[Trend in Order backlog]



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

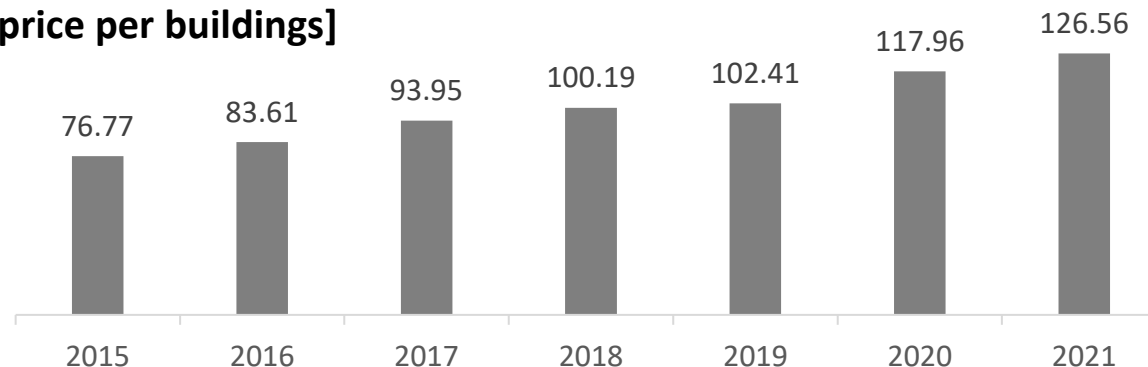
- High value-added proposals such as Sha Maison ZEH, hotel style design specs, and addition of EV were successful.
- The group's collective strength that realizes high occupancy rates and rent levels through property management by Sekisui House Real Estate companies was recognized.

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 buildings]

(Millions of yen)

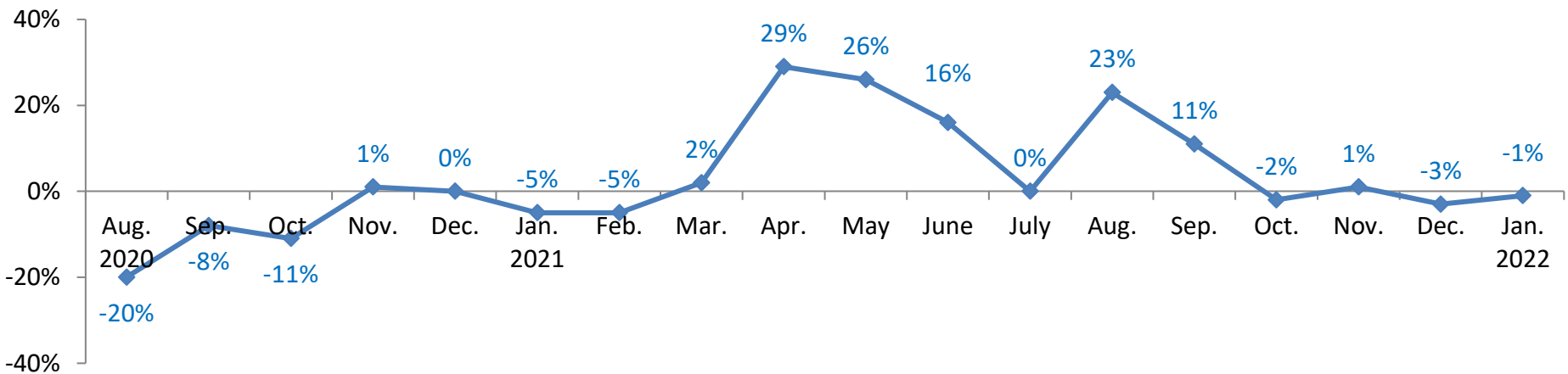


Built-to-Order Business

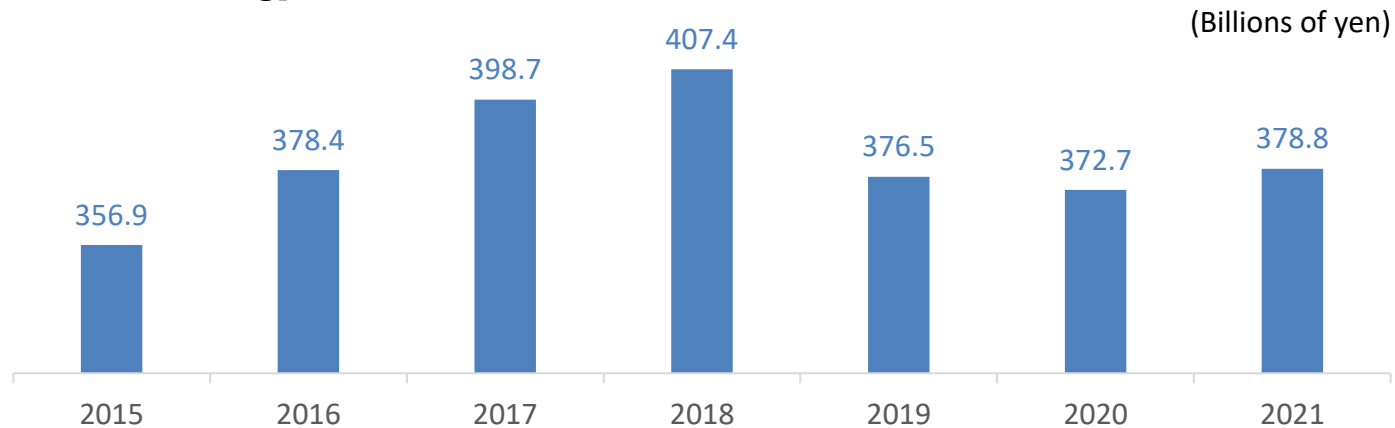
Order Status of Rental housing

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

- Sha Maison has continued to recover since the second half of 2020.
- Orders for non-residential facilities, including hotels, continued to struggle due to COVID-19.



[Trend in Order backlog]



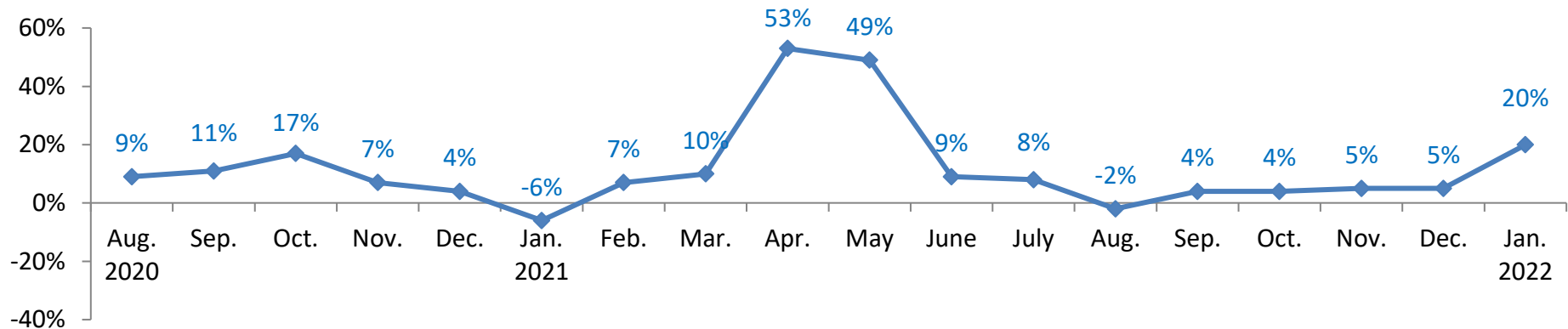
* The Architectural/civil engineering Business was included starting with the FY2020, and therefore, figures for the FY2019 are also presented after the reclassification.

Key initiatives

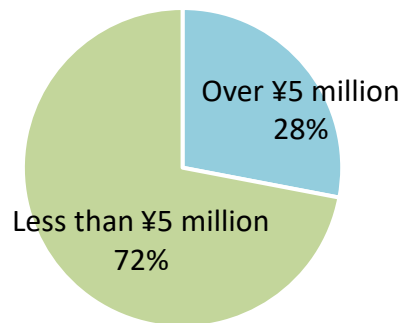
Actively deploy proposal-based and environment-based remodeling

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

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



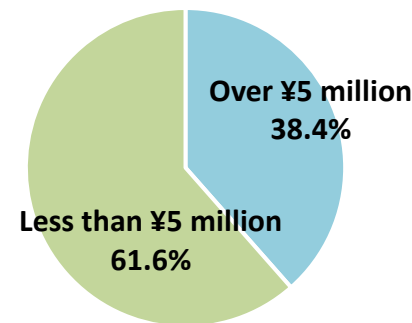
<FY2018>



Ratio of
order amount

Gross margin
27.1%

<FY2021>



Ratio of
order amount

Gross margin
28.6%

Key initiatives

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

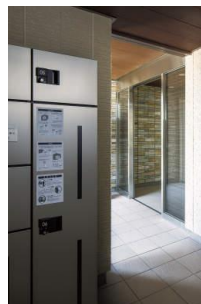
➤ Differentiation strategies enable stable long-term property management for owners.

Marketing in specific areas, concentrating on urban districts, as well as supplying value-added Sha Maison rental housing and promoting a price leader strategy have successfully differentiated us from the competition, enabling stable long-term rental housing management.

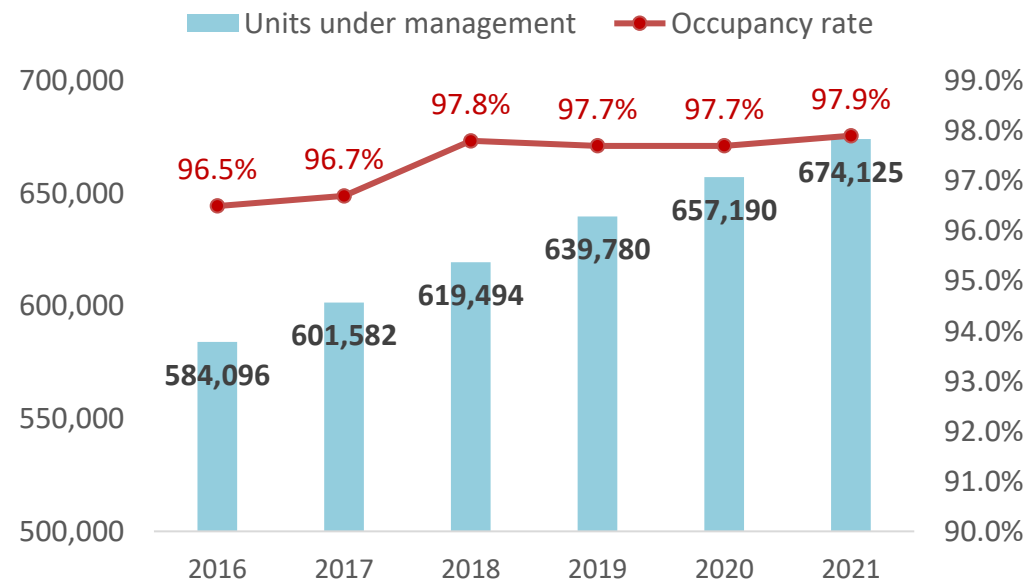
➤ The high occupancy rates and rents of property management by Sekisui House Real Estate have earned the trust of customers and Sha Maison owners.

■ Hotel-like styling

Distinctive facility specifications that change the perception of rental housing.



■ Units under management and occupancy rate



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 were also firm to the full-year sales plan. Completed inventory is 165 units.

<Urban redevelopment>

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

United States

Multifamily business [Development of rental houses]

In the short term, geopolitical risks may cause investors to take a wait-and-see attitude. However, in step with the process of COVID-19 vaccination, the urban rental market in particular has steadily recovered and been active. Institutional investors' appetite for investment remains high.

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

Mortgage rates have been rising, but the rise of millennials as first-time buyers continues to fuel demand for purchasing suburban detached houses.

The master-planned community business has also been strong, reflecting builders' efforts to purchase residential land due to the strong home sales market and brisk purchasing of commercial land stimulated by the prospect of economic revitalization due to widespread COVID-19 vaccination.

Australia

Although mortgage rates are expected to rise in the future, they remain at record lows due to geopolitical risks and other changeable factors. In addition, the federal government's housing subsidy and other programs for domestic residents and first-time buyers are leading to rising housing prices, especially for detached houses with the spread of remote work and the trend toward larger suburban spaces. At the same time, some condominium prices have been affected by significant curbs on foreign investment attributable to ongoing restrictions on foreign investors and the halt of immigration due to entry restrictions and other factors caused by the COVID-19 pandemic. However, vaccination is progressing, and conditional entry to the country resumed in February 2022. In addition, the COVID-19 lockdowns from July to October 2021 restricted movement in certain areas of Sydney, reducing the number of people who can enter construction sites and delaying the construction of some condominiums, in turn impacting the business.

China

The post-COVID recovery has been faster than in other countries, and GDP growth has been gentle but steady, with a real GDP growth rate of 8.1% in 2021. The real estate market is returning to pre-pandemic conditions, with strong purchasing interest continuing in FY2021, and business is favorable.

United Kingdom

The house price index is on an upward trend at 142.0 (up 10% from the previous year) with 2015 as 100. Despite the economic uncertainty caused by COVID-19, housing market sentiment continues to recover as the stamp duty exemption period has been extended from the end of March to the end of June to stimulate the housing market, and restrictions have been completely lifted throughout the United Kingdom.

On the other hand, it is unclear how rising building material prices and geopolitical risks will affect consumer sentiment. Social distancing and the absence of workers at plants and construction sites has led to reduced productivity. In addition, there have been delays in operations due to delays in governmental administrative procedures and other areas.

Singapore

With remote work becoming the norm as a result of the ongoing pandemic, demand for relocation is strong, condominium prices have risen for seven consecutive quarters, and new housing price control measures were implemented in December 2021.

In addition, various restrictions related to COVID-19 have caused a shortage of foreign workers at construction sites and low productivity due to working in team shifts, which has delayed the construction of One Holland Village and other projects.

Overseas Business Major Projects Sold in FY2021

[United States]

Multifamily	¥62.3 billion
-------------	---------------



The Merian (Multifamily)

Master-planned community	¥75.5 billion
--------------------------	---------------



Elyson: 515 lots
(Master-planned community)

Homebuilding	¥157.8 billion
--------------	----------------



Woodside Homes: 2,729 houses

[Australia]

Condominiums	¥26.7 billion
Detached houses for sale, built-to-order	¥7.5 billion



Sanctuary: 207 units

[China]

Condominiums, etc.	¥57.0 billion
--------------------	---------------



Taicang 2: 588 units

Environment

Lead the way to a decarbonized society

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

The number of units under FY2021 Sha Maison ZEH contract is very high at 8,501 units.

- Providing information to support our suppliers' efforts for decarbonization.
Improve, as a KPI, the percentage of major suppliers that have set SBT targets.

Themes	KPIs	FY2020		FY2021 Targets	FY2022 Targets
		Targets	Results		
Decarbonization at the residential stage	Ratio of detached ZEH homes	88%	91%	89%	90%
	Number of ZEH units for rent	1,200 units	2,976 units	1,800 units	2,500 units
	Number of ZEH condominiums for sale (cumulative)	32 units	32 units	196 units	540 units
	Number of <i>Idocoro Dan-netsu</i> houses	1,000 units	1,005 units	1,200 units	1,250 units
	Rate of CO ₂ emissions reduction from new housing	42%	54.7%	45% reduction by 2030	
Decarbonization from business operations	Rate of CO ₂ emissions reduction from business operations* ¹	29%	19.4%	50% reduction by 2030	
	RE100 achievement rate* ²	6%	16.4%	25%	35%
Decarbonization at the supply chain	Major Supplier science-based target-setting rate	—	18.6%	80% by 2030	

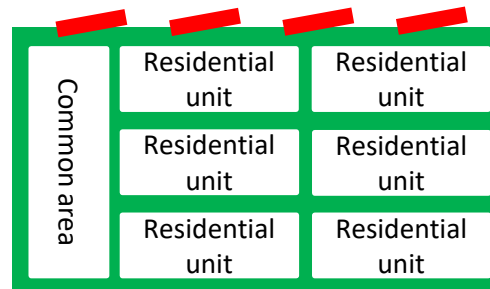
Targets are set at the time of the announcement of the Fifth Mid-Term Management Plan (March 2020).

*1 : Scope 1 and 2 emissions reduction rate relative to FY2013 levels. (FY2020 emission results include those of Konoike Construction.)

*2 : Ratio of the amount of post-FIT photovoltaic power and other power purchased by Sekisui House Owner Denki to the total amount of electricity consumed in our business operations.

Environment

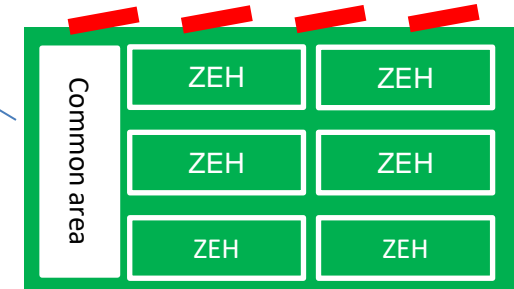
Full-fledged promotion of ZEH rental housing under the Sha Maison brand



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).

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



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

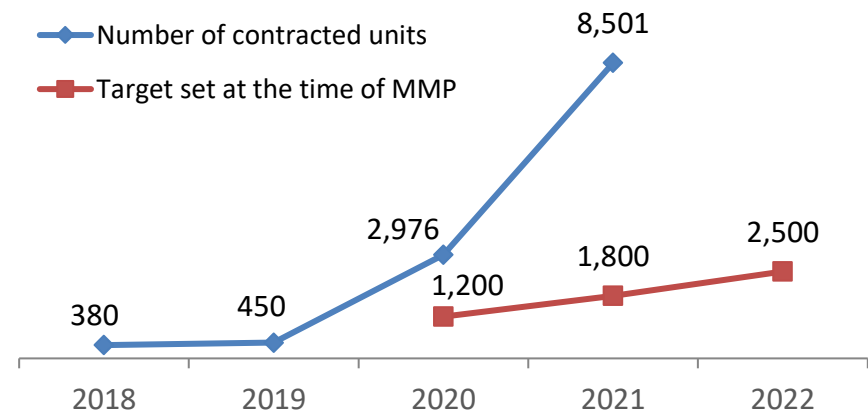
Benefits for owners

- Building ZEH rental housing helps prevent climate change.
- This high added-value housing commands higher rents, improving rental management efficiency.
- Forward-looking environmental features enable stable wealth building over the long term.

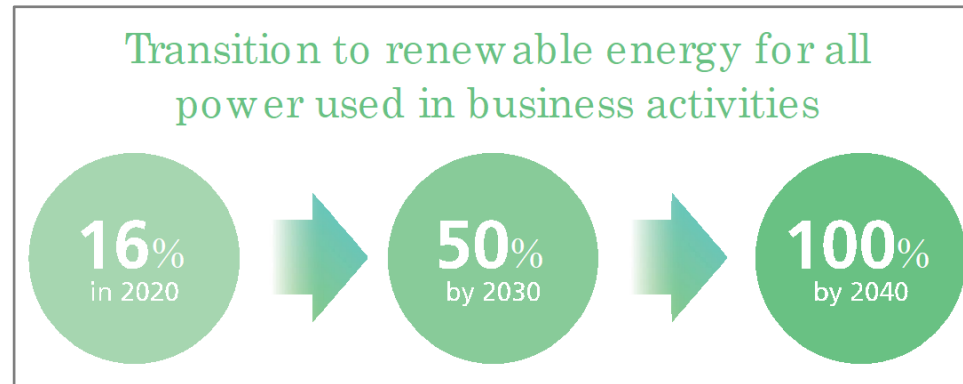
Benefits for tenants

- Tenants can help prevent climate change simply through everyday living.
- High-performance thermal insulation helps maintain consistent indoor temperatures for comfortable, healthy living.
- Solar panels greatly cut utility costs as power is used in the unit or sold to the grid.
- Emergency outlets on the solar panel system provide electricity on sunny days, even during power outages.

■ Trend in the number of ZEH Sha Maison contracts

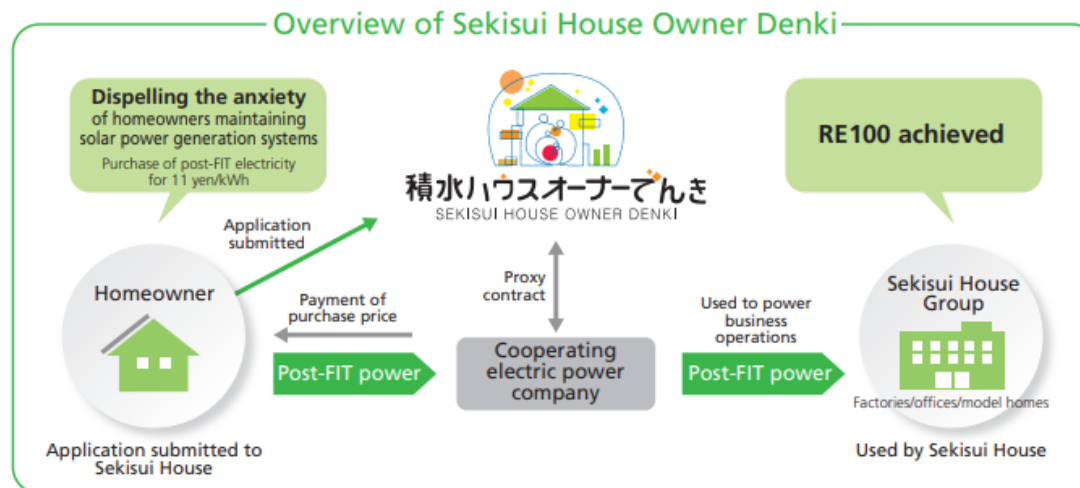


■ Progress on RE100



■ Sekisui House Owner *Denki*

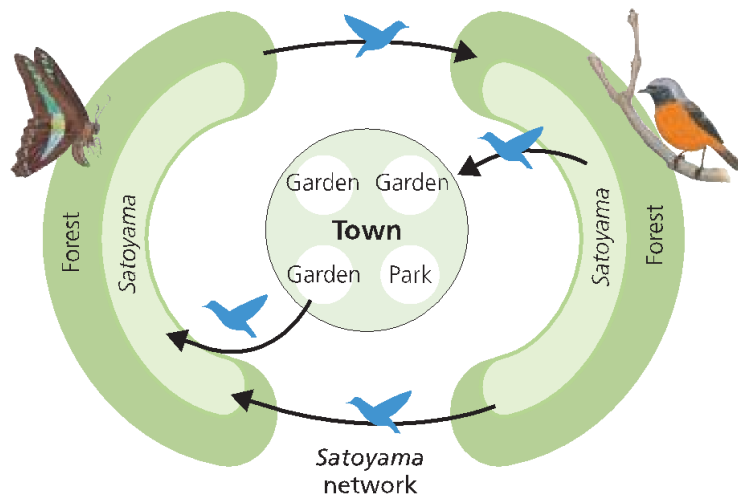
- Procure post-FIT power from customers to use for business operations to promote RE100.
- Since we received more applications for Sekisui House Owner *Denki* than expected, we expect to achieve RE100 about 10 years ahead of schedule.
- This is part of our initiative to improve the environment of the future together with its customers.



Gohon no Ki (“5 trees”) Project

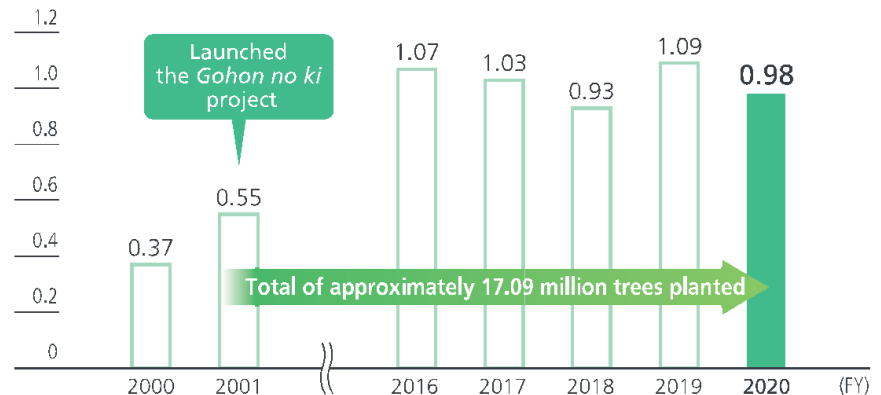
A native tree planting concept encourages planting three out of every five trees for birds and two for butterflies

- Since 2001, Sekisui House has been conducting the *Gohon no ki* project to promote landscaping with greenery that takes local ecosystems into account. This will create a *satoyama* network in which will link home gardens with local nature and *satoyama*.
- Sekisui House helps make life happy for customers while contributing to the environment through its landscaping business activities.
- The total number of trees planted as of FY2020 reached 17.09 million.
- In cooperation with the Yasuhiro Kubota Laboratory in the Faculty of Science of Ryukyu University, we analyze quantitative effectiveness evaluations on biodiversity conservation from a macro perspective by utilizing big data on trees and living things.



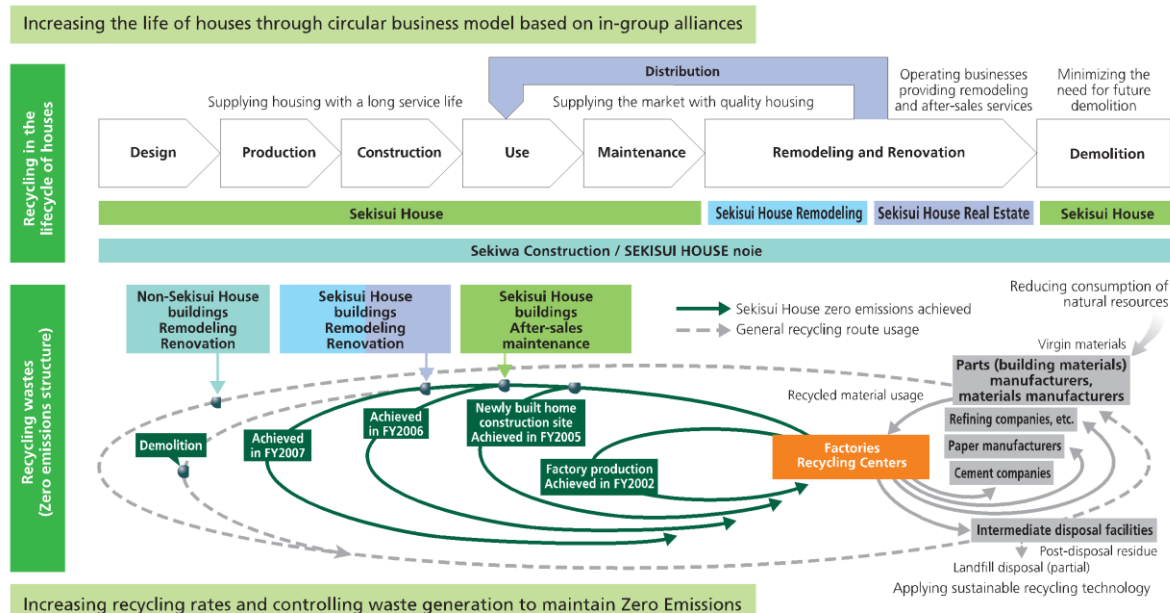
Number of Trees Planted per Year Since the Launch of the *Gohon no Ki* Project

Number of trees planted per year (Million trees)

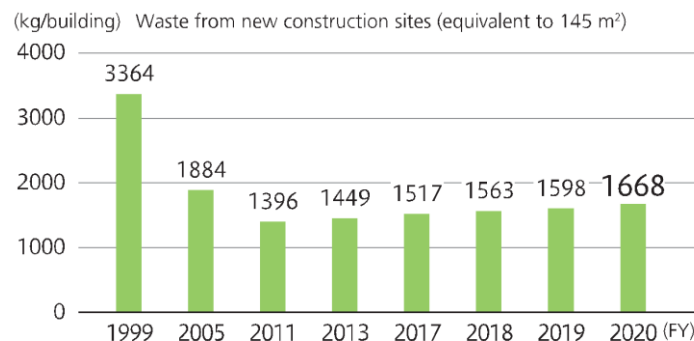


Among the first in the construction industry to take action in the resource recycling.

- Achieved Zero Emissions in four of our divisions from 2002 to 2007.
(parts production, new construction sites, maintenance, and construction sites for remodeling our own properties)
- Achieved zero emissions at construction sites with our recycling centers playing a central role.



Trend in waste generation per newly built house



■ Achieved targets of female managers number for the final year of the mid-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.
- Since 2005, started active recruitment of female sales position (new graduates).

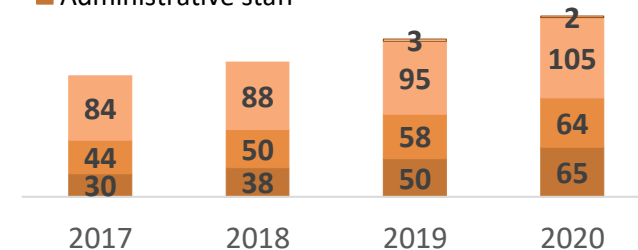
The ratio of full-time female employees are steadily increasing.

	Results for FY2020	Results for FY2021	Target for FY2022
Number of female managers (ratio)	236 people (3.79%)	273 people (4.31%)	260 people

* Targets are set at the time of the announcement of the fifth mid-term management plan (March 2020).

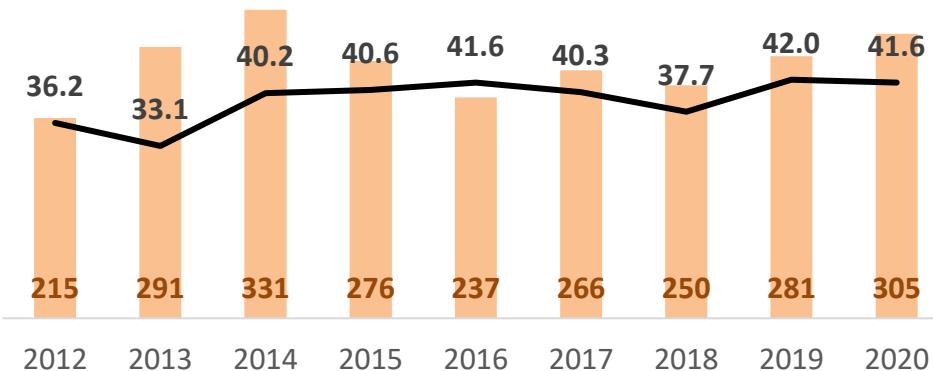
■ Number of female managers by job type

- Employees in positions of responsibility
- Sales staff
- Technical staff
- Administrative staff



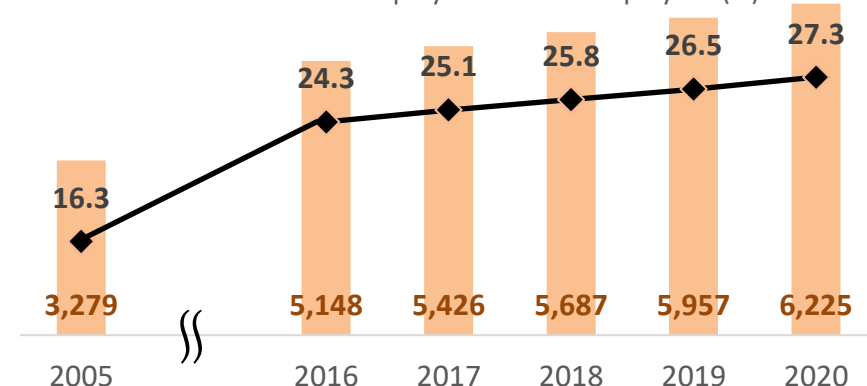
■ Number and ratio of new female university graduate hires

- Number of new female university graduate hires
- Ratio to number of new university graduate hires (%)



■ Number and ratio of full-time female employees

- Number of full-time female employees
- Ratio of full-time female employees to total employees (%)



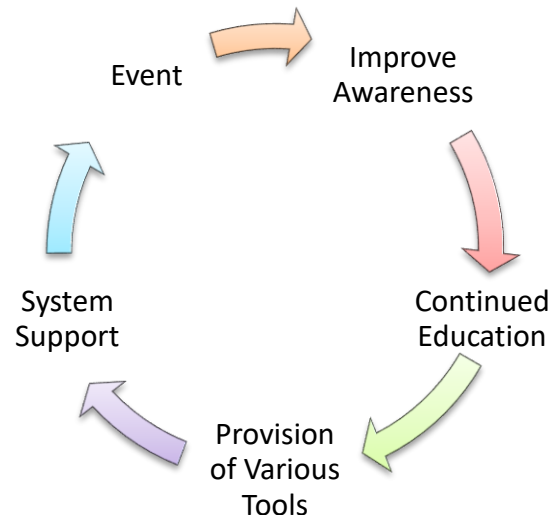
■ Overview of paternity leave system

Began implementation	September 1, 2018 (Sekisui House Group: August 1, 2019)
Target person	Male employees with children under the age of three
Main features	<ul style="list-style-type: none"> ● Male employees with children under the age of three are encouraged to take at least one month of childcare leave ● Paid for the first month (paid regardless of employee gender) ● Leave can be divided into as many as four separate portions

■ Initiatives for encouraging male employees to take paternity leave

● The Photo Exhibition of Sekisui House Group's Daddies

● Paternity Leave Forum



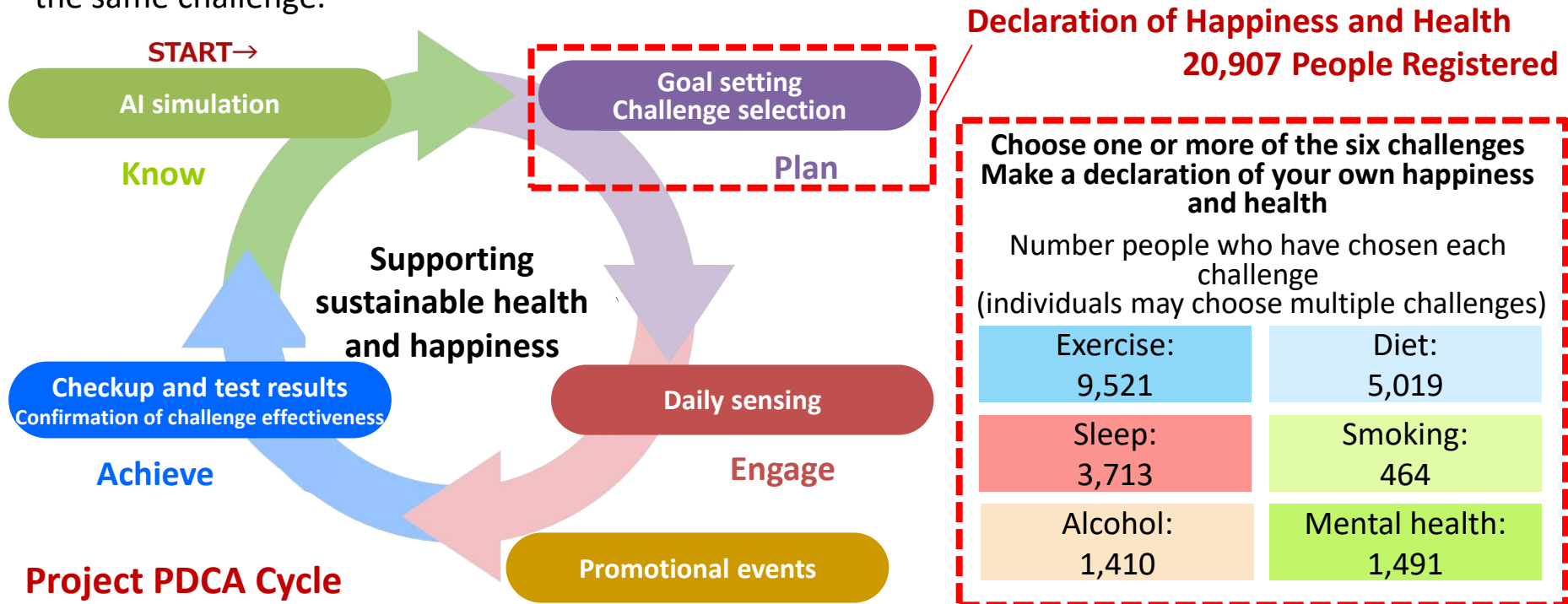
- Family Meeting Sheet
- Guidebook for paternity leave

- Forums on successfully balancing work and child-rearing
- Paternity leave examples are presented to participants



Happiness Health Management Project Launched in February. To Become the World's Happiest Company.

Achieve goals at the levels of individuals, workplaces, and wellness families of people who have chosen the same challenge.



Visualization of employee health using the Sekisui House FIT app.

Promote an improved level of awareness by improving health literacy.



Walking Challenge

Sukoyaka Personal Health
Support System

Healthy Challenge
(using health check results)

Health Tips

■ Governance awareness survey

- Since 2010, we have conducted anonymous questionnaires with a total of 46 questions on corporate philosophy, vision and strategy, employee autonomy, workplace culture, and compliance.
- Response rate: 95%. Survey results are reported to the Board of Directors.

■ Well-being survey

- First Japanese company to conduct a well-being survey that analyzes the correlation between employee and workplace happiness.
- In November 2020, we conducted a well-being survey of all employees of the Sekisui House Group, a total of approximately 27,000 people.

■ ESG Dialogue

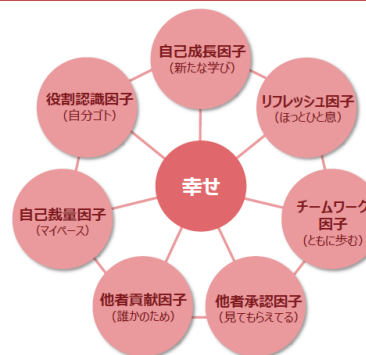
- Started ESG dialogue based on the theme "How to make employees, customers, and society happy through business" to bring about voluntary action and innovation.

1. [Individual] Happiness diagnosis Diagnosing the multifaceted happiness of employees



2. [Organization] Diagnosis of happiness and unhappiness in the workplace Diagnosing happiness and unhappiness in the workplace

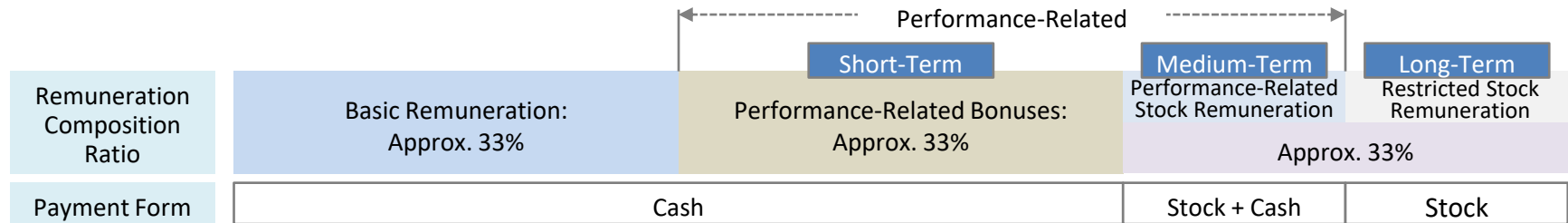
Seven things that make employees happy



Seven things that make employees unhappy



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



【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)

Governance Performance-based stock compensation ESG Management Indicators and numerical targets

Evaluation Period: Fiscal 2020 to 2022

Note: KPIs and numerical targets are decided annually for the following three fiscal years.

ESG Management Indicators		Numerical Target (January 31, 2023)	Weighting
E (Environment) Initiatives for a decarbonized society (Prevention of global warming)	ZEH ratio for detached houses	90%	40%
	Number of ZEH Sha Maison units	2,500 units per year	
S (Social) Promote diversity and workstyle	Number of female employees in managerial positions	260	30%
	Percentage of male employees taking paternity leave	98%	
	Percentage of employees taking annual paid leave	60%	
G (Governance) Clarification of the separation between management supervision and business execution, response to the Corporate Governance Code, increasing integrity	Review the overall design of the governance system	Strengthen the effectiveness of the Personnel Affairs and Remuneration Committee, review the role of the Management Meeting, reform the executive officer system	30%
	Enhance response to the Corporate Governance Code	Improve the level of disclosure through third-party reviews (comparison with TOPIX 100 companies)	
	Increase integrity at business management level	Create an integrity management training system for all employees in positions of responsibility	

Progress

- We are steadily selling off stocks, reducing the number of stocks by half.

	Number of stocks confirmed (listed stock)	Number of types sold		Number of stocks held at end of period (listed stock)	Consolidated net assets ratio (including unlisted stock holdings)
		All shares sold	A portion of shares sold		
FY2018	48	3	1	44 *1	5.8%
FY2019	44	13	0	31	5.5%
FY2020	32 (newly acquired: 1)	8	1	24	5.5%
FY2021	24	3	2	21	5.0%

Policy for reducing cross-shareholdings in the future

- In addition to the analysis of holding objectives of individual stock, from a perspective of increasing capital efficiency, we will reduce cross-shareholdings in phases. **We have set a specific target of reducing the ratio of cross-shareholdings to consolidated net assets to 5% or less during the period of the fifth mid-term management plan (to January 31, 2023).** We intend to further reduce cross-shareholdings during the period of the sixth mid-term management plan and beyond, considering the market environment and other factors.

*1 The number of stocks held decreased by a total of 4 due to the sale of all shares in 3 stocks as well as reorganizations that took place at certain issuers.

*2 Refers to the ratio of the “balance sheet amount of stocks for investment held for purposes other than pure investment,” stated in the annual securities report to consolidated net assets.

Governance

Progress of Corporate Governance Reforms (1)

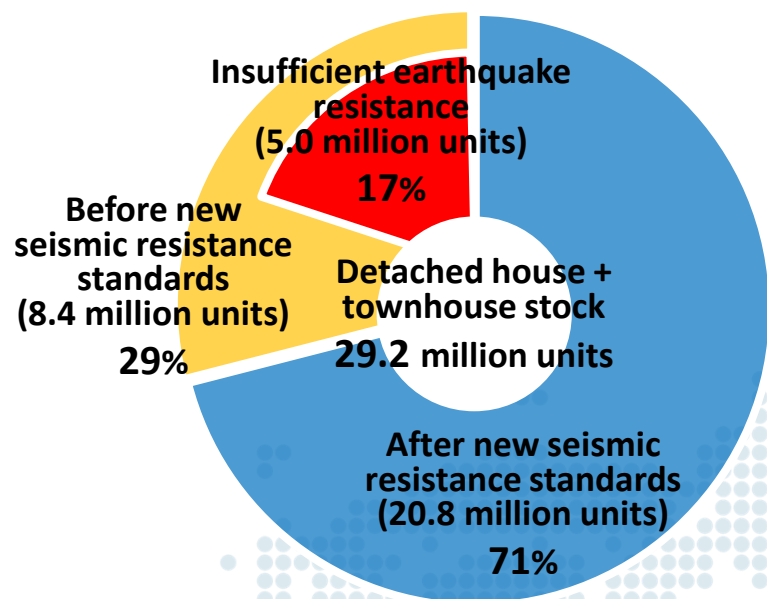
	Strategy	Date	Outline
1	Introduction of a mandatory retirement age of 70 for representative directors	Mar. 2018	Resolved at the meeting of Board of Directors
2	Appointment of women as External Directors	Apr. 2018	Approved at the General Meeting of Shareholders (Elected one female external director and 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

Governance

Progress of Corporate Governance Reforms (2)

	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
27	Improve objectivity and independence of the executive compensation determination process	Jan. 2022	Delegation of authority to determine individual compensation for directors and entrusted executive officers from the Board of Directors to the Personnel Affairs and Remuneration Committee

- **Seismic resistance:** 30% of existing detached houses do not meet seismic resistance standards, and 17% are deemed to have insufficient seismic resistance.
- **Insulation:** Only 13% of the housing stock meets current energy conservation standards.



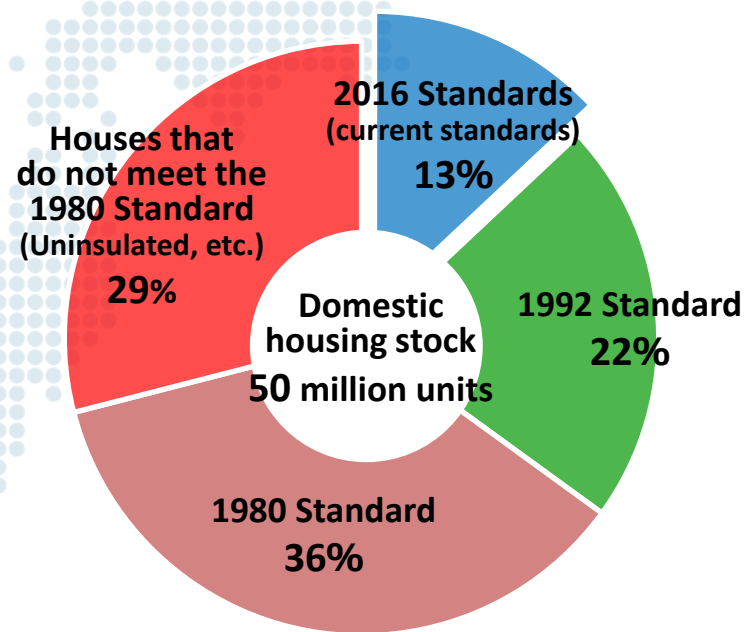
(Chart on the left)

Source: Compiled by the Company from the 2018 Housing and Land Survey's basic data on houses and households.

(Chart on the right)

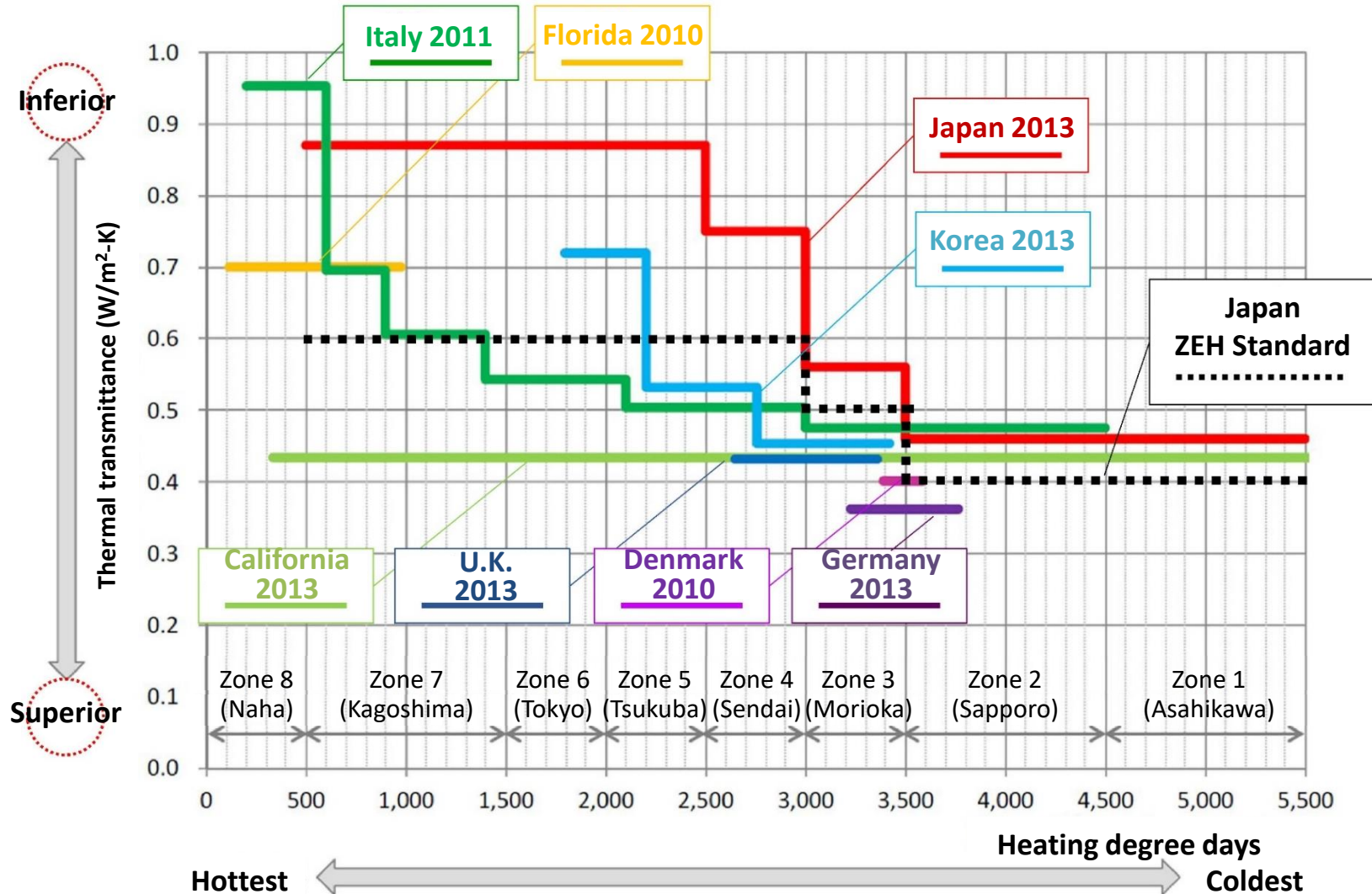
* Here, "current standard" refers to the insulation standard of the 2016 Energy Conservation Standards (energy consumption performance standard) of the Building Energy Efficiency Act (insulation performance equivalent to the insulation standard of the 1999 Energy Conservation Standards and the 2013 Energy Conservation Standards including standards for building owners, etc. of the Energy Conservation Law).

Source: "Recent Trends in Housing Administration" (Ministry of Land, Infrastructure, Transport and Tourism, 2021)



International Comparison of Energy Conservation Standards (Average Thermal Transmittance of Residential Exteriors)

- Japan's energy conservation standards lag behind other countries; even ZEH standards fall short of international standards



Source: "Trends in Overseas Energy Conservation Regulations and Standards" (Nomura Research Institute, Ltd., 2018), p. 24, edited by the Company.

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.