

# Sekisui House, Ltd.

**FY2021**

(February 1, 2021 through January 31, 2022)

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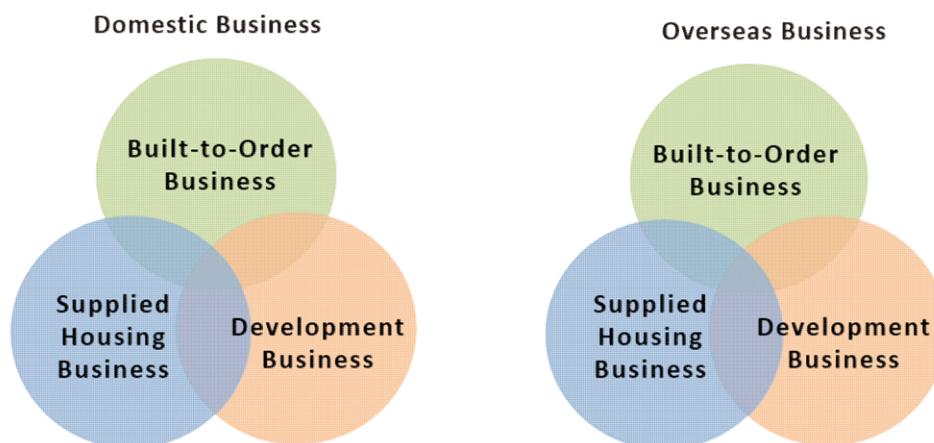
March 10, 2022

### Fundamental Policy of Fifth Mid-Term Management Plan

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

### Sekisui House's Goals

**Expand domestic and overseas businesses by  
offering integrated proposals of technologies,  
lifestyle design and services**



**Realize sustainable growth of Sekisui House Group  
through the organic growth of six business pillars.**

# 1 Overview

## Overview

**Net sales and profit reached record highs.**

**We aim to further increase sales and profit in FY2022, the final year of the Mid-Term Management Plan.**

**The annual dividend per share increased for the 10th consecutive year, up ¥6 year on year to ¥90.**

## Highlights

■ **Built-to-Order Business:** In the custom detached houses business and rental housing business, orders were strong due to high value-added proposals backed by technical capabilities, such as ZEH and the Family Suite.

Profitability improved despite soaring material prices, and both sales and profit increased.

The architectural/civil engineering business achieved its planned profit despite lower sales in a difficult business environment.

■ **Supplied Housing Business:** The continued aggressive promotion of proposal- and environment-based remodeling led to an increase in orders for large-scale remodeling and further profit margin growth.

The real estate management fees business maintained high occupancy rates and rents thanks to high-quality buildings in good locations and resident-first building management and services, leading to continued stable growth.

■ **Development Business:** In the houses for sale business, both sales and profit increased significantly thanks to the purchase of prime land and sales structure reinforcement.

Sales in the condominiums business were strong, including those in the high price range. Both sales and profit increased as closings progressed as planned.

Earnings in the urban redevelopment business were in line with the original plan.

■ **Overseas Business:** Sales and profit increased due to continued strong performance in the homebuilding business and master-planned community business in the United States. In the multifamily business, 3 properties were sold, as planned.

Holt Homes became a consolidated subsidiary in December, expanding our business area.

Sales and profit declined in Australia due to the slow recovery of the real estate market.

In China, the withdrawal of our business is progressing according to plan.

	FY2020 (20/2-21/1)		FY2021 (21/2-22/1)			
	Results	Margin	Results	Margin	YOY	
					Amount	%
<b>Net sales</b>	<b>2,446.9</b>		<b>2,589.5</b>		<b>142.6</b>	<b>5.8%</b>
Built-to-Order	984.9		998.6		13.7	1.4%
Supplied Housing	698.7		741.1		42.4	6.1%
Development	321.1		384.8		63.6	19.8%
Overseas	370.6		388.9		18.2	4.9%
<b>Gross profit</b>	<b>473.5</b>	<b>19.4%</b>	<b>528.8</b>	<b>20.4%</b>	<b>55.3</b>	<b>11.7%</b>
Built-to-Order	204.4	20.8%	224.6	22.5%	20.2	9.9%
Supplied Housing	127.7	18.3%	142.4	19.2%	14.7	11.5%
Development	59.1	18.4%	69.0	17.9%	9.8	16.7%
Overseas	77.4	20.9%	87.0	22.4%	9.6	12.4%
<b>SG&amp;A</b>	<b>286.9</b>		<b>298.7</b>		<b>11.7</b>	<b>4.1%</b>
<b>Operating income</b>	<b>186.5</b>	<b>7.6%</b>	<b>230.1</b>	<b>8.9%</b>	<b>43.6</b>	<b>23.4%</b>
Built-to-Order	95.3	9.7%	113.6	11.4%	18.3	19.2%
Supplied Housing	64.3	9.2%	76.0	10.3%	11.6	18.1%
Development	32.9	10.3%	38.3	10.0%	5.3	16.2%
Overseas	39.7	10.7%	50.1	12.9%	10.4	26.3%
<b>Non-operating income/expenses</b>	<b>(1.8)</b>		<b>(0.0)</b>		<b>1.7</b>	<b>-</b>
<b>Ordinary income</b>	<b>184.6</b>	<b>7.5%</b>	<b>230.0</b>	<b>8.9%</b>	<b>45.3</b>	<b>24.6%</b>
<b>Extraordinary income</b>	<b>3.5</b>		<b>6.5</b>		<b>2.9</b>	<b>80.9%</b>
<b>Extraordinary loss</b>	<b>2.7</b>		<b>2.2</b>		<b>(0.5)</b>	<b>(19.2%)</b>
<b>Profit attributable to owners of parent</b>	<b>123.5</b>	<b>5.0%</b>	<b>153.9</b>	<b>5.9%</b>	<b>30.3</b>	<b>24.6%</b>
<b>EPS (yen)</b>	<b>181.18</b>		<b>227.37</b>			

**Non-operating income/expenses**

- Equity in earnings (losses) of affiliates: ¥ (1.2 billion) (down ¥1.8 billion YOY)
- Foreign exchange gain(loss): ¥1.1 billion (up ¥4.7 billion YOY)
- Interest expenses: ¥3.8 billion (up ¥1.0 billion YOY)

**Extraordinary income**

- Liquidation of SPC and sale of factory in China business
- Gain on liquidation of subsidiaries and associates: ¥3.0 billion
- Gain on sales of shares of subsidiaries and affiliates: ¥2.2 billion

## State of Orders

Consolidated orders				Order backlog			
FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	YOY		FY2020 (Jan. 31, 2021)	FY2021 (Jan. 31, 2022)	Change	
		Amount	%			Amount	%
2,401.8	2,721.7	319.8	13.3%	1,363.4	1,512.5	149.1	10.9%

## 2 Financial Position

### Consolidated Balance Sheets

(¥ billion)

(Assets)	FY2020 (Jan. 31, 2021)	FY2021 (Jan. 31, 2022)	Amount changed	(Liabilities and net assets)	FY2020 (Jan. 31, 2021)	FY2021 (Jan. 31, 2022)	Amount changed
Total current assets	1,780.7	1,952.7	172.0	Total current liabilities	835.7	867.9	32.1
Real estate for sale *	923.9	1,176.6	252.7	Total long-term liabilities	421.2	412.3	(8.8)
Total noncurrent assets	845.1	848.4	3.3	Total liabilities	<b>1,256.9</b>	<b>1,280.2</b>	<b>23.2</b>
Total assets	<b>2,625.8</b>	<b>2,801.1</b>	<b>175.3</b>	Total net assets	<b>1,368.8</b>	<b>1,520.9</b>	<b>152.0</b>
				Total liabilities and net assets	<b>2,625.8</b>	<b>2,801.1</b>	<b>175.3</b>

\* Total of Buildings for sale, Land for sale in lots, and Undeveloped land for sale.

#### [Main factors of change]

- Assets: Real estate for sale increased. (including the impact of exchange rate fluctuations of ¥64.1 billion)
- Liabilities and net assets: Translation adjustments increased.

#### Real estate for sale by segment

Houses for sale: ¥152.1 billion (As of Jan. 31, 2021: ¥120.8 billion) Condominiums: ¥207.6 billion (As of Jan. 31, 2021: ¥146.4 billion)

Urban redevelopment: ¥68.8 billion (As of Jan. 31, 2021: ¥46.9 billion) Overseas: ¥748.0 billion (As of Jan. 31, 2021: ¥609.7 billion)

### State of Interest-bearing Debts

	FY2020 (Jan. 31, 2021)	FY2021 (Jan. 31, 2022)	Amount changed
Interest-bearing debts (¥ billion)	562.9	549.8	(13.1)
D/E ratio	42.4%	37.3%	(5.1p)
taking into account hybrid bonds	36.3%	31.9%	(4.4p)
Equity ratio	50.5%	52.6%	2.1p

### State of Cash Flows

(¥ billion)

	FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	Amount changed
Net cash provided by (used in) operating activities	191.9	118.0	(73.9)
Net cash provided by (used in) investing activities	(95.5)	(113.7)	(18.2)
Free cash flow	96.4	4.3	(92.1)
Net cash provided by (used in) financing activities	(77.6)	(111.7)	(34.0)
Net increase (decrease) in cash and cash equivalents	16.9	(87.2)	(104.1)
Cash and cash equivalents at beginning of period	583.2	600.2	
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	2.1	
Cash and cash equivalents at end of period	600.2	515.1	

#### [Main factors of change]

- (Increase) decrease in inventories: Previous period ¥71.8 billion, Current period: ¥(85.5 billion)
- (Increase) decrease in notes and accounts receivable: Previous period ¥(10.2 billion), Current period: ¥13.4 billion

### State of Investment

(¥ billion)

	FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	Amount changed	FY2022 Full-year plan
Capital expenditures	96.6	89.5	(7.0)	80.0
Depreciation and amortization	21.7	24.0	2.3	26.0

### 3 Segment Information

#### Built-to-Order Business

(¥ billion)

	Net sales			
	FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	YOY	
			Amount	%
Custom detached houses	323.3	352.7	29.4	9.1%
Rental housing	358.7	384.0	25.2	7.0%
Architectural / Civil engineering	302.8	261.9	(40.9)	(13.5%)
Total	984.9	998.6	13.7	1.4%

Gross margin		
FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	Change
25.6%	26.5%	0.9p
24.6%	25.7%	1.1p
11.1%	12.5%	1.4p
20.8%	22.5%	1.7p

	Operating income			
	FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	YOY	
			Amount	%
Custom detached houses	32.2	42.4	10.2	31.8%
Rental housing	47.0	56.0	8.9	19.1%
Architectural / Civil engineering	16.0	15.1	(0.9)	(5.6%)
Total	95.3	113.6	18.3	19.2%

Operating margin		
FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	Change
10.0%	12.0%	2.0p
13.1%	14.6%	1.5p
5.3%	5.8%	0.5p
9.7%	11.4%	1.7p

(¥ billion)

	Orders			
	FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	YOY	
			Amount	%
Custom detached houses	322.3	353.2	30.9	9.6%
Rental housing	354.9	390.1	35.2	9.9%
Architectural / Civil engineering	278.6	333.6	54.9	19.7%
Total	955.9	1,077.1	121.1	12.7%

Order backlog		
FY2020 (Jan. 31, 2021)	FY2021 (Jan. 31, 2022)	Amount changed
183.2	183.8	0.5
372.7	378.8	6.1
362.4	434.1	71.7
918.4	996.8	78.4

	ASP per building (10 thousand yen)		
	FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	Amount changed
Custom detached houses	4,138	4,265	127
Rental housing	11,796	12,656	860

#### ■ Custom detached houses business

Ratio of Green First Zero: 89% (April through January)

Ratio of three- and four-story housing (in value): 9.5%

#### ■ Rental housing business

Ratio of three- and four-story housing (in value): 79.0%

#### Supplied Housing Business

(¥ billion)

	Net sales			
	FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	YOY	
			Amount	%
Remodeling	141.0	156.1	15.0	10.7%
Real estate management fees	557.6	584.9	27.3	4.9%
Total	698.7	741.1	42.4	6.1%

Gross margin		
FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	Change
27.7%	28.6%	0.9p
15.9%	16.7%	0.8p
18.3%	19.2%	0.9p

	Operating income			
	FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	YOY	
			Amount	%
Remodeling	20.4	25.5	5.0	24.7%
Real estate management fees	43.8	50.4	6.6	15.1%
Total	64.3	76.0	11.6	18.1%

Operating margin		
FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	Change
14.5%	16.4%	1.9p
7.9%	8.6%	0.7p
9.2%	10.3%	1.1p

(¥ billion)

	Orders			
	FY2020 (20/2-21/1)	FY2021 (21/2-22/1)	YOY	
			Amount	%
Remodeling	141.6	160.9	19.2	13.6%
Real estate management fees	557.6	584.9	27.3	4.9%
Total	699.3	745.9	46.6	6.7%

Order backlog		
FY2020 (Jan. 31, 2021)	FY2021 (Jan. 31, 2022)	Amount changed
28.5	33.3	4.7
—	—	—
28.5	33.3	4.7

#### ■ Real estate management fees business

Number of units under management: 674 thousand

Occupancy ratio: 97.9% (up 0.2p from the end of the previous year)

### 3 Segment Information

#### Development Business

(¥ billion)

	Net sales			
	FY2020	FY2021	YOY	
	(20/2-21/1)	(21/2-22/1)	Amount	%
Houses for sale	139.1	191.4	52.3	37.6%
Condominiums	77.0	90.6	13.5	17.5%
Urban redevelopment	104.9	102.7	(2.2)	(2.1%)
Total	321.1	384.8	63.6	19.8%

Gross margin		
FY2020	FY2021	Change
(20/2-21/1)	(21/2-22/1)	
17.4%	18.0%	0.6p
19.6%	22.0%	2.4p
18.9%	14.3%	(4.6p)
18.4%	17.9%	(0.5p)

	Operating income			
	FY2020	FY2021	YOY	
	(20/2-21/1)	(21/2-22/1)	Amount	%
Houses for sale	7.5	14.5	6.9	91.8%
Condominiums	8.8	12.4	3.6	41.6%
Urban redevelopment	16.5	11.2	(5.2)	(31.9%)
Total	32.9	38.3	5.3	16.2%

Operating margin		
FY2020	FY2021	Change
(20/2-21/1)	(21/2-22/1)	
5.5%	7.6%	2.1p
11.4%	13.8%	2.4p
15.8%	11.0%	(4.8p)
10.3%	10.0%	(0.3p)

(¥ billion)

	Orders			
	FY2020	FY2021	YOY	
	(20/2-21/1)	(21/2-22/1)	Amount	%
Houses for sale	145.3	201.8	56.5	38.9%
Condominiums	80.9	83.9	2.9	3.7%
Urban redevelopment	103.2	98.8	(4.3)	(4.2%)
Total	329.5	384.7	55.1	16.7%

Order backlog		
FY2020	FY2021	Amount changed
(Jan. 31, 2021)	(Jan. 31, 2022)	
47.7	58.1	10.4
91.6	84.9	(6.6)
28.9	25.0	(3.8)
168.2	168.1	(0.0)

#### Urban redevelopment business

Sales from property sales: ¥70.1 billion (Previous period: ¥72.4 billion)  
Profit from property sales: ¥13.7 billion (Previous period: ¥15.5 billion)

#### Overseas Business

(¥ billion)

	FY2020	FY2022	YOY	
	(20/2-21/1)	(21/2-22/1)	Amount	%
Net sales	370.6	388.9	18.2	4.9%
Operating income	39.7	50.1	10.4	26.3%
Orders	347.9	432.7	84.7	24.4%

	FY2020	FY2021	Change
	(20/2-21/1)	(21/2-22/1)	
Gross margin	20.9%	22.4%	1.5p
Operating margin	10.7%	12.9%	2.2p
Order backlog (¥ billion)	FY2020 (Jan. 31, 2021)	FY2021 (Jan. 31, 2022)	Amount changed
	199.6	260.4	60.8

#### Overseas Business / Details by country

(¥ billion)

Country	FY2021 (21/2-22/1)				
	Net sales	Operating income	Ordinary income	Orders	Exchange rate(yen)
Australia	34.3	(3.9)	(3.9)	65.9	82.37
China	57.0	7.9	8.8	29.0	17.03
U.S.A	297.4	47.4	45.4	337.6	109.84
Singapore *			0.5		81.83
U.K.*			(1.7)		150.96
Other	0.1	(1.2)	(1.2)	0.1	—
Total	388.9	50.1	47.9	432.7	—

FY2021 (Jan. 31, 2022)	
Order backlog	Investment balance
65.6	164.5
19.4	21.5
175.3	581.3
	36.3
	8.0
—	—
260.4	811.7

Country	FY2020 (20/2-21/1)				
	Net sales	Operating income	Ordinary income	Orders	Exchange rate(yen)
Australia	37.9	0.5	0.5	45.2	73.89
China	91.8	14.9	16.4	38.6	15.44
U.S.A	240.7	25.2	24.7	263.9	106.67
Singapore *			1.7		77.56
U.K.*			(0.8)		137.41
Other	0.1	(0.9)	(0.9)	0.1	—
Total	370.6	39.7	41.7	347.9	—

FY2020 (Jan. 31, 2021)	
Order backlog	Investment balance
34.0	149.1
47.4	52.2
118.1	428.4
	45.7
	3.4
—	—
199.6	678.9

\* Accounted for by the equity method.

### 3 Segment Information

(¥ billion)

		FY2020 (20/2-21/1)					FY2021 (21/2-22/1)				
		Net sales	Operating income	Operating margin	Gross margin	Orders	Net sales	Operating income	Operating margin	Gross margin	Orders
Built-to-Order Business	Custom detached houses	323.3	32.2	10.0%	25.6%	322.3	352.7	42.4	12.0%	26.5%	353.2
	Rental housing	358.7	47.0	13.1%	24.6%	354.9	384.0	56.0	14.6%	25.7%	390.1
	Architectural / Civil engineering	302.8	16.0	5.3%	11.1%	278.6	261.9	15.1	5.8%	12.5%	333.6
	Subtotal	984.9	95.3	9.7%	20.8%	955.9	998.6	113.6	11.4%	22.5%	1,077.1
Supplied Housing Business	Remodeling	141.0	20.4	14.5%	27.7%	141.6	156.1	25.5	16.4%	28.6%	160.9
	Real estate management fees	557.6	43.8	7.9%	15.9%	557.6	584.9	50.4	8.6%	16.7%	584.9
	Subtotal	698.7	64.3	9.2%	18.3%	699.3	741.1	76.0	10.3%	19.2%	745.9
Development Business	Houses for sale	139.1	7.5	5.5%	17.4%	145.3	191.4	14.5	7.6%	18.0%	201.8
	Condominiums	77.0	8.8	11.4%	19.6%	80.9	90.6	12.4	13.8%	22.0%	83.9
	Urban redevelopment	104.9	16.5	15.8%	18.9%	103.2	102.7	11.2	11.0%	14.3%	98.8
	Subtotal	321.1	32.9	10.3%	18.4%	329.5	384.8	38.3	10.0%	17.9%	384.7
Overseas Business		370.6	39.7	10.7%	20.9%	347.9	388.9	50.1	12.9%	22.4%	432.7
Other Businesses		71.3	(2.4)	(3.5%)	10.8%	69.0	75.9	(1.2)	(1.6%)	11.9%	81.1
Eliminations and back office		—	(43.3)	—	—	—	—	(46.7)	—	—	—
Total		2,446.9	186.5	7.6%	19.4%	2,401.8	2,589.5	230.1	8.9%	20.4%	2,721.7

### 4 Full-Year Plan For FY2022

(¥ billion)

	FY2021 (21/2-22/1) Results	FY2022 (22/2-23/1)	
		Plan	YOY
Net sales	2,589.5	2,787.0	7.6%
Gross margin	528.8	553.0	4.6%
Operating income	230.1	236.0	2.5%
Ordinary income	230.0	234.0	1.7%
Profit attributable to owners of parent	153.9	158.0	2.7%
EPS (yen)	227.37	236.99	4.2%
ROA	8.6%	8.3%	—
ROE	11.0%	10.5%	—
Dividend per share (yen)	90.00	94.00	4.00
Payout ratio	39.6%	39.7%	—

## 4 Full-Year Plan For FY2022 by Segment

Sales		(¥ billion)			
		FY2021 (21/2-22/1) Results	FY2022 (Full-Year) (22/2-23/1)		
			Plan	Amount changed	YOY
Built-to-Order Business	Custom detached houses	352.7	368.0	15.2	4.3%
	Rental housing	384.0	406.0	21.9	5.7%
	Architectural / Civil engineering	261.9	327.0	65.0	24.8%
	Subtotal	998.6	1,101.0	102.3	10.2%
Supplied Housing Business	Remodeling	156.1	164.0	7.8	5.0%
	Real estate management fees	584.9	612.0	27.0	4.6%
	Subtotal	741.1	776.0	34.8	4.7%
Development Business	Houses for sale	191.4	208.0	16.5	8.6%
	Condominiums	90.6	91.0	0.3	0.4%
	Urban redevelopment	102.7	117.2	14.4	14.1%
	Subtotal	384.8	416.2	31.3	8.1%
Overseas Business		388.9	414.8	25.8	6.6%
Other Businesses		75.9	79.0	3.0	4.0%
Total		2,589.5	2,787.0	197.4	7.6%

Orders		(¥ billion)			
		FY2021 (21/2-22/1) Results	FY2022 (Full-Year) (22/2-23/1)		
			Plan	Amount changed	YOY
Built-to-Order Business		353.2	368.0	14.7	4.2%
		390.1	408.0	17.8	4.6%
		333.6	334.0	0.3	0.1%
		1,077.1	1,110.0	32.8	3.1%
Supplied Housing Business		160.9	166.0	5.0	3.1%
		584.9	612.0	27.0	4.6%
		745.9	778.0	32.0	4.3%
Development Business		201.8	208.0	6.1	3.0%
		83.9	93.0	9.0	10.8%
		98.8	98.0	(0.8)	(0.9%)
		384.7	399.0	14.2	3.7%
Overseas Business		432.7	387.0	(45.7)	(10.6%)
Other Businesses		81.1	79.0	(2.1)	(2.7%)
Total		2,721.7	2,753.0	31.2	1.1%

Operating income		(¥ billion)			
		FY2021 (21/2-22/1) Results	FY2022 (Full-Year) (22/2-23/1)		
			Plan	Amount changed	YOY
Built-to-Order Business	Custom detached houses	42.4	43.5	1.0	2.4%
	Rental housing	56.0	58.0	1.9	3.5%
	Architectural / Civil engineering	15.1	15.7	0.5	3.7%
	Subtotal	113.6	117.2	3.5	3.1%
Supplied Housing Business	Remodeling	25.5	26.5	0.9	3.7%
	Real estate management fees	50.4	52.5	2.0	4.0%
	Subtotal	76.0	79.0	2.9	3.9%
Development Business	Houses for sale	14.5	15.0	0.4	3.1%
	Condominiums	12.4	11.0	(1.4)	(11.9%)
	Urban redevelopment	11.2	10.0	(1.2)	(11.3%)
	Subtotal	38.3	36.0	(2.3)	(6.0%)
Overseas Business		50.1	54.0	3.8	7.7%
Other Businesses		(1.2)	0.0	1.2	—
Eliminations and back office		(46.7)	(50.2)	(3.4)	—
Total		230.1	236.0	5.8	2.5%

Operating margin		Gross margin	
FY2021 (21/2-22/1) Results	FY2022 (22/2-23/1) Plan	FY2021 (21/2-22/1) Results	FY2022 (22/2-23/1) Plan
12.0%	11.8%	26.5%	26.0%
14.6%	14.3%	25.7%	25.5%
5.8%	4.8%	12.5%	10.7%
11.4%	10.6%	22.5%	21.3%
16.4%	16.2%	28.6%	28.7%
8.6%	8.6%	16.7%	16.7%
10.3%	10.2%	19.2%	19.2%
7.6%	7.2%	18.0%	16.8%
13.8%	12.1%	22.0%	20.3%
11.0%	8.5%	14.3%	11.9%
10.0%	8.6%	17.9%	16.2%
12.9%	13.0%	22.4%	23.3%
(1.6%)	0.0%	11.9%	12.7%
—	—	—	—
8.9%	8.5%	20.4%	19.8%

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