

First Quarter of FY2022

(February 1, 2022 through April 30, 2022)

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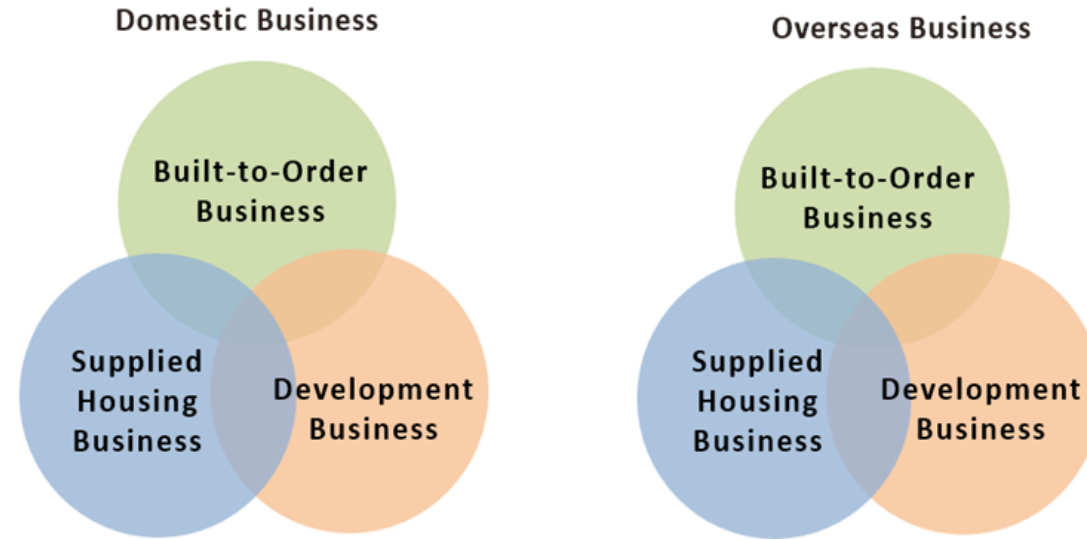
June 9, 2022

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

- Reflecting the order backlog at the end of the previous fiscal year, construction and property sales progressed smoothly, resulting in record-high sales and profit for the first quarter. The impact of soaring materials prices requires continued attention.
- The success of high value-added proposals that contribute to the happiness of residents led to continued strong performance in housing businesses in Japan and overseas. Orders increased 14% year on year.

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	(¥ billion) YOY
Net sales	608.5	743.6	135.0	22.2%
Gross profit	125.1	163.1	38.0	30.4%
Gross margin	20.6%	21.9%	1.3p	—
SG&A	70.4	75.4	4.9	7.0%
Operating income	54.6	87.7	33.0	60.5%
Operating margin	9.0%	11.8%	2.8p	—
Non-operating income/expenses	0.9	(1.6)	(2.6)	—
Ordinary income	55.6	86.1	30.4	54.8%
Extraordinary income	—	—	—	—
Extraordinary loss	0.5	2.5	1.9	326.0%
Profit attributable to owners of parent	36.1	57.4	21.3	58.9%
EPS(yen)	53.20	85.40		

Main components of non-operating income (expenses)

Equity in earnings (losses) of affiliates: ¥(1.7) billion(Down ¥1.6 billion YOY)

(Loss on revaluation of investment in U.K.-based Urban Splash House Holdings and other factors)

Main components of extraordinary losses

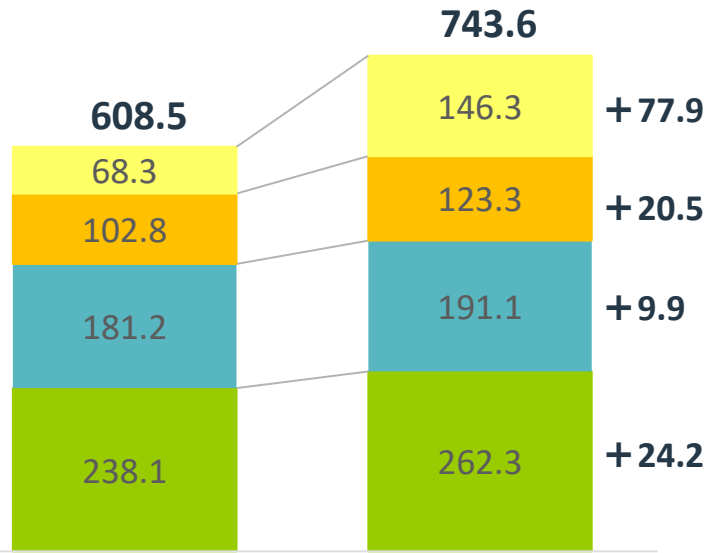
Losses related to loans to U.K.-based Urban Splash House Holdings due to that company's liquidation proceedings

- Provision of allowance for doubtful accounts: ¥1.8 billion

1. Overview by Business model

(¥ billion)

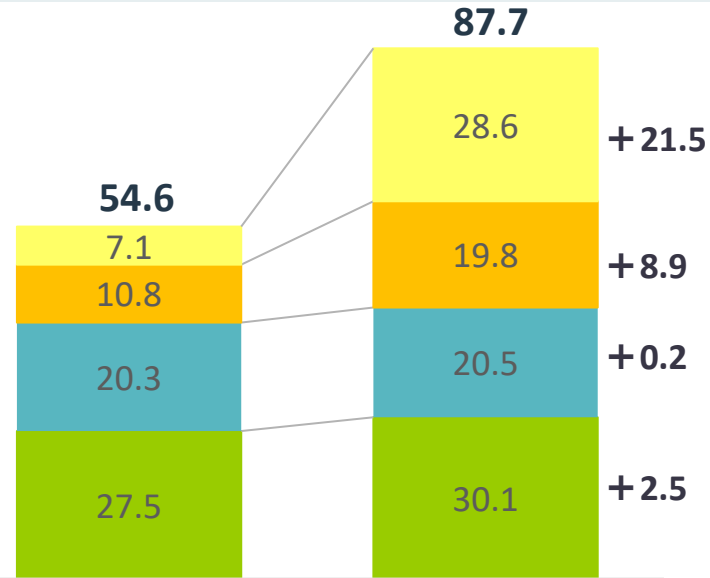
Net sales



FY2021 (21/2-21/4) FY2022 (22/2-22/4)

■ Built-to-Order Business ■ Supplied Housing Business
■ Development Business ■ Overseas Business

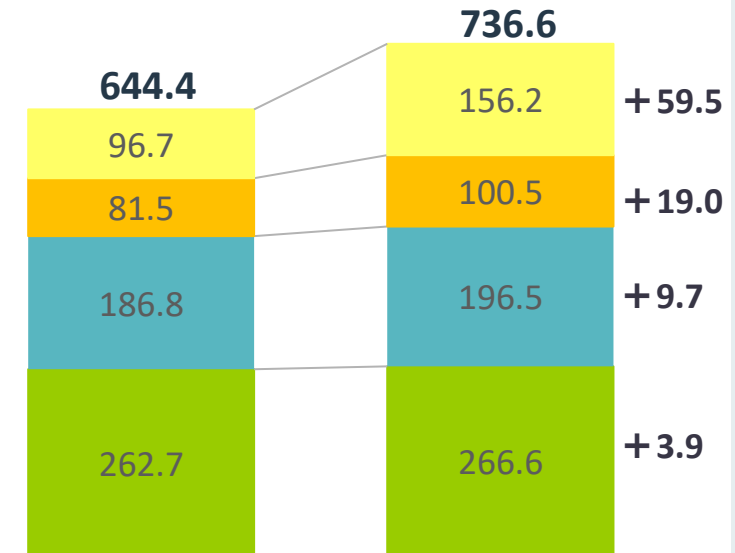
Operating income



FY2021 (21/2-21/4) FY2022 (22/2-22/4)

■ Built-to-Order Business ■ Supplied Housing Business
■ Development Business ■ Overseas Business

orders

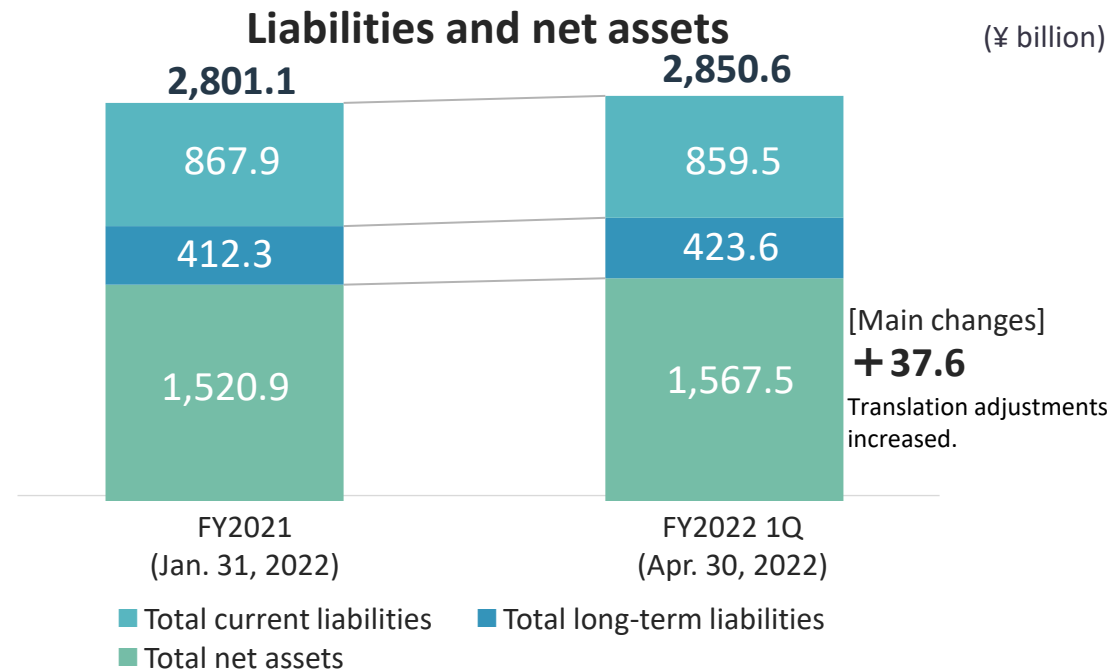
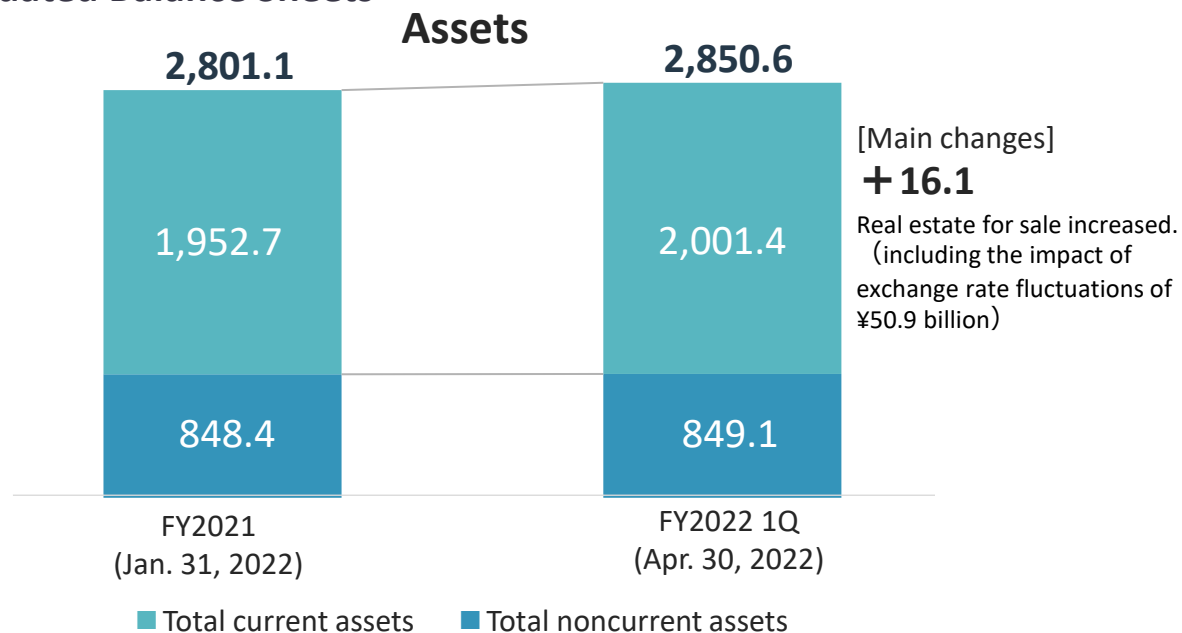


FY2021 (21/2-21/4) FY2022 (22/2-22/4)

■ Built-to-Order Business ■ Supplied Housing Business
■ Development Business ■ Overseas Business

2. Financial Position

Consolidated Balance Sheets



Real estate for sale by segment

(¥ billion)

	FY2021 (Jan. 31, 2022)	FY2022 1Q (Apr. 30, 2022)	Amount changed
Real estate for sale *	1,176.6	1,192.8	16.1
Houses for sale	152.1	169.1	16.9
Condominiums	207.6	200.3	(7.3)
Urban redevelopment	68.8	48.9	(19.8)
Overseas	748.0	774.4	26.4

State of Interest-bearing Debts

	FY2021 (Jan. 31, 2022)	FY2022 1Q (Apr. 30, 2022)	Amount changed
Interest-bearing debts (¥billion)	549.8	607.1	57.2
D/E ratio	37.3%	40.0%	2.7p
taking into account hybrid bonds	31.9%	34.6%	2.7p
Equity ratio	52.6%	53.3%	0.7p

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

3. State of Cash Flows, State of Investment

State of Cash Flows

(¥ billion)

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed
Net cash provided by (used in) operating activities	0.4	28.6	28.1
Net cash provided by (used in) investing activities	(26.8)	(17.6)	9.2
Free cash flow	(26.3)	11.0	37.4
Net cash provided by (used in) financing activities	(30.6)	(17.6)	12.9
Cash and cash equivalents at end of period	557.5	520.2	(37.2)

[Main changes]

- (Increase) decrease in inventories: Previous period ¥(7.7) billion, Current period: ¥30.3 billion

State of Investment

(¥ billion)

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	FY2022 Full-year plan
Capital expenditures	25.1	19.1	(5.9)	80.0
Depreciation and amortization	5.6	5.8	0.1	26.0

4. Segment Information (Built-to-Order Business)

- In the custom detached houses and rental housing businesses, both sales and profit increased, reflecting high value-added proposals and high sales volume, despite the continued impact of soaring material prices.
- Family Suite and PLATFORM HOUSE touch products in custom detached houses and Sha Maison ZEH in rental housing were well received, and orders remained strong.
- The architectural/civil engineering business saw decreases in sales and profit due to a difference in the number of projects.

Net sales (¥ billion)

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	YOY
Custom detached houses	74.6	84.6	9.9	13.4%
Rental housing	89.3	105.3	15.9	17.9%
Architectural / Civil engineering	74.0	72.3	(1.6)	(2.3%)
Total	238.1	262.3	24.2	10.2%

Gross margin

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Change
Custom detached houses	26.8%	26.4%	(0.4p)
Rental housing	25.8%	25.7%	(0.1p)
Architectural / Civil engineering	15.1%	12.3%	(2.8p)
Total	22.8%	22.2%	(0.6p)

Operating income (¥ billion)

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	YOY
Custom detached houses	9.3	10.4	1.1	12.1%
Rental housing	11.3	15.0	3.7	32.8%
Architectural / Civil engineering	6.8	4.6	(2.2)	(32.6%)
Total	27.5	30.1	2.5	9.4%

Operating margin

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Change
Custom detached houses	12.5%	12.3%	(0.2p)
Rental housing	12.7%	14.3%	1.6p
Architectural / Civil engineering	9.3%	6.4%	(2.9p)
Total	11.6%	11.5%	(0.1p)

4. Segment Information (Built-to-Order Business)

Orders (¥ billion)

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	YOY
Custom detached houses	82.4	87.6	5.1	6.3%
Rental housing	96.1	95.7	(0.3)	(0.4%)
Architectural / Civil engineering	84.1	83.3	(0.8)	(1.0%)
Total	262.7	266.6	3.9	1.5%

Order backlog (¥ billion)

	FY2021 (Jan. 31, 2022)	FY2022 1Q (Apr. 30, 2022)	Amount changed
Custom detached houses	183.8	186.8	2.9
Rental housing	378.8	369.2	(9.6)
Architectural / Civil engineering	434.1	445.0	10.9
Total	996.8	1,001.1	4.3

ASP per building (10 thousand yen)

	FY2021 (21/2-22/1)	FY2022 (22/2-22/4)	Amount changed
Custom detached houses	4,265	4,394	129
Rental housing	12,656	13,964	1,308

- Custom detached houses business
Ratio of Green First Zero: 93% (as of Apr. 30, 2022)
Ratio of three- and four-story housing (in value): 10.8%
- Rental housing business
Ratio of three- and four-story housing (in value): 85.7%

4. Segment Information (Supplied Housing Business)

- In the remodeling business, we continued to promote proposal- and environment-based remodeling for detached houses as well as renovation proposals aimed at maintaining and increasing rental housing asset value. The profit margin continued to improve, due partly to an increase in large-scale remodeling orders.
- 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. The establishment of Sekisui House Real Estate Holdings caused a temporary increase in costs.

Net sales (¥ billion)

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	YOY
Remodeling	34.4	36.0	1.6	4.7%
Real estate management fees	146.8	155.1	8.3	5.7%
Total	181.2	191.1	9.9	5.5%

Gross margin

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Change
Remodeling	28.7%	28.8%	0.1p
Real estate management fees	18.3%	17.5%	(0.8p)
Total	20.2%	19.6%	(0.6p)

Operating income (¥ billion)

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	YOY
Remodeling	5.2	5.6	0.4	9.0%
Real estate management fees	15.0	14.8	(0.2)	(1.3%)
Total	20.3	20.5	0.2	1.3%

Operating margin

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Change
Remodeling	15.2%	15.8%	0.6p
Real estate management fees	10.3%	9.6%	(0.7p)
Total	11.2%	10.8%	(0.4p)

4. Segment Information (Supplied Housing Business)

	Orders (¥ billion)				Order backlog (¥ billion)		
	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	YOY	FY2021 (Jan. 31, 2022)	FY2022 1Q (Apr. 30, 2022)	Amount changed
Remodeling	39.9	41.4	1.4	3.5%	33.3	38.7	5.3
Real estate management fees	146.8	155.1	8.3	5.7%	—	—	—
Total	186.8	196.5	9.7	5.2%	33.3	38.7	5.3

Real estate management fees business : Number of units under management / Occupancy ratio

	FY2021 (Jan. 31, 2022)	FY2022 1Q (Apr. 30, 2022)	Change
Number of units under management (thousand)	674	679	5
Occupancy ratio	97.9%	98.4%	0.5p

4. Segment Information (Development Business)

- In the houses for sale business, performance, including orders, remained strong thanks to continued efforts to reinforce the procurement of prime land.
- In the condominiums business, the deliveries of GRANDE MAISON Shin-Umeda Tower THE CLUB RESIDENCE and other properties contributed to sales. Property sales remained strong, including in the high-end segment, thanks to property development in targeted areas.
- In the urban redevelopment business, sales of properties to Sekisui House Reit and others were executed as planned.

Net sales (¥ billion)

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	YOY
Houses for sale	40.3	52.9	12.6	31.5%
Condominiums	20.7	36.5	15.8	76.2%
Urban redevelopment	41.7	33.8	(7.9)	(19.1%)
Total	102.8	123.3	20.5	20.0%

Gross margin

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Change
Houses for sale	19.3%	18.6%	(0.7p)
Condominiums	21.9%	29.2%	7.3p
Urban redevelopment	13.6%	21.7%	8.1p
Total	17.5%	22.6%	5.1p

Operating income (¥ billion)

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	YOY
Houses for sale	3.1	4.6	1.5	49.5%
Condominiums	3.2	8.6	5.3	162.4%
Urban redevelopment	4.4	6.5	2.0	47.3%
Total	10.8	19.8	8.9	83.0%

Operating margin

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Change
Houses for sale	7.8%	8.8%	1.0p
Condominiums	15.9%	23.7%	7.8p
Urban redevelopment	10.6%	19.2%	8.6p
Total	10.5%	16.1%	5.6p

4. Segment Information (Development Business)

Orders (¥ billion)

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	YOY
Houses for sale	47.0	65.3	18.3	39.0%
Condominiums	20.2	21.4	1.2	6.1%
Urban redevelopment	14.2	13.6	(0.5)	(3.9%)
Total	81.5	100.5	19.0	23.3%

Order backlog (¥ billion)

	FY2021 (Jan. 31, 2022)	FY2022 1Q (Apr. 30, 2022)	Amount changed
Houses for sale	58.1	70.5	12.3
Condominiums	84.9	69.9	(15.0)
Urban redevelopment	25.0	4.9	(20.1)
Total	168.1	145.3	(22.7)

Urban redevelopment business : Property sales (¥ billion)

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed
Sales from property sales	33.8	25.2	(8.5)
Profit from property sales	4.8	6.5	1.7

4. Segment Information (Overseas Business)

- In the United States, performance remained strong in the homebuilding and the master-planned community businesses. We aim for further business expansion with the acquisition of Chesmar Homes, which operates in Texas. In the multifamily business, 2 properties of 4 planned for the fiscal year were sold.
- In Australia, the deliveries of condominiums that had been delayed by the COVID-19 pandemic and the sale of land led to increased sales and profit.
- In China, business withdrawal progressed steadily with the delivery of condominiums in Taicang.

(¥ billion)

	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	YOY
Net sales	68.3	146.3	77.9	114.2%
Gross margin	21.7%	25.8%	4.1p	—
Operating income	7.1	28.6	21.5	302.8%
Operating margin	10.4%	19.6%	9.2p	—
Orders	96.7	156.2	59.5	61.5%

	FY2021 (Jan. 31, 2022)	FY2022 1Q (Apr. 30, 2022)	Amount changed
Order backlog	260.4	270.4	9.9

	FY2021 (Jan. 31, 2022)	FY2022 1Q (Apr. 30, 2022)	Amount changed
Investment balance	811.7	833.1	21.4
U.S.A	581.3	619.2	37.9
Australia	164.5	162.3	(2.2)
China	21.5	14.5	(7.0)
Singapore	36.3	36.3	—
U.K.	8.0	0.7	(7.3)

4. Segment Information (Overseas Business / Details by country)

	Net sales			Operating income			Ordinary income		
	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed
U.S.A	49.3	101.4	52.1	6.5	20.9	14.4	6.2	20.5	14.3
Multifamily business	0.4	33.5	33.1	(0.0)	7.5	7.5	-	-	-
Master-planned community business	17.0	22.3	5.3	3.7	6.7	3.0	-	-	-
Homebuilding	31.8	45.3	13.5	2.6	6.1	3.5	-	-	-
Australia	14.0	32.9	18.9	0.6	4.8	4.2	0.6	4.8	4.2
China	4.8	11.8	7.0	0.2	3.2	3.0	0.8	3.2	2.4
Singapore *	-	-	-	-	-	-	0.2	0.1	(0.0)
U.K.*	-	-	-	-	-	-	(0.1)	(1.7)	(1.6)
Other	0.0	0.0	(0.0)	(0.2)	(0.3)	(0.1)	(0.2)	(0.2)	(0.0)
Total	68.3	146.3	77.9	7.1	28.6	21.5	7.4	26.8	19.4

* Accounted for by the equity method.

	Orders			Order backlog		
	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	Amount changed	FY2021 (Jan. 31, 2022)	FY2022 1Q (Apr. 30, 2022)	Amount changed
U.S.A	77.8	104.2	26.4	175.3	178.0	2.7
Multifamily business	0.4	1.4	1.0	32.1	-	(32.1)
Master-planned community business	20.5	26.7	6.2	51.8	56.3	4.5
Homebuilding	56.8	75.2	18.4	91.3	121.2	29.9
Australia	12.7	50.9	38.2	65.6	83.5	17.9
China	6.0	1.1	(4.9)	19.4	8.7	(10.7)
Total	96.7	156.2	59.5	260.4	270.4	9.9

Reference : Exchange rate

(yen)	Average rate		
	FY2021 (21/2-21/4)	FY2022 (22/2-22/4)	FY2022 (Initial plan)
U.S.A	106.24	117.10	114.00
Australia	81.65	84.79	83.00
China	16.31	18.43	17.80
Singapore	79.71	86.53	84.00
U.K.	145.94	156.36	154.00

4. Segment Information

(¥ billion)

		FY2021 (21/2-21/4)					FY2022 (22/2-22/4)				
		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	74.6	9.3	12.5%	26.8%	82.4	84.6	10.4	12.3%	26.4%	87.6
	Rental housing	89.3	11.3	12.7%	25.8%	96.1	105.3	15.0	14.3%	25.7%	95.7
	Architectural / Civil engineering	74.0	6.8	9.3%	15.1%	84.1	72.3	4.6	6.4%	12.3%	83.3
	Subtotal	238.1	27.5	11.6%	22.8%	262.7	262.3	30.1	11.5%	22.2%	266.6
Supplied Housing Business	Remodeling	34.4	5.2	15.2%	28.7%	39.9	36.0	5.6	15.8%	28.8%	41.4
	Real estate management fees	146.8	15.0	10.3%	18.3%	146.8	155.1	14.8	9.6%	17.5%	155.1
	Subtotal	181.2	20.3	11.2%	20.2%	186.8	191.1	20.5	10.8%	19.6%	196.5
Development Business	Houses for sale	40.3	3.1	7.8%	19.3%	47.0	52.9	4.6	8.8%	18.6%	65.3
	Condominiums	20.7	3.2	15.9%	21.9%	20.2	36.5	8.6	23.7%	29.2%	21.4
	Urban redevelopment	41.7	4.4	10.6%	13.6%	14.2	33.8	6.5	19.2%	21.7%	13.6
	Subtotal	102.8	10.8	10.5%	17.5%	81.5	123.3	19.8	16.1%	22.6%	100.5
Overseas Business		68.3	7.1	10.4%	21.7%	96.7	146.3	28.6	19.6%	25.8%	156.2
Other Businesses		18.0	(0.2)	(1.4%)	12.7%	16.6	20.4	(0.0)	(0.1%)	12.6%	16.5
Eliminations and back office		—	(10.8)	—	—	—	—	(11.3)	—	—	—
Total		608.5	54.6	9.0%	20.6%	644.4	743.6	87.7	11.8%	21.9%	736.6

5. Full-Year Plan For FY2022

	FY2021 (21/2-22/1) Results	FY2022 (22/2-23/1) Plan	Amount changed	(¥ billion) YOY
Net sales	2,589.5	2,787.0	197.4	7.6%
Gross margin	528.8	553.0	24.1	4.6%
Operating income	230.1	236.0	5.8	2.5%
Ordinary income	230.0	234.0	3.9	1.7%
Profit attributable to owners of parent	153.9	158.0	4.0	2.7%
EPS (yen)	227.37	236.99	9.62	4.2%
ROA	8.6%	8.3%	—	—
ROE	11.0%	10.5%	—	—
Dividend per share (yen)	90.00	94.00	4.00	4.4%
Payout ratio	39.6%	39.7%	—	—

Note : The forecasts remain unchanged from the last plan announced on March 10, 2022.

5. Full-Year Plan For FY2022 by Segment

		Net sales (¥ billion)				Orders (¥ billion)			
		FY2021 (21/2-22/1) Results	FY2022 (Full-Year) (22/2-23/1)			FY2021 (21/2-22/1) Results	FY2022 (Full-Year) (22/2-23/1)		
			Plan	Amount changed	YOY		Plan	Amount changed	YOY
Built-to-Order Business	Custom detached houses	352.7	368.0	15.2	4.3%	353.2	368.0	14.7	4.2%
	Rental housing	384.0	406.0	21.9	5.7%	390.1	408.0	17.8	4.6%
	Architectural / Civil engineering	261.9	327.0	65.0	24.8%	333.6	334.0	0.3	0.1%
	Subtotal	998.6	1,101.0	102.3	10.2%	1,077.1	1,110.0	32.8	3.1%
Supplied Housing Business	Remodeling	156.1	164.0	7.8	5.0%	160.9	166.0	5.0	3.1%
	Real estate management fees	584.9	612.0	27.0	4.6%	584.9	612.0	27.0	4.6%
	Subtotal	741.1	776.0	34.8	4.7%	745.9	778.0	32.0	4.3%
Development Business	Houses for sale	191.4	208.0	16.5	8.6%	201.8	208.0	6.1	3.0%
	Condominiums	90.6	91.0	0.3	0.4%	83.9	93.0	9.0	10.8%
	Urban redevelopment	102.7	117.2	14.4	14.1%	98.8	98.0	(0.8)	(0.9%)
	Subtotal	384.8	416.2	31.3	8.1%	384.7	399.0	14.2	3.7%
	Overseas Business	388.9	414.8	25.8	6.6%	432.7	387.0	(45.7)	(10.6%)
	Other Businesses	75.9	79.0	3.0	4.0%	81.1	79.0	(2.1)	(2.7%)
	Total	2,589.5	2,787.0	197.4	7.6%	2,721.7	2,753.0	31.2	1.1%

5. Full-Year Plan For FY2022 by Segment

		Operating income (¥ billion)				Operating margin		Gross margin	
		FY2021 (21/2-22/1) Results	FY2022 (Full-Year) (22/2-23/1)			FY2021 (21/2-22/1) Results	FY2022 (22/2-23/1) Plan	FY2021 (21/2-22/1) Results	FY2022 (22/2-23/1) Plan
			Plan	Amount changed	YOY				
Built-to-Order Business	Custom detached houses	42.4	43.5	1.0	2.4%	12.0%	11.8%	26.5%	26.0%
	Rental housing	56.0	58.0	1.9	3.5%	14.6%	14.3%	25.7%	25.5%
	Architectural / Civil engineering	15.1	15.7	0.5	3.7%	5.8%	4.8%	12.5%	10.7%
	Subtotal	113.6	117.2	3.5	3.1%	11.4%	10.6%	22.5%	21.3%
Supplied Housing Business	Remodeling	25.5	26.5	0.9	3.7%	16.4%	16.2%	28.6%	28.7%
	Real estate management fees	50.4	52.5	2.0	4.0%	8.6%	8.6%	16.7%	16.7%
	Subtotal	76.0	79.0	2.9	3.9%	10.3%	10.2%	19.2%	19.2%
Development Business	Houses for sale	14.5	15.0	0.4	3.1%	7.6%	7.2%	18.0%	16.8%
	Condominiums	12.4	11.0	(1.4)	(11.9%)	13.8%	12.1%	22.0%	20.3%
	Urban redevelopment	11.2	10.0	(1.2)	(11.3%)	11.0%	8.5%	14.3%	11.9%
	Subtotal	38.3	36.0	(2.3)	(6.0%)	10.0%	8.6%	17.9%	16.2%
Overseas Business		50.1	54.0	3.8	7.7%	12.9%	13.0%	22.4%	23.3%
Other Businesses		(1.2)	0.0	1.2	-	(1.6%)	0.0%	11.9%	12.7%
Eliminations and back office		(46.7)	(50.2)	(3.4)	-	-	-	-	-
Total		230.1	236.0	5.8	2.5%	8.9%	8.5%	20.4%	19.8%

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