

FY2025 Briefing on ESG Management

Sekisui House, Ltd.

Agenda

- 1. Foreword**
- 2. ESG Management**
- 3. Human Capital Value / Social Value**
- 4. Environmental Value**
- 5. Governance**
- 6. Q&A**

1. Foreword

Operating Officer
Head of Investor Relations Department
Hiroyuki Kawabata

Let me start by offering my sincere thanks for your attendance at today's briefing on ESG management at Sekisui House, despite your busy schedules.
My name is Hiroyuki Kawabata, and I am head of Investor Relations Department.

I will now provide an explanation of the objectives of today's briefing, and its positioning.

Objectives of Today's Briefing

- To engage shareholders, investors, and analysts in dialogue about Sekisui House's management strategy and related issues, deepen understanding of the Company's management, and so contribute to reducing the cost of capital and enhancing corporate value
- To convey the background to our ESG management initiatives and the issues involved in ways that were not possible to convey via the Value Report, ESG Fact Book, or other engagement tools, and to provide supplemental explanations regarding the outlook going forward
- To use the insights derived from engagement with the above groups to enhance ESG management going forward, and to reflect them in the planning and preparation of engagement tools from next year onward

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The Company attaches great importance to dialogue with shareholders, investors, and analysts. By using such dialogue to deepen understanding of our management, we seek to reduce the cost of capital, which we hope will lead in turn to enhancements in corporate value.

We have also released engagement tools, including the Value Report that was published in July, but we aim to improve your understanding further by using today's briefing as a space in which to convey the background to our initiatives and our sense of related issues in ways that cannot be fully achieved in writing.

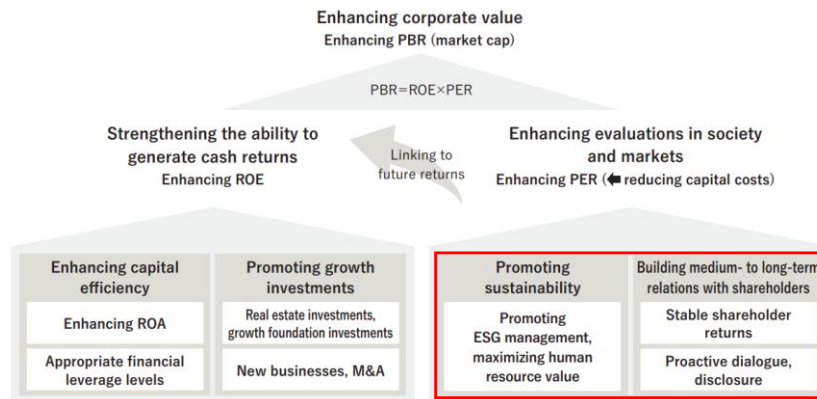
We are currently in the final year of the Sixth Mid-Term Management Plan and are working assiduously on the formulation of the next Mid-Term Management Plan, and going forward we intend to utilize the insights we obtain through this kind of engagement and mutual communication in our ESG management over the medium to long term.

We would be grateful for your candid opinions.

Positioning of This ESG Briefing

- Through today's briefing we seek to lower the cost of capital by facilitating a broader understanding of our ESG management initiatives

Financial and Capital Strategies of the Sixth Mid-Term Management Plan



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This is the model described in the financial strategy for the Sixth Mid-Term Management Plan.

Based on our recognition that sustainability initiatives contribute to enhance corporate value, we are working to reduce the cost of capital by proactively disclosing information and engaging in dialogue with stakeholders, with the aim of increasing PER, and in turn raising PBR and enhancing corporate value.

Engagement with Institutional Investors, Shareholders, and Analysts

- Engagement with shareholders, investors, and analysts is positioned as an important management activity for the enhancement of corporate value
- Through IR activities conducted both in Japan and overseas, we proactively implement meetings and briefings with institutional shareholders, investors, and analysts

Events for Institutional Shareholders and Investors and Analysts in FY2024

IR Event	Number of events held (Times/Total number of companies)	IR Event	Number of events held (Times/Total number of companies)
Financial results briefing	4 times	Overseas IR	6 times/ 55 companies
Management plan briefing	2 times	Conferences sponsored by securities firms	4 times/ 55 companies
ESG-related briefing	1 time	Tours of Company facilities	7 times/ 43 companies
Business overview briefing	1 time	Individual SR interviews	16 companies
Small meetings with Outside Director of the Board	2 times/ 16 companies	Individual IR interviews	405 companies
Small meetings with securities analysts	2 times/ 53 companies	Total number of companies in dialogue (including domestic institutional investors and analysts) (including overseas institutional investors)	643 companies (403 companies) (240 companies)

Events for Individual Shareholders and Investors in FY2024

IR Event	Number of events held
Factory tours	1 time
Briefings organized by securities firms	2 times

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Here are the results of our engagement efforts for the previous fiscal year.






Due in part to an increase in opportunities for face-to-face meetings after the COVID-19 pandemic, as well as the increase in attention caused by a major acquisition in the United States, the number of companies with which we held meetings for the purpose of dialogue increased by approximately 22% year on year, to a total of 643.

One of the features of the Company is that, in addition to members of management actively engaging in briefings and overseas IR, board members also involve themselves in IR activities by arranging small meetings for Outside Directors and other events.

The feedback from such engagements is shared as appropriate with the officer in charge and other internal stakeholders, and is also reported to the Board of Directors at periodic intervals.

Guide to ESG-related Tools

- Our corporate website also makes available a variety of ESG information disclosure tools that are tailored to the application

Information Disclosure Tools			Value Report	ESG Fact Book (Introduction to initiatives)	ESG Data Book (Data)	Annual Securities Report	Business Report
							
Content	Financial	Future	●	-	-	●	●
		Results	●	-	-	●	●
	Non-Financial	ESG	●	●	●	●	As appropriate
		Other general	●	-	-	●	●
Publication month			July	July, updated as appropriate	April	April	September
Publication language			Japanese and English	Japanese and English	Japanese and English	Japanese and English	Japanese and English

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Finally, I will provide an overview of our ESG-related tools.

This year, by splitting roles into those of the main Value Report, ESG Fact Book, and ESG Data Book, we have switched to a format that makes it easy to access the necessary information. This splitting of roles has enabled us to significantly streamline the main Value Report. I urge you to visit our website to see for yourself.

This ends my preliminary explanation.

2. ESG Management

Executive Officer
Head of ESG Management Promotion Headquarters
Miwa Yamada

My name is Miwa Yamada, and I am Head of ESG Management Promotion Headquarters.

I thank you all sincerely for your continued understanding and support of the Sekisui House Group's ESG management.

I hope that today's briefing will provide an opportunity to further deepen your understanding of our approach to ESG management.

What We Want to Convey to You Today

- **Sekisui House's ESG management is the practice of "Love of Humanity," which is our Corporate Philosophy.**
It means finding true value for customers, employees, society, and the environment, and realizing this through our business and activities, based on innovation and communication that is grounded in employee autonomy, and in accordance with our Global Vision of "Make Home the Happiest Place in the World."
- **We believe that it is precisely in an era of mounting concern about divisions in the global economy and global society that ESG management will become the source of our competitiveness.**
We hope that today, by conveying information about Sekisui House's policies, initiatives, and challenging regarding E, S, and G, we will be able to contribute to your understanding of these matters.

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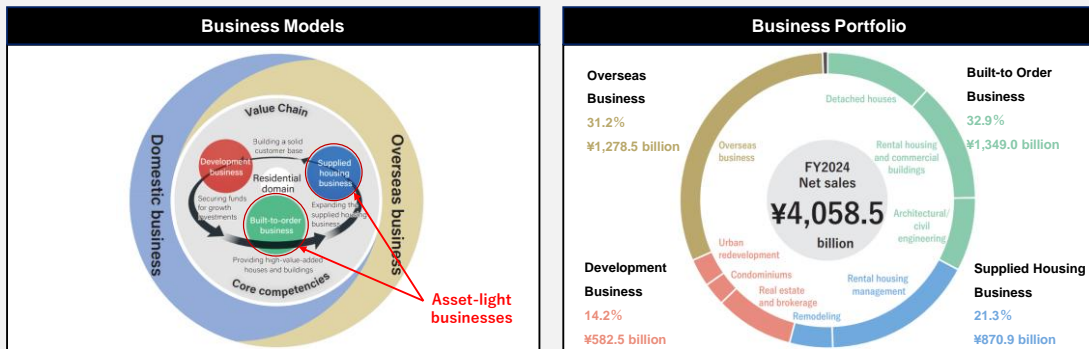
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About the Sekisui House Group



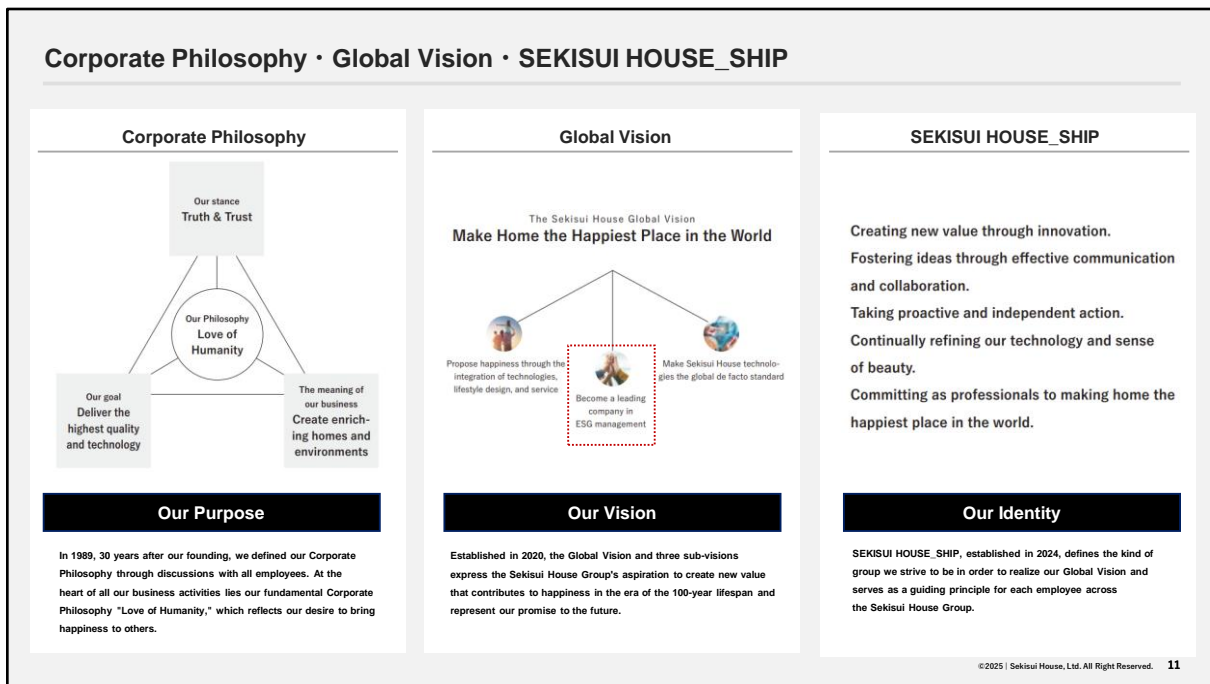
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Since founded in 1960, the Sekisui House Group has expanded a business centered on housing. It incorporates 32,265 employees, and 376 Group companies.

We have established a circular business model in which funds generated by the asset-light Built-to-Order Business and Supplied Housing Business are invested in the development business, generating large returns through high-quality development.

In our overseas business, we are working to establish similar business models.

The balance of the business portfolio is as you see above.



At the foundation of the various business activities of the Group, which was founded with a mission of contributing to society through housing, is the Corporate Philosophy of “Love of Humanity.”

The passing-down of this legacy is something that has transcended individual eras, and we will continue to protect it into the future.

In order to create new value that addresses societal change, we then established the Global vision of “Make Home the Happiest Place in the World” in 2020, with a sub-vision of becoming a leading company in ESG management.

Through ESG management, we will “Make Home the Happiest Place in the World” in various places.

We will also respond not only to environmental and social issues but also generate unprecedented innovation to give form to the happiness of the future. It is this kind of continuous new value creation that is the true embodiment of a leading company.

In 2024, to achieve our Global Vision we formulated SEKISUI HOUSE_SHIP to express the essence of the Sekisui House Group, and to be the guiding principle for each and every employee. This incorporates the values that we hold important, which include innovation, communication, autonomy, sense of beauty, and professionalism.

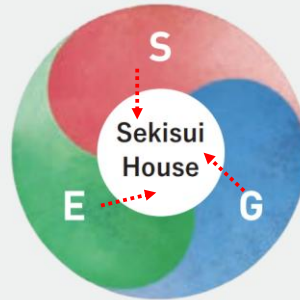
This forms an integrated framework of three elements, and has been absorbed by each and every employee to become the basis of our ESG management as promoted by all employees.

ESG Management That Enhances the Sustainability of Value Creation

- The responsibility to **remain close to the lives of the customers** to whom we have delivered more than 2.7 million houses
- **The mission of continuously building the standards of the future**, as a housing industry leader
- The practice of ESG management (Love of Humanity) to enable **the presence of Sekisui House itself to be sustainable**

The Company is at the center of ESG

By working to identify and internalize the opportunities and risks associated with ESG, we will develop new products and services that contribute to **the happiness of customers, the environment, and society**, and conduct activities that mitigate risks in the manufacturing process.



Key themes

- Safety, peace of mind and comfort
- Asset value creation
- Extended useful life of housing
- Decarbonization
- Biodiversity conservation
- **Resource recycling**
- Coexistence with local communities
- Occupational health and safety/supply chain
- Promoting diversity
- Employee health and happiness
- Diverse workstyles / job satisfaction / Human resource development / self-directed career development
- Global Expansion of Group Governance
- Fostering an Organizational Culture Based on Trust through Communication

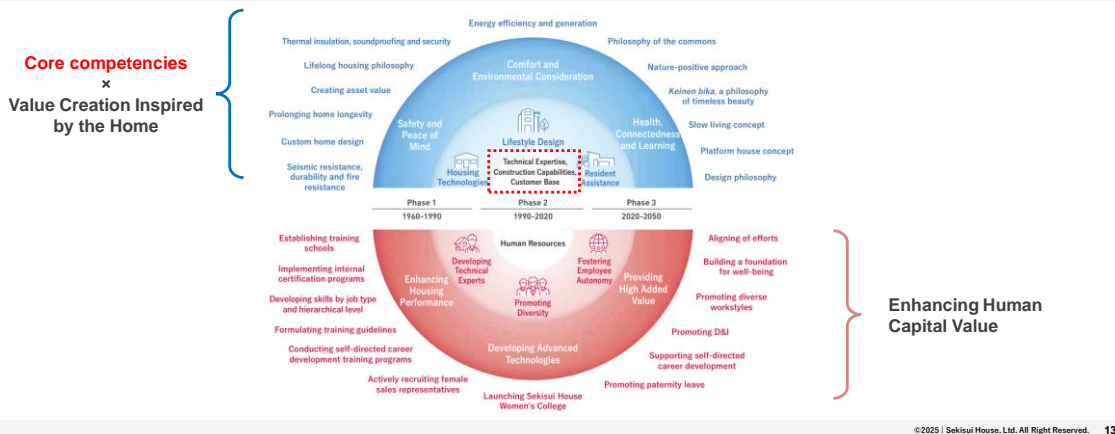
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As a form of ESG management that enhances the sustainability of value creation, we have adopted an approach in which the Company is at the center of ESG. Under this approach we do not only assess corporate activities by their profitability but also place great importance on the happiness they generate in customers, society, and employees.

You could say that our approach to ESG management is the actual practice of “Love of Humanity,” which is a philosophy of desiring to bring happiness to others.

The Sekisui House Group's Value Creation

- Since our founding, we have explored the potential of housing, while **remaining closely attuned to societal change**, and established core competencies
- Starting with the post-war housing shortage, we have addressed environmental problems and seen the beginning of the era of the 100-year lifespan
- We have advanced our housing technologies and possibilities through three distinct phases, delivering **new forms of value to meet the evolving needs of society**



It is absolutely not the case that the ESG management of the Sekisui House Group is something that has appeared only in the past few years. This slide shows value creation in the Sekisui House Group. The upper half shows value created from housing, with the human capital value that supports it shown in the lower half.

The first 30 years after founding constituted Phase 1, which concentrated on housing that offered safety and peace of mind. Phase 2, starting in 1990, focused on enhancing “comfort and environmental consideration.” In 2020, we entered Phase 3, guided by our Global Vision to “Make Home the Happiest Place in the World.” In this phase, we are working to create new forms of value for the era of the 100-year lifespan, with a focus on “health, connectedness, and learning.”

Since our founding, we have created value from housing while remaining closely attuned to societal change. The background to this process is the core competencies of technical expertise, construction capabilities, and the customer base that have been passed down by those who came before us, and which are our strengths. The main drivers of value creation that has evolved with the times have been our individual employees, and we have grown along with the key foundation of human resources.

Going forward, we believe that it is the employee autonomy that generates innovation that will be important.

The Path to Realizing the Global Vision

- “Customer first” is in our DNA. 98% of houses are custom-built. We are partners in building the happiness of each and every customer
- We work to drive the evolution of the core competencies that are our strengths
- By blending our business strategy and ESG strategy, we will “Make Home the Happiest Place in the World” for customers, employees, communities, and society

Realization of the Global Vision



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“Customer first” is in our DNA. Custom-built houses account for 98% of the total, and as partners in building the happiness of each and every customer we have maintained our growth, in accordance with the Corporate Philosophy of "Love of Humanity," through the further evolution of the core competencies that are our strengths, which are technical expertise, construction capabilities, and the customer base.

Next, by blending our business strategy and ESG strategy, we will “Make Home the Happiest Place in the World” for customers, employees, communities, and society, and thus achieve our Global Vision.

ESG Initiatives in the Current Mid-Term Management Plan (FY2023-2025)

- Enhancing ESG management around the theme of deepening ESG management focused on material issues



Sixth Mid-Term Management Plan ESG Strategy Fundamental Policy

- 1. Deepening ESG management focused on material issues**
 - Contributing to environmental solutions through housing
 - Empowering employee autonomy as a growth driver
 - Fostering innovation and communication
- 2. Three key elements for advancing ESG management**
 - Engaging all employees
 - Implementing advanced initiatives
 - Improving external evaluations

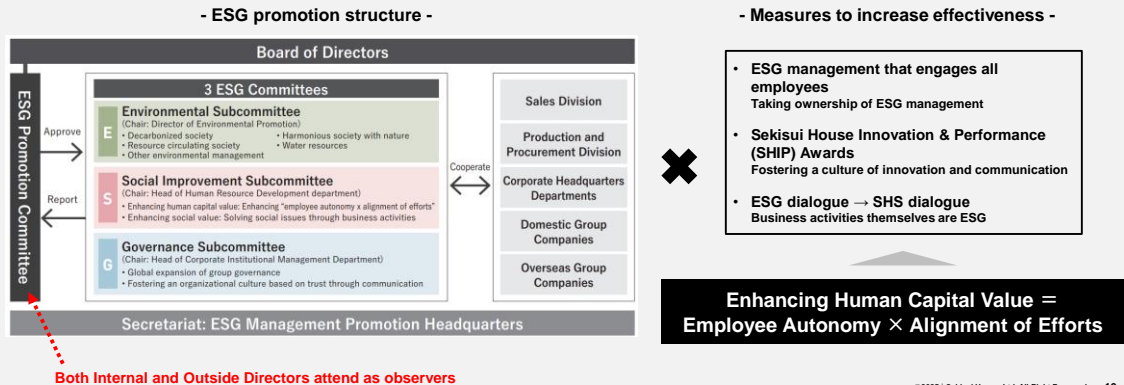
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During the current Sixth Mid-Term Management Plan, we have promoted the theme of “Deepening ESG management focused on material issues.”

The three elements of ESG management are engaging all employees, implementing advanced initiatives and improving external evaluations.

Ensuring the ESG promotion structure and its effectiveness

- ESG activities are monitored by the ESG Promotion Committee, whose membership consists of **two external experts and the chairs of the three ESG subcommittees**
- The three ESG subcommittees cooperate with business divisions to **direct activities on important ESG themes**
- Through ESG management that engages all employees, employee autonomy, and other initiatives, **we promote ESG management as something of which to take ownership**



In terms of the ESG promotion structure, the ESG Promotion Committee meets four times a year to monitor ESG activities, with a membership drawn from the chairs and deputy chairs of the three ESG subcommittees, and which includes external experts.

Its work involves a wide variety of themes, including environmental, social, and governance topics, as well as reports from group companies related to ESG, the content of the Value Report, and discussions about material issues. The frank opinions of outside committee members and discussions among members are utilized in the Company's approach to ESG and its ESG measures. Internal and Outside Directors also attend as observers, and finally President and Vice President may make comments as well.

In terms of measures to improve efficiency, the implementation of periodic ESG dialogue has led to the insight that the Company's business activities themselves constitute the practice of ESG management. Moreover, with the Sekisui House Innovation & Performance Awards celebrating their fifth anniversary this year, we have also achieved further success in fostering a culture of innovation and communication.

As a result of such initiatives we have put in place a foundation for ESG management that engages all employees, and in which individuals and organizations work to take ownership of ESG management.

Aligning efforts through KPIs

- The President's Award reflects selected KPIs as ESG indicators for business units
- ESG management indicators are also incorporated into the framework for evaluating executive remuneration, and encourage proactive engagement by employees and management

KPI	FY2023 Results	FY2024 Targets	FY2024 Results	Boundary	Connection	Customers' happiness (Output)	Social happiness (Outcome)	Future happiness (Impact)	Our mission
Internal standard for evaluating detached houses (residence evaluation) ¹	3	★1 or more 70% or more	70%	○1	ESG indicators	Creating comfortable living environments with safety and peace of mind	Improving regional quality of housing and shaping landscapes	Realizing a housing market where asset value is maintained	Creation of High-Quality Housing Stock
Internal standard for evaluating rental housing (Sha Maison Gardens) ²	65.1%	Over 70%	64.4%	○1	ESG indicators	Creating rich and fulfilling lives in connection with nature	Bringing greenery to towns and fostering value through local scenery		
Rental housing units renovated	7,058	7,600	5,756	3	PSU	Creating happy lives through comfortable residences	Improving housing quality that shape a community's assets		
KPI	FY2023 Results	FY2024 Targets	FY2024 Results	Boundary	Connection	Customers' happiness (Output)	Social happiness (Outcome)	Future happiness (Impact)	Our mission
Ratio of detached ZEH homes	95%	90%	96%	○1	ESG indicators PSU	Realizing comfortable living that reduces utility expenses	Contributing to lower CO ₂ emissions from the residential sector	Promoting a decarbonized society	Contributing to a Sustainable Society
Ratio of ZEH units for rent	76%	73%	77%	○1	ESG indicators PSU	Providing rental housing with high environmental capabilities			
Rate of CO ₂ emissions reduction from business operations	56.3%	—	62.3%	○6	PSU	Improving the ease of work through higher efficiency	Spreading corporate decarbonization activities across all of society		
Biodiversity-friendly tree planting (Gohon no Ki Project)	19.85 million trees	21.00 million trees	20.69 million trees	○1	ESG indicators	Creating living spaces where a connection with nature can be felt	Preserving urban ecosystems	Creating a society in harmony with nature	
KPI	FY2023 Results	FY2024 Targets	FY2024 Results	Boundary	Connection	Customers' happiness (Output)	Social happiness (Outcome)	Future happiness (Impact)	Our mission
Number of female managers	342 persons (4.34%)	350 persons	425 persons (5.05%)	5	PSU	Creating workplaces with diverse career options	Creating a society that promotes decision-making eliciting a variety of perspectives	Creating a society that fosters innovation	Diversity and Inclusion
Take-up rate for eligible male employee childcare leave	100%	100%	100%	6	PSU	Realizing workstyles that can keep family time important	Creating a society where it is natural to have both a family and career	Creating a society that brings out diverse values and creativity	
Take-up rate for annual paid leave	80.3%	70%	79.9%	7	PSU	Refreshing minds and bodies and enhancing daily life	Creating a society that is easy to work in, innovative, and productive		
Average monthly work hours per person	169.58	175	170.17	6	ESG indicators	Realizing workstyles value personal time	Realizing a society where everyone can work flexibly		
Walking Challenge participants and average step count	21,353 persons 6,692 steps	—	22,389 persons 6,997 steps	○4	ESG indicators	Improving health and happiness through adherence to exercise habits	Improving health in every area	Creating a society that supports efforts toward mental and physical health and happiness	
Rate of employees opting for secondary medical checkups	88.1%	97%	90.3%	○1	ESG indicators	Creating relaxing environments that reduce worries related to one's health			

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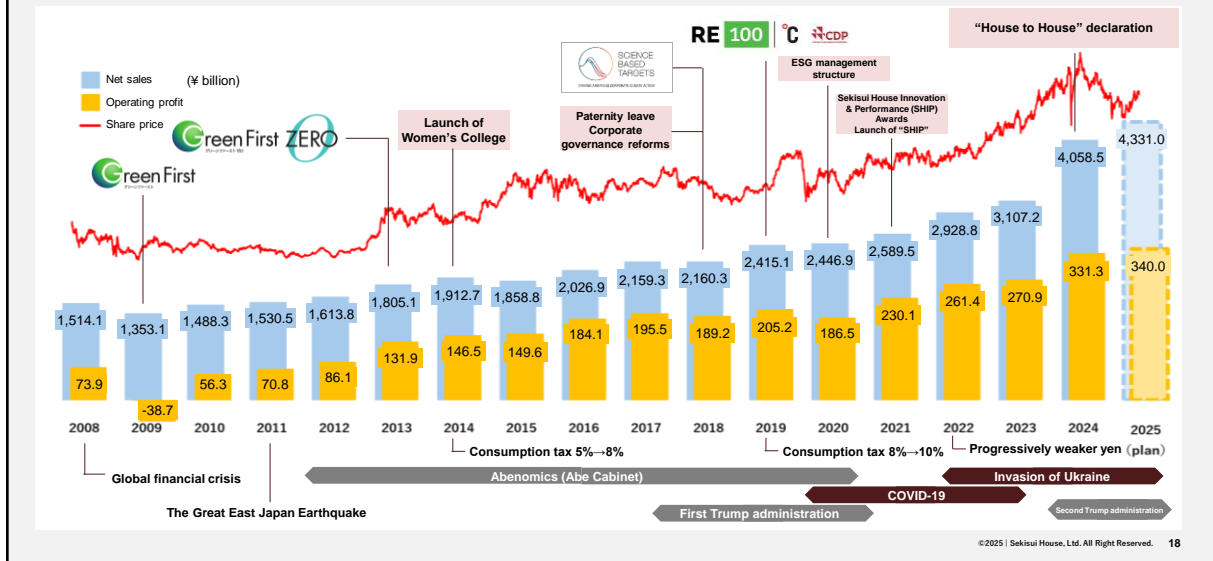
We set and managed appropriate KPIs for ESG that are linked to material issues and businesses. The President's Award reflects selected KPIs as ESG indicators for business units, and ESG management indicators are also incorporated into the framework for evaluating executive remuneration, which aligns efforts and encourages proactive engagement by employees and management. We are making good progress with the results of the KPIs.

However, we have issues, one of which is an excessively large number of ESG-related KPIs, numbering 54 in total. The other is that the categorization of indicators into those used to measure short-term progress management and those used to measure long-term social impact is unclear.

We are currently investigating these issues, and plan to resolve them at the next stage.

Business Growth History × Value Creation

- Link between ESG management and the business has been the driver of sustainable growth



This is a chart of the net sales, operating profit, and share price of the Company since 2008.

As you can see, there is a solid connection between the promotion of ESG management, the growth of the business, and improvements in corporate value.

Results of External Evaluations

- Have achieved highest level of evaluation from the main external assessment agencies. Have also received high ratings for environmental and D&I themes



Main external assessment

- MSCI: AAA (9.8/10)
- FTSE: 4.5/5
- Sustainalytics: 16/100

Environment, D&I

- CDP: A list (Forests/Water Security)
- D&I Award: Best WORKPLACE

Integrated Report

- GPIF: Outstanding integrated report (four agencies)
- Nikkei Integrated Report Award 2024: Grand S Prize

As a result of our various initiatives, we have received high ratings from many external entities.

Going forward, with demands for disclosure intensify around the world, we intend to engage in dialogue with investors to identify how to communicate our unique strengths both internally and externally, work to further enhance our activities, and move forward with improvements in corporate value.

Issues With ESG Management and the Path Forward

- ESG management is shifting from “engaging all employees” to “focus on value creation,” and existing KPIs are being shifted to KPIs linked to the resolution of social issues and the creation of businesses

Transition to ESG management focused on value creation

Until now, the focus has been on building a foundation for all employees to take ownership of ESG and initiate action. Going forward, this will shift to management focused on creating new ESG value from all business activities

Direction of the Evolution of Our ESG Management



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Until now, the focus has been on building a foundation for all employees to take ownership of ESG and initiate action.

Going forward, we will take on the challenge of shifting to management focused on creating new ESG value from all business activities.

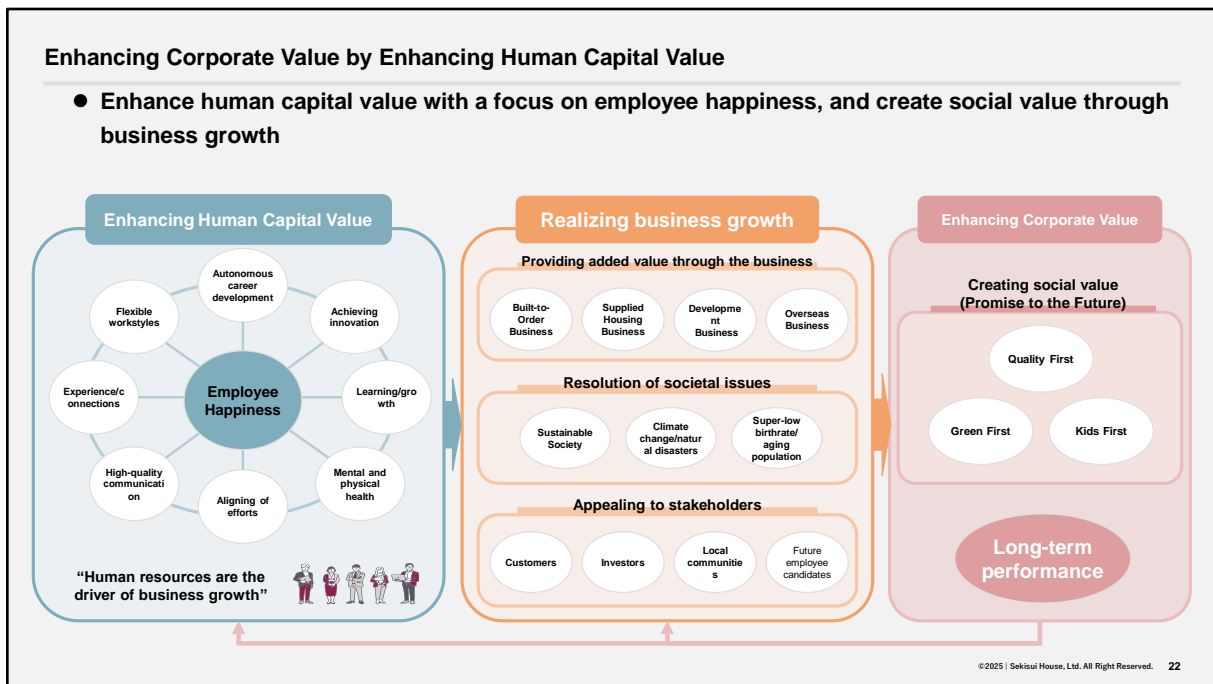
This concludes my presentation.

3. Human Capital Value / Social Value

Enhance human capital value with a focus
on employee happiness, and create social
value through business growth

Executive Officer
Head of Corporate Management Strategy Headquarters
Hideaki Yasunobu

My name is Hideaki Yasunobu, and I am Head of Corporate Management Strategy Headquarters. Because I was in charge of enhancing human capital value and social value until September as Head of Human Resources Development Department, I will provide the explanation for this part of the today's presentation.



When we talk about “improvement of social value,” we mean a process of value creation that originates in human capital value.

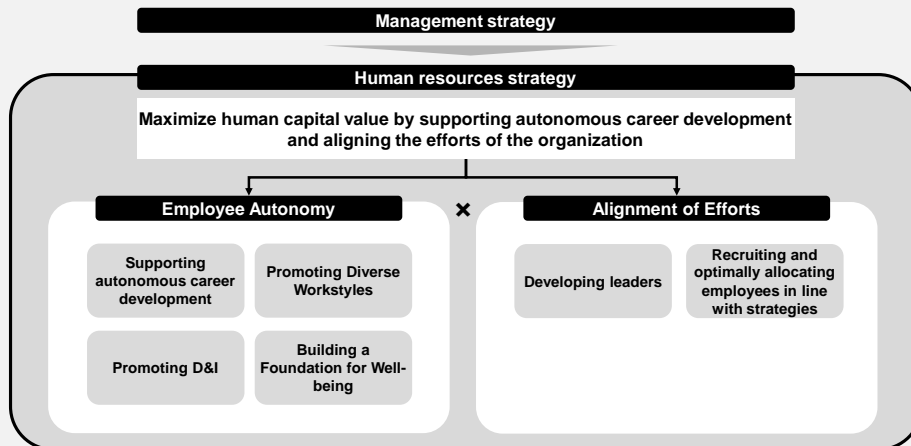
I think this means enhance human capital value with a focus on employee happiness, and achieving business growth to create social value.

By confronting a variety of societal issues related to housing and lifestyles and working to resolve them through business activities, we will pass on the “three values” for a happier future.

Based on our perception that human capital is the driver of business growth, we put the happiness of employees at the center of our efforts to enhance human capital value, and actively support the autonomy of employees with “Innovation & Communication” as our catchphrase.

“Enhancing Human Capital Value”: Our Strategy Up to Now

- During the Sixth Mid-Term Management Plan, we planned and rolled out a variety of initiatives in accordance with the policy of “Employee autonomy × Alignment of efforts”



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In the Sixth Mid-Term Management Plan, enhancing human capital value was defined as employee autonomy and an alignment of efforts.

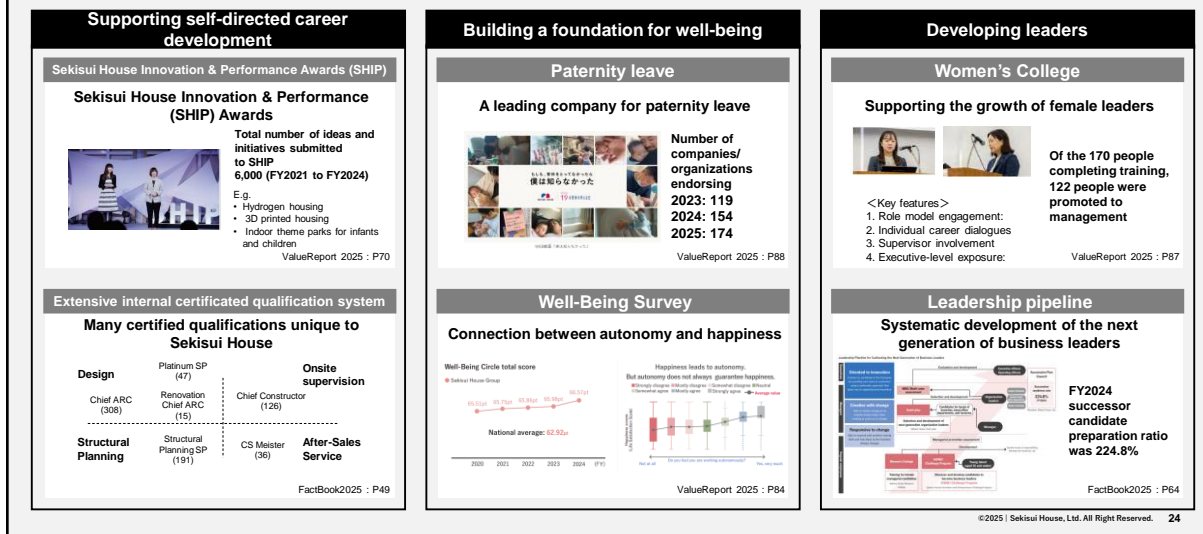
Autonomy means acting based on one's own values and volition, and taking responsibility to the end. Each and every employee uses the various resources of the Company to independently shape their own career path. Furthermore, if autonomous employees can direct their thoughts and actions so as to align their efforts with the Company's global vision and business strategy, we believe that this will result in human capital value enhancing many times.

This human resources strategy focuses on four important themes: supporting autonomous career development, promoting diverse workstyles, promoting D&I, and building a foundation for well-being. Through personnel system revisions and the cultivation of a corporate culture conducive to these concepts, we have supported and facilitated employee autonomy.

To accelerate an alignment of efforts, we developed leaders capable of properly promoting and implementing our philosophy and strategies, and have recruited and optimally allocated employees in line with business strategy.

“Enhancing Human Capital Value”: Initiatives

- We are enhancing human capital value through initiatives based on Sekisui House’s unique ideas



These initiatives have allowed us to steadily enhance human capital value and autonomous behavior by employees.

The number of applicants to the Sekisui House Innovation & Performance (SHIP) Awards increases every year, and in the past four events around 6,000 ideas were contributed. It has led to some revolutionary ideas, such as hydrogen housing and 3D-printed houses. This mechanism of employees nurturing ideas through communication with their peers and generating innovation for a happier future is unique to Sekisui House, and opens the way to new value creation.

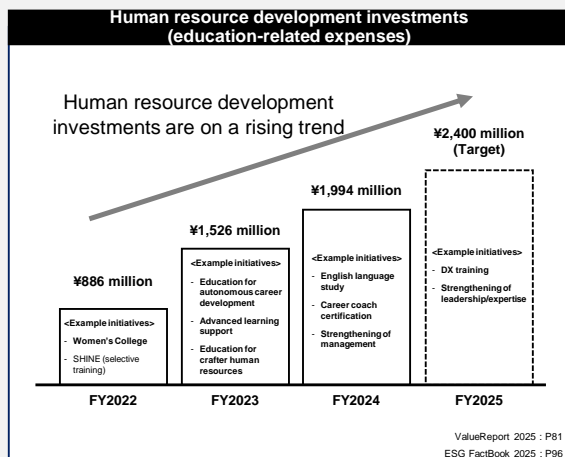
Another of our unique initiatives is the Well-Being Survey. This is not a so-called engagement survey, but is an exhaustive survey into such factors as subjective happiness, self-expression, peace of mind, and the relationship between work and workplace. The survey reveals that employees who feel they are working autonomously tend to report higher levels of happiness, and also made it clear that employees who feel they are working autonomously tend to perform better. A key factor in achieving employee happiness and business growth is autonomy, and we will continue to support this actively going forward.

In terms of developing leaders, we have worked to expand the leadership pipeline. With the goal of identifying and developing human resources with high levels of ambition and potential, we have implemented the “SHINE! Challenge Program” selective training initiative for young and mid-career employees, as well as the Women’s College as a means of training female candidates for managerial positions. As a program to develop the leaders of the organization, we have launched the “Keiei-juku,” which allows attendees to learn systematically about insights and character, management ability, leadership, and other issues over the course of around one year. Moreover, meetings of the Succession Plan Council are held twice a year at each hierarchical level to select candidates for key positions, and to engage in discussion from varied, company-wide perspectives.

These initiatives have been extended to group companies, and are contributing to the expansion of the leadership pipeline for the Sekisui House Group as a whole.

“Enhancing Human Capital Value”: Results

- We are actively increasing investments in human resource development and have made good progress in achieving KPIs



Main KPIs

Key themes	No.	Indicator	Boundary of calculation	FY2023 Results	FY2024 Targets	FY2025 Targets
Promoting diversity	31	Number of female directors of the Board	○1	3 persons	3 persons or more	3 persons or more
	32	Number of female managers	○3 (FY2023) ○4 (FY2024, FY2025)	342 persons (4.24%)	350 persons (5.07%)	415 persons or more (5.07%)
	33	Percentage of full-time female employees	○2	29.4%	29.5%	29.8%
	34	Percentage of female new graduates hired	○3	38.3%	40%	35.9%
	35	Employment rate of persons with disabilities	○1	3.00%	2.97%	3.08%
Employee health and happiness	36	Rate of employees opting for the secondary medical checkup	○1	88.1%	97%	99.3%
	37	Walking Challenge participants and average step count	○4	21,163 persons 6,652 steps	—	21,388 persons 6,957 steps
	38	ESG dialogue implementation (workplace basis)	○2	100%	100%	100%
	39	Well-Being Circle total score	3	65.84pt	—	66.57pt
	40	Take-up rate for eligible male employee childcare leave	○2	100%	100%	100%
Diverse work styles and job satisfaction/ Human resource development and self-directed career	41	Average monthly work hours per person	4	169.58 hours	175 hours	170.17 hours
	42	Annual paid leave take-up rate	4	80.3%	70%	79.9%
	43	Investment in human resource development	○5	¥1,826 million	¥1,478 million	¥1,894 million
	44	Cumulative number of employees who have acquired major qualifications required for specific duties ¹⁾	○1	24,566 persons	24,600 persons	25,068 persons
	45	DR training participation rate	○1	100%	100%	100%
	46	SDP registration rate and number of posts	○4	30.6% 2,329	32% 2,700	30.7% 3,000
	47	Cumulative number of participants in self-directed career development-related training	○1	18,962 persons	20,105 persons	21,110 persons

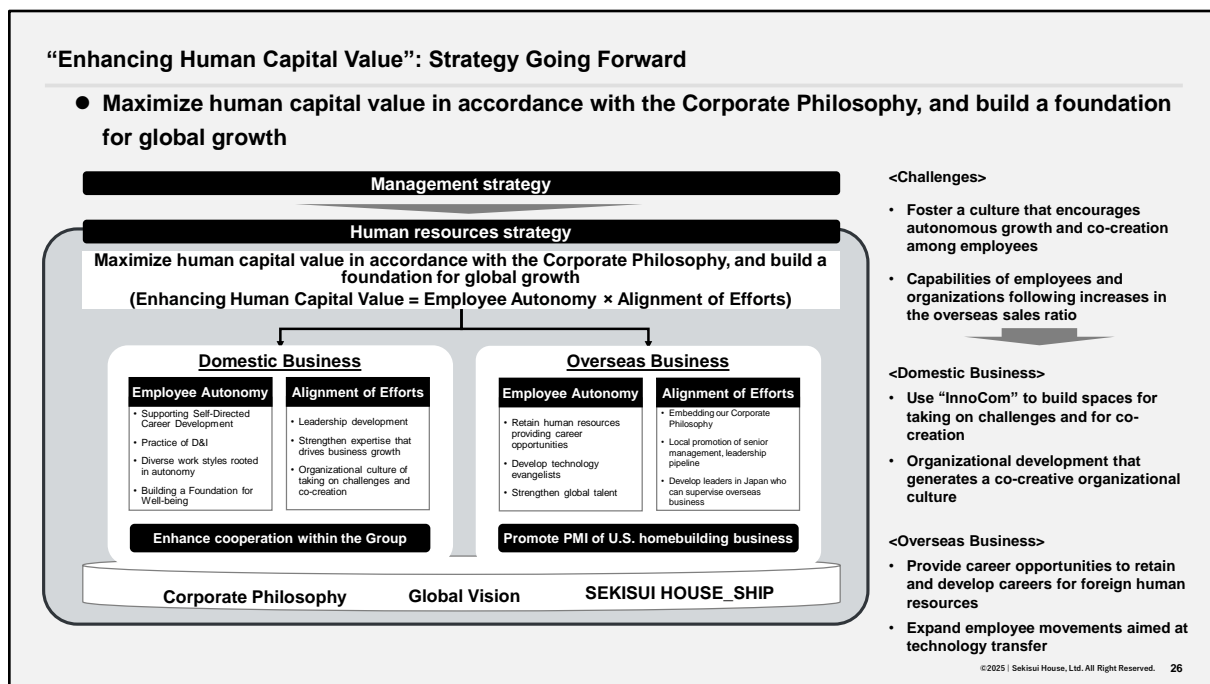
ESG FactBook2025 : P96

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This is our track record of investment in human resource development.

Investment in human resource development has doubled, from ¥886 million in FY2022 to ¥1,994 million in FY2024. In FY2025 we are targeting ¥2,400 million.

I think you can see from the progress in the main KPIs that the active investment in enhancing human capital value is generating solid results.



This is our human resources strategy going forward for enhancing human capital value.

The next two challenges are fostering a culture that encourages autonomous growth and co-creation among employees, and the capabilities of employees and organizations following increases in the overseas sales ratio.

Looking ahead to the overseas sales ratio of 45% that we are targeting for the final year of the Eighth Mid-Term Management Plan, which is FY2031, we intend to maximize human capital value in accordance with the Corporate Philosophy, and build a foundation for global growth.

By intensifying measures to achieve “Employee autonomy × Alignment of efforts” in accordance with the Corporate Philosophy, we aim to maximize human capital value in both the domestic and overseas businesses.

In the overseas business, we aim to improve engagement and retain human resources by actively offering career opportunities to employees at overseas group companies, and will also develop technical personnel to become evangelists for Sekisui House technology.

In the domestic business, on the other hand, in addition to maintaining stable growth through even closer cooperation within the group, we will focus on strengthening the global capabilities of domestic human resources, foster an organizational culture of co-creation and taking on challenges by using “InnoCom” as an innovation hub, and concentrate on development of leadership to supervise the overseas business.

“Enhancing Social Value”: Our Strategy Up to Now

- In the Sixth Mid-Term Management Plan we designated four key themes, and worked to enhance social value

Kids First

- Supported enhanced emotional and sensory development of children
- Housing education for children
- Continued Sekisui House Matching Program, a corporate program to match employee donations (Children's Fund)



Green First

- Promoted ZEH to create ethical lifestyle appeal
- Created social appeal based on Gohon no Ki Project
- Formed, managed, and recycled high-quality housing stock
- Continued Sekisui House Matching Program, a corporate program to match employee donations (Eco-Fund)



Respect for human rights

- Promoted human rights due diligence among suppliers
- Promoted human rights due diligence for global employment



Regional revitalization business

- Created employment for and trained housing construction workers
- Promoted Trip Base Michi-no-Eki Stations Project
- Submitted proposals for effective use of PRE (Public Real Estate)



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Next we have enhancing social value.

In the Sixth Mid-Term Management Plan, we worked to enhance social value by setting the four key themes of “Kids First,” “Green First,” “Respect for human rights,” and “Regional revitalization business.”

“Enhancing Social Value”: Initiatives

- The autonomous ideas of employees lead to housing that becomes social capital, and to the creation of social value in various forms

Increase high-quality housing stock

Expand SI business

Made our original seismic resistance technology widely available, and began the industry's first joint construction business



8 partner companies
as of
the end of FY2024

- <Numerical targets going forward>
- ✓ 500 buildings annually in FY2027
- ✓ Sales of 1000 buildings annually by FY2029

GM SHEQAS

Converting all GRANDE MAISON to long-life quality housing (2023 SHIP Grand Prix)



Decision taken to build two properties

- <Numerical targets going forward>
- ✓ Increase the number of buildings *Third property expected to start construction in fall 2025

Train housing construction workers / strengthen their construction capabilities

Recruit and train housing construction workers

Recruited and trained crafters, mainly among those scheduled to graduate from high school



134 joined the Company in April 2025

- <Numerical targets going forward>
- ✓ 1,000 workers by FY2033

Sekisui House Carpentry Competition (WAZA)

Connecting the unfailing techniques and mindset of Sekisui House Association workers to the future



26 workers carefully selected from around 5,000 people throughout Japan compete on the basis of such elements as accuracy of technique, beauty of construction, and thorough safety management

Nurture rich emotional and sensory development in children who bear the destiny of the future

JUNOPARK

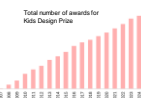
Housing edutainment facility to nurture emotional and sensory development of children



Open day: August 5, 2025
Location: Kizugawa City, Kyoto
Fee:
Adults ¥1,000, children ¥500

Kids Design Prize

This has continued for 19 consecutive years since the first event in 2007, and prizes have been awarded for a total of 127 works



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Below are some examples of specific initiatives.

GM SHEQAS, which won the SHIP Grand Prix in 2023, is based on the idea of using our seismic resistance technology to convert all our GRANDE MAISON-brand condominiums to long-life quality housing.

This is precisely the kind of “Quality First” practice that results in high-quality housing stock.

In preparation for further strengthening our construction capabilities, which constitute one of our core competencies, we are also working to recruit and train housing construction workers.

The Sekisui House Construction Group is actively recruiting “crafters,” our skilled housing technicians, mainly from those scheduled to graduate from high school. By enhancing training and remuneration systems, it intends to reach a level of 1,000 workers by FY2033.

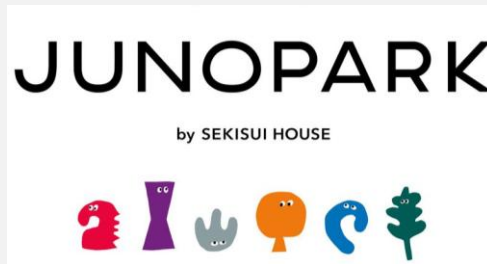
In the Sekisui House Carpentry Competition (WAZA) that began in 2023, 26 carpentry workers carefully selected from around 5,000 people throughout Japan compete on the basis of such elements as accuracy of technique and beauty of construction.

This competition not only helps to improve motivation among carpentry workers but is also an outstanding opportunity to convey the appeal of carpentry work as an aspirational vocation to those inside and outside the Company.

“Enhancing Social Value”: Initiatives

JUNOPARK opened August 5, 2025

Opened JUNOPARK, a novel experiential housing education facility that fosters emotional and sensory development in children, in Kizugawa City, Kyoto.



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In August 2025, we opened the JUNOPARK facility within the Comprehensive Housing R&D Institute in Kizugawa City, Kyoto, with the goal of embodying the “Kids First” concept.

As a housing edutainment facility that blends studying about everyday living with the fun of entertainment, this is a space that fosters the sensory development of children by providing them with various experiences while playing happily.

Each of the experiential activities consists of original content based on our concept of “sensory development fostered through everyday living.”

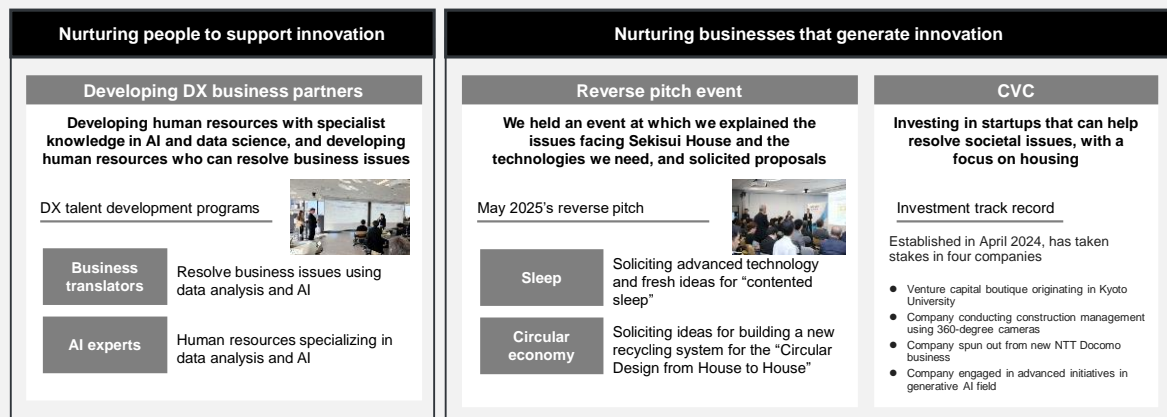
By providing experiences that foster six aspects of sensory development linked to design, structure, universal design, living environment, resource recycling, and the natural environment, it acts as a catalyst for children to become aware of what they themselves like and find important.

It is said that the children in Japan have lower levels of happiness than children in other countries.

Through JUNOPARK, we hope to foster the sensory development all children and the mindset to feel happiness, and help to expand their potential.

Forward-looking initiatives: developing DX talent and creating new businesses

- In cooperation with Sekisui House Innovation & Communication, Ltd., which was established in February 2024, we will work to achieve enhancements in human capital value and the creation of new businesses



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Finally, I would like to talk about some forward-looking initiatives.

At Sekisui House Innovation & Communication, Ltd., which was established in February 2024, we are working on enhancements in human capital value and the creation of new businesses.

In terms of nurturing people, our DX talent development programs are currently proceeding satisfactorily, and our business translators and AI experts are refining their specialist abilities and taking on the challenge of resolving a variety of business issues.

We have also held multiple reverse pitch events as initiatives aimed at business creation. In May this year, we solicited ideas on the themes of "Sleep" and "Circular economy." We received explanations of technologies and services from numerous attending companies, and also benefited from specific proposals for cooperation.

Our CVC has already taken stakes in four companies, showing that the Open Innovation mechanism of the Sekisui House Group, focused on Sekisui House Innovation & Communication, Ltd., has started to move steadily forward.

4. Environmental Value

Chairperson of Environmental Subcommittee
Operating Officer
Head of Environment Improving Department
and the Environmental Management Office
Yuki Isaka

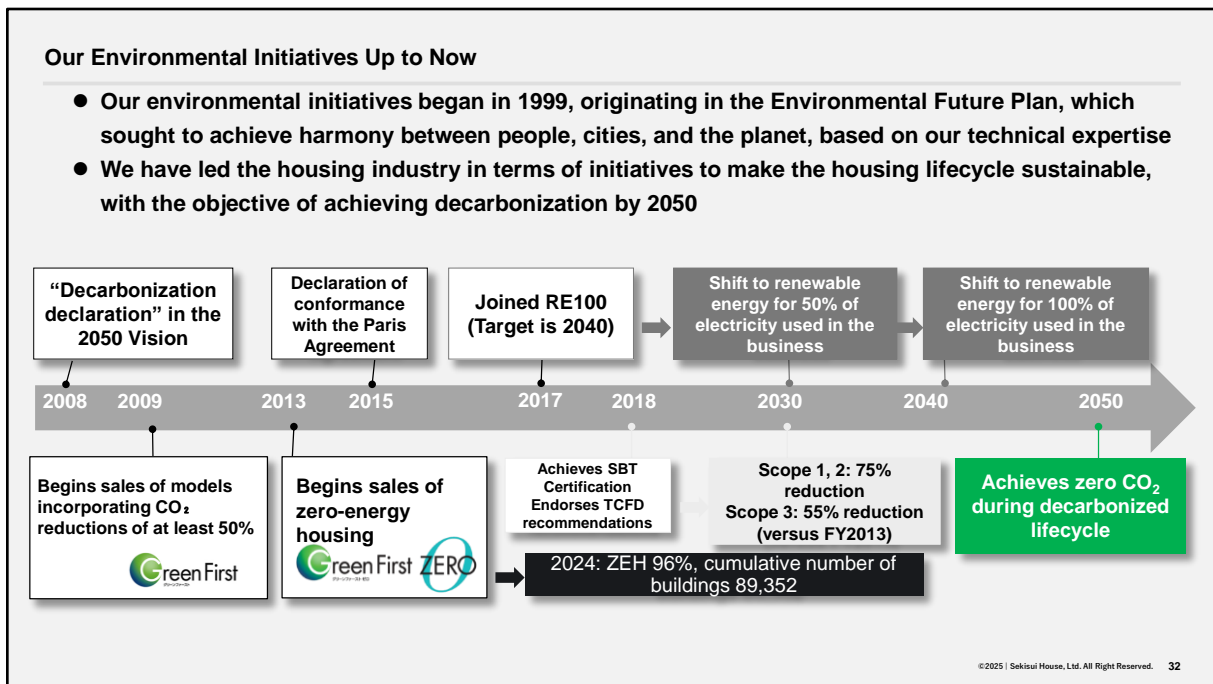
Leading the construction industry with an environmental strategy that is integrated into the business strategy to achieve corporate sustainability

Continuing to generate new standards for environmental initiatives through cooperation with stakeholders

My name is Yuki Isaka, the Head of Environment Improving Department, and I will provide an explanation of environmental value.

One feature of our environmental initiatives is that we have led the industry in terms of integrating the environmental strategy with our business strategy, and continuously generated new standards for such environmental initiatives through cooperation with stakeholders.

I will talk first about our history until now, then about our current initiatives, and issues to address going forward.



This chart shows past initiatives in the form of a time series.

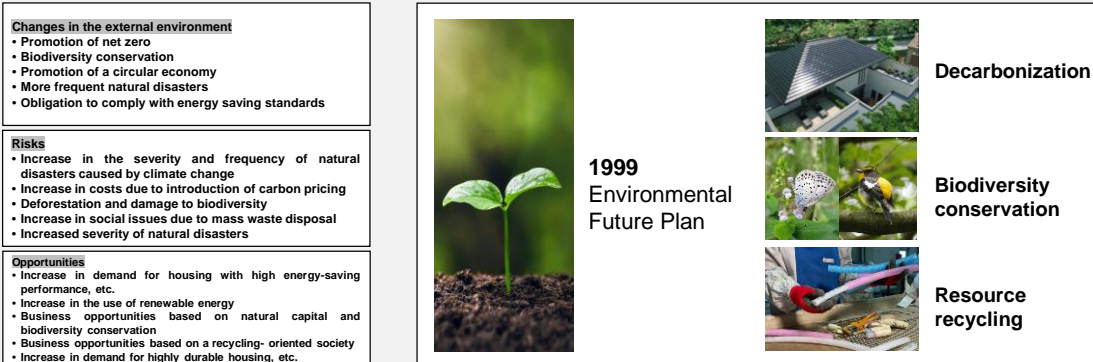
Our initiatives began with the launch of the Environmental Future Plan that was announced in 1999. The content of the declaration was that the Earth is a gift from the future, and that we would aim to achieve harmony between people, cities, and the planet for the sake of children everywhere.

In 2008, we announced a vision of using the lifecycle of housing to offset CO₂, which was the trigger for a change in direction towards environmental initiatives. At the time there was no language to express this properly, but it was what we would call a decarbonization declaration in the present day.

After that, we became the first company in the construction industry to join the RE100, and led the industry in promoting other measures, such as obtaining SBT certification.

Our Environmental Initiatives Up to Now

- From the start of the Environmental Future Plan, we set key themes as the three pillars of the environmental strategy.
- We generate environmental value as a leading company by identifying risks, opportunities, and changes in the external environment in which the business operates



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Since the time we announced the Environmental Future Plan, we have established the three pillars of decarbonization, biodiversity conservation, and resource recycling.

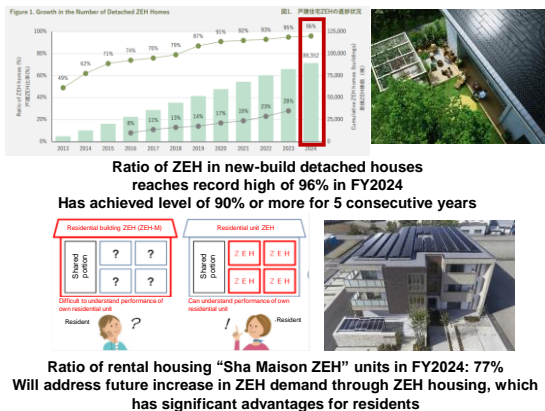
While also making use of TCFD/TNFD and other frameworks, we have identified risks and opportunities associated with future changes that could occur in the external environment, and incorporated them into our environmental strategy.

Specifically, by developing environmental strategy that is integrated with the business strategy, such as by selling environmentally considerate homes, including ZEHs, we have had a positive impact society.

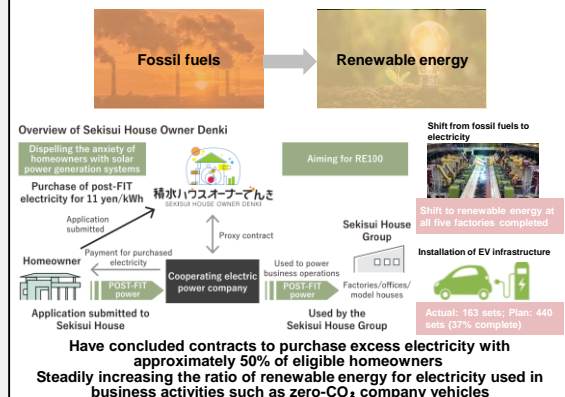
Initiatives aimed at decarbonization

- Promote decarbonization of products (ZEH, ZEB, etc.), decarbonization of business activities (shift to renewable energy).

Decarbonization of products (Scope 3-11)



Decarbonization of business activities (Scope 1, 2, Scope 3 for others)



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In terms of recent initiatives, let us look at the most up-to-date figures. First, decarbonization.



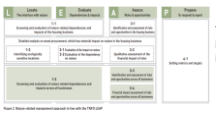
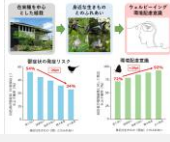


Broadly speaking, the shift to decarbonization has two elements. One is the decarbonization of the products that we make during the time they are used, meaning during the period they are occupied. The other is the decarbonization of business activities by reducing the energy and other resources that Sekisui House uses when conducting its business.

In terms of decarbonization of products, the ratio of ZEH in new-build detached houses has reached a record high of 96%, and is close to 80% even for Sha Maison. Sha Maison ZEH is equipped with photovoltaic power generation systems that are linked to individual units rather than the building as a whole, which enables an advantage from sales of electricity by the resident, and which have been well received by our customers.

For the second category of decarbonization of business activities, this consists mainly of a shift away from the fossil fuels such as oil and gas towards renewable energy. What is playing a valuable role in this initiative is the mechanism we conceived to enable the use of renewable energy by homeowners. This is where we purchase post-FIT electricity from photovoltaic power generation systems for which 10 years have passed since installation and use it within the Group. Using this electricity, we have completed this shift to renewable energy at 5 factories, and have also begun using it in company vehicles, of which there are 11,000. (RE100 progress rate = 58.3%)

Biodiversity Conservation Initiatives

- Enhancing corporate value and community value based on the foundation we have built with customers and suppliers over more than twenty years

Gohon no Ki Project	Fair Wood / Wood procurement	TNFD/information disclosure
<p>25th anniversary next year, have procured equivalent to >20m trees</p> <p>Contributing to urban NP through engagement with customers, employees, suppliers, and administrative institutions</p>  <p>Assessed quantitatively in 2021 as being activities that increased urban greenery and wildlife</p>	<p>Wood procurement guidelines</p> <p>Promoting with suppliers with the aim of achieving sustainable wood procurement</p>  <p>2025/8/25 Briefing on revisions to Wood Procurement Policy and Guidelines</p>	<p>TNFD</p> <p>Early disclosure of our business risks and opportunities using LEAP approach</p>  <p>Verification of direct impact on operations is planned</p>
<p>Joint research with University of Tokyo</p> <p>Verification of relationship between biodiversity and well-being</p>  <p>Verified connection between gardens with biodiversity and lower risk of depression</p>	<p>Implementing local due diligence</p> <p>Survey of procurement regions, local interviews</p>  <p>Wood procurement due diligence in Thailand/Vietnam, 2024</p>	<p>Procurement survey of main raw materials</p> <p>Surveyed main materials of steel, aluminum, and sand to identify procurement risks</p>  <p>Interviews with suppliers are underway</p>

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Next we have biodiversity conservation initiatives. We are working to increase value by using the foundation we have built together with customers and partners over the course of many years.

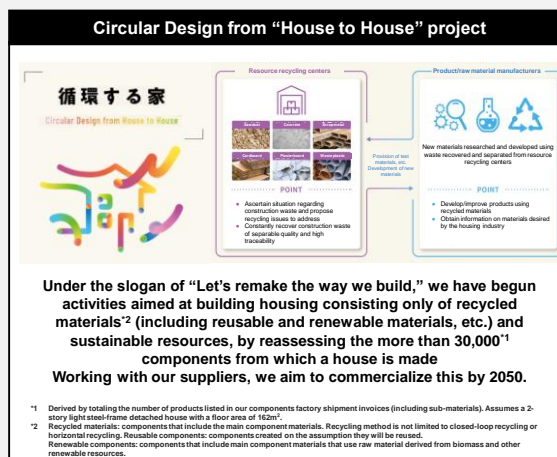
First we have the “Gohon no Ki” project. By viewing the gardens of our customers as the closet ecosystems, we have continued to create proposals focused on traditional species under this initiative, which celebrates its 25th anniversary next year. In terms of our track record, we have planted more than 20 million trees, working with a variety of stakeholders to help make urban areas more Nature-Positive(NP). In 2021 a quantitative assessment was conducted with the Kubota Laboratory of the University of the Ryukyus, and industry peers Daiwa House and Asahi Kasei Homes also performed verifications on gardens with traditional species. By verifying the relationship between biodiversity and well-being, we are conducting research with the University of Tokyo to establish what effects a biodiverse garden has on customers.

In the area of wood procurement, we have established wood procurement guidelines and in addition to conducting interviews every year we also implement local due diligence. Last year, we conducted local surveys in Thailand and Vietnam. Shifting from Zero Deforestation (ZD) to Deforestation- and Conversion-Free (DCF)

In terms of information disclosure, including TNFD, we began disclosing risks and opportunities for the business using the LEAP approach at an early stage. Furthermore, for the procurement of materials for which such information suggests a high dependence, we have started by gathering information on the main raw materials of steel, aluminum, and sand (cement). Working together with our suppliers, we will promote sustainable corporate growth and biodiversity conservation.

Resource Recycling/CE Initiatives

- Using our circulatory network, we will work with our suppliers to realize a new approach to housing



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The third is resource recycling and Circular Economy(CE) initiatives.

Our zero-emission system consists of separating waste into 27 categories on site, and having them recovered and recycled by resource recycling centers in each area. The result of these measures so far is that the amount of waste generated per building has been halved, from the initial 3 tonnes or so to 1.5 tonnes. The other four divisions (component production, new-build construction sites, after sales and maintenance, and remodeling of own properties) have achieved 100% recycling rates.

Leveraging this circulatory system, we launched Circular Design from “House to House” project in December 2024.

This project consists of reassessing the more than 30,000 components used in a house, and commercializing houses that can be built only with recycled components by 2050.

Under the slogan of “Let’s remake the way we build,” we are conducting development of construction materials that use recycled materials right from the start. Having construction material manufacturers and other stakeholders see the way our products are recovered at resource recycling centers opens the way to using such materials, and we are moving forward with development efforts that involve many suppliers.

KPIs (1) Main Environmental Indicators

Excerpt from p.95 of [ESG_factbook.pdf](#)

- Steady progress being made in main environmental indicators linked to material issues.

Key themes	No.	Indicator	Boundary of calculation	FY2023	FY2024	
				Results	Targets	Results
Decarbonization	11	Ratio of detached ZEH homes	◇1	95%	90%	96%
	12	Ratio of ZEH units for rent	◇1	76%	73%	77%
	13	Ratio of ZEH condominiums for sale	◇1	100%	100%	100%
	14	Number of insulation upgrades for existing houses (Idocoro Dan-netsu houses)	Sekisui House Remodeling, Ltd.	1,699	—	—
		Number of insulation upgrades for existing houses (revised)		—	3,600	4,874
	15	Rate of CO ₂ emissions reduction from new housing and similar operations	2	38.0%	—	39.1%
	16	Rate of CO ₂ emissions reduction from business activities	3	56.3%	—	62.3%
	17	RE100 achievement rate	3	52.3%	—	58.3%
	18	Percentage of Company electric vehicles (including hybrids)	3	15.5%	32%	28.7%
Biodiversity conservation	19	Percentage of supplier setting science-based targets	◇1	39.5%	—	46.5%
	20	Sustainable wood procurement rate	—	97.2%	97.5%	97.1%
	21	Rate of zero-deforestation wood procurement	—	89.8%	92%	92.5%
Resource recycling	22	Biodiversity-friendly tree planting (Gohon no Ki Project)	◇1	19,840 thousand	21,000 thousand	20,691 thousand
	23	Waste rate (new construction)	◇1	5.9%	—	6.0%
	24	Waste recycling rate (new construction)	◇1	100%	100%	100%
	25	Waste recycling rate (maintenance and remodeling)	Sekisui House, Ltd., Sekisui House Remodeling, Ltd.	94.6%	—	95.0%

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Due to the above initiatives, we are making steady progress in the main environmental KPIs that have been set in each area.

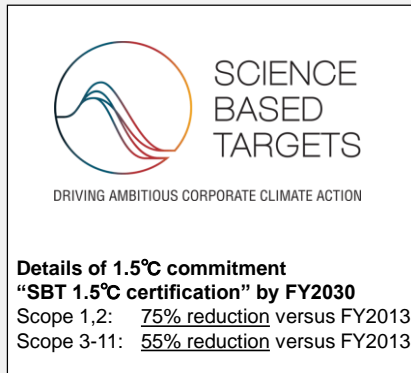
The details are disclosed in the ESG Fact Book, so please refer to that publication.

KPIs (2) Other Commitments

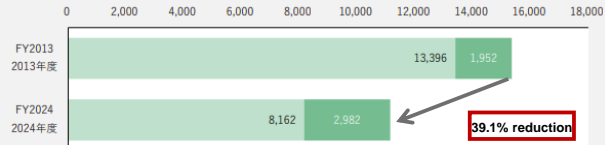
[ESG_databook_2024_Full.pdf \(sekisuihouse.co.jp\)](#)

● Progress towards “SBT 1.5°C certification” reduction target (versus FY2013)

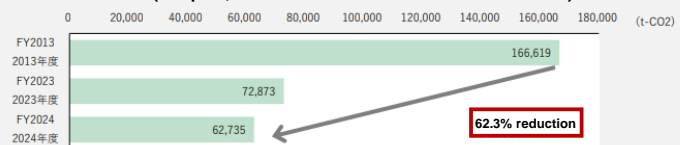
Scope 3-11: 39% reduction, Scope 1,2: 62% reduction



●FY2024 results (Scope 3-11: decarbonization of housing products)



●FY2024 results (Scope 1,2: decarbonization of business activities)



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Within these KPIs, SBT is regarded as the leading indicator for decarbonization. We are making steady progress towards our targets, and in particular decarbonization of business activities has achieved a reduction of 62.3% versus FY2013.

I would like to share the fact that we have built a track record of being one of the leaders in this global trend, in line with the announcement by the IPCC that global CO₂ emissions must be halved by 2030. We will continue our efforts to achieve these targets ahead of schedule.

Example of Link Between Business Growth Generated by Environmental Business and Environmental (Social) Value

"Sha Maison ZEH orders in first half of FY2021 exceed orders for the entirety of the previous year"
- News Release - corporate/IR/ESG/recruitment - Sekisui House

- Rental housing "Sha Maison ZEH" enable comfortable living for residents throughout the year
- Compared to general rental housing, CO₂ emissions when occupied are reduced by 93% and utility expenses are cut by 30%
- Resilience in the event of a major power outage caused by a natural disaster
- Providing the option of ethical housing that enables everyday comfort for residents, while contributing to the prevention of global warming and controlling utility expenses

Sha Maison ZEH: 57,284 units cumulative
(as of end-January 2025)



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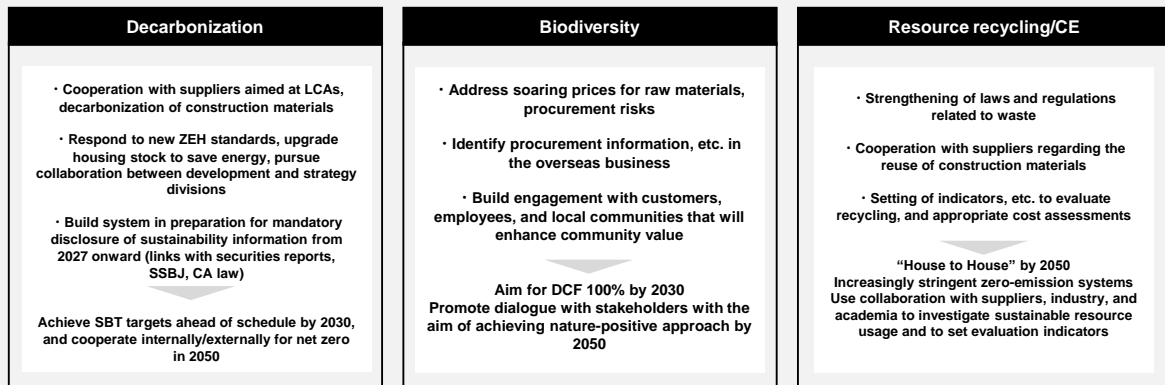
Up to this point my explanation has focused on our own track record. Here I would like to add some qualitative comments about how these environmental businesses are linked to social value, by talking about the case study of Sha Maison ZEH in Japan.

The high insulation performance of Sha Maison ZEH mitigates the heat of summer and the cold of winter, enabling comfortable living for residents throughout the year. In addition, the energy-saving measures such as high-efficiency air conditioners and LED lighting, and energy generation from solar panels lead to reductions in CO₂ emissions of 93% and in utility bills of 30% when compared to standard rental housing. Furthermore, even in the event of a major power outage caused by a natural disaster, if it occurs on a sunny day the electricity from the photovoltaic power generation system can be used as an emergency power supply.

Sha Maison ZEH, which enables everyday comfort while helping to resolve societal issues, provides the option of ethical housing that not only helps residents control utility costs but also enables them to contribute to the prevention of global warming just by living their lives. If the number of these rental ZEH units increases, the number of people able to experience the advantages of ZEH for themselves will increase, and more people will build them, creating a virtuous cycle. For Sha Maison ZEH to become more popular the narrative must be conveyed properly not only to owners but also to those looking for a place to live, so the role of brokers becomes important. Group companies are collaborating to popularize this product in the minds of stakeholders with, for example, Sekisui House conveying to owners the significance of Sha Maison ZEH and its high level of competitiveness, and Sekisui House Sha Maison PM companies appealing to people looking for a place to live on the basis of the comfort, economy, and contribution to preventing global warming. The product is highly rated by those who have actually lived in it, and resident surveys show a high level of satisfaction with the utility bill-reduction effect and the comfort. We have created a virtuous cycle in which those who have lived in Sha Maison ZEH units choose our ZEH when relocating to a detached house that has been built for them. This leads to increases in our LTV (Lifetime Value) per customer, resulting in a business model that achieves a balance between environment and commercial viability. We believe that this will lead to growth not only for Sekisui House but for the ZEH market as a whole, which in turn will help prevent global warming. Going forward, we will work to further popularize Sha Maison ZEH that have value for residents, owners, and the global environment.

Issues and Key Points to Work on Going Forward

- We will build a framework to implement the themes of the shift to a decarbonized society, biodiversity conservation, and resource recycling/CE initiatives, comprehensively and across the organization
- Viewing housing as a societal asset, we will minimize both our dependence and our impact on natural capital, and work towards building a sustainable system



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This is the last slide, on which I want to touch on the issues and key points to work on going forward.

First, because we intend to implement these themes comprehensively and across the organization so that they can be practiced together with divisions and group companies, the subcommittees of the Environmental Subcommittee and other organizations will also work on building a framework.

In the field of decarbonization, the key issues will be not only decarbonization during the period of occupation but also decarbonization of upstream construction materials, collaboration between divisions to address new ZEH standards, and disclosure of sustainability standards. To meet targets, we will pursue close cooperation between our own internal divisions and also with entities outside the Company, working steadily to achieve SBT targets ahead of schedule and preparing for net zero by 2050.

For biodiversity, the issues are those related to procurement and so on, both in Japan and overseas. We will engage in dialogue with stakeholders while conducting analyses and performing disclosure in accordance with TNFD.

As for resource recycling, the key points include the strengthening of governance with regard to waste, the setting of indicators for recycling, and the development of construction materials. There is no precedent for House to House, and we recognize that the level of difficulty for this initiative is extraordinarily high. While improving the efficiency of the zero-emission system, we will work in cooperation with suppliers, industry, and academia to pursue the sustainable use of resources and meet 2050 targets.

Housing is a consumer durable, and a societal asset. By minimizing both the dependence of our corporate activities and their impact on natural capital, and making the entire housing lifecycle sustainable, we will contribute to the happiness of our customers and society.

That brings my presentation to an end.

5. Governance

**Promoting Governance Enhancements Through Both
Senior Management and Business Management to
Provide the Driving Force of Innovation and
Communication**

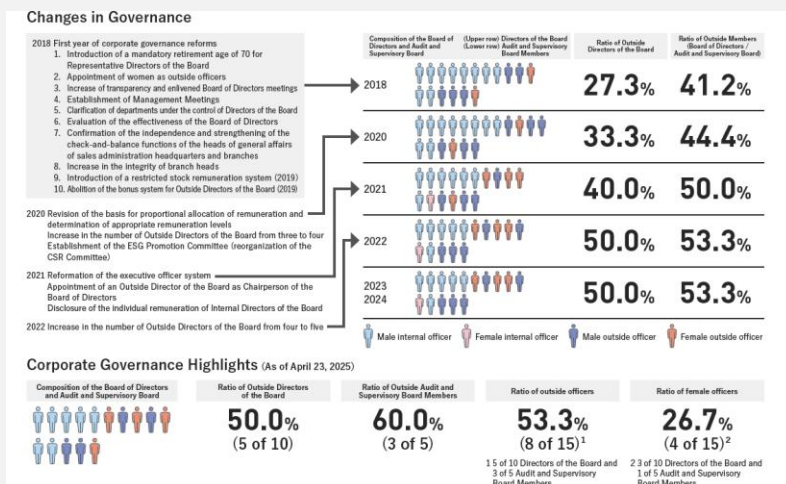
Chairperson of the Governance Subcommittee
Executive Officer
Head of Corporate Institutional Management Department
Naoki Kawamura

My name is Naoki Kawamura, Head of Corporate Institutional Management Department, and I will provide an explanation of the governance part of today's presentation.

In addition to performing part of the role of Corporate Secretary for the Board of Directors Secretariat and other organizations as Head of Corporate Institutional Management Department, I also work to promote Group governance in concert with the members of the corporate departments of the Company and the main Group companies in my role as Chairperson of the Governance Subcommittee.

How We Have Strengthened Governance Up to Now

- Since 2018, we have implemented a variety of governance reforms to respond to the changing needs of the times with respect to corporate governance



First, I will describe the changes in how we have strengthened governance up to now.

Since current CEO Yoshihiro Nakai was appointed in 2018, we have implemented a number of reforms of governance, such as enhancing the independence and diversity of the Board of Directors by increasing the number of Outside Directors and female Directors in response to the requirements of the Corporate Governance Code and other developments, and introducing a system of stock remuneration linked to ROE and ESG management indicators.

Details of the Sixth Mid-Term Management Plan (Governance Area)

● Promoting governance through both senior management and business management

Promoting strengthening of governance through both senior management and business management - Driving force of innovation and communication -

Senior Management Level	<ol style="list-style-type: none"> Moving forward from the development of a corporate governance framework to the new stage of realizing its functional effectiveness Increasing the sophistication of stakeholder engagement 	Business Management Level	<ol style="list-style-type: none"> Rolling out Group governance systems on a global basis Fostering a corporate culture based on mutual trust achieved via robust communications
	Senior Management Level		Business Management Level
<ol style="list-style-type: none"> Moving forward from the development of a corporate governance framework to the new stage of realizing its functional effectiveness <ul style="list-style-type: none"> The Board of Directors, now equipped with greater diversity than before, exercises its functions to the fullest. — ■ Facilitating lively Board room discussions in accordance with our Global Vision <ul style="list-style-type: none"> Enhancing the Board of Directors' functions via a third-party evaluation of its effectiveness Delegating authority from the Board of Directors to Management Meetings and other bodies ■ Strengthening the effectiveness of our senior management candidate pipeline <ul style="list-style-type: none"> Strengthening our pipeline by upgrading the selection process for Executive Officers and operating officers The Personnel Affairs and Remuneration Committee monitors the effectiveness of the management pipeline Increasing the sophistication of stakeholder engagement <ul style="list-style-type: none"> Exercising spontaneous judgment for consistent information disclosure. — ■ Further upgrading our mode of information disclosure <ul style="list-style-type: none"> Enhancing the content of information being disclosed about the current status of the linkage between tackling material issues and strengthening corporate governance Securing consistency in information disclosure and reinforcing its effectiveness as messaging 			<ol style="list-style-type: none"> Rolling out Group governance systems on a global basis <ul style="list-style-type: none"> Removing boundaries between domestic and overseas Group entities, with the aim of creating a network based on mutual trust. — ■ Establishing Group governance in the U.S. <ul style="list-style-type: none"> Ensuring that our U.S. operations are supervised by clearly defined regional headquarters' functions on an ongoing basis Allocating human resources to local subsidiaries based on their functions ■ Promoting the governance network <ul style="list-style-type: none"> Stepping up the development of governance specialists and optimally allocating them to domestic and overseas Group companies Strengthening corporate functions in place at domestic and overseas Group companies ■ Enhancing our internal audit structure for global auditing <ul style="list-style-type: none"> Developing internal audit functions aligned with the size of domestic and overseas Group companies as well as risks specific to each Fostering a corporate culture based on mutual trust achieved via robust communications <ul style="list-style-type: none"> Aiming for the creation of a workplace that ensures psychological safety for employees and empowers them to work vibrantly. — ■ Developing an environment aimed at raising compliance awareness among employees <ul style="list-style-type: none"> Promoting training for all employees while encouraging the active use of whistleblowing and counseling hotline systems ■ Strengthening our capabilities for autonomous organizational management <ul style="list-style-type: none"> Securing a greater number of leaders equipped with robust integrity

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For the governance area of the Sixth Mid-Term Management Plan that began in 2023, we worked at the senior management level on reforms to realize the functional effectiveness of a Board of Directors imbued with greater diversity, and enhanced information disclosure. At the business management level, we took steps to strengthen Group governance in Japan and overseas, as well as working to foster an organizational culture to provide the base for communication.

Next I will discuss progress in those areas.

Progress of the Sixth Mid-Term Management Plan (Governance Area)

- Senior management level: increase in strategy discussions, promotion of the management talent pipeline, enhancements to securities report disclosure
- Business management level: promotion of PMI for U.S. homebuilding business, revitalize the whistleblowing/counseling system

		Evaluation	Evaluation comments
Senior management level	Moving forward from the development of a corporate governance framework to the new stage of realizing its functional effectiveness	○	<ul style="list-style-type: none"> Delegation of authority from Board of Directors to Management Meetings (raising of amount required for submission of Board of Directors agenda items) [November 2023] Formulation of requirements for next CEO [December 2023] Increase in opportunities for global-level discussion from the Group management and financial perspectives [FY2024]
	Increasing the sophistication of stakeholder engagement	○	<ul style="list-style-type: none"> Non-financial information in the securities report (for the 73rd fiscal year) selected as an example of best practice by Financial Services Agency (submitted April 2024) Publication of securities report (for 74th fiscal year) before general meeting of shareholders and simultaneous disclosure in English (submitted April 2025)
Business management level	Rolling out Group governance systems on a global basis	○	<ul style="list-style-type: none"> Promotion of PMI for U.S. homebuilding business (shift to "One Company" approach) through the U.S. Homebuilding Steering Committee and SHRH Committee [FY2024] Dispatch from Japan of resident employees working in audit, legal affairs, and accounting [FY2023-2024] Allocation to main subsidiaries of employees involved in governance [February 2025]
	Fostering a corporate culture based on mutual trust achieved via robust communications	○	<ul style="list-style-type: none"> Restructuring of whistleblowing and counseling system (consolidation of external contact points, expansion of those covered) [June 2024] ◆ Increase in number of whistleblowing/counseling cases Expansion in the number of people receiving risk management training, promotion of training to increase integrity among the next cohort of management, such as branch managers

Main indicators	Target level for 2025	As of end 2H 2024	Evaluation	Evaluation comments
Response to CG Code based on reviews from assessment agencies	9th or higher	1st (FY2024)	●	Improved ranking compared to 4th place of previous year (second consecutive year)
Number of whistleblowing/counseling cases (Compliance Helpline, Sexual and Power Harassment Hotline) *Cases per 1000 employees	-	10.9 cases (FY2024)	-	Increase from 10.5 cases of FY2023. Targets have not been set, so only results are shown
Progress rate for strengthening security (versus fiscal year plan)	100%	100% (FY2024)	●	Rate of achievement versus the FY2024 plan: "The various businesses are being operated in accordance with the requirements and rules for security"

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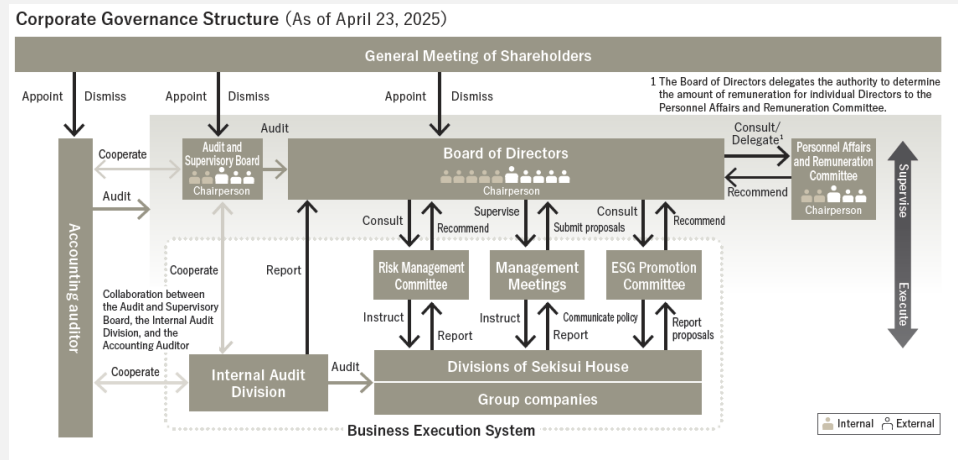
At the senior management level, the delegation of authority to Management Meetings and a major homebuilding business acquisition in the U.S. were partly responsible for an increase in strategic discussions on Group management and finances by the Board of Directors. There has also been progress in the drawing-up of requirements for the next CEO, in which the Personnel Affairs and Remuneration Committee played the leading role.

In terms of information disclosure, our Securities Report, which focused on enhancing the disclosure of non-financial information, was selected by the Financial Services Agency as an example of best practice, which was the first for the Company.

At the business management level, we moved ahead with PMI for the U.S. homebuilding business after discussions by the U.S. Homebuilding Steering Committee, which includes Executive Officers from our Administrative Division and Finance Division, and expect to complete the shift to the "One Company" approach by January 2026. We also made steady progress in such areas as implementing restructuring to revitalize the whistleblowing/counseling system, and training aimed at enhancing risk management and increasing integrity.

Moderate separation of supervision and execution (corporate governance structure)

- The chairpersons of the Board of Directors and the Audit and Supervisory Board, and of the Personnel Affairs and Remuneration Committee are all outside officers, and the Board of Directors is composed of equal numbers of internal and Outside Directors



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Please allow me at this point to provide some additional explanation on the governance structure of the Company.

In accordance with the organizational framework defined by the Companies Act, the Company has adopted an Audit and Supervisory Board structure, under which the Board of Directors has equal numbers of internal and Outside Directors, is endowed with a variety of skills, and has important executive functions in addition to its supervisory role.

Important investment projects that are submitted as agenda items for the Board of Directors are deliberated in advance at Management Meetings, and frequent attendance at such Management Meetings by Outside Directors has led to an improvement in the quality of decision-making by the Board of Directors.

With regard to personnel and remuneration affairs for officers, we have established a non-statutory advisory body called the Personnel Affairs and Remuneration Committee.

The chairpersons of the Board of Directors and the Audit and Supervisory Board, and of the Personnel Affairs and Remuneration Committee are all outside officers, with each seeking to enhance the effectiveness of their respective supervisory functions.

Evaluations of the effectiveness of the Board of Directors are conducted by a third-party agency on an ongoing basis.

CEO Evaluation and Selection Process

- The Personnel Affairs and Remuneration Committee (a majority of the members of which are Outside Directors) evaluates the current CEO every year, and promotes the formulation of a development framework for the CEO's successors

Key Points of CEO Evaluation

Qualification requirements	Embodies our Corporate Philosophy and possesses a broad perspective	Whether they extensively promote specific measures based on our Corporate Philosophy to achieve our Global Vision
Competence requirements	Conceives solutions to problems confronting society	Whether they accurately understand social issues and clearly envision how to resolve them as they develop business models
	Innovates to create new markets	Whether they properly delegate authority to foster a creative corporate culture that can respond to new markets
	Cooperates with various stakeholders	Whether they are constantly continuing to build and strengthen relationships with customers, employees, suppliers, investors and other stakeholders
	Develops organizations that enhance the Group's comprehensive power	Whether they, as the leader of the entire Group, are at the forefront of evolution and development of organizational systems, including those supporting global operations
Motivation and health	Supports the stability of mid-term management	Whether they pay attention to their health, and are motivated to complete their duties as the head of management

Human Resource Requirements for the Next CEO

Qualification	<ul style="list-style-type: none"> • Capable of carrying out the Sekisui House Group's social duties and, to this end, personifying our corporate philosophy • Possesses unshakeable, firm integrity 	
Competence	Conceptualization	Understands new issues caused by social change, conceives of future plans to realize happiness through housing, and develops business models accordingly
	Innovativeness	Elicits diverse ideas in conversations, uses a flexible way of thinking to take appropriate opportunities to promote rapid innovation
	Cooperation	Accepts a variety of people, can create strong, and trusting relationships with various stakeholders
	Organizational development ability	Fosters a highly autonomous global organizational culture, increases the value of the Sekisui House Group's human resources
Mindset	<ul style="list-style-type: none"> • Has a strong determination to lead the entire Sekisui House Group based on their personal responsibility • Is dedicated and continuously passionate towards realizing our Global Vision 	

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The majority of the members of the Personnel Affairs and Remuneration Committee are Outside Directors, including the Chairperson, and it works to ensure the fairness and transparency of the process by which personnel and remuneration affairs for officers are determined.

The Personnel Affairs and Remuneration Committee also implements evaluations of the CEO through annual assessment meetings. During the period of the Sixth Mid-Term Management Plan, it has also established requirements for the next CEO and formulated a development framework for CEO successors.

Strengthen the management talent pipeline

- **Entrusted Executive Officers**

Senior Management Assessments are implemented by an external organization to arrive at a comprehensive assessment of their current capabilities and their potential for growth. After deliberations by the Personnel Affairs and Remuneration Committee, feedback on the results of the assessment is given and a development plan for the future is formulated.

As of October 1, 2025

Division	Directors of the Board who also serve as Entrusted Executive Officers	Entrusted Executive Officers	Employed Executive Officers	Operating Officers
	Yoshihiro Nakai (Representative Director of the Board, CEO, President, Executive Officer)			
Division of Built-to-Order Business	Hiroshi Shinozaki (Director of the Board, Senior Managing Officer) Yasushi Omura (Director of the Board, Senior Managing Officer)	Takahiro Kondo (Managing Officer)	4 Officers	13 Officers
Division of Development Business	Toru Ishii (Director of the Board, Senior Managing Officer)	Takehisa Yanagi (Managing Officer) Toru Tsuji (Managing Officer)	3 Officers	2 Officers
Business Strategy Division	—	Kohei Hirota (Managing Officer) Hiroaki Yoshida (Managing Officer) Norio Adachi (Managing Officer)	3 Officers	4 Officers
ESG Division	—	Haruhiko Toyoda (Senior Managing Officer)	2 Officers	1 Officer
Finance Division, Administration Division	Satoshi Tanaka (Representative Director of the Board, Executive Vice President, Executive Officer)	Keizo Yoshimoto (Senior Managing Officer) Toru Fujita (Managing Officer)	2 Officers	2 Officers
Human Resources Division, Auditing Department		—	1 Officer	2 Officers
Division of Technology and Production	—	Masaru Noma (Senior Managing Officer) Koya Matsumura (Managing Officer)	5 Officers	6 Officers
Affiliated Companies	—	Kazunori Ito (Managing Officer)	3 Officers	5 Officers

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Next I will talk about the features of our Executive Officer system.

In 2021, we implemented reforms to the Executive Officer system with the intention of developing management talent and building a pipeline of leaders. It consists of four layers, from Directors who serve concurrently as Entrusted Executive Officers at the level of Senior Managing Officer or higher, to Operating Officers.

We have designated divisions and departments at each business and headquarters function, and even at affiliated companies, and are clarifying the status of management talent development in each.

When new Entrusted Executive Officers are considered for selection, the Personnel Affairs and Remuneration Committee deliberates the selection, based on the results of a comprehensive evaluation implemented by an external organization, and formulates a development plan.

Remuneration Governance

- Decisions on the individual remuneration amounts for Directors and Entrusted Executive Officers, are delegated to the Personnel Affairs and Remuneration Committee
- Introduction of Shareholding Guidelines (applies to internal Directors)
- Stock Remuneration Return (Malus and Clawback Provisions)

Type of remuneration		KPIs	Outline and reasons for selection of indicators for performance-related remuneration
Fixed	Basic remuneration	—	The amount shall be determined based on criteria such as representation rights and position, and shall be paid on a monthly basis.
Variable	Short term	Consolidated ordinary profit	The amount shall be calculated by multiplying consolidated ordinary profit, a key management indicator, by a predetermined bonus coefficient based on each Director of the Board (including the CEO and excluding Outside Directors of the Board). The bonuses shall not be paid if profit attributable to owners of parent is less than ¥120 billion.
	Medium term	ROE and ESG management indicators	ROE (a key financial indicator for the medium term) and a non-financial ESG management indicator shall be used as performance indicators. A Reference Number of Share Units corresponding to a predetermined standard for each Director of the Board (including the CEO and excluding Outside Directors) position shall be granted. The number of units to be granted shall depend on the level of achievement of ROE and ESG management indicators during the evaluation period spanning three consecutive fiscal years. At the end of the evaluation period, the number of units granted shall range from 0% to 150% of the reference amount. Half of the units granted shall be issued as shares and half in cash for tax payment. Management indicators shall have an 80:20 weighting in the evaluation, and ESG management indicators shall be subject to rigorous review by the Personnel Affairs and Remuneration Committee to ensure objectivity and transparency in goal setting and evaluation.
	Long term	—	Shares of Sekisui House, Ltd. common stock (with transfer restrictions) shall be granted corresponding to the predetermined basic amount set by position for each Director of the Board (including the CEO and excluding Outside Directors). The transfer restrictions shall be lifted when the individual ceases to serve as a Director of the Board or Executive Officer.

1 PSU: Performance Share Unit 2 RS: Restricted Stock

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Continuing on from that, I will explain the Officer Remuneration System.

As for individual remuneration amounts, from the perspective of ensuring the objectivity and transparency of the process, decisions are made by the Personnel Affairs and Remuneration Committee, to which such authority has been delegated by the Board of Directors.

In order to guarantee the sustainable sharing of value with shareholders over the long term, the Company encourages the acquisition of shares of the Company to a value of twice annual basic remuneration for the Representative Director and an amount equal to basic remuneration for other internal Directors. It is mandated in guidelines that these shares be held continuously after their acquisition.

To prevent excessive risk-taking and ensure sound management, we have established clauses enabling the Company to confiscate or demand repayment of stock remuneration in the event that a Director is found to have engaged in serious misconduct or to have violated laws and regulations in connection with the execution of their duties.

ESG Management Indicators (Performance Share Units)

- The setting of targets for the various indicators and decisions on evaluation are made by the Personnel Affairs and Remuneration Committee
- Governance indicators
Disclosure/domestic Group governance conducted in accordance with the Corporate Governance Code
⇒ Information security/overseas Group governance

ESG Management Indicators and Target Values for Performance Share Units (PSU4) for FY2023 through FY2025

ESG Management Indicators		Numerical Target (January 31, 2026)	Weighting
Environment	Rate of CO ₂ emissions reduction from business activities (Scope 1-2)	59%	40%
	Ratio of detached ZEH homes	92%	
	Ratio of ZEH units for rent	75%	
Social	Number of female managers	350	30%
	Take-up rate for eligible male employee childcare leave	98%	
	Take-up rate for annual paid leave	70%	
Governance	Strengthening information security systems	Group-wide business will be properly operated following requirements and rules for security	30%
	Establishment of Group governance in the U.S.	U.S. subsidiaries establish unified business supervisory functions	

Indicators and Target Values for ESG Management-Related Performance Share Units (PSU5) for FY2024 through FY2026

ESG Management Indicators		Numerical Target (January 31, 2027)	Weighting
Environment	Rate of CO ₂ emissions reduction from business activities (Scope 1-2)	62%	40%
	Ratio of detached ZEH homes	95%	
	Ratio of ZEH units for rent	77%	
Social	Number of female managers	410	30%
	Take-up rate for eligible male employee childcare leave	98%	
	Take-up rate for annual paid leave	70%	
Governance	Establish governance and risk management frameworks for the U.S. homebuilding businesses	Following guidance from the U.S. Homebuilding Steering Committee, we have begun implementing and operating various policies and measures	30%
	Establish governance and risk management frameworks for the overseas development businesses	Be able to implement and operate all policies and measures of the overseas development business	

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Some ESG management indicators have been adopted for performance share units, with decisions on the setting and evaluation of targets being taken by the Personnel Affairs and Remuneration Committee.

Let me explain the indicators that were established last year and the year before last. First, for “E” (Environmental), we have reductions in CO₂ emissions compared to FY2013, and the sales ratio of net-zero energy housing. For “S” (Social), we set targets for the number of women in managerial positions and take-up rate for eligible male employee childcare leave and annual paid leave.

For “G” (Governance) indicators, in the past we had designated the results of reviews by a third party of performance relative to TOPIX 100 companies whose disclosure is based on the Corporate Governance Code, as well as governance structures established at domestic Group companies.

Following subsequent changes in the management environment, these have changed, as you can see, to the status of cybersecurity initiatives, and the establishing of governance and risk management structures at overseas Group companies in the U.S. and elsewhere.

Enhanced disclosure of non-financial information

- Securities report submitted in April 2024 was included for the first time by the Financial Services Agency for a collection of best-practice documents

「サステナビリティに関する考え方及び取組」 4、「人的資本、多様性等」の開示例
積水ハウス株式会社 (1/3) 有価証券報告書 (2024年1月期) P11-13,28-29,33 **多様性** 4-22
Return to table of contents

【従業員の状況】 ※一部抜粋 (2)

(1) 管理職に占める女性労働者の割合、男性労働者の育児休業取得率及び労働者の男女の賃金の差額
 (注4)
 (注5) 積水ハウス株式会社 (注6)

名称	管理職に占める女性労働者の割合 (%) (注1)	男性労働者の育児休業取得率 (%) (注2、3)		労働者の男女の賃金の差額 (%) (注1、3、4、5)		
		全労働者	うち正規雇用労働者	全労働者	うち正規雇用労働者	うち非正規労働者
積水ハウス㈱	3.3	114.0	55.2	59.3	41.0	

(1) (詳細)

＜男女の賃金差額についての補足説明＞
 積水ハウス㈱における男女の賃金差額（全労働者55.2%、正規雇用労働者59.3%）については全労働者に占める正規雇用労働者の割合が約9割、正規雇用労働者の中でも総合職が半数を占めていることが大きく影響しています。そのため、以下に正規雇用職について記載します。
 1) 等級ごとの賃金差額について
 同一等級の賃金は同等です。当社は職級及び等級ごとに賃金水準を設定しており、総合職の男女の基本給月額の差額は以下のとおりです。

	女性平均基本給/男性平均基本給
管理職	107.3%
P5	98.3%
一 4	100.3%
P3	99.7%
P2	99.8%
P1	99.5%

※一般社員には5つの等級（P5～P1）があります。

Points that caught our attention as examples of best practice
 (1) Quantitative data on the state of salary differentials by job category and rank were provided as a supplemental explanation for salary differentials between men and women
 (2) Included specifics on initiatives implemented to promote women's advancement over time, including quantitative information

(2) 育児の取組と長年勤務
 女性活躍推進については20年前から推進事業を持ち、2005年より女性組合員を積極的に採用し、女性従業員の育成と定着を促進するため、専門部署（現 ダイバーシティ推進部）を設置し、柔軟な働き方に代えられる仕事や育児・介護の両立支援制度の拡充等の推進策を実施しています。これらの取組が有効し、2007年から2023年における平均勤続年数の伸びは女性が2.2倍（4.8年→9.8年）と男性の1.2倍（15.8年→19.7年）を大きく上回る結果となり、女性正社員比率についても年々高まっています（2007年度は16.1%→2023年度は29.4%）。また、2023年度における年代別の女性正社員比率では20代が38.5%、30代が35.3%、40代が23.3%、50代が12.2%と、20代・30代の若年層の女性正社員比率が高くなっています。

<女性正社員比率の推移(2007年度以降5年毎と直近)>

事業年度	2007年度	2012年度	2017年度	2022年度	2023年度 (直近)
比率	16.1%	18.8%	21.5%	25.1%	29.4%

■ 当社 ■ 当社及び主要な連結子会社

(注) 主要な連結子会社は、積水ハウス不動産グループ各社、積水ハウス建設グループ各社、積水ハウスリフォーム㈱、積水ハウス・ノイエ㈱。

<2023年度の年代別女性正社員比率(当社)>

年代別	20代	30代	40代	50代
比率	38.5%	35.3%	23.3%	12.2%

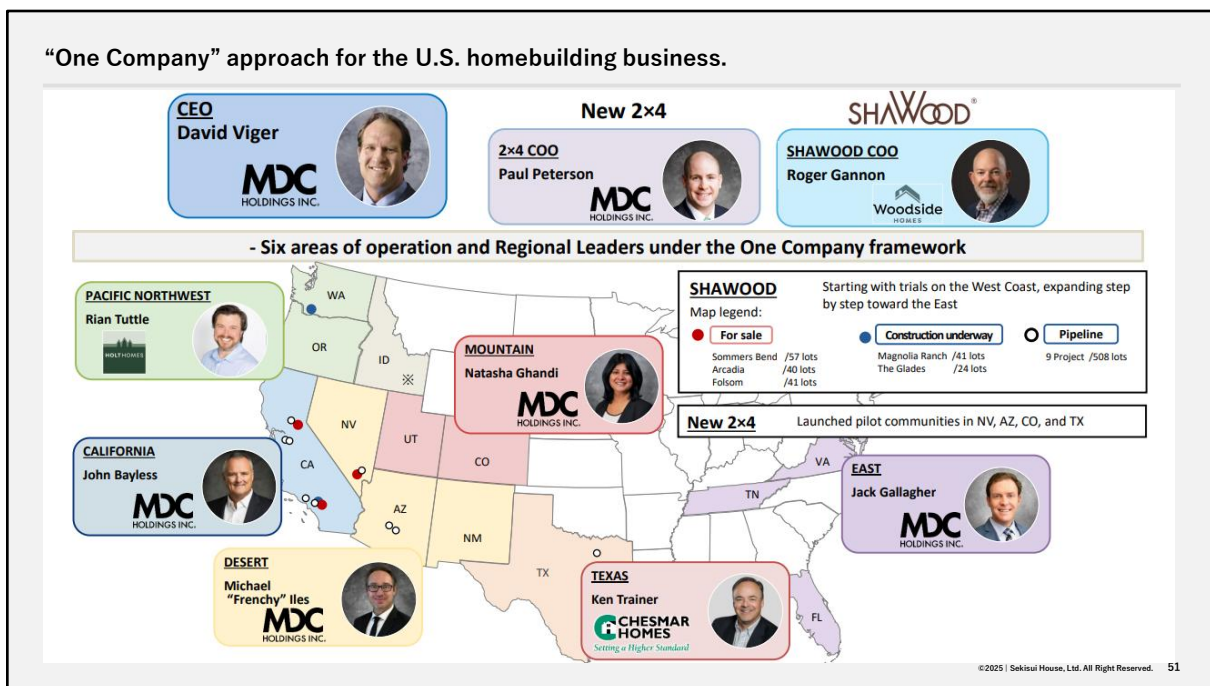
若年層と女性比率が高い

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We have proceeded to enhance the disclosure of non-financial information in securities reports while submitting progress reports to the Board of Directors as necessary.

As a result, last year, our materials were selected for the first time by the Financial Services Agency for a collection of best-practice documents.

“One Company” approach for the U.S. homebuilding business.



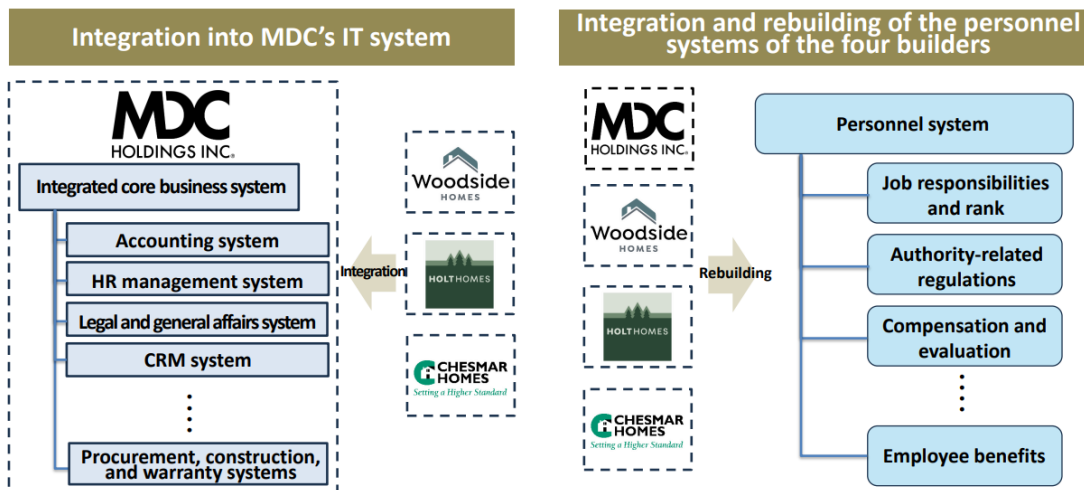
Last month, we announced a shift towards a “One Company” approach for the U.S. homebuilding business.

MDC, which we acquired in 2024, will effectively become a supervisory company and its name will be changed to SEKISUI HOUSE U. S., Inc.

This slide shows the key executives of the new company, and the logos of its current affiliates.

“One Company” approach for the U.S. homebuilding business.

The platform for transferring Sekisui House technologies



We will integrate into MDC's IT system, which was previously listed in the U.S., and will work on integrating and reconstructing the personnel systems of each of the building companies.

These are the platforms we have designated as being required for the transfer of Sekisui House technologies.

Strengthening Expertise and Governance through Restructuring of Domestic Group Companies

Sekisui House Real Estate Group

- February 2022
Adoption of an intermediate holding company structure
- February 2025
Restructured into the brokerage/real estate business (Sekisui House Real Estate) and the rental business (Sekisui House Sha Maison PM Group companies)

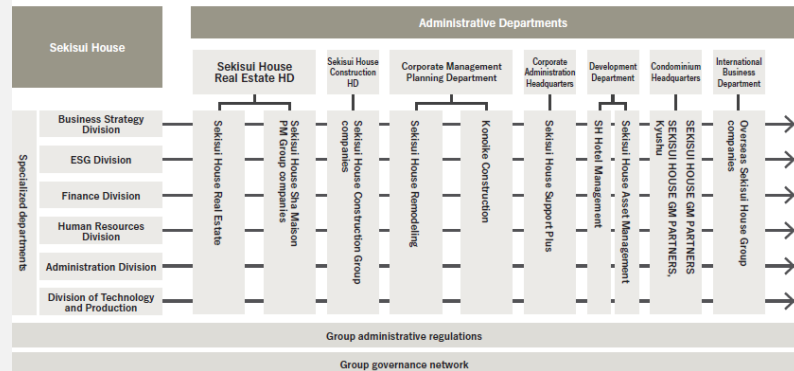
Sekisui House Construction Group

- February 2024
Adoption of an intermediate holding company structure

Sekisui House Support Plus

- February 2025
Spin-off of after-sales service business

Management Framework for Main Group Companies (as of February 1, 2025)



In Japan, organizational restructuring of Group companies continued until February 2025. In addition to strengthening the expertise of each business, we have promoted the strengthening of governance.

Establishing of Head Office Organizations to Promote Group Management

- February 2025: Corporate Institutional Management Department, Department of Global Legal Affairs and Special Projects
- April 2025: Group Corporate Management Control Department

Department/name	Role
Corporate Institutional Management Department	Strengthening of cooperation with corporate departments of domestic Group companies (+ institutional administration, legal disclosure)
Department of Global Legal Affairs and Special Projects	Identifying issues at overseas Group companies, and providing implementation and support for plans and proposals to resolve them
Group Corporate Management Control Department	Strengthening of FP&A* functions for Group management (formulation of numerical plans, tracking of progress, analysis and verification of performance of all types, and submission of proposals to management and operating divisions) *Financial Planning & Analysis

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Even at the head office, in addition to my own Corporate Institutional Management Department we established specialist departments to promote Group management.

We will work to further strengthen cooperation between Group companies in Japan and overseas.

Promotion of Compliance

● Promoting Active Use of Internal Reporting Systems and Consultation Services

Overview of the Sekisui House Group's Whistleblowing and Counseling Hotline Systems				
	Point of contact		Consultation methods	Scope of Reports and Consultations
Sekisui House Group Compliance Helpline	Internal contact: Human Rights and Compliance Promotion Department External contact: Law office	Phone Letter Email	Available to Group officers, employees, and ongoing business partners. Accepts reports and consultations regarding actual or potential violations of laws and regulations, or the Sekisui House Group Corporate Ethics Guidelines and Corporate Code of Conduct in connection with business operations.	
Sexual and Power Harassment Hotline			Available to Group officers, employees, and ongoing business partners, handles consultations related to sexual harassment, power harassment and other human rights concerns, including those associated with pregnancy, childbirth, childcare leave, and nursing care leave.	
Sekisui House Global Helpline		Email (English language support available)	Designated for officers and employees of overseas subsidiaries. Covers issues such as sexual harassment, bullying or human rights violations, and actual or suspected breaches of laws, regulations, or corporate ethics related to business activities.	
Number of Consultations Received by the Internal Reporting and Consultation Services				
	2022	2023	2024	
Sekisui House Group Compliance Helpline	32	63	81	
Sexual and Power Harassment Hotline	213	253	258	

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As a result of continued activity to publicize the whistleblowing and counseling system, implemented in addition to restructuring such as consolidating external contact points, the number of cases increased.

In February 2025 this was upgraded to a specialist “Human Rights and Compliance Promotion Department,” and is working to further revitalize the system.

Issues and Key Points to Work on Going Forward

- **Strengthening of Governance to Align With Changes in the Management Environment Is Necessary for the Domestic and Overseas Group as a Whole**

Senior Management Level

- ◆ Response to the increase in the ratio of Group performance, including the U.S. business
- ◆ Rising importance of selecting and evaluating managers at Group companies
- ◆ Address sustainability disclosure

- ◆ Further enhancement of Board of Directors discussions on global strategy
- ◆ Expand management talent pipeline further through the Group
- ◆ Building and operation of a structure to address disclosure

Business Management Level

- ◆ Establish a governance structure tailored to the circumstances of the various overseas and domestic Group companies
- ◆ Further enhanced risk management, including overseas areas such as information security and real estate management
- ◆ Variations in the degree to which the Corporate Philosophy and Code of Conduct have been absorbed

- ◆ Rolling out Group governance systems on a global basis
Establish governance structure, including shift to “One Company” approach for U.S. homebuilding business
Design and strengthen governance structure aligned with Group companies
- ◆ Strengthening of global risk management
- ◆ Foster a corporate culture focused on integrity

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Here I have set out the issues and key points to work on going forward in the area of governance.

Going forward, the proportion of the total accounted for by Group companies will increase due to the growth of overseas businesses, including those of the United States, and the strengthening of expertise at domestic Group companies.

In addition to further enhancements to discussions of global strategy by the Board of Directors, the expansion of the management talent pipeline to Group companies, and the strengthening of risk management in Japan and overseas, we will work to strengthen governance for the domestic and overseas Group as a whole with a focus on integrity, meaning sincerity and ethics.

Issues With ESG Management and the Path Forward

- ESG management is shifting from “engaging all employees” to “focus on value creation,” and existing KPIs are being shifted to KPIs linked to the resolution of social issues and the creation of businesses

Transition to ESG management focused on value creation

Until now, the focus has been on building a foundation for all employees to take ownership of ESG and initiate action. Going forward, this will shift to management focused on creating new ESG value from all business activities

Direction of the Evolution of Our ESG Management



ESG management that engages all employees

All employees take ownership of ESG, think autonomously, and take action

ESG management focused on value creation
Create new ESG value from all business activities

Our ESG Compass: Key Elements of a Leading Company in ESG Management



Drive Positive Impact

ESG is the creation of new value. Through innovation and communication, we create a positive impact from all our business activities.



Create Happiness

The purpose of ESG management is to realize happiness for our customers, society, and employees. Everyone fosters a corporate culture centered on creating happiness and expanding value creation.



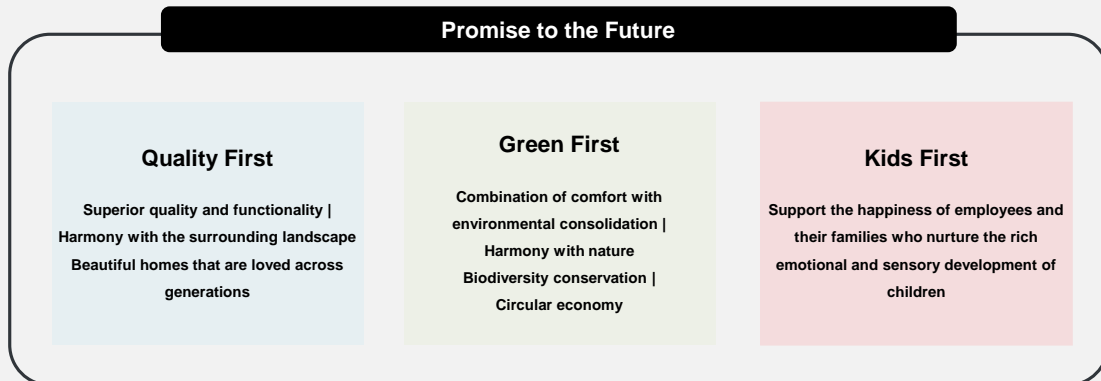
Transform Society

As a leading company, we go beyond our organizational boundaries and lead the industry and society. Together with stakeholders, we co-create a happier future with stakeholders.

Finally, I will again affirm that the future of ESG management is that of ESG management focused on value creation, which we will promote in order to achieve further growth by creating ESG value from a variety of business activities.

Promise to the Future

- Fulfill our promise to the future by increasing human capital value with a focus on employee happiness, and through business growth in Japan and overseas



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We will fulfill our three promises to the future by increasing human capital value, and through business growth in Japan and overseas.

- “Quality First,” which leads to beautiful homes that are loved across generations
- “Green First,” which leads to a sustainable planetary environment and lifestyles
- “Kids First,” which is the nurturing of rich emotional and sensory development in children

By fulfilling these three promises, we will create future happiness.

Thank you for your attention today.

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