



SEKISUI HOUSE

# VALUE REPORT 2026

## — OUR IMPACT —

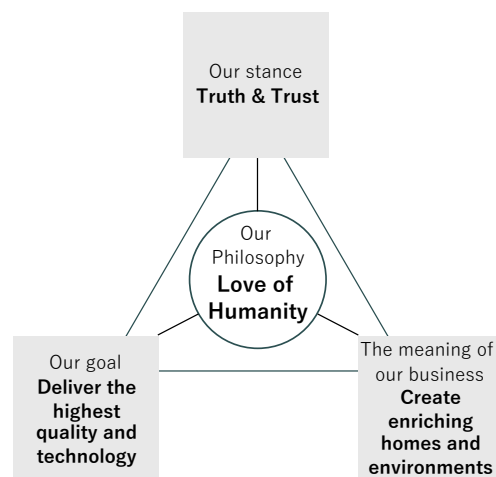
SEKISUI HOUSE, LTD.





# Philosophy Framework

## Corporate Philosophy



### Our Purpose

Established through company-wide dialogue in 1989, our Corporate Philosophy is rooted in “Love of Humanity,” a belief that guides our decisions and shapes everything we do.

## SEKISUI HOUSE-SHIP

Creating new value through innovation.  
Fostering ideas through effective communication and collaboration.  
Taking proactive and independent action.  
Continually refining our technology and sense of beauty.  
Committing as professionals to making home the happiest place in the world.

## Integrity Code

INTEGRITY CODE  
GUIDE BOOK

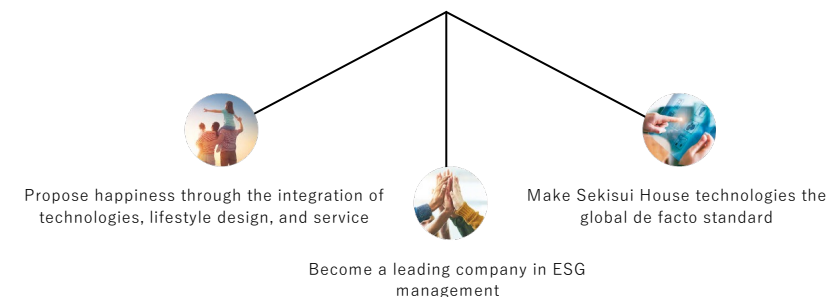
**Sekisui House Group Integrity Code**  
Each of us represents Sekisui House.

### Our Aspirations and Guiding Principles

Introduced in 2024, SEKISUI HOUSE-SHIP defines the values and behaviors that unite us. Established in 2026, our Integrity Code sets the standard for responsible decision-making.

## Global Vision

**The Sekisui House Global Vision**  
**Make Home the Happiest Place in the World**



### Our Vision

Established in 2020, our Global Vision and three supporting visions reflect our commitment to creating new value that helps people live happier, more fulfilling lives.





Message from the CEO

**The Sekisui House Group:  
Creating Happiness  
Through Innovation and Communication  
Toward the Future We Envision**

**Yoshihiro Nakai**

Representative Director of the Board,  
CEO, President, Executive Officer



## Message from the CEO

### The Future We Envision

The future we envision is one in which housing creates happiness.

Imagine the year 2050. Homes may monitor our health, connect family members living apart, and open the way to new experiences and learning. Housing may evolve beyond a place to rest and return to, becoming a more active presence that enriches people's lives. I believe housing holds that much potential.

This may sound like a distant dream. Yet looking back, a home in which people could live safely with peace of mind may once have seemed equally distant in postwar Japan. Even so, our predecessors founded Sekisui House to make that dream a reality. Believing in the potential of housing, they continued to push boundaries. For the first 30 years after our founding in 1960, we pursued safety and security. Over the next 30 years, we advanced comfort and environmental responsibility. That progress now enables us to pursue new value connected to happiness through health, connection, and learning in the era of 100-year lifespans.

Just as homes that protect people's lives and assets became part of everyday life, the future we envision will one day become part of the everyday landscape. We will make that future a reality.

### Who We Exist For

Who does the Sekisui House Group exist for? Companies that endure have one thing in common: they continue to create value that society needs. Our history has been built on

that same principle. Enabling employees to work with happiness. Growing together with our partners and suppliers. Meeting the expectations of local communities and shareholders. Only when all these elements come together can a company remain needed by society and continue to exist. In recent years, this approach has come to be known as multistakeholder capitalism. For us, however, it is simply how we do business.

This is because we have long provided custom homes, a business that brings us into deep and lasting relationships with our customers. A home is both an asset for those who live there and a form of social infrastructure. Since our founding, we have sought not to serve any one group alone, but to contribute to the happiness of many people and meet their expectations.

### Our Enduring Promises to the Future

As a form of social infrastructure, housing must not only be properly maintained. It must also retain its value and beauty over time. Advances in seismic technology, longer-lasting homes, universal design, and community development guided by our

philosophy of aging beautifully all reflect this conviction. Along this journey, we have nurtured three promises: Quality First, to create a high-quality and beautiful housing stock; Green First, to protect the richness of the natural environment; and Kids First, to contribute to children's happiness. These are promises we will continue to fulfill over the very long term. They also express our determination to deliver value to society through housing.

I have long believed that children are treasures for the future. At the same time, I hope every child can cherish their individuality and grow up with a rich sensibility and a sense of happiness. This belief has inspired initiatives such as the Kids' Art Competition, launched in 2022, and JUNOPARK, which opened in 2025.

It would be presumptuous to suggest that we can make children happy. But if our efforts can provide even one small opportunity for a child to grow happily in their own way, nothing could bring us greater joy. That is the belief embodied in Kids First and the promise we will continue to fulfill for the future.





## Message from the CEO

### Entrusted with Transformation in 2018

I was appointed President of Sekisui House in 2018, as we approached our 60th anniversary. One question stayed with me: What value would the Sekisui House Group create in the next era? Sekisui House had grown by pursuing a shared model of success. I do not deny the value of that approach. But I felt a strong sense of urgency that the methods of the past alone would not take us forward. I saw my appointment as a mandate for transformation: to carry forward the value the Sekisui House Group had built, remain a company society would need for the next 30 years, and evolve into an organization capable of realizing the future we envision.

I therefore devoted myself to structural reform and cultural transformation. We pursued governance reform, personnel system reform, organizational restructuring, and a review of our business structure, at times making bold decisions. But cultural transformation mattered most to me. This was not about introducing new values. Rather, it was about restoring within the organization the principles embodied in our

Corporate Philosophy of “Love of Humanity,” a foundation we had sometimes lost sight of over our long history.

*“With an awareness that each and every human being is precious and irreplaceable, we will wish for the happiness of others, make their joy our own, and act with integrity and in the spirit of service.”*

Working together from this foundation to create value is a source of strength for the Sekisui House Group. Transformation is not simply about change. It also requires deciding what to preserve and what to evolve.



My goal was to make our founding philosophy a source of organizational strength once again.

### Employee Autonomy as a Driver

We adopted “Innovation & Communication” as the guiding principle of our cultural transformation. I was convinced that the employees closest to our customers think most deeply about their happiness and already have ideas that can lead to new value.

Long before becoming involved in management, I worked with colleagues to develop new initiatives. We discussed ideas late into the night, and those conversations led to the Chief Architect System and the Sha Maison Design Competition. Small ideas developed through dialogue into systems that continue to support beautiful homebuilding and high-value-added proposals today. The ideas that create the future are born on the front lines, and many employees already have them. Yet for too long, we failed to recognize that.

Employees draw on their own sensibilities and values to develop ideas and give voice to

them. They refine those ideas with colleagues, while managers bring them to management and connect them to strategies and initiatives across the organization. The starting point is autonomy: making one’s own decisions and remaining accountable for them through to the end. I held this belief long before becoming President. One example was the career autonomy training we launched in 2003, which gives employees time away from their daily work to reflect on themselves. I wanted each employee to discover the answer within rather than follow an answer given by someone else. In this way, we cultivated a foundation for autonomy over many years.

Because that foundation had been nurtured for more than 15 years, “Innovation & Communication” took root naturally across the organization. I remain grateful to the manager who believed in and supported these efforts even when opinions were divided. Today, I finally feel we are moving closer to the organization I envisioned all those years ago. I want our employees to embrace even greater autonomy, and the Company will continue to support them fully.

## Message from the CEO

### The Timing of Transformation

Transformation is not only about knowing what to change. It is also about knowing when to change. No matter how right an idea may be, it will not take root if an organization is not ready to embrace it. I believe management's role is not to force change, but to recognize when that change can become a source of strength.

One example is our Project Incentive Program, introduced in 2026. It was designed to recognize the value created by customer-facing teams across sales, design, and construction. I first shared this idea in an internal blog in 2019. But at Sekisui House, where individual performance had long been emphasized, it took time for the idea to take root naturally. Had we introduced the program in 2019, it might not have been fully understood. Today, many employees understand the value of working as a team for our customers. The time had come to give the idea concrete form.

To me, the seven years between sharing the idea and formalizing it were not a detour. They were years spent cultivating the foundation for change. Management is not

only about creating systems. It is also about cultivating an environment in which they can take root naturally.

### Continuously Rethinking the Organization

These experiences led me, through a particular book, to think more deeply about the liberal arts, including history, philosophy, and art, which deepen our understanding of people and society. I would not claim to have studied history deeply enough to speak with authority. Yet one lesson has stayed with me. Studying history is not simply about learning what happened. By examining each era and how people thought, we realize that values and assumptions we take for granted can change dramatically with time and circumstances.

Deepening one's expertise will always matter. But I believe the ability to understand people and society from multiple perspectives will become increasingly important. We are striving to build an organization where autonomous employees deepen their expertise and bring those strengths together as the Group's strengths. I do not believe this will remain the right

answer forever. Every era has its own appropriate form of organization, just as every transformation has its own timing.

As history teaches us, we must keep asking what each era requires and continue evolving in response. That process opens the way to the next era.

### Strengthening Our Core Competencies

While we continue to change, we have also preserved and strengthened certain capabilities. These are our core competencies: technical expertise, construction capabilities, and customer base. I believe strategy begins with a clear understanding of one's strengths. The core competencies built by our predecessors over many decades remain an unwavering strength of the Sekisui House Group and an important foundation for future growth.

Strengths become true strengths only when they continue to evolve. Our responsibility is not simply to inherit these core competencies, but to build on them, refine them, and connect them to new value. Over the past three years, we have pursued organizational restructuring and established

specialized Group companies, strengthening the expertise of each business and creating a structure that allows each to fully demonstrate its capabilities.

We are now moving from refining each area of expertise to bringing them together. That is why I have positioned this fiscal year as the first year of Group collaboration. By understanding one another's expertise and combining what each can contribute, we can create new value. This is the direction we set out in our Seventh Mid-Term Management Plan, which began in 2026.





## Message from the CEO

### Our Next Phase of Growth

In February 2026, we launched our Seventh Mid-Term Management Plan. Under the Sixth Plan, we pursued stable growth in Japan and proactive growth overseas. We achieved stable growth through our built-to-order and supplied housing businesses, while expanding our overseas business platform, particularly in the U.S.

I have long held one commitment: the promises we make over three years must be fulfilled over those three years. In fiscal 2025, the Sixth Plan's final year, both revenue and operating profit reached record highs, and cumulative results exceeded our targets. We will fulfill that promise again. Our growth will be guided by "cultivating the Sekisui House Economic Sphere through Group-wide capabilities in Japan, while building a growth platform to drive a game-changing transformation overseas."

### The Sekisui House Economic Sphere

To date, we have supplied more than 2.74 million homes. Each connects customers, their families, and wider communities. We call this network the Sekisui House

Economic Sphere. We have long stayed connected through our Customer Centers and rental housing management business. More recently, we have strengthened digital customer touchpoints through Sha Maison App and PLATFORM HOUSE touch.

Our aim is to create deeper, longer-lasting value through these relationships. Under the previous plan, we enhanced specialized expertise through the spin-offs of Sekisui House Real Estate and Sekisui House Sha Maison PM, as well as the establishment of Sekisui House Support Plus. Under the new plan, we will bring together the expertise developed across these companies as Group-wide capabilities and deepen the Sekisui House Economic Sphere.

Future growth will come from combining the breadth and depth of our customer base. We will expand its breadth by supplying more homes. Depth, however, comes from understanding our customers and remaining close to them over the long term. The new plan therefore places greater emphasis on deepening these relationships. As our customer relationships deepen, so do our opportunities to create new value. Today, our

services center on the home. Looking ahead, opportunities extend from home maintenance, remodeling, and rental management to asset building, inheritance, health, childcare, learning, and more.

The key is Group-wide capabilities. By combining the expertise and functions of each Group company, we can deliver high added value while supporting every aspect of our customers' lives. This is our vision for



deepening the Economic Sphere through Group-wide capabilities over three years.

### Becoming a Game Changer

In our overseas business, the next three years are critical to becoming a game changer. Our ambition is not just to grow. It is to change market conventions through Sekisui House technologies we have developed in Japan.

At the center is our U.S. detached housing business. In January 2026, we integrated four U.S. homebuilders and made a new start as SEKISUI HOUSE U.S., Inc. Our U.S. business operates across six regions. The United States is vast, with climates, lifestyles, and customs varying by region. Customer needs therefore differ as well. Rather than offering uniform products nationwide, we will develop homes rooted in each region and pursue a two-brand strategy centered on SHAWOOD and New 2x4.

At the launch event for SEKISUI HOUSE U.S., Inc., we shared a common vision: build the foundation for our two-brand strategy over the next three years, then achieve a major leap forward under the Eighth Plan.

## Message from the CEO

I attended the launch event of SEKISUI HOUSE U.S., Inc. What I saw was not uncertainty, but a strong determination to make an impact across the U.S. through our two-brand strategy. To achieve that ambition, we will strengthen design, construction, and material quality across our U.S. operations. Construction quality is the foundation for becoming a game changer. We will refine every element that supports it, from product development and pricing strategy to land acquisition, sales, and talent development.

Following the launch of our SHAWOOD model homes, we plan to open the first New 2x4 model home in spring 2027. In 2028, we will open a second model home incorporating high-durability and other technologies developed in Japan. Building on the success of these model homes, we will expand the reach of Sekisui House Technology and demonstrate its value across the U.S. market.

### Distinctive Value for Global Markets

In Sydney, where we also operate, we are beginning to see what homes are best suited to the local market. Sydney has a culture of

living with light and shade under the sun while embracing the breeze and a close connection to the outdoors. Perhaps because Sydney lies at a latitude similar to Japan's, that sensibility resonates with the idea behind KOKAGE LOUNGE, a SHAWOOD home inspired by life beneath a large tree.

Just as each of our six U.S. regions requires products tailored to its market, Sydney has value uniquely suited to Sydney. Discoveries like these are possible only because we engage deeply with each market. They may also reflect what I value in our overseas business: planned happenstance. The question is which technologies we bring to which markets and how. We are entering a stage where we can offer the world value that is truly and uniquely Sekisui House.

### Toward the Future We Envision

Every future begins with belief. The Sekisui House Group has always believed in the potential of housing. We wanted people to live safely and comfortably, and have brought those aspirations to life, one by one. That is why I believe we can make today's vision of happiness a reality.

If asked who the Sekisui House Group is, my answer is simple: we are people deeply committed to our customers' happiness. In recent years, we have reflected on our aspirations and the values needed to remain true to who we are. In 2024, we introduced SEKISUI HOUSE-SHIP to define our aspirations. In 2026, we established our Integrity Code. To me, integrity means remaining true to oneself while upholding ethical standards. Only when aspiration is grounded in ethical standards can the true character of Sekisui House come to life.

The future does not become reality overnight. It takes continued research, refined craftsmanship, dialogue with colleagues, and steady progress, one step at a time. These efforts transform what once seemed a distant dream into reality.

Remaining true to our Corporate Philosophy of "Love of Humanity," we will continue moving toward the future we envision through "Innovation & Communication." We look forward to your continued trust in the Sekisui House Group as we carry this journey forward.





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Storyline

Toward the Future We Envision — How the Sekisui House Group Creates Value

Each chapter can be read independently, but together the six questions tell a single story. Each chapter concludes with a message for employees, offering an opportunity to pause and reflect.

|                    |                                                            |            |
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| Why We Exist       | 01 Identity Value<br>Preserving Our Foundation             | Preserve   |
| Where We're Headed | 02 Enduring Value<br>Fulfilling Our Promise                |            |
| What We Build      | 03 Core Competence<br>Advancing Unique Value               | Evolve     |
| What We Change     | 04 Transformation<br>Evolving as One Group                 |            |
| Our Path Forward   | 05 Next Stage<br>Charting the Path Forward                 | Strengthen |
| How We Deliver     | 06 Integrity as Foundation<br>Strengthening Our Foundation |            |

About the Cover

The watercolor illustration depicts the future the Sekisui House Group seeks to create and the people helping shape it. It reflects our hope that individual aspirations come together to create new value.

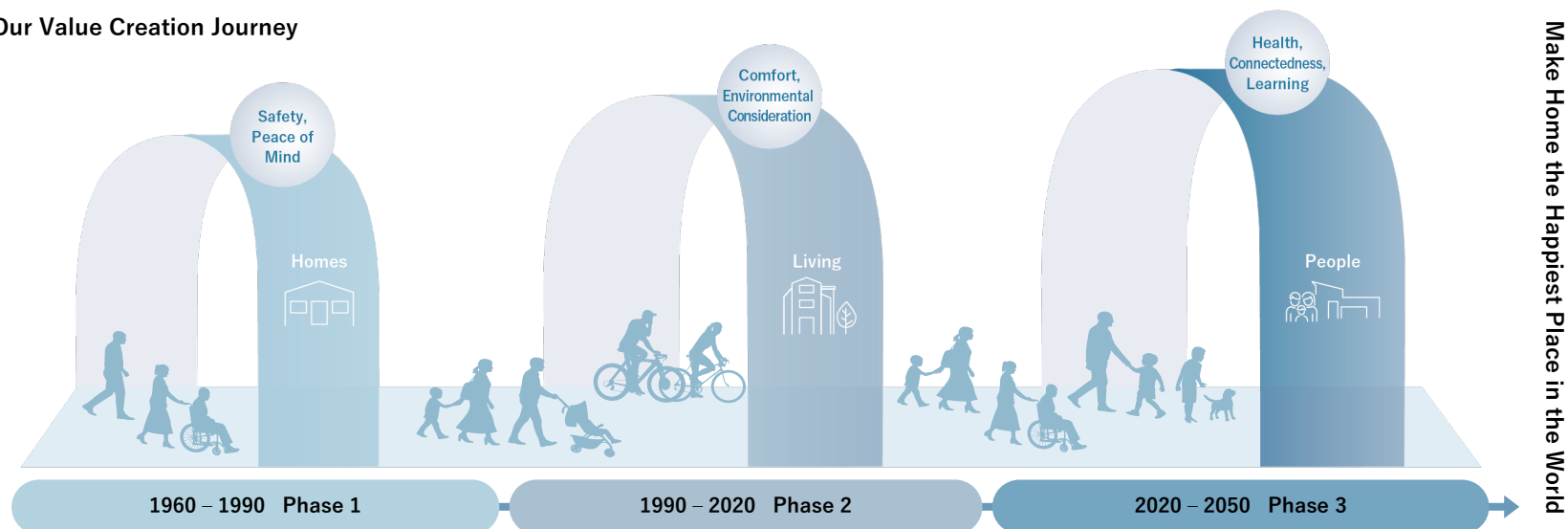
Executive Summary

The Sekisui House Group:  
Delivering Homes, Creating Value

The Sekisui House Group has delivered more than 2.74 million homes worldwide. Over six decades, our value creation journey has evolved through three distinct phases. Phase 1, beginning in 1960, focused on improving housing performance to provide safety and peace of mind. Phase 2, from 1990, expanded our focus to comfort and environmental performance through technological innovation. Phase 3, since 2020, has been guided by our Global Vision, “Make Home the Happiest Place in the World.” We have been creating value that supports healthier, more connected, and more fulfilling lives.

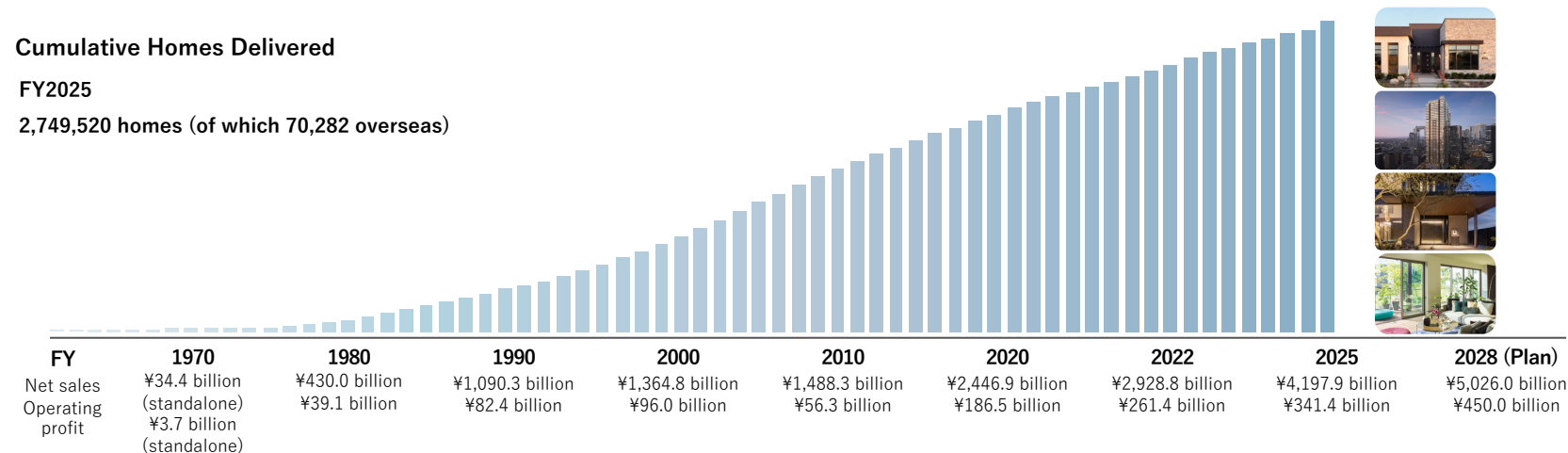
These efforts resulted in cumulative net sales of ¥11,637.3 billion and operating profit of ¥943.7 billion over the three years through FY2025, significantly exceeding the original targets of the Sixth Mid-Term Management Plan (FY2023–FY2025). In FY2025, the final year of the plan, we achieved record-high net sales and operating profit. Under the Seventh Mid-Term Management Plan (FY2026–FY2028), we aim even higher.

Our Value Creation Journey



Cumulative Homes Delivered

FY2025  
2,749,520 homes (of which 70,282 overseas)





## Executive Summary

### Four Business Portfolios

The Sekisui House Group operates across four business domains and nine segments.

|                                  |                                                                                                                                |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>Built-to-Order Business</b>   | Offering high-value-added residential or commercial buildings on customer-owned land                                           |
| <b>Supplied Housing Business</b> | Offering high-quality rental housing management and home remodeling services                                                   |
| <b>Development Business</b>      | Offering residential lots, high-quality condominiums, and office buildings in desirable areas                                  |
| <b>Overseas Business</b>         | Expanding our presence in overseas housing markets and providing value by leveraging Japan's quality and advanced technologies |

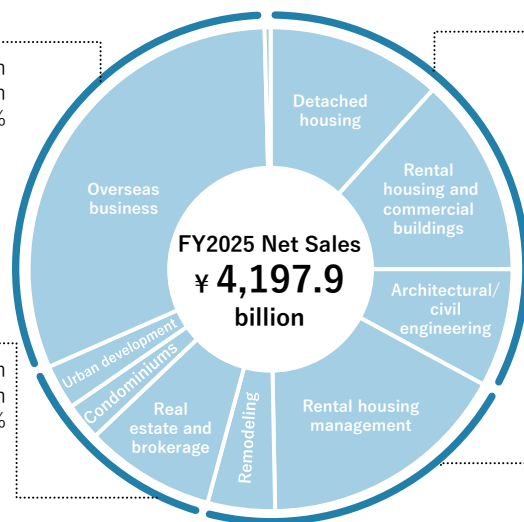
### Overseas Business

| Net sales ¥1,286.3 billion  
 | Operating profit ¥39.1 billion  
 | Share of net sales 30.4%



### Development Business

| Net sales ¥681.9 billion  
 | Operating profit ¥94.9 billion  
 | Share of net sales 16.1%



\* Share of net sales is calculated excluding "elimination or corporate."

### Built-to-Order Business

| Net sales ¥1,346.0 billion  
 | Operating profit ¥157.9 billion  
 | Share of net sales 31.8%



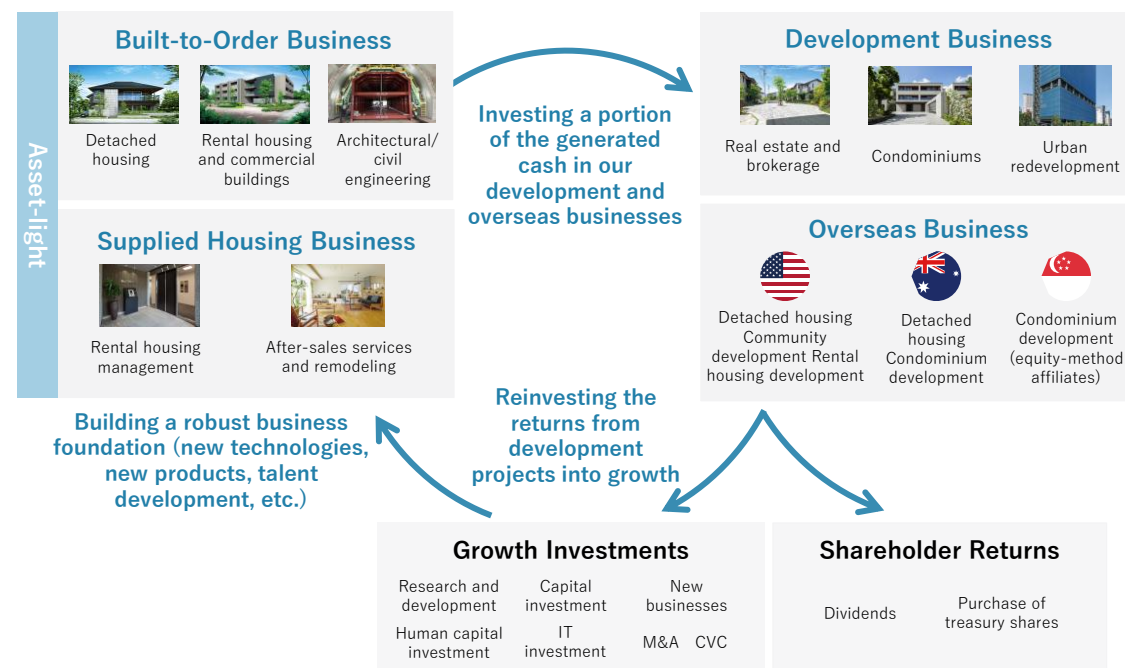
### Supplied Housing Business

| Net sales ¥900.5 billion  
 | Operating profit ¥96.9 billion  
 | Share of net sales 21.3%



### Our Circular Business Model

Our built-to-order and supplied housing businesses form an asset-light earnings base that does not require significant capital investment. Working closely together, they generate stable and dependable cash flow. We selectively reinvest the cash generated by these businesses into our development and overseas businesses, which require greater capital investment. This creates higher returns and establishes a cycle of growth. This circular business model provides a strong foundation for our competitive advantage, supporting sustainable growth and long-term corporate value creation.



## Executive Summary

### The Sekisui House Group: Creating Value, Enriching Lives, Shaping the Future

The Sekisui House Group has continued to grow by staying true to our enduring values while evolving with the changing needs of society.

At the heart of everything we do lies our Corporate Philosophy, “Love of Humanity.” Guided by this philosophy, our people and organization have continually taken on new challenges, building the unique strengths and core competencies that define Sekisui House. Our philosophy, people, capabilities, and businesses are all connected. Together, they form the foundation of our value creation journey.

Guided by our Global Vision, “Make Home the Happiest Place in the World,” we will continue creating new value for the future of homes, living, and happiness.

Make Home the Happiest Place in the World

→ P.21

### Our Promise for the Future

→ P.27



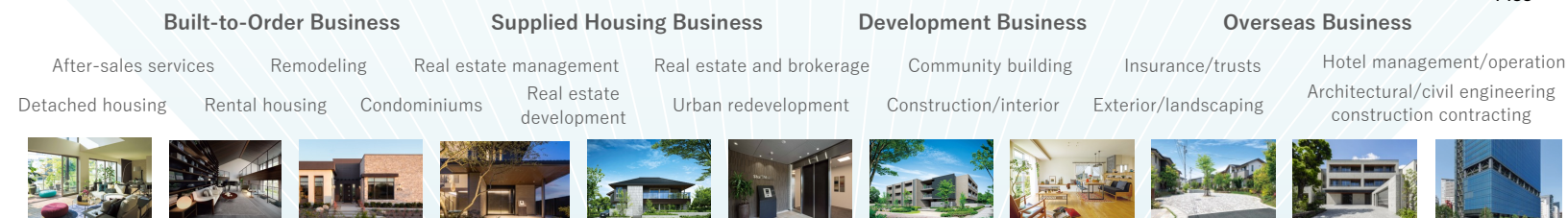
**Quality First**  
Creating high-quality housing stock

**Green First**  
Contributing to a sustainable society

**Kids First**  
Fostering a refined sense of beauty and happiness

### Housing-Centered Business Activities

→ P.85



### Evolving Core Competencies

→ P.49



### Customer-First People and Organization

→ P.17



Our Enduring Corporate Philosophy, “Love of Humanity”

→ P.15

## Foreword

Corporate reporting has often focused on how companies minimize their negative impacts on society and demonstrate their efforts to do so. Reducing environmental impacts, managing risks, and responding to societal expectations are all essential responsibilities, and ones that the Sekisui House Group has long taken seriously.

But can a company's true value really be measured by numbers alone? Over many years, the Sekisui House Group has cultivated value that contributes to the well-being of customers, employees, communities, and future generations. Much of that value may not be immediately visible, but it is built through countless decisions, challenges, and improvements in our daily work.

We believe a company's purpose is to continue creating value for society. And the fact that a company continues to exist is, in itself, evidence of value built together with many people over time. That is why we wanted to tell our story in our own words, reflecting on the value we have nurtured and the value we aspire to create in the years ahead.

This Value Report – Our Impact was created with that spirit in mind. We hope it offers insight into the Sekisui House Group's journey and way of thinking and invites you to imagine a happier future together.

Sekisui House, Ltd.

### Reporting Framework

Since FY2022, we have published the Value Report, integrating our former Integrated Report and Sustainability Report. Since last year, our disclosures have been organized into three reports to provide a clearer view of our journey, initiatives, and results. We invite you to explore them alongside this report.

#### Value Report – Our Impact

[URL](#)

The story of our value creation journey.

#### ESG Fact Book

[URL](#)

Details of our ESG initiatives and progress.

#### ESG Data Book

[URL](#) Third-party assurance

An overview of our ESG data and progress.



# 01 Identity Value

## Preserving Our Foundation

### About Sekisui House Group

What if Sekisui House had never existed?  
The homes we take for granted today  
might have looked a little different.  
Founded in 1960 to protect lives and property,  
Sekisui House has continued to ask:  
What can we do?  
How can we enrich people's lives?  
At the heart of those questions lies  
"Love of Humanity."





## Founding Story

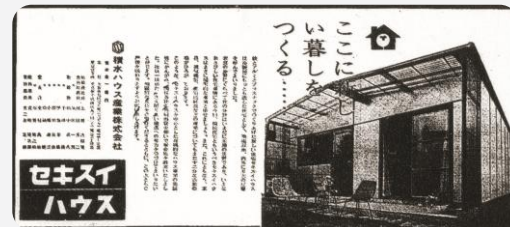
### Creating Homes Unlike Any Before

In the late 1950s, Japan faced a severe housing shortage. Most homes were built from wood and paper, creating an urgent need for greater safety and durability. Inspired by prefabricated plastic houses overseas, four colleagues began exploring the potential of fire-resistant housing. Through repeated discussion and prototyping, they combined steel, aluminum, and plastic to create a new kind of home. Their efforts laid the foundation for the housing innovation that would follow.



### Creating a New Way of Living

Sekisui House began our journey on August 1, 1960. The following day, we announced our commitment to “creating a new way of living here.” In 1961, the “Sekisui House Type B” introduced spacious interiors and flexible design. To ensure quality, we established an in-house production system while improving distribution and direct sales. By continually rethinking how homes were built, transported, and delivered, we continued to evolve the very act of homebuilding.



### A Spirit of Continuous Challenge

At the time of our founding, Sekisui House had 34 employees. The following year, around 60 people worked together from a single office, exchanging ideas as they developed and commercialized new homes. With no established products to follow and no competitors to catch up with, they relied on one another's knowledge and trust. Each person thought independently, took action, and spoke openly beyond the boundaries of their role. This spirit of challenge became a defining strength of Sekisui House.

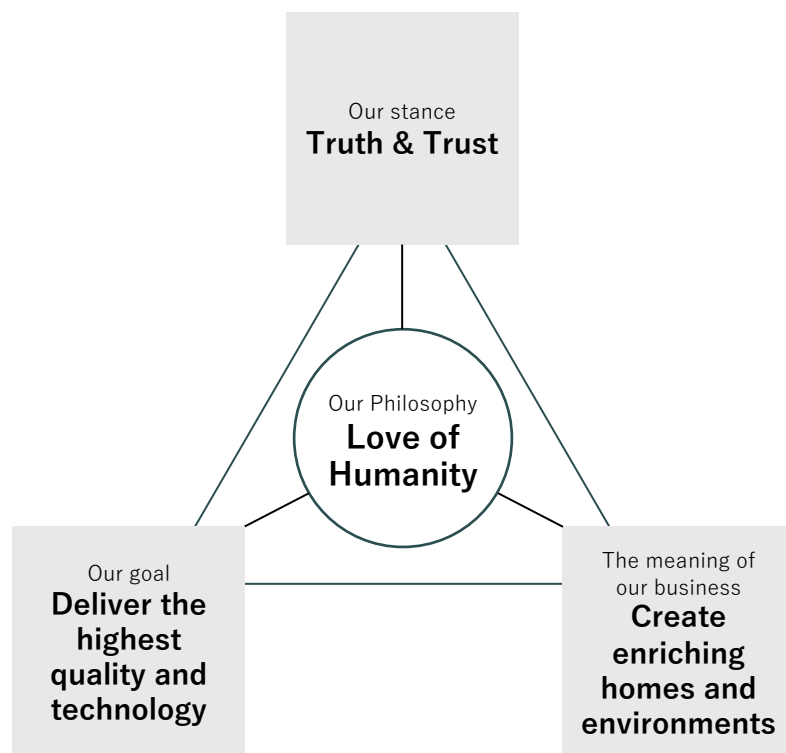


### An Enduring Philosophy

Technology alone could not support this journey. Equally important were the courage to challenge convention, the determination to pursue new ideas, and our commitment to customers. The desire to care for others and contribute to society brought people together and united the company, enabling employees and partner contractors to overcome the challenges of our early years. The spirit of seeking happiness for others and finding joy in helping them remains at the heart of Sekisui House today.



## Corporate Philosophy



### Love of Humanity Our Philosophy

**With an awareness that each and every human being is precious and irreplaceable, we will wish for the happiness of others, make their joy our own, and act with integrity and in the spirit of service.**

At the heart of Sekisui House is “Love of Humanity,” the guiding principle that forms the foundation of our Corporate Philosophy. From our beginnings in postwar Japan, when we were founded to protect people’s lives and property, to our growth as a global company, it has served as a shared value across the Sekisui House Group and continues to be put into practice every day.

Even as the times change, this philosophy remains constant. It guides the direction of our management, the challenges we choose to take, and the principles by which we make decisions. Serving as a compass for every decision we make, it continues to guide the Sekisui House Group today.





## Our Corporate Philosophy

### “Love of Humanity” in Action

“Love of Humanity” lives through the way we work and make decisions every day. After major natural disasters, customers sometimes tell us, “This home protected us.” We believe that reassurance comes not only from technology, but from countless choices and actions taken over many years to put customers first. In the aftermath of disasters, employees and members of the Sekisui House Association, our network of partner contractors, often act on their own initiative, asking, “Are our customers safe?” and “What can we do right now?” They rush to affected areas, check on customers, deliver supplies, and help customers return to daily life as quickly as possible.

What drives these actions is a simple desire to support our customers and their happiness. We do not see them as extraordinary. They are a natural expression of values developed through everyday work. “Love of Humanity” is more than a philosophy. It is something we put into practice every day.

### Living Our Corporate Philosophy

One of the defining characteristics of the Sekisui House Group is that our Corporate Philosophy is shared and practiced throughout the organization. We do not rely on formal philosophy training programs. Instead, leaders demonstrate the philosophy through their decisions and actions, while explaining the thinking behind them.

As a result, employees naturally say that a decision reflects “Love of Humanity” — or that it may fall short of it — in everyday conversation. When people ask, “Why are we doing this?” the answer often begins with the same principle: “Love of Humanity.” Through daily decisions, conversations, and actions, the philosophy becomes part of how we work and how we think.

We also conduct an annual Governance Awareness Survey to assess understanding and practice of the philosophy. Passed down over many years, it continues to guide our actions and shape the distinctive value created by the Sekisui House Group.

### What “Love of Humanity” Means to Me



Seeing  
opportunities in  
differences,  
not mistakes



Showing  
consideration  
and mutual  
respect



Building trust  
through  
timely  
communication



Creating  
homes where  
happiness  
can grow



Valuing human  
connections  
through honest  
dialogue



Listening closely  
and staying  
close to  
customers



Delivering  
happiness  
with heart  
and care

### Understanding and Living “Love of Humanity”



2024 **83.75%** 2025 **85.79%**

Employees who responded that they  
understand and practice  
“Love of Humanity”

Governance Awareness Survey: Sekisui House, Ltd. and domestic Group companies (excluding the Konoike Construction Group)

## Our Customer-First DNA

### A Deeply Rooted Customer-First Mindset

People often ask why the Sekisui House Group remains so committed to putting customers first. The answer lies in our origins. We were founded with a mission to protect people's lives and property, and since our founding, we have continued to build homes tailored to each customer's needs. Today, more than 98% of our detached homes are custom-built. Through ongoing conversations with customers and a deep understanding of their daily lives, we have steadily strengthened our customer-first mindset.

Building a home is only the beginning of the relationship. Through maintenance and after-sales support, we remain connected with our customers for many years as their lives evolve and their needs change. These long-term relationships build trust and further reinforce our commitment to putting customers first.

### Customer-First as a Way of Life

Building a unique and happy home is one of life's most important decisions. Because we spend so much time with our customers throughout that journey, we naturally continue to think about their lives long after they move in. We often find ourselves wondering, "Are our customers living the life they envisioned?" and looking for ways to provide even better homes and services.

Through these countless interactions, relationships deepen and the desire to contribute to our customers' happiness becomes part of who we are. This mindset is not created through rules or instructions. Rather, it is reflected in the way each employee thinks, acts, and makes decisions every day. People who value putting customers first are naturally drawn to the Sekisui House Group, and that culture continues to be passed down from one generation to the next. We remain committed to our customers and their happiness, today and into the future.

### What Our Customer-First DNA Means to Me



Sharing excitement  
and supporting  
dreams through  
homebuilding



Bringing  
beauty and joy  
to homes  
through greenery



Taking ownership  
as a steward of  
our customers'  
homes



Looking  
beyond the home  
to everyday  
living



Believing  
every home  
furnishing choice  
has a story



Helping  
people feel  
glad they  
chose me



Putting  
customers' lives  
and aspirations  
first



Understanding  
others and  
showing it  
through action



Pursuing  
the highest  
quality through  
scientific evidence



## Topic | Sharing Our Philosophy Across the Group

### Bringing Our Philosophy to Every Group Company

In 2025, we updated our “30-Year History,” which captures the founding spirit of Sekisui House, and shared it with every employee, including colleagues across our Group companies. We wanted everyone to understand the aspirations of those who came before us, people who pursued customers’ happiness through constant experimentation and change. Through dialogue with colleagues across the Group, we are broadening a shared understanding of our philosophy, history, and values.



### Building Understanding Across Our Overseas Group Companies

Across the Sekisui House Group, we share our philosophy through everyday practice and open dialogue. At our overseas Group companies, understanding is built not through one-way communication, but through daily work, engagement with customers, and conversations among colleagues. In FY2025, these discussions expanded beyond senior management to include leaders responsible for technology and organizational culture. This ongoing dialogue across roles and locations builds mutual understanding while respecting the history, identity, and unique character of each Group company.



By bringing together the history of Konoike Construction and the values of Sekisui House, we hope to unlock new possibilities for innovation. We will continue creating opportunities for dialogue across generations and roles, where different perspectives can be openly shared and enjoyed.

— Konoike Construction Co., Ltd.



When AIDA and Sekisui House move in the same direction, one plus one can become three, or even four. Exchanging ideas and learning from colleagues deepens our understanding and connects our daily work to customers’ happiness and our Global Vision of making home the happiest place in the world.

— AIDA Co., Ltd.



At MARUHON, next-generation leaders take part in company-wide “Innovation Meetings.” Through group discussions, they deepen mutual understanding and share new ideas. The insights and actions that emerge are then presented and discussed across the company, helping turn dialogue into practice.

— MARUHON INC.

### Understanding Through Practice and Dialogue

We actively engage in face-to-face dialogue with colleagues from our overseas Group companies. Senior leaders from Japan, including outside directors, visit local operations, while executives from overseas Group companies visit Japan each year. In FY2025, the program expanded to include branch managers, bringing more than 80 leaders to Japan.

These exchanges provide opportunities to discuss our Corporate Philosophy, brands, technologies, quality standards, and management approaches. Through open discussion and shared perspectives, we deepen mutual understanding. Visiting leaders also see firsthand how our values are reflected in our model home centers, facilities, and customer interactions. Colleagues from overseas Group companies have expressed

growing empathy with “Love of Humanity” and customer-first as values demonstrated through everyday behavior.

### Continuing Dialogue Across the Group

At Sekisui House, our philosophy is not learned only through formal programs. It develops naturally through everyday work and dialogue, both in Japan and abroad.

Rather than asking every Group company to interpret the philosophy in exactly the same way, we seek to build a shared understanding of the values and aspirations behind it and connect them to local practices. This ongoing dialogue strengthens unity across the Group and supports sustainable value creation.

We will continue engaging with colleagues across our overseas Group companies to deepen understanding of and empathy with our philosophy.

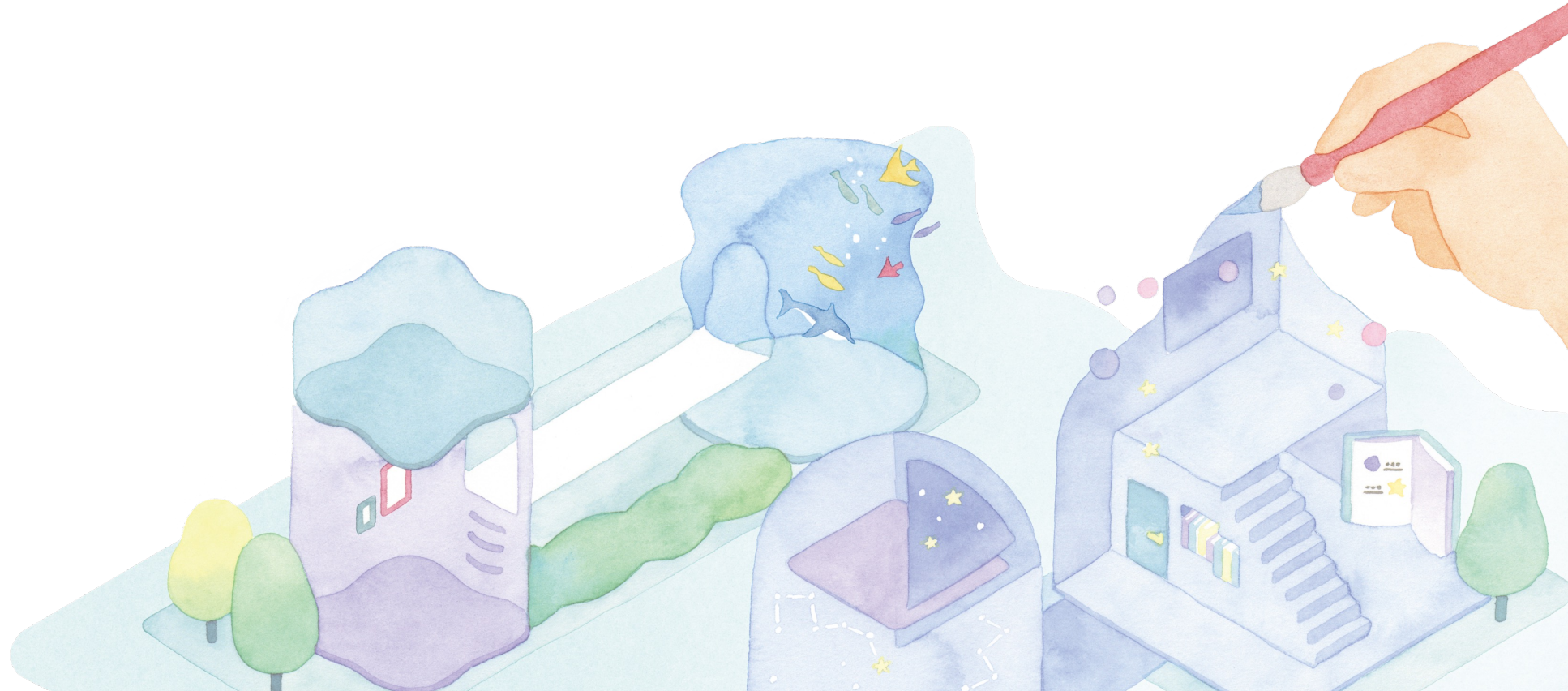
## 01 Identity Value

### Summary | Preserving “Love of Humanity”

As society has changed,  
Sekisui House has continued to expand the value of home.  
At the heart of that journey lies “Love of Humanity.”  
Finding joy in the happiness of others.  
Guided by this belief,  
we will continue to explore new possibilities for home.

### Reflection | Our “Love of Humanity”

Thinking about others.  
Seeing things from their perspective.  
Small acts, repeated every day,  
can bring happiness to someone’s life.  
Turning a wish for others’ happiness into action.  
That is our “Love of Humanity.”





## 02 Enduring Value

# Fulfilling Our Promise

### Our Commitment to the Future

In 2050.

People pursue what inspires them.

New experiences spark curiosity.

Everyone is free to live as themselves.

This is a future where home plays  
a more active role, nurturing happiness in every life.

Connecting that happiness to society  
and to future generations.

Make home the happiest place in the world.

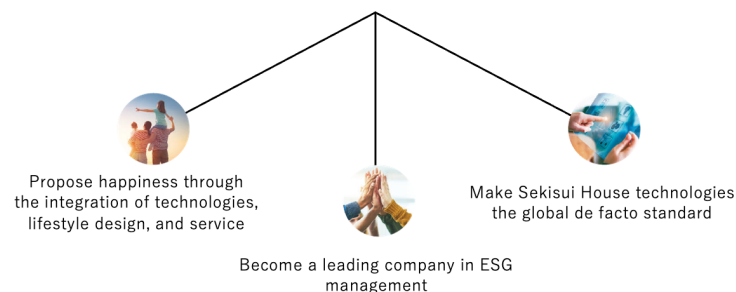
That is our Global Vision.





## Global Vision

### The Sekisui House Global Vision Make Home the Happiest Place in the World



#### The Aspirations Embedded in Our Global Vision

Everyone wishes for happiness, yet its form differs from person to person. And as the times change, so too does the shape that happiness takes. At Sekisui House, we harness our aesthetic sensitivity and technical expertise to create homes that serve as the happiest places for those who live in them. What we create is not only the physical space of a home. It is the comfort, joy, and well-being found in the life lived within it. We foster human connections, instill a sense of security, and inspire hope for the future—values fundamental to all people. It is an irreplaceable home, one of a kind in the world, where coming back is always a joy—no matter the time, no matter the place.

#### Make Home the Happiest Place in the World

#### Shaping a Future Around Individual Happiness

The future we envision is one in which everyone can live happily. Yet what happiness means differs for everyone. The moments that bring us joy, the beauty we appreciate, and the connections we value are all unique. That is why we seek to help each person create and expand their own happiness. Our Global Vision begins with this aspiration. In the years ahead, values that cannot be seen or measured will become increasingly important. As this shift continues, how can we help people create and expand happiness? Our Global Vision points the way forward.

#### Our Global Vision and Three Sub-Visions

Progress toward our three sub-visions brings us closer to realizing our Global Vision.

#### Propose happiness through the integration of technologies, lifestyle design, and service

Building on our founding mission to protect lives and property through the home, we create new value by bringing together homes, lifestyle solutions, and services.

P.23 Value Creation Inspired by the Home



#### Become a leading company in ESG management

Through our business activities, we create new value that contributes to society while advancing both a sustainable society and sustainable corporate growth.

P.39 ESG Management



#### Make Sekisui House technologies the global de facto standard

By bringing the high-quality technologies we have developed since our founding to markets around the world, we aim to create new value rooted in each region.

P.98 Overseas Business





## Global Vision

### Happiness from Home in the 100-Year Life

As people live longer, the sources of happiness are changing. Beyond financial and real estate assets, intangible assets such as purpose, connections, and how we spend our time are becoming increasingly important. To live well throughout the 100-Year Life, we believe homes should support three essential values: health, connectedness, and learning.

Homes support well-being, strengthen relationships, and encourage personal growth. In this future, the home will become more than a place to return to. It will be a place where happiness is created.

### Creating More Than Homes

The homes we aspire to create are not simply places to live. They support people through their lives, responding to changing needs while bringing family, community, and nature closer together. Encounters with people, places, and experiences become part of everyday life, creating opportunities for discovery and inspiration.

As these moments accumulate, happiness spreads naturally from one person to another. By 2050, we envision homes becoming places that continuously create happiness and enrich daily life.

### Continuing Our Journey of Value Creation

Sekisui House was founded on a mission to create new value through better homes. Through innovation, research, and development, and a spirit of continuous challenge, we have continued to open the door to new possibilities. Our journey has expanded beyond homes themselves to encompass how people live and the future of the people who live there.

As we pass on beautiful homes and communities to future generations, we will continue creating new value and responding to society's evolving needs. Guided by this vision, we will keep moving forward.

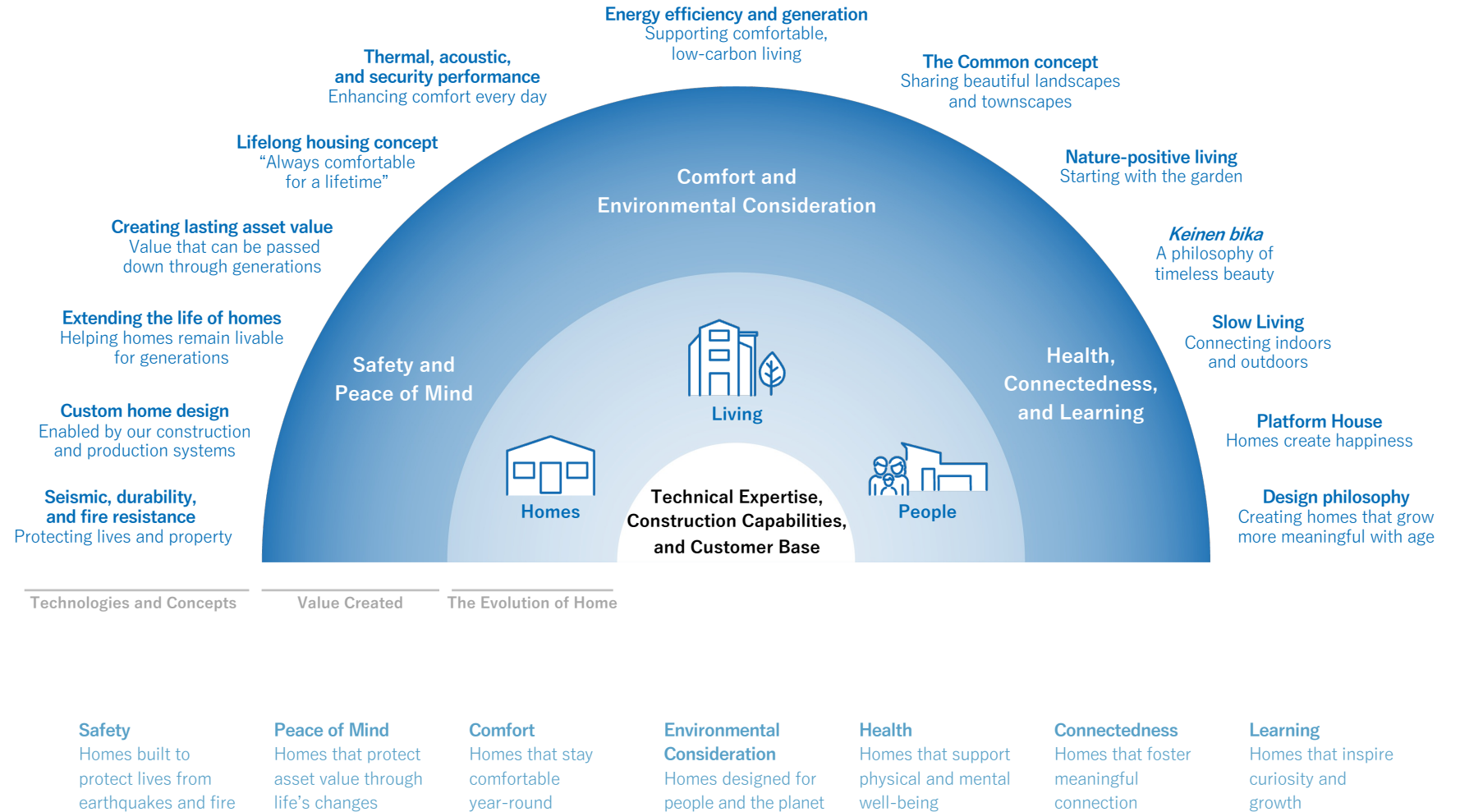
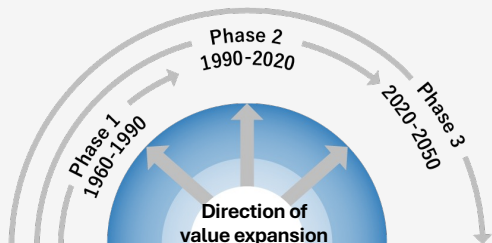


## Value Creation Through Homes

The Sekisui House Group's value creation begins with reimagining what a home can be. Since our founding, we have pursued three phases of value creation: Phase 1, dedicated to protecting people's lives and property; Phase 2, focused on comfort and environmental consideration; and now, in Phase 3, which began in 2020, building on and expanding these foundations by creating new value in health, connectedness, and learning, helping create happiness in the 100-Year Life.

### Understanding the Diagram

This diagram illustrates the Sekisui House Group's journey and direction in value creation. By leveraging our three core competencies—technical expertise, construction capabilities, and customer base—we continue to develop advanced technologies and ideas that create new value and new possibilities for homes, living, and people.





## Value Creation Through Homes

### Innovation That Creates Happiness in Many Forms

“Make Home the Happiest Place in the World.” Making this vision a reality will not be easy. To bring our Global Vision to life, we are integrating technology, lifestyle design, and services in new ways.

Building on the housing technologies we have developed over the years, the Sekisui House Group has expanded beyond housing technologies into lifestyle design. By combining these with services that support everyday life, we continue to create new value.



#### Improving housing performance | Phase 1



**1961**  
Opened Shiga Factory, a production base



**1962**  
Established the custom home design philosophy



**1964**  
Established a direct sales and responsible construction system



**1973**  
Founded a company specializing in foundation work



**1987**  
Opened Customer Service Centers



**1990**  
Established the Comprehensive Housing R&D Institute



**1999**  
Announced the Environmental Future Plan



**2003**  
Established Resource Recycling Centers



**2009**  
Launched the Green First strategy



**2018**  
Established Human Life R&D Institute\* (\*Now the SHIAWASE SUMAI/Institute)



**2019**  
Announced the Platform House concept



**2020**  
Began a demonstration trial of a network for early response to acute illness at home

## Value Creation Through Homes

### Homes Evolved to Create Happiness

The Sekisui House Group's homes have continually evolved to meet the needs of each era. We began by creating homes that delivered safety and peace of mind, then expanded our focus to comfort and environmental consideration. Today, we are creating homes that support health, deepen connections, encourage learning, and contribute to happiness in the 100-Year Life. Each step has redefined what homes can be for the next generation. As society continues to change, Sekisui House homes will continue to evolve alongside it.

2020-2050

#### Phase 3 | Health, Connectedness, and Learning

We create homes that support health, deepen connections, encourage learning, and contribute to happiness in the 100-Year Life.



2020

Created a wooden gable-roof home with generous spaces formed by sloped ceilings and deep eaves, evoking the feeling of being beneath a tree and harmonizing with the surrounding townscape



2021

Proposed a smart home that enables families to stay closely connected while remotely controlling and monitoring their homes and equipment from their smartphones



2023

Offered design proposals that "weave beauty over time," expressing residents' sense of beauty through interiors and exteriors that harmonize with the surrounding townscape



2024

The first SHAWOOD community in the U.S. received multiple housing awards for its safety, comfort, and beautiful design enabled by its unique construction method



1990-2020

#### Phase 2 | Comfort and Environmental Consideration

As society's expectations evolved, we created living spaces that balanced comfort, energy efficiency, and harmony with nature.



1995

Launched a new wooden housing series developed from the SHAWOOD construction method



1996

Improved thermal insulation and heat-shielding through the expanded use of double-glazed glass



1997

Introduced a new construction method for three-story homes, combining strength with design flexibility



1998

Created homes designed to last for generations through ceramic roof tiles and Dyne Concrete exterior walls



2000

Introduced a roof-integrated solar power system that combined aesthetics, comfort, and harmony with nature



2007

Standardized SHEQAS, a seismic force-absorbing system for steel-frame houses, to improve seismic resistance



2013

Achieved net-zero energy through energy-saving specifications and energy-generating equipment



2018

Created spacious living and an eave-covered outdoor space with high thermal insulation and seismic resistance

1960-1990

#### Phase 1 | Safety and Peace of Mind

When wooden homes were the norm, we built a reliable system for delivering high-quality housing that protected lives and property while supporting everyday life.



1960

Introduced Western-style kitchens and dining rooms to everyday living in Japan



1961

Adopted meter modules to create brighter, more spacious interiors with aluminum sashes



1962

Developed a flexible two-story home while maintaining structural strength



1978

Introduced homes with lofts and roof windows that bring natural light indoors



1981

Introduced a modern Western-style home designed to appeal to younger generations



1984

Adopted Dyne Concrete exterior walls for greater strength and long-term durability



1986

Introduced new living spaces featuring roof balconies and elevated ceilings



1987

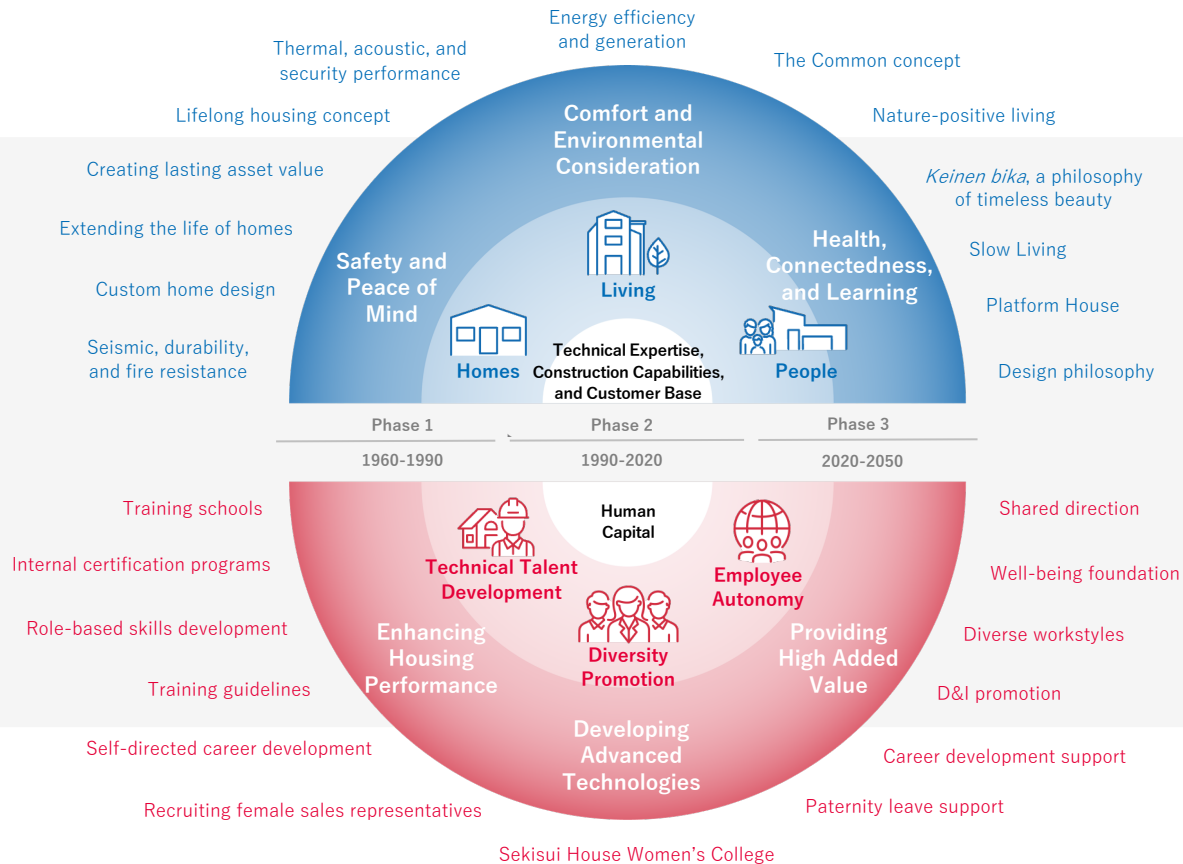
Received the first Good Design Award for residential homes featuring Dyne Concrete



## Value Creation Through Homes

### Our Value Creation Journey Toward the Future

The Sekisui House Group's value creation journey has evolved through the combined growth of our businesses and the people and organizations that support them. The initiatives built across our three phases have created value in each era, while also shaping the material issues we must address and our commitments for the future.



#### Phase 1 | Safety and Peace of Mind

To protect lives and property, we focused on innovative technologies that enhanced housing performance and the talent needed to advance them.



#### Phase 2 | Comfort and Environmental Consideration

As climate change became a growing concern, we focused on developing advanced technologies and fostering a diverse workforce.



#### Phase 3 | Health, Connectedness, and Learning

To create new value that contributes to happiness, we focus on innovation driven by employee autonomy.



## Our Promise for the Future

### A Promise We Will Continue to Fulfill Over the Long Term

What can we leave behind for future generations? We believe a company's purpose is to answer that question through its actions. Through the Sekisui House Group's ongoing journey of value creation, three enduring promises have emerged: "Quality First," creating beautiful, high-quality housing and communities; "Green First," contributing to a sustainable global environment; and "Kids First," helping children thrive and realize their full potential. Together, these promises represent the future we are committed to creating.

### Materiality That Brings Our Promise to Life

Materiality connects our promise for the future with the value we create. It is not simply a set of management priorities, but a framework that guides our long-term direction. The technologies we develop, the expertise we cultivate, and the businesses we grow all take shape through these material issues. By embedding materiality across our business activities, we create value for society while steadily advancing the future we seek to realize. In this way, materiality serves as the foundation for both our value creation and the fulfillment of our long-term promise for the future.

### Materiality and Our Promise for the Future





## Material Issues for Value Creation | Creation of High-Quality Housing Stock



### Sekisui House's Journey

By providing high-quality, long-lasting homes, Sekisui House has enhanced the value of housing and helped shape Japan's supplied housing market. As an industry pioneer, we laid the foundation for a housing stock society. Today, we continue to strengthen our renovation and joint construction businesses while incorporating smart-home technologies to create greater housing value.

### Background to Materiality Identification

In disaster-prone Japan, insufficient seismic and thermal performance in housing, together with an aging housing stock, remain significant challenges. Globally, demand is also growing for safer, more durable homes. Through the creation of high-quality housing stock, we aim to enhance quality of life, create asset value, and contribute to local communities and the environment.

### Key Policy

By providing homes tailored to the evolving needs of people and communities, we seek to extend their lifespan and enhance their long-term value for years to come.

### Our Journey and Key Themes



## Material Issues for Value Creation | Creation of High-Quality Housing Stock

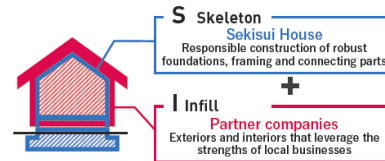
### Earthquake-Resistant Homes

Of the approximately 8.4 million homes in Japan that do not meet current seismic standards, some 5 million are believed to have significant seismic vulnerabilities. In contrast, Sekisui House has maintained a record of zero total or partial collapses caused by major earthquakes to date.\* A key reason is our proprietary “Foundation Direct Joint” technology, which directly connects foundations and columns to maintain the structural integrity of the home regardless of the direction of seismic shaking. Driven by our commitment to delivering high-quality wooden homes, we launched the SI Business in September 2023. Under this model, we provide the structural frame, while partner companies work with us to deliver high-quality housing.

\* Excludes damage caused by ground displacement or tsunamis

### Comfort and Peace of Mind

In the SI Business, Sekisui House designs the Skeleton, the structural framework responsible for earthquake resistance, while Sekisui House Construction carries out construction. Partner companies are responsible for the Infill, combining Sekisui House’s seismic and construction technologies with their local expertise and sales capabilities. By bringing together the strengths of Sekisui House and our partners, we deliver homes that offer both everyday comfort and long-term peace of mind.



\* The division of roles between Sekisui House and partner companies may vary by region.

### Building an Earthquake-Resilient Japan

Since the launch of the SI Business in September 2023, the number of partner companies committed to creating high-quality housing stock has grown to 9 as of June 2026. Together, these partners enable us to provide safe and dependable wooden housing across a broad geographic area, from Hokkaido to Kyushu. Going forward, we will continue strengthening partnerships across Japan, helping expand the adoption of high-quality wooden housing while contributing to the peace of mind of local communities and the happiness of future generations.



**Sekisui House**  
Providing superior seismic performance, safety, and peace of mind

**Partner companies**  
Creating comfortable and appealing living environments

### Good Technology Should Reach More People

#### Koji Ueno

Skeleton and Infill Housing Business Strategy  
Office Lead, Detached Housing Business  
Strategy Department,  
Sekisui House, Ltd.



Sekisui House has developed seismic and construction technologies over many years. We believe our role is not to keep these strengths to ourselves, but to share them more broadly and help raise housing quality across Japan. That belief led to the creation of the SI Business. Today, in addition to superior seismic performance, we are delivering new value, including spacious living environments and large openings. By sharing our technologies and expertise with partner companies, we will continue expanding the possibilities of housing and promote adoption of high-quality homes.

[SI-COLLABORATION](#)  
[Construction examples and customer voices](#)

### Value Created Through the SI Business

#### Drive Positive Impact

1973

Established Sekiwa Construction to strengthen construction quality and accountability

1974

Developed an integrated construction method to ensure consistent construction quality

1979

Verified the seismic performance of our homes through large-scale vibration testing

2004

Developed the “Foundation Direct Joint” to transfer seismic forces directly to the foundation

2022

Extended the adoption of highly earthquake-resistant wooden homes through SHAWOOD

#### Create Happiness

2023: Launched the SI Business

- Providing structural frames with proprietary seismic and construction technologies
- Strengthening collaboration and partnerships
- Addressing labor shortages in construction
- Delivering structural calculations based on allowable stress design

Collaboration with partner companies

- Establishing a housing supply network spanning from Hokkaido to Kyushu
- Helping to improve seismic performance in detached housing
- Expanding access to comfortable homes that offer peace of mind

#### Transform Society

Bringing more safe wooden homes to Japan

- Providing safe and dependable homes
- Improving housing seismic performance
- Enhancing housing asset value
- Expanding high-quality housing stock



## Material Issues for Value Creation | Contributing to a Sustainable Society



### Sekisui House's Journey

Committed to creating homes and communities that coexist in harmony with the environment, we have proactively addressed environmental challenges ahead of regulatory requirements while incorporating community-building principles into large-scale development projects. Today, we continue to advance the adoption of ZEH, decarbonize our business activities, and develop new technologies that help reduce environmental impact.

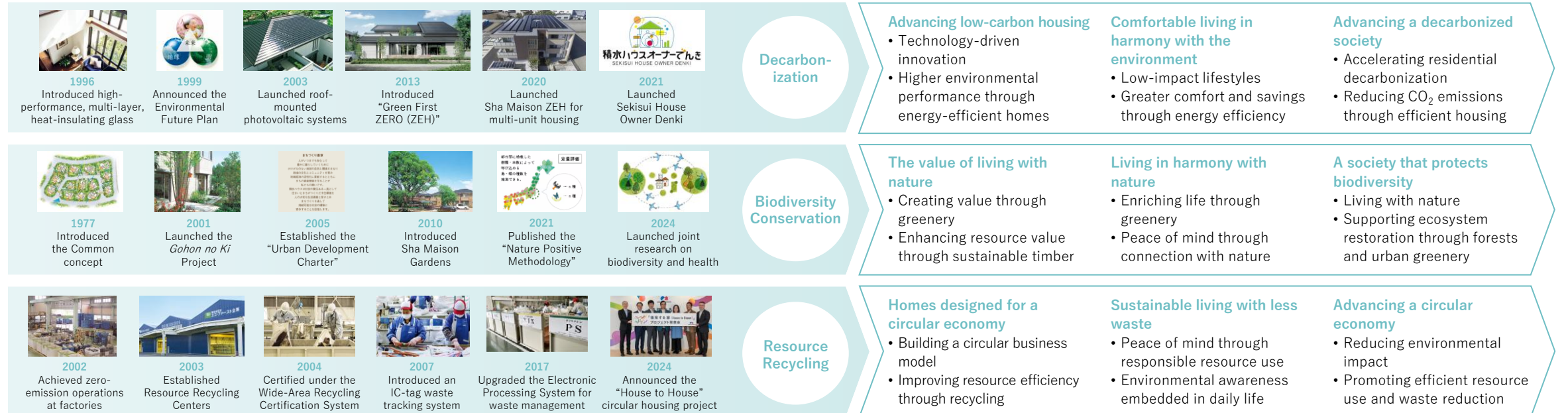
### Background to Materiality Identification

As climate change intensifies and progress toward a circular economy remains slow, conserving biodiversity has become essential for businesses that depend on natural capital. In the housing sector, we are accelerating technological innovation to improve energy efficiency and support the transition to a circular society. By providing homes with high environmental value, we aim to contribute to a more sustainable future.

### Key Policy

We strive to create harmony among people, communities, and the planet. Through our business activities, including initiatives across the supply chain, we are working to help build a more sustainable society.

### Our Journey and Key Themes



## Material Issues for Value Creation | Contributing to a Sustainable Society

### Green First

Sekisui House's Green First approach is centered on creating homes that balance environmental responsibility with comfortable living while remaining in harmony with nature. Through our business activities, we have continuously advanced technologies that improve insulation performance and energy efficiency, while sharing their value with our customers. In doing so, we continue working toward a richer global environment through housing and community development.

### Living with Nature and Conserving Biodiversity

One of the initiatives we have advanced together with our customers is the *Gohon no Ki* Project. By creating gardens with native tree species suited to local climates and natural environments, we have planted a significant number of trees over the years, contributing to biodiversity conservation. The philosophy behind this initiative has since been embraced in housing developments overseas as well, helping create sustainable communities where people and nature thrive together.

### Value Created Through the *Gohon no Ki* Project

2001

#### Launch of *Gohon no Ki* Project

Centered on native tree species, the *Gohon no Ki* Project was built on the idea that “three trees are for the birds and two are for the butterflies.” With this, we began promoting biodiversity conservation in urban environments.

[The \*Gohon no Ki\* Project](#)

2021

#### Biodiversity conservation in urban areas

The cumulative number of trees planted exceeded 17 million.\* Analysis of biodiversity data confirmed measurable increases in native plant species as well as visiting birds and butterflies.

\* 21.43 million as of the end of FY2025

[Quantitative assessment of biodiversity](#)

2021

#### Sharing approach with society

We published the “Nature Positive Methodology” for evaluating urban biodiversity. By visualizing the outcomes of our initiatives and linking them to financial value, we are helping promote biodiversity conservation across society.

[Nature positive methodology](#)

2024

#### Biodiversity and well-being

Joint research with the University of Tokyo showed that gardens with native species can enhance happiness and reduce stress. The study confirmed the positive relationship between biodiversity conservation and well-being.

[Enhancing well-being](#)

2024

#### Biodiversity visualization tool

We developed a visualization and proposal tool that simulates optimal plants for individual development sites. By making biodiversity impacts visible at the design stage, the tool enables higher-quality greening proposals.

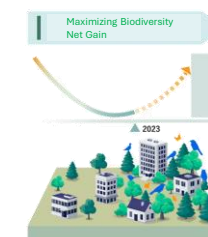
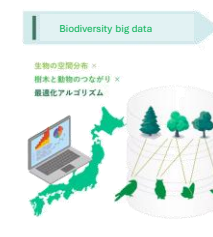
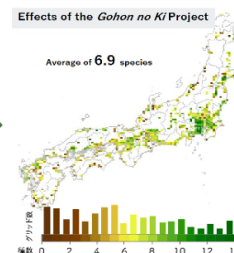
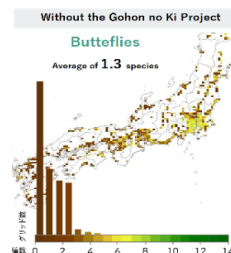
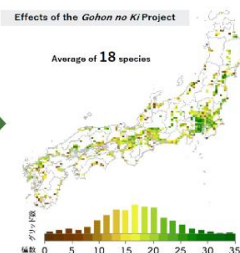
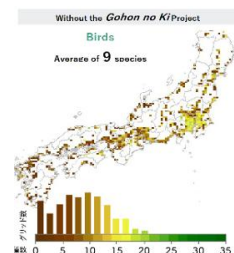
[Biodiversity visualization and proposal tool](#)

2030

#### Toward a nature-positive future

To help halt and reverse biodiversity loss, we aim to maximize ecosystem networks through our business activities and achieve DCF (Deforestation- and Conversion-Free) outcomes by conserving forests and local ecosystems.

[Biodiversity conservation](#)



## Material Issues for Value Creation | Contributing to a Sustainable Society

### Employees' Voice

### The *Gohon no Ki* Project



**Takashi Yagi**

Environment  
Improving  
Department,  
Sekisui House,  
Ltd.

#### The *Gohon no Ki* Project:

##### From comfortable living to new value

When the *Gohon no Ki* Project began in 2001, its purpose was simple: to help bring a little more comfort and joy to our customers' lives through trees and garden design. Twenty-five years later, as environmental degradation and biodiversity loss have become increasingly urgent issues, the initiative has grown beyond garden-making into an effort that connects nature and people while creating new value for society.

When we observe how our customers live, we often feel that their gardens are no longer simply outdoor spaces but part of everyday life. People enjoy the changing seasons and notice the presence of birds and insects. We increasingly hear that these small experiences enrich daily life. This has led us to better understand how *Gohon no Ki* Project gardens support the health and happiness of those who live with them and enrich communities around them.



**Koichiro Matsuda**

Environment  
Improving  
Department,  
Sekisui House,  
Ltd.

#### Discovering the link to happiness

Joint research with the University of Tokyo found that people living in homes surrounded by native-species gardens created through the *Gohon no Ki* Project were 20 percentage points less likely to develop symptoms of depression than those without such surroundings or regular interaction with the wildlife they attract. The research also showed higher levels of happiness, life satisfaction, and environmental awareness.

What this research highlighted is that the question is not only how much greenery exists, but what kind of greenery it is. The *Gohon no Ki* Project contributes not only to biodiversity conservation but also to the well-being of the people who live with it. What began as a small-scale gardening initiative has expanded alongside changes in society, connecting with people's lives, greening local communities, and contributing to health, happiness, and society as a whole, while continuing to create new forms of value.



**Takuji Sonoda**

Environment  
Improving  
Department,  
Sekisui House,  
Ltd.

#### Envisioning the future through biodiversity

This year, we published a white paper that organizes the significance of the *Gohon no Ki* Project from an ecological perspective. This paper helps explain its value more objectively by highlighting its impact on biodiversity, ecosystem conservation, and ecological connectivity, while also serving as a guide for how we should engage with nature through housing and community development.

Looking ahead to 2030, we hope to contribute to a nature-positive future that not only halts biodiversity loss but also helps reverse it. The *Gohon no Ki* Project brings wildlife back into everyday environments and fosters connections between people and nature. Each tree may seem small on its own, but together they have the power to shape the future. Having been involved in this initiative for 25 years, we feel that potential more strongly than ever.

[▶ The \*Gohon no Ki\* Project: Creating a more harmonious future for people and wildlife](#)

### The Idea Behind the *Gohon no Ki* Project Logo

"Make Home the Happiest Place in the World"

As a symbol of our commitment to realizing this Global Vision, we created a new logo for the *Gohon no Ki* Project. The logo expresses our belief that even a simple act of planting a tree has the power to spread happiness. Planting a tree brings benefits to birds, insects, and other living creatures that depend on it, while also creating

happiness for local communities, the nation, and ultimately the planet. Over time, this growing circle of happiness returns to the people who live there. Looking toward a future in which people, nature, and communities thrive together, this logo embodies our aspirations, determination, and the message we hope to share with future generations.

[▶ The \*Gohon no Ki\* Project, an ecosystem-conscious landscaping and greening initiative, marks its 25th anniversary](#)





## Material Issues for Value Creation | Fostering a Refined Sense of Beauty and Happiness



### Sekisui House's Journey

With the aim of creating homes where people can live fulfilling lives, we have embraced the lifelong housing concept, universal design, and community building, while incorporating insights from happiness research. Today, we are expanding opportunities for design and experiences that reflect diverse values and sensitivities, while promoting living environments that support a refined sense of beauty and happiness.

### Background to Materiality Identification

As societies age and values become more diverse, the importance of environments that support healthy and fulfilling lives continues to grow. At the same time, loneliness and the weakening of social connections have become pressing challenges. We aim to create a society where people can connect, learn, and grow together, and where future generations can cultivate a rich sense of beauty and live happily as their authentic selves.

### Key Policy

By integrating emotional value with scientific knowledge, we provide living environments and new experiential opportunities that enable people with diverse values and lifestyles to continue living fulfilling lives.

### Our Journey and Key Themes



### Drive Positive Impact

#### Evolving homes that support well-being

- Expanding products and services that support health
- Creating new value through wellness-focused design

### Create Happiness

#### Living well while being yourself

- Peace of mind through healthy living
- Living environments that respect individuality

### Transform Society

#### A society where children thrive

- Diverse and inclusive living environments
- Housing that supports healthy growth

#### The value of homes that foster connection

- Supporting community building
- Creating spaces that bring generations together

#### Peace of mind through human connection

- Security through relationships
- Intergenerational connections that enrich lives

#### Connected communities

- Contributing to supportive communities
- Helping build connections between people and communities

#### Creating homes that nurture sensibility

- Creating emotional value
- Expanding homes and services enriched by experience

#### A richer life through sensibility

- Environments that nurture sensibility and creativity
- Experiences that inspire learning and growth

#### A society enriched by sensibility and learning

- Creating environments that support lifelong learning
- Fostering a culture of beauty and happiness

## Material Issues for Value Creation | Fostering a Refined Sense of Beauty and Happiness

### Kids First

The happiness of children, our greatest treasure for the future, lies at the heart of Sekisui House's Kids First philosophy. Through our business activities, we have continued to advance initiatives that contribute to children's happiness. Safe and comfortable homes, spaces where children can grow freely, opportunities to nurture creativity and sensibility, and connections with family and local communities all play an important role in supporting children's lives and growth. As these efforts accumulate, they help foster rich emotional and sensory development, and, in time, contribute to children's future happiness. Moving forward, we will continue working together with society to expand opportunities for happiness through our Kids First initiatives.

### Fostering a Refined Sense of Beauty and Happiness

Throughout our history, we have continued to ask ourselves what happiness truly means. One answer we have found is the idea that a rich sense of beauty nurtures happiness. Everyone possesses sensibility, which is shaped through a wide range of experiences and adds color and meaning to everyday life. Children who grow up with rich sensibilities discover their own sources of happiness, grow into confident individuals, and one day contribute new ideas and innovation to society. Guided by this belief, we value living environments and experiential opportunities that support children's happiness and growth, and together with people and communities, we will continue expanding that value into the future.

### Our Kids First Initiatives

\* 1 Received the Kids Design Award

\* 2 Received the Grand Award at the IAUD International Design Award 2025, hosted by the International Association for Universal Design (IAUD)

#### A safe living environment for raising children

##### Crime prevention, disaster resilience, and universal design



Research on safer walkways for strollers and wheelchairs<sup>\*1</sup>



Finger-safe sliding doors<sup>\*1</sup>



Living spaces based on SH-UD (Sekisui House Universal Design)<sup>\*1</sup>



Living spaces designed with Smart Universal Design<sup>\*1</sup>



Sekisui House LED Lighting for Daily Life<sup>\*1</sup>



SHAIDD55, high-sound-insulation flooring system<sup>\*1</sup>



Child safe locks<sup>\*1</sup>

##### Promoting safe homes and communities throughout society



Homes that nurture children's vitality<sup>\*1</sup>



Flexible spaces for children<sup>\*1</sup>



Tomoie<sup>\*1</sup>



Grand Maison condominiums (GM)<sup>\*1</sup>

#### Living spaces that nurture children's sensibility and creativity

##### Family connections



A spacious hideaway loft<sup>\*1</sup>



Kodomo idokoro<sup>\*1</sup>



Ground-floor living<sup>\*1</sup>



365 Delicious Days<sup>\*1</sup>



Sha Maison rental housing with Kids & Baby Design<sup>\*1</sup>



Grand Maison condominiums that nurture children<sup>\*1</sup>



Shared spaces designed for children's growth<sup>\*1</sup>

##### Growth and learning



Communities that nurture children's vitality<sup>\*1</sup>



Communities that support raising children<sup>\*1</sup>



Nature education through the Gohon no Ki Project<sup>\*1</sup>



Construction site hoarding design<sup>\*1</sup>

#### Cultivating children's happiness together with society

##### Discovering individuality



Kodomo idokoro<sup>\*1</sup>



Housing proposals for child-rearing households in rental housing<sup>\*1</sup>



Family Suite Ouchi Premium<sup>\*1</sup>



KOKAGE LOUNGE<sup>\*1</sup>



Family Suite<sup>\*1</sup>



SMART-ECS<sup>\*1</sup>



HUE

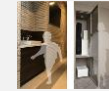


JUNOPARK

##### Co-creating the future with communities and society



Paternity leave<sup>\*1</sup>



Child-rearing support services in condominiums<sup>\*1</sup>



Community spaces co-created with local areas<sup>\*1,2</sup>

## Material Issues for Value Creation | Fostering a Refined Sense of Beauty and Happiness

### Inspiring Moments for Children

One of the things Sekisui House can do for the children who will shape the future is help nurture a heart that can find happiness in everyday life. Wanting to create more moments that truly move and inspire children through meaningful everyday experiences, we opened JUNOPARK, a hands-on educational and entertainment facility for upper elementary school children in Kizugawa City, Kyoto Prefecture, in August 2025.

Since opening in August 2025, JUNOPARK has welcomed approximately 70,000 visitors (as of the end of July 2026).



### Experiences that Nurture Sensibility

Designed primarily for upper elementary school children, JUNOPARK offers programs and exhibits based on Sekisui House's concept of the six sensibilities nurtured through everyday living. Through experiences that naturally spark feelings of fun and curiosity, children are encouraged to discover what they love, what matters most to them, and what makes them uniquely themselves, through hands-on exploration and discovery.



### For a Kids First Future

As we move closer to a future in which AI may surpass human intelligence, the importance of sensibility, which begins with what each person loves, continues to grow. As a Kids First company, we hope to work with many partners to help children recognize the value of sensibility, develop confidence in their individuality, and carry it into the future, throughout every stage of life, while helping them discover what they truly value.



### A Sense of Beauty Begins With What We Love

#### Eiji Hirata

Communication Design Department,  
Sekisui House, Ltd.  
Director, JUNOPARK



JUNOPARK is a place where children can discover what they love and what matters most to them, and develop their own sense of beauty. Through varied experiences rooted in everyday life, children interact with friends, explore, experiment, and move forward. Through these experiences, they gradually develop a genuine sense that it is okay to feel, think, and choose for themselves. Small discoveries and moments of inspiration that begin here connect to everyday life and the years ahead. We will continue refining JUNOPARK as a place where sensibility can grow naturally and flourish.

### The Value Created by JUNOPARK

#### Drive Positive Impact

1990

Established *Nattoku Kobo Studio* at the Comprehensive Housing R&D Institute

1992

Launched *Sumaijuku* housebuilding seminars at *Nattoku Kobo Studio*

Early 2000s

Expanded hands-on housing programs nationwide through *Sumai-no-Yume-Kojo*

2006

Launched housing and environmental outreach classes for elementary and junior high school students

28,520 participants in school outreach programs (FY2008–FY2025)

[ESG Fact Book P.119](#)

#### Create Happiness

##### 2025: Opened JUNOPARK

- Opened an experiential facility centered on sensibility for children
- Helped children discover what they love
- Encouraged discovery of what matters most
- Created experiences that nurture sensibility

##### Expanding experiential opportunities

- Help children discover what they love
- Foster emotional, sensory, and expressive development
- Reflect differences among friends
- Broaden pathways to happiness

#### Transform Society

##### Contributing to children's happiness

- Nurture emotional and sensory development
- Helping children make independent choices
- Foster diverse values
- Create new value and innovation



## Material Issues for Value Creation | Fostering a Refined Sense of Beauty and Happiness

### Valuing Every Person's Perspective

Sekisui House leverages the technologies and expertise developed through housing and community development to help address local challenges and strengthen connections among diverse people. What matters most in these efforts is listening carefully to those who have long called the area home and gaining a deeper understanding of the community's history, memories, and values. By respecting the aspirations rooted in each place and engaging in ongoing dialogue, we strive to create communities where people can truly feel at home and live happily for years to come, while passing local stories and aspirations on to future generations.

### A New Community Hub

One example of this approach is the development of a maternity care facility in Arida City, Wakayama Prefecture. In response to the loss of local maternity services, the facility was realized through collaboration with local government and healthcare providers. Since opening in 2024, more than 300 babies have been born there. Beyond its healthcare role, the facility serves as a gathering place where families and residents connect naturally, creating happiness through everyday interactions.

The facility has also contributed to local employment, including approximately 30 nurses and midwives.



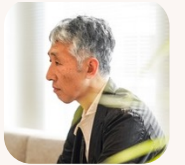
### Happiness Through Connections

When people connect with one another, a community becomes a place where everyone can live with peace of mind. Sekisui House's approach to value creation goes beyond developing homes and facilities. We value the relationships that emerge, the interactions that take place, and the richness they bring to everyday life. These connections help foster happiness throughout the community and support a future where each individual can continue living in a way that feels true to themselves.



### Weaving Connections into the Future

**Satoshi Sato**  
Building Business  
Strategy Department,  
Sekisui House, Ltd.



Regional revitalization is not something that is completed once a building is finished. Its value continues to grow throughout ongoing use and engagement. That is why we focus not only on the buildings themselves, but also on designing the connections and interactions that emerge around them. As people gather and activities take root, these places generate new value within the community. Our role is to create places that continue to be used and loved over time. To carry forward what has been carefully nurtured in each community, we will continue working together with local stakeholders to turn those aspirations into reality.

## "New Community Spaces" Created in Step With the Character and Aspirations of Each Region

### A place that preserves history and nurtures connections

This facility was created by repurposing a forest grove that had long remained within a residential neighborhood. It brings together a group home, a café, and a gallery in a single place.

The approximately 300-year-old trees and the memories they hold have been preserved as part of the community's heritage, creating a welcoming gathering place where people of all generations can spend time together.



### Open to the community, growing new connections

Since opening, the facility has evolved into a community hub centered around its café and gallery, where people naturally come together, with local residents and children taking part, new activities and relationships continue to emerge, creating a place where people across generations connect.



### Expanding "happy community spaces" across Japan

Sekisui House is developing communication tools that help capture and share the insights gained through initiatives like this. By working with local governments and other partners to address similar community challenges, we hope to expand the network of "happy places" created through human connections and share experiences across Japan.



## Refining Our Materiality Framework

### Refining Our Materiality

Beginning in FY2026, we established “Fostering a Refined Sense of Beauty and Happiness” as a new material issue. This reflects our response to social change and diverse values. Through ongoing dialogue with stakeholders inside and outside the Group, we revisited the value we create through homes and communities. Building on the material issues identified in FY2022, we retained “Creation of High-Quality Housing Stock” and “Contributing to a Sustainable Society,” while adding “Fostering a Refined Sense of Beauty and Happiness” to more clearly express the value created through our businesses. We also repositioned “Diversity & Inclusion” as an important management foundation that underpins all value creation, rather than as a material issue in itself.

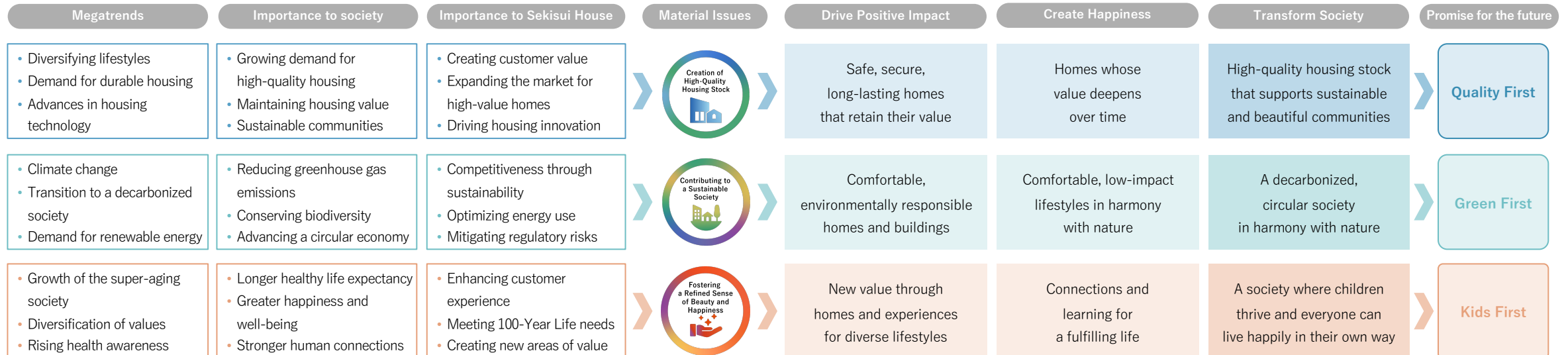
### Expanding Value Creation

In refining our materiality framework, we considered not only the importance of each issue to society and the Sekisui House Group, but also how the value we create generates broader impact.

Starting with materiality, we create value (“drive positive impact”), contribute to happiness (“create happiness”), and help shape the future (“transform society”). We view value creation not simply as a set of outputs, outcomes, and impacts, but as a process through which value expands beyond our business activities to customers, society, and future generations. This perspective reflects how the value we create continues to grow and extend its impact over time. The accumulation of value created through this process brings our promise for the future to life.

 P.27 Our Promise for the Future

**The Sekisui House Group’s Value Creation** | This illustrates the expanded scope of value creation under the Seventh Mid-Term Management Plan (FY2026–FY2028).



## Refining Our Materiality Framework

### Identifying and Refining Materiality

The Sekisui House Group engages in ongoing dialogue with stakeholders, including relevant internal departments and external experts, to understand the impacts our business has on society, the environment, and corporate value, while also identifying medium- to long-term issues, risks, and opportunities that could affect future value creation.

Based on these discussions and deliberations within the ESG Promotion Committee, an advisory body to the Board of Directors, we identify and refine our materiality framework to ensure its continued relevance and alignment with our management strategy. Following approval by the Board of Directors, materiality is incorporated into management and business activities across the Group.

[Basic Policy on Corporate Governance](#)

### Materiality Identification and Refinement Process

1. Review key themes: Assess the relationship between enduring themes rooted in our founding principles and our business activities.
2. Develop our corporate story: Identify key themes and value-creation priorities from a long-term perspective.
3. Assess priorities: Review key themes and priority issues through discussions involving management and the ESG Promotion Committee.
4. Determine materiality: Identify three material issues, approved by the Board of Directors in FY2022.
5. Refine materiality: Materiality framework refined in FY2025 through ESG Promotion Committee discussions.

[Material Issues of the Sekisui House Group](#)

### Implementation and Governance

For each material issue, we establish key themes and KPIs and promote specific initiatives. Their progress is managed and evaluated through the ESG Promotion Committee. Discussions involving the Board of Directors and external committee members help drive continuous improvement.

KPIs are reviewed in light of changes in the business environment and social issues, and the results are disclosed through our website and other channels as appropriate. In addition, certain indicators are linked to executive compensation and the President's Award to enhance the effectiveness of our initiatives. By doing so, we seek to strengthen accountability and improve execution across the Group.

[Annual Securities Report](#)

### External Perspective on Materiality Refinement

The refinement of materiality from a value-creation perspective, together with the addition of the new material issue, "Fostering a Refined Sense of Beauty and Happiness," clearly indicates the direction of value creation at Sekisui House. The relationship between materiality and management strategy has also been clarified, creating a framework that appropriately reflects the Company's distinctive strengths and approach to value creation.

More broadly, how to balance regulatory requirements with corporate value creation remains a challenge shared by many Japanese companies. The approach taken in this refinement can be viewed as a meaningful attempt to address both perspectives in an integrated manner.

## The Connection Between Materiality and the Mid-Term Management Plan

### 1960–1990: Phase 1

Based on material issues identified through our long-term vision, we set priority areas and KPIs in each three-year Mid-Term Management Plan. Through the steady implementation of these initiatives and the delivery of results, we move closer to fulfilling our promise for the future.

### 1990–2020: Phase 2

**Japan | Cultivating the Sekisui House Economic Sphere through Group-wide capabilities**  
**Overseas | Building a growth platform to drive a game-changing transformation**

### 2020–2050: Phase 3

#### 2026–2028: Seventh Mid-Term Management Plan

Risks and opportunities  
[Annual Securities Report](#)

Business and ESG strategy  
[P.85](#)

KPIs  
[Material Issues](#)

## Our Long-Standing Mission and Promise for the Future

### Quality First



### Green First



### Kids First





## ESG Management

### ESG Management that Creates New Value

In 2020, as part of our efforts to realize our Global Vision, we introduced the sub-vision of becoming a leading company in ESG management. For us, leadership in ESG management means responding to changes in society and people's daily lives and continuously creating positive impact through innovation. Guided by this belief, we are advancing ESG management that creates happiness as a form of value in itself and helps extend that value throughout society and into the future.

To put this commitment into practice, we advance initiatives aligned with the key themes identified through our materiality framework under the Mid-Term Management Plan. We monitor progress using indicators that measure both the outcomes of value creation and the strength of our management foundation. By managing these two dimensions in an integrated manner, we support sustainable value creation over the long term.

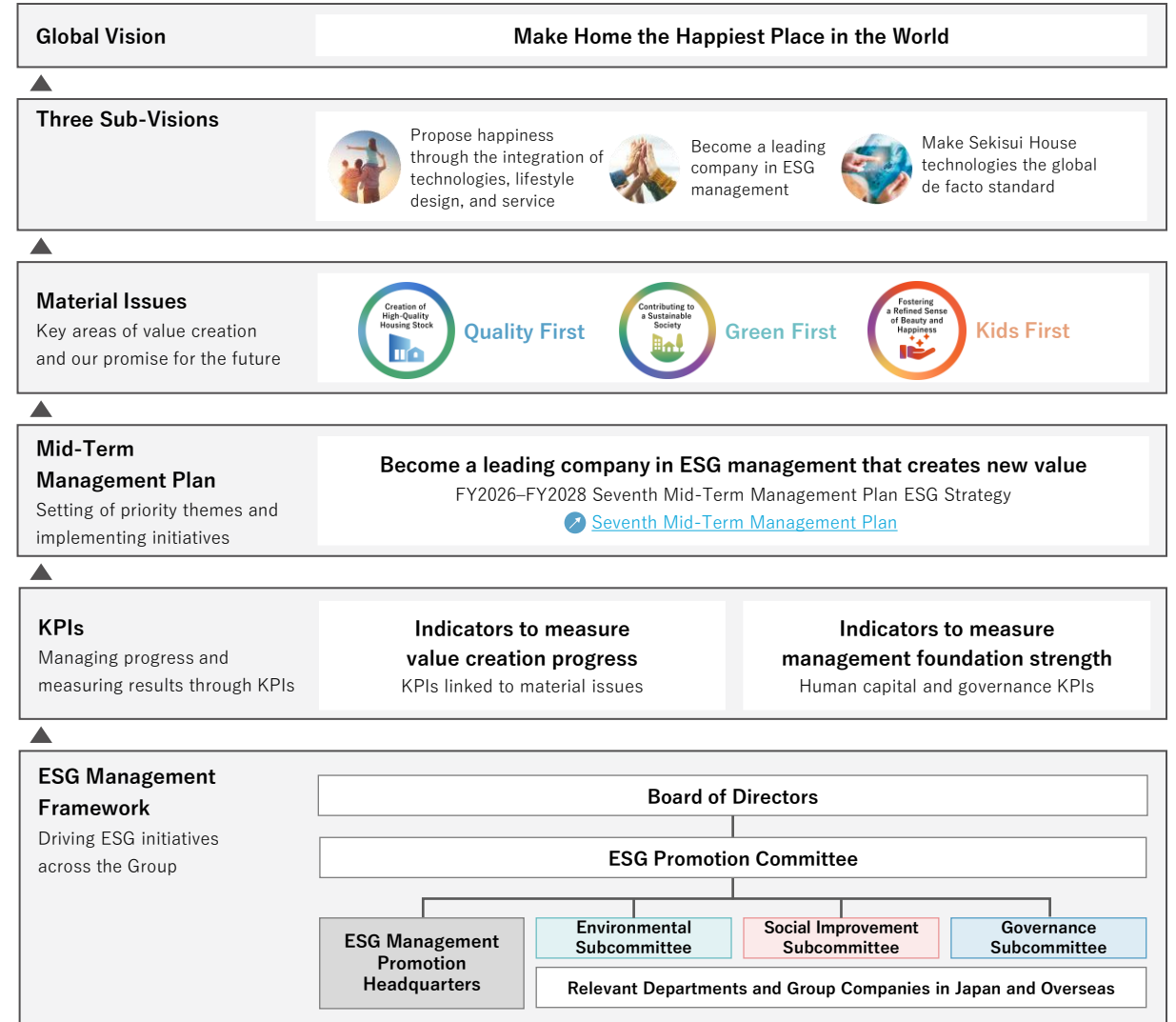
Under our ESG management structure, we connect these initiatives to the actions of each employee. By linking our business strategy directly to our Global Vision, we continue to advance ESG management that creates new value.

### ESG Management Framework

To ensure the advancement of ESG management, the Executive Officer in charge of ESG Management Promotion provides oversight, while the ESG Management Promotion Headquarters leads the implementation of policies under the Mid-Term Management Plan and drives related initiatives across the Group.

In addition, the ESG Promotion Committee, an advisory body to the Board of Directors that includes two external experts, meets at least four times a year. The committee reviews initiative progress and discusses key challenges through ongoing dialogue. Discussion outcomes are reported to and reviewed by the Board of Directors, with Directors, Audit and Supervisory Board Members, and management attending as observers. To ensure transparency, meeting agendas and minutes are disclosed to all employees.

The committee is supported by three subcommittees covering environmental, social, and governance matters. They coordinate across departments to advance initiatives and embed KPIs throughout the organization. By fostering employee understanding and participation, they promote ESG management across the Group.



## ESG Management

### Our ESG Management Journey and Evolution

#### The Origins of Our ESG Management

The roots of the Sekisui House Group's ESG management lie in the business activities we have pursued since our founding. In the 1960s, amid a severe housing shortage, we developed prefabricated housing technologies to deliver safe and comfortable homes more quickly. By continuously improving housing quality, we created a new culture of living that has enriched people's lives. This commitment to creating value through housing has evolved into the ESG management we practice today.

#### Employee-Driven ESG Management

Guided by the belief that every employee plays a central role in creating value, we launched an ESG management approach involving all employees in 2020. By putting our Corporate Philosophy, "Love of Humanity," into practice and considering the happiness of customers, society, colleagues, and ourselves in our daily work, we have encouraged active participation in value creation. Through employee dialogue and the idea-sharing SHIP Awards Program, we have fostered a culture in which employees take initiative in creating value.

#### Value-Creation ESG Management

Building on these efforts, we began advancing ESG management focused on value creation in 2026. This approach goes beyond using ESG solely as a framework for managing risks and opportunities. Instead, it starts with the value and impact created through our business activities and places them at the center of business management, seeking to further expand them.

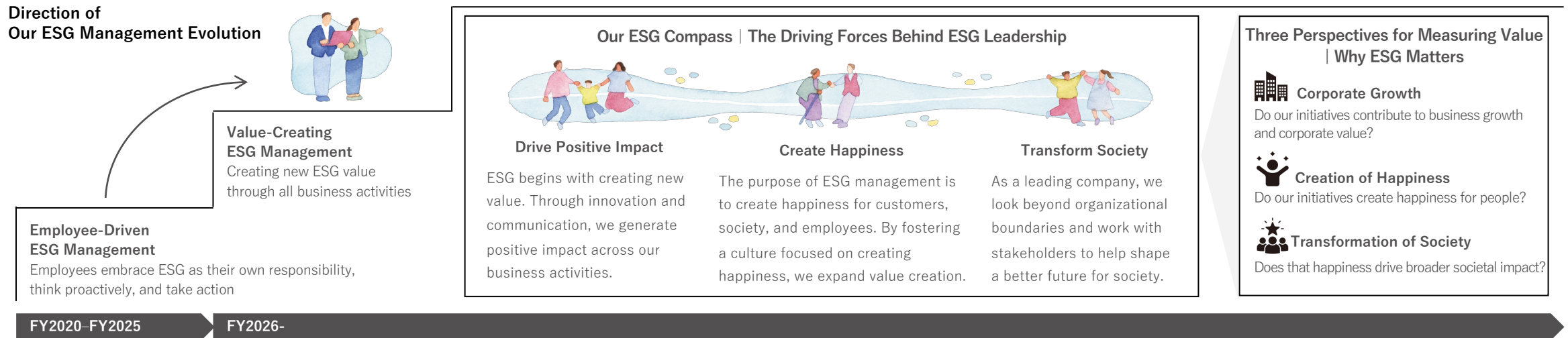
As a guiding concept for this approach, we have adopted our ESG Compass: "Drive Positive Impact, Create Happiness, and Transform Society."

#### Evolving ESG for Impact

Guided by our ESG Compass, we continuously examine whether each initiative is generating meaningful impact and optimize the allocation of our management resources.

Our goal is not simply to increase the number of initiatives, but to focus on value creation that contributes to corporate growth, the happiness of people and society, and a better future. By sharing this approach across the Group, we continue to deepen the value creation journey that has been part of our heritage since our founding.

#### Direction of Our ESG Management Evolution



## ESG Management

### ESG Strategy in the Seventh Mid-Term Management Plan

In our Seventh Mid-Term Management Plan for FY2026 to FY2028, we established “Become a leading company in ESG management that creates new value” as our core policy. Under this policy, we are advancing business activities that embody “Quality First,” creating beautiful, high-quality housing stock; “Green First,” contributing to a sustainable society; and “Kids First,” fostering a refined sense of beauty and happiness. We are also working to maximize value creation through an integrated, Group-wide approach that enhances human capital value, strengthens governance, and deepens dialogue and collaboration with stakeholders.

On this page, the chairpersons of the Environmental (E), Social Improvement (S), and Governance (G) Subcommittees present their strategies under the Seventh Mid-Term Management Plan. Further details on our human capital strategy and corporate governance can be found elsewhere in this report.

[Seventh Mid-Term Management Plan](#)

[P.74 Human Capital Strategy](#)

[P.121 Corporate Governance](#)

### E Environmental Strategy

**Creating environmental impact and expanding globally through stakeholder collaboration**

**Yuki Isaka**  
Chairperson of the Environmental Subcommittee  
Operating Officer  
Head of the Environment Improving Department



Creating a positive environmental impact for society is the mission of the Environmental Subcommittee. Multiple departments work together across organizational boundaries to advance decarbonization, biodiversity conservation, and resource recycling in an integrated manner.

Specific initiatives include expanding the adoption of ZEH and ZEB in detached houses, multi-unit housing, and non-residential buildings; developing a proposal tool using research data from the *Gohon no Ki* Project, marking its 25th anniversary this year; and launching the House to House project through value-chain collaboration. Going forward, we will continue to lead the creation of environmental value that contributes to customers’ well-being and happiness, while keeping global expansion in view and deepening collaboration and co-creation with stakeholders.

### S Social Improvement Strategy

**Creating value for a happier future and maximizing value creation through enhanced human capital**

**Kenichi Yamazaki**  
Chairperson of the Social Improvement Subcommittee  
Operating Officer  
Head of the Human Resources and General Affairs Department



The Social Improvement Subcommittee works to enhance human capital value and create social value. To enhance human capital value, we focus on “employee autonomy” and “alignment with the vector of our corporate direction,” strengthening each employee’s capacity to create value independently while fostering a workplace where diverse talent can realize its full potential.

To create social value, we pursue medium- to long-term value creation that begins with housing. Our initiatives include providing children with opportunities to cultivate a refined sense of beauty through experiences of housing and daily life, as well as creating new demand through co-creation with local communities. Going forward, we will further develop these initiatives as value creation integrated with our business and take the lead in generating positive impact for society.

### G Governance Strategy

**Strengthening governance across senior management, business management, and global management**

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



Under the Seventh Mid-Term Management Plan, we are strengthening global management in response to the expansion of our overseas business, alongside senior management and business management, while reinforcing governance at every level. Specifically, we are further strengthening Group governance in Japan and overseas by designing governance structures suited to each Group company and enhancing the corporate functions of our overseas Group companies.

We are also strengthening global risk and asset management systems, while advancing risk management, including information security. In addition, we are working to embed the Sekisui House Group Integrity Code, established in February 2026, throughout the Group. Through these efforts, we will promote a corporate culture founded on integrity and respect for human rights.



## ESG Management

### The Three Subcommittees and Their Key Initiatives

At the Sekisui House Group, the Environmental, Social Improvement, and Governance Subcommittees are responsible for advancing ESG management across the Group. Working closely with departments and Group companies in Japan and overseas, they promote key initiatives and KPIs within their respective areas of expertise.

The Subcommittees also help deepen understanding of value creation while supporting the implementation of initiatives across the Group. In addition, they share progress and challenges with the ESG Promotion Committee and help drive continuous improvement through ongoing discussion and feedback.

This page provides an overview of the activities and initiatives led by each subcommittee, together with links to related information. Detailed data and policies can be found in the ESG Fact Book, ESG Data Book, and Annual Securities Report.

- [ESG Fact Book](#)
- [ESG Data Book](#)
- [Annual Securities Report](#)

### E Environmental Subcommittee

We drive environmental initiatives across the Group, focusing on decarbonization, biodiversity conservation, and resource recycling. Working closely with relevant departments and Group companies, we help advance key initiatives and KPIs, while promoting collaboration with stakeholders inside and outside the Company. Through these efforts, we contribute to reducing environmental impact, managing business risks, and creating environmental value.

#### Main Initiatives and Related Pages

##### Decarbonization

- [Promoting ZEH through detached houses P.7](#)
- [Promotion of ZEB for non-residential construction P.12](#)
- [Decarbonizing our business activities P.13](#)
- [Supply chain decarbonization P.16](#)
- [Disclosure in line with the TCFD\\*1 Recommendations P.22](#)

##### Biodiversity conservation

- [Wood procurement P.33](#)
- [The Gohon no Ki Project for biodiversity conservation P.30](#)
- [Disclosure in line with the TNFD\\*2 P.40](#)

##### Resource recycling

- [Sekisui House Zero Emissions System P.58](#)
- [Initiatives to realize a circular economy P.55](#)

\*1 Task Force on Climate-related Financial Disclosures  
\*2 Taskforce on Nature-related Financial Disclosures

### S Social Improvement Subcommittee

We promote initiatives that enhance human capital value and social value. Working with relevant departments and Group companies, we monitor progress, share challenges and opportunities, and advance initiatives across organizational boundaries. We also facilitate discussions on human capital and social value creation, helping to deepen understanding, strengthen alignment, share risks and opportunities, and accelerate value creation across the Group.

#### Main Initiatives and Related Pages

##### Enhancing human capital value

- [Supporting self-directed career development P.80](#)
- [Promoting D&I P.87](#)
- [Promoting diverse workstyles P.98](#)
- [Building a foundation for well-being P.103](#)
- [Alignment of efforts P.109](#)

##### Improving social value

- [Kids First P.116](#)
- [Respect for human rights P.121](#)
- [Regional revitalization business P.127](#)
- [Customer initiatives P.132](#)
- [Occupational health and safety P.139](#)
- [Supply chain management P.146](#)

### G Governance Subcommittee

We work with corporate departments and Group companies in Japan and overseas to strengthen governance across the Group. Our activities include assessing governance frameworks, monitoring compliance, and promoting risk management initiatives. We also support embedding the Sekisui House Group Integrity Code and human rights initiatives, while reinforcing governance practices that support sustainable growth and long-term corporate value.

#### Main Initiatives and Related Pages

##### Top management level

- [Corporate Governance P.123](#)
- [Executive Remuneration P.128](#)
- [Board of Directors P.138](#)
- [Audit and Supervisory Board P.139](#)

##### Business management level

- [Strengthening Risk Management P.131](#)
- [Promoting Compliance P.132](#)

## Roundtable | Value-Creating ESG Management



Professor, Graduate School of Business, Doshisha University (Value Model Creator)  
**Philip Sugai**

Professor, Graduate School of Business Administration, Kobe University (ESG Promotion Committee, External Member)  
**Katsuhiko Kokubu**

Senior Managing Officer, Executive Officer in charge of ESG Management, Sekisui House, Ltd.  
**Haruhiko Toyoda**

### ESG Roundtable | Creating New Value through ESG

Rooted in our Corporate Philosophy of “Love of Humanity,” we have long pursued business practices that create social value. This mindset, reflected in the everyday actions of each employee, has shaped our approach to value creation before ESG became widely recognized. As ESG initiatives and disclosure expectations continue to expand, companies are increasingly expected to define the value they create, who benefits, and how it is delivered. To what extent can we answer these questions ourselves? This roundtable explores these questions, examining Sekisui House’s ESG management and what it means to pursue ESG that creates new value.

### Sekisui House’s ESG Management

■ **Kokubu** | As an external member of Sekisui House’s ESG Promotion Committee since 2020, what I have strongly felt is the Group-wide commitment to ESG. Particularly notable is the deep and sustained involvement of top management. While many companies have active ESG departments, fewer have executives who remain strongly engaged over time. This is reflected in the employee-driven Sekisui House Innovation & Performance (SHIP) Awards Program and initiatives across the Group. From an external perspective, it is clear that ESG is deeply embedded not at the periphery, but firmly at the core of management strategy.

■ **Toyoda** | Internally, we are shifting beyond awareness and understanding of ESG toward value-creating initiatives. We are seeing more ideas from employees closest to our customers, and the value they create is beginning to reach communities and people beyond our direct customers. ESG is an extension of our Corporate Philosophy, “Love of Humanity,” and this way of thinking has naturally taken root across the organization. That may be one of the defining features of Sekisui House today.

■ **Sugai** | What I value is that ESG is viewed not as a compliance exercise, but as a driver of value creation. External evaluations and scores follow as results, but the fundamental purpose of a company is to create value. This perspective is consistently evident in Sekisui House’s initiatives.

■ **Kokubu** | Employees of Sekisui House engage with society directly in their daily work. In considering how to deliver better and happier homes, they naturally become aware of local and broader social needs. When each person encounters such issues and begins to think about what they can do and how they can make use of company resources, the quality of value creation can change significantly.

■ **Toyoda** | Many such ideas are reflected in SHIP. They often start from a sense of discomfort in daily work or issues in communities where our customers live, and gradually develop into new initiatives. Listening to SHIP presentations, employees naturally speak about value and happiness as inseparable concepts, while focusing on customers and society. Many employees now naturally think and speak this way, which marks a significant change over the past several years.

## Roundtable | Value-Creating ESG Management

### Connecting ESG and Happiness

■ **Toyoda** | ESG is often seen as separate from happiness. We see it differently. Rather than treating ESG as something to respond to, we see it as an active approach to management that creates value. Through ESG, we generate positive value and expand its impact across society. As Professor Kokubu has described it, “companies exist within ESG.” We see this perspective as the very approach to value creation that we have practiced through our business for years.

angles, but Sekisui House is focused on something broader. The question is how business contributes to the happiness of society and stakeholders as a whole. ESG is a structural concept, while happiness is a value-based one. These two have not traditionally been discussed on the same axis.

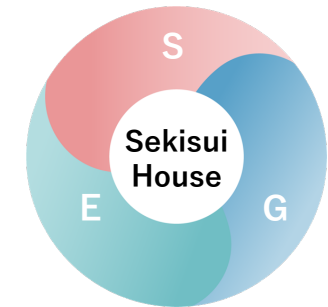
■ **Kokubu** | ESG was originally grounded in viewing the environment, society, and the economy as an integrated system. As frameworks have become more structured and standardized, sustainability disclosure standards have also tended to emphasize risk, making them easier to separate from value creation. This is why the question of how ESG connects to value creation is shared by many companies. It requires rethinking how social needs around the business can be combined with a company’s own resources to create value, and where new value can emerge.

■ **Toyoda** | With this understanding, we define the value and impact created through ESG as “happiness,” and place it at the center of our management. From a conventional ESG perspective, this approach may appear somewhat unconventional.

■ **Sugai** | This uniqueness is exactly what matters. ESG that focuses only on responding to external expectations does not lead to a future-oriented approach. ESG gains meaning when companies create social value through their business and, in doing so, strengthen their own value. Only by creating such a virtuous cycle does ESG become truly meaningful. After all, companies exist to continually create value for all stakeholders.

■ **Toyoda** | This is how we have interpreted ESG. Value is created by each employee through company-wide participation. We are now evolving this into value-creating ESG management. The next question is who creates that happiness and how. Rather than discussing ESG as a concept, we must focus on how it is reflected in our everyday actions.

### “Companies Exist within ESG”



Our ESG management puts our Corporate Philosophy into action. We view care for customers, collaboration, and responsibility for colleagues as the essence of ESG. From this perspective, we embrace the idea that “companies exist within ESG.” Introduced by Professor Kokubu at our first ESG Promotion Committee in July 2020, this idea places corporate activity within ESG, rather than treating ESG as an add-on. Since then, it has guided our ESG management. We believe that increasing ESG value also increases corporate value. We therefore evaluate our business not only through financial performance, but also through the happiness of customers, society, and employees, and embed ESG into strategy and decision-making.

■ **Sugai** | That perspective gets to the core of the issue. ESG has evolved as a framework for understanding corporate activity from multiple





## Roundtable | Value-Creating ESG Management

### Value Must Be Concrete

■ **Kokubu** | When advancing value creation, companies inevitably face the barrier of existing practices. The moment people believe an action could lower their evaluation, they hesitate to act. Under traditional, profit-focused metrics, ESG-driven value is hard to capture. Social value should be measured not by ratios, but by scale. What matters is the absolute amount of happiness created. Financial performance and social impact must be viewed as two axes.

■ **Toyoda** | A major challenge going forward is connecting this broader social value to our daily activities and businesses, and turning it into action.

■ **Kokubu** | What matters here is not asking, “What targets should you achieve?” but asking, “What do you think you can do?” When something is framed as a target, pressure to achieve it can discourage action and lead to conventional goals. Instead, individuals ask themselves what they can do, act regardless of evaluation, reflect on the results, and take the next step. This leads to value creation. In core business, goal-based management is essential. In ESG value creation, however, an effectuation approach, starting from resources individuals can control, is often more practical.

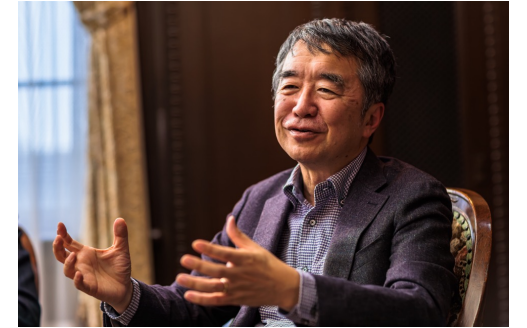
■ **Sugai** | If we ask, “What do you think you can do?”, the answer must be expressed as concrete value. Discussions that end with “That’s a good idea” do not lead to action or change. Value creation becomes real when we define who will benefit and what value will be created for them in concrete terms.

■ **Kokubu** | Around Sekisui House’s housing-focused business, significant untapped potential remains. Property management, for example, can create social value beyond building homes—such as creating local employment, providing work opportunities for

older people, and addressing community issues. Combining housing with property management broadens the scope of value creation. What matters is that each employee can clearly visualize the value potential beyond their own business. When social value is considered alongside profitability, business potential expands, and the value of housing itself increases. This gives greater depth to the Sekisui House Economic Sphere outlined in the Seventh Mid-Term Management Plan.

■ **Toyoda** | Looking at our business activities, value often extends to multiple stakeholders. It begins with the happiness of the customer in front of us, then connects to communities, society, and the future. We see this broader reach as value-creating ESG management.

■ **Kokubu** | In practice, how we engage with the brand cannot be avoided. By rethinking how businesses are named and positioned, and by creating new ways to deliver value, people who resonate with that value can engage with it in different ways. This outward expansion strengthens the value delivered to existing customers as well. How we think about targeting therefore also needs to change.



The people and communities that need ESG-created value are far broader than the boundaries businesses have traditionally defined as their target market. If we continue to focus only on conventional targeting, we may overlook opportunities for value creation. By extending value beyond the business, positive impact spreads across society. Only when this is practiced can ESG become a strategy that expands core business value creation. Over time, accumulated social value becomes a component of business value itself. This cycle ultimately reflects the idea that “companies exist within ESG.” We encourage employees at the Sekisui House Group to think about value not only through the lens of existing business targets, but also beyond those boundaries.



## Roundtable | Value-Creating ESG Management



### Who Defines Value

■ **Sugai** | Non-financial disclosure is shifting from voluntary to mandatory. At the same time, gaps are emerging between what companies disclose and the value they actually create. It is easy for a company to claim that “we are creating value.” But even the most advanced initiatives have no real meaning if they are not received as value. Even if I were to make the claim that I am a great professor, that judgment cannot be made by me alone. Instead, it must be made by my students as well. And they may think quite differently. Value exists only in the relationship between

those who create it and those who receive it.

■ **Toyoda** | Using the Value Model\* as a lens to review our disclosures, we saw that while the policies and frameworks behind our initiatives are largely in place, it is not always clear who benefits from them, what value is created, and how that value is perceived. Information organized to align with external frameworks does not necessarily communicate value meaningfully to stakeholders. That disconnect became increasingly apparent through this process. For example, we have steadily advanced initiatives related to environment, human capital, and human rights, and have reported our progress through the ESG Fact Book. Quantitative data plays an important role in showing where we stand. Yet disclosures often focus on results at a single point in time. Numbers alone cannot tell the full story: why an initiative was pursued, why it has been sustained, what value it has created, who benefits from it, or what it may mean for the future.

■ **Sugai** | Scores are simply a snapshot of where you stand today. What matters is the process—what value has been built over time,

and what value was not chosen. Rather than trying to make everything look perfect, companies must be explicit about priorities and trade-offs. That, in itself, is a strategic management decision.

■ **Toyoda** | Within our ESG Promotion Committee, we are moving beyond tracking progress and placing greater emphasis on discussing who benefits from our initiatives and what value they create. It is important to compare the value we intend to create with the value stakeholders actually experience. A company that has endured over time has done so because it continues to serve a meaningful role in society. Sekisui House, too, has a long history of creating value through housing. Rather than viewing ESG as a collection of initiatives or evaluation metrics, we start from the value we have created throughout our history, draw on our strengths, and continue communicating the growth and value creation we seek to achieve going forward.

■ **Kokubu** | Viewed only through ESG frameworks, discussions can appear complex. But from the perspective of core business value and profit creation, competitiveness and

growth are relatively easier to organize. The key questions are: What value should be presented externally? And what value enhances core competitiveness? Based on the principle that ESG disclosure is principle-based, companies must decide for themselves what to prioritize, what to choose, and what to communicate. If these judgments are left to external standards, companies risk losing ownership of disclosure, and ESG management itself may become superficial.

■ **Sugai** | Organizing past disclosures and results is important. However, what investors and society truly want to know is what value Sekisui House will create going forward, what impact it aims to generate, and how that value will reach stakeholders. Continuing to claim value creation without understanding the current position may itself be the greatest risk. Making value visible, or achieving value visibility, may be the starting point for confronting rather than avoiding the question of who defines value and how.

\* [Analysis of Outcome Indicators in ESG Evaluation Based on the Value Model \(in Japanese\)](#)

## Roundtable | Value-Creating ESG Management



### Speaking About Value in Our Own Words

■ **Sugai** | Looking globally, many people involved in ESG disclosure are not happy themselves. Under pressure to meet regulatory requirements and evaluations, the very purpose of value creation becomes hard to see. By contrast, although Japan accounts for only about 1.5% of the world's population, nearly half of all companies operating for over 200 years, so-called heritage companies, are based here. This is not by chance. Historically, these Japanese companies have looked beyond short-term profit and ratings to consider value for society as a whole. By placing value creation at the center of

business, sustainability has followed. This is sustainability in its truest sense. What impressed me about Sekisui House's "Value Report – Our Impact" was that it did not start from the premise of evaluation. Instead, it clearly explained—using its own words—how the company seeks to create value. Value creation is not something to be shaped to fit evaluation criteria. The thinking itself was clear, embedded in management and business practice, which I found genuinely encouraging.

■ **Kokubu** | At Sekisui House, the fire-resistant house did not emerge from setting a perfect goal. It emerged from a willingness to try what was possible. By starting with what could be done with the resources at hand, value expanded step by step over time.



However, as business models become fixed and KPIs strengthened, that founding spirit can become harder to demonstrate. This is why business targeting and ESG value-creation targeting do not need to be identical. Business requires strategic focus. ESG value creation, however, should remain open to society. If Sekisui House can continue to design these two approaches, connect them in practice, and demonstrate them through action, it can become a model of ESG management that leads not only Japan but the world. This reflects a unique strength and opportunity for Japanese companies, especially Sekisui House.

■ **Sugai** | When value creation is the objective, evaluations and rankings will inevitably follow. When evaluation itself becomes the objective, value does not emerge. Ratings tend to highlight what is lacking, but companies do not exist to catalog their shortcomings. What matters is whether a company can articulate, in its own words and narratives, what value it seeks to create, for whom, and for what purpose. That clarity will be increasingly tested. Initiatives built on

ambiguous value with only polished language eventually reach their limits. This is why Sekisui House's long-standing commitment to starting from value creation remains meaningful. In that approach, I see real promise for the future.



### After the Roundtable

Through Value Report, we have traced the Sekisui House Group's value-creation journey and the future it points to. This roundtable reminded us that some forms of value cannot be captured by numbers alone. By shining a light on people, intentions, and challenges behind that value, we will continue telling that story in our own words.



## 02 Enduring Value

### Summary | Keeping our promise to the future

Creating beautiful, high-quality homes that endure.

Protecting the natural environment.

Contributing to the well-being of future generations.

At the heart of Quality First, Green First, and Kids First  
is a long-term promise.

Each step we take is part of fulfilling that promise to the future.



### Reflection | Our promise for the future

Focusing on the customers in front of us.

Listening to the small voices of daily life.

Thinking about nature

and the well-being of future generations.

Each action, no matter how small,  
can create happiness that does not yet exist.

Even our promise to the distant future  
begins with the work we do today.

## 03 Core Competence

# Advancing Unique Value

### Our Strengths

Technology.

Craftsmanship.

Customer relationships.

These strengths have been shaped  
by our commitment to Love of Humanity  
and a customer-first mindset.

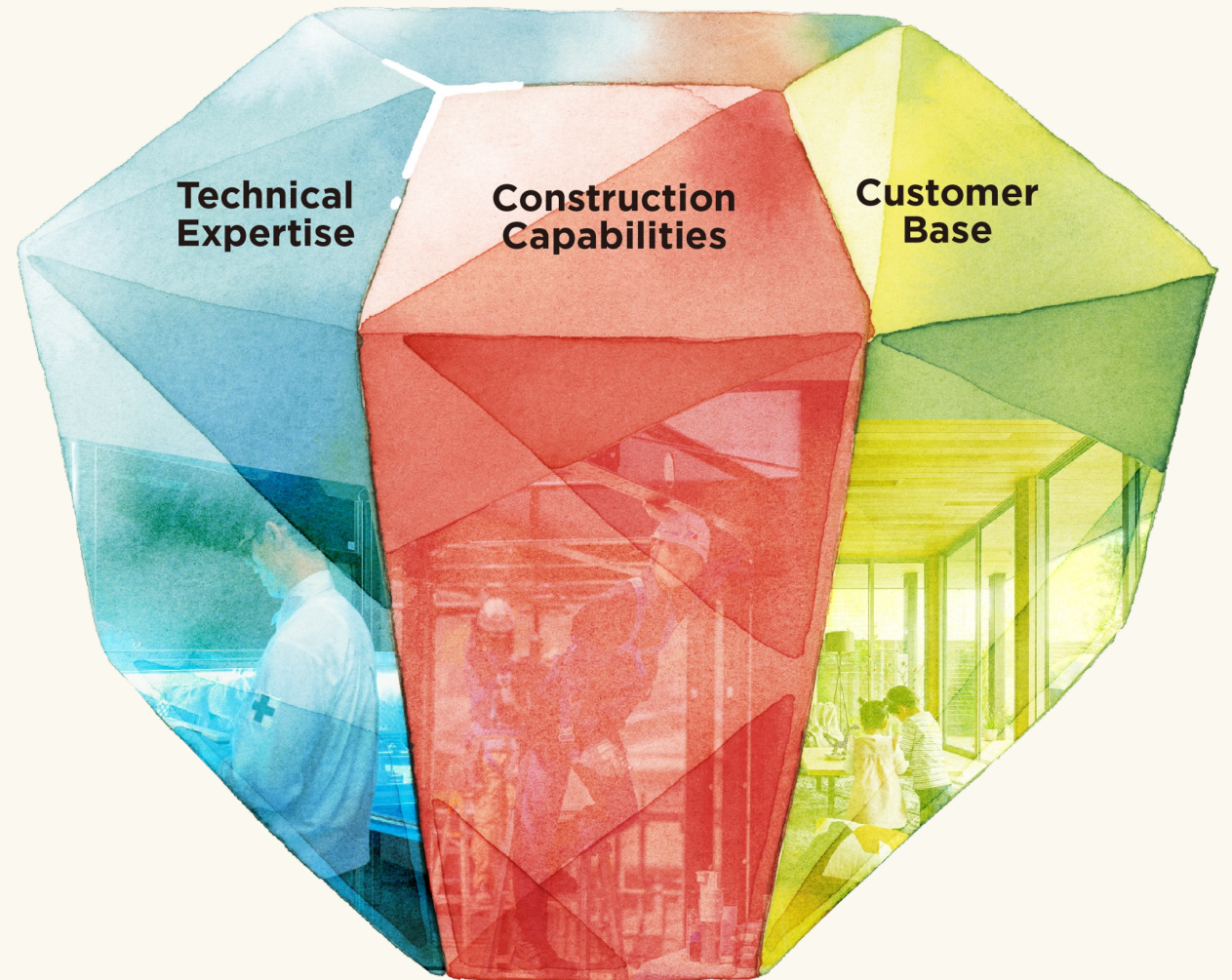
Refining them.

Bringing them together.

Creating new value.

That is what drives our value creation.

## The Sekisui House Global Vision Make Home the Happiest Place in the World



Corporate Philosophy: "Love of Humanity"  
as our fundamental philosophy

Customer-First DNA

Custom home design: 98% custom-built



## Core Competencies

### The Lasting Value We Have Built

Since our founding in 1960, Sekisui House has grown through a continuous commitment to challenge and innovation.

From pioneering industrialized housing and building our own factories to establishing an integrated construction system, launching homeowner visits and Customer Service Centers, and advancing research and technological development, each initiative reflected our determination to place customers first while responding to the needs of the times.

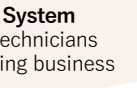
These efforts were shaped by the decisions and actions of those who came before us, always striving to find the best solutions to the challenges they faced.

The business we operate today is built on that legacy. This page looks back at how our predecessors forged new paths and established the foundations that continue to support our growth today.

### Technical Expertise

- 1961 Developed Sekisui House Model B**  
 Adopted meter modules, the first in the housing industry, creating larger living spaces. This laid the foundation for our distinctive approach to home design, combining flexibility with highly insulated exterior walls and wood interiors.
 
- 1990 Established Comprehensive Housing R&D Institute**  
 Established Japan's largest housing research facility by integrating the Comprehensive Housing R&D Institute with the *Nattoku Kobo* experiential research center.\* (\*Renewed as JUNOPARK in 2025)
 
- 1997 Developed the world's first  $\beta$  System construction method**  
 Ten years after its conception, we developed a structural system using a heavy-gauge steel rigid-frame structure, enabling the construction of three-story detached houses.
 
- 1997 Developed the SHAWOOD MJ construction method**  
 Developed an innovative timber-frame construction method using metal connectors as structural components to increase joint strength.
 
- 2004 Developed the SHAWOOD SMJ construction method**  
 Developed a foundation-direct joint system that transfers seismic forces directly to the foundation while enabling greater spatial flexibility.
 
- 2018 Established Human Life R&D Institute\***  
 Japan's first research institute dedicated to scientifically exploring happiness and proposing practical ways to help people achieve it. (\*Now SHIAWASE SUMAI Institute)
 

### Construction Capabilities

- 1961 Opened the Shiga Factory\***  
 Built a large-scale factory to produce housing components in-house, supporting the delivery of high-quality homes. The factory symbolized our determination to help address Japan's housing shortage through our own efforts.  
 (\*Production function discontinued following the 2009 restructuring of our production system)
 
- 1964 Formulated a policy for our direct sales and responsible construction system**  
 Concluded that separating sales and construction was inconsistent with our philosophy, and established an integrated system under which we assume responsibility from sales through after-sales services.
 
- 1973 Founded Sekiwa Construction, a company specializing in foundation work**  
 Founded Sekiwa Construction\* to carry out foundation work in-house, aiming to improve construction quality and earn greater customer trust.  
 (\*Now the Sekisui House Construction Group)
 
- 1982 Established vocational training schools for technicians**  
 (\*Vocational training schools accredited by prefectural governors)  
**Established the Sekisui House Cooperation Association**  
 (\*Organization of partner constructors supporting various operational programs)
 
- 1983 Established the Sekisui House Chief Technician Certification**  
 An in-house certification program covering foundation, exterior, and interior work
 
- 2008 Established the Remodeling Meister System**  
 An in-house certification program for technicians engaged in the Sekisui House remodeling business
 

### Customer Base

- 1975 Began distributing the lifestyle magazine *Kizuna* to owners of detached homes**

- 1985 Started homeowner visits**  
 As part of our after-sales services
 
- 1987 Established Customer Service Centers**


The name "Customer Service Centers" reflects our commitment to caring not only for our customers but also for the homes they value. Through Ie-Log, a system that manages information on individual homes, we have established a framework enabling timely inspections, maintenance, and repairs, helping protect these assets for years to come.

- 1999 Established Remodeling Centers**  
 Enhanced information sharing
 
- 2004 Established weekend reception services at Customer Service Centers**

- 2020 Established the Customer Service Center Owner Desk**




## Core Competencies

### Evolving Our Strengths

To further strengthen the core competencies inherited from those who came before us, we have undertaken a series of reforms in recent years.

By deepening expertise in each area and maximizing value creation, we have also reviewed our organizational structure and spun off selected businesses into independent companies. These reforms were designed with the future growth of the Sekisui House Group in mind and are steadily building the foundation for our Seventh Mid-Term Management Plan, which began in FY2026.

Strong core competencies enable us to formulate, execute, and evolve our strategies. This page highlights the key initiatives that have further strengthened our capabilities through these reforms.

### Technical Expertise

- 2020** Built the first SHAWOOD concept home at IBS (International Builders' Show) 2020, the largest housing exhibition in the U.S.

- 2023** **SI Business: Delivering our original structural framing system**  
A joint construction business in which Sekisui House designs the skeleton, Sekisui House Construction handles construction, and partner companies provide the infill. [URL](#)



- 2024** **Opened InnoCom Square**  
An open innovation facility [URL](#)  
**Established a corporate venture capital fund**



- 2025** Sommers Bend, the first SHAWOOD community in the United States, received the top award at The Nationals 2025, North America's largest housing awards program.



In Australia, SHAWOOD's SHINKA HOUSE II received the HIA Housing Awards in New South Wales in 2025 and nationally across Australia in 2026.



### Construction Capabilities

- 2023** **Reorganized the Sekisui House Construction Group** [URL](#)

- 2023** **Held the Sekisui House Carpenter Championship WAZA**  
Recognizing and celebrating the skills and dedication of members of the Sekisui House Association while passing their craftsmanship on to future generations and the wider industry.  
(\* Held continuously since 2024)



- 2023** **Strengthened recruitment and training of crafters\* at Sekisui House Construction Holdings**

\* Skilled housing tradespeople with diverse capabilities are essential to creating high-quality homes. We plan to expand our workforce to approximately 1,000 crafters by 2033, roughly three times the 2023 level.

[URL](#)



- 2025** **Transferred Sekisui House's construction quality expertise to the U.S.**
- Deployed Japanese technicians to the U.S.
  - Established a common inspection standard across U.S. Group companies based on our advanced construction expertise



### Customer Base

- 2020** **Established Sekisui House GM Partners Co., Ltd.**  
A company specializing in condominium management [URL](#)

- Consolidated the condominium management businesses of the Sekisui House Group to provide comfortable living support and high-value-added services

- 2025** **Spun off Sekisui House Support Plus, Ltd.**  
A company specializing in after-sales services [URL](#)

- Separated the after-sales services operation of Customer Service Centers into an independent company to provide greater value-added services

- Reorganized Sekisui House Sha Maison PM**  
A company specializing in the rental management business [URL](#)

- Reorganized the rental business division of Sekisui House Real Estate Group companies to enhance services for unit owners and tenants

- Reorganized Sekisui House Real Estate**  
A company specializing in the real estate and brokerage business [URL](#)

- Consolidated six companies into one to strengthen our value creation capabilities in the real estate-for-sale business and accelerate detached-housing sales

#### Opened GM BASE

- A condominium sales hub [URL](#)
- Created a place where condominium buyers, owners, local residents, and partner companies can gather, connect, and engage

## Core Competencies

### From Evolving Expertise to Group Strength

As we have deepened expertise across our businesses, we have reached a stage where we can connect those strengths to create greater value.

Group collaboration is one of the key themes of the Seventh Mid-Term Management Plan, which began in FY2026. The plan seeks to connect the information, functions, and customer touchpoints held by Group companies across the organization.

The organizational restructuring and establishment of specialized companies we have pursued in recent years are part of this effort. The goal is to create value where 1+1+1 becomes 10 or even 20. Because we specialize in housing-centered businesses, companies and people with different areas of expertise can connect organically to create new value.

By bringing together our evolving expertise and leveraging our collective strengths, we will accelerate value creation across Japan and overseas.

- P.87 The Sekisui House Economic Sphere
- P.86 2026–2028 Seventh Mid-Term Management Plan

### Technical Expertise

2026–2028 Seventh Mid-Term Management Plan  
**Expanding Sekisui House technologies for happiness**

#### Japan

- Advance design capabilities that enhance aesthetic, environmental, and housing stock value
- Improve processes through digital innovation

#### Global

- Establish SHAWOOD design concepts tailored to the characteristics of each business area, further enhancing value
- Launch New 2x4 incorporating Sekisui House's construction, materials, and design expertise, while advancing efforts to introduce high-durability and environmental technologies

### Construction Capabilities

2026–2028 Seventh Mid-Term Management Plan  
**Advancing the construction capabilities that underpin the Sekisui House brand**

#### Japan

- Continue recruiting and developing skilled crafters while strengthening quality and safety
- Maximize our construction capabilities through the use of a construction management platform



#### Global

- Improve construction quality through the deployment of technicians overseas and training for local site supervisors

### Customer Base

2026–2028 Seventh Mid-Term Management Plan  
**Deepening relationships beyond the home**

#### Japan

- Further strengthen the customer base through an extended touchpoint network
- Provide higher value-added services



#### Global

- Build the foundation for our CRM strategy and refresh promotional strategies to strengthen product brand awareness

## Group Cooperation

### Expertise creates lasting competitive advantage

The expertise cultivated through organizational restructuring and the establishment of specialized companies has accelerated decision-making and strengthened on-site capabilities, delivering tangible results across each business domain. These efforts have enhanced competitiveness in their respective fields, while continued specialization has steadily reinforced the business foundation of the Sekisui House Group.

### Connecting strengths amplifies value creation

At the same time, maximizing the value of this expertise requires strong collaboration across the Group. By sharing information and coordinating functions across design, construction, after-sales service, and real estate, we are expanding customer touchpoints, improving proposal capabilities, and delivering integrated value across multiple business domains. These connections are essential to maximizing our expertise.

### The power of collaboration

New opportunities emerge when Group companies share information and insights gained through new construction, renovation, SumStock utilization, and remodeling initiatives, while drawing on one another's expertise and experience. The combination of these diverse strengths creates the unique capabilities of the Sekisui House Group and broadens the scope of our value creation, enabling us to create value in new ways.

## Technical Expertise

### Our Technicians Pushing Beyond Limits

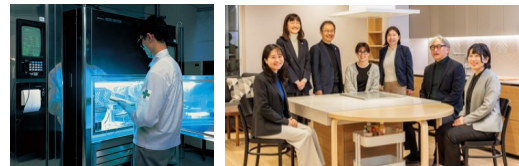
The way people live continues to evolve. By recognizing these changes and incorporating advanced technology, R&D, and innovative design, Sekisui House has helped shape new eras of housing. Driven by a commitment to delivering happiness to our customers, our skilled technicians continue to expand the possibilities of homebuilding and create unique value.

What they share is a willingness to experiment, test, and refine ideas until they achieve results they can trust. In durability, we have established rigorous standards based on actual performance data. We also devoted more than a decade to developing the SHEQAS seismic force-absorbing system and Airkis, an indoor air quality system designed to create healthier living environments, validated through full-scale homes.

#### R&D Division: Creating Sekisui House technologies

To enhance the value of housing, we conduct research and development in housing performance, new construction methods, and advanced technologies. We also develop services and lifestyle proposals that support happier lives. These efforts generate intellectual property and form the foundation of Sekisui House technologies.

|                                         |                         |
|-----------------------------------------|-------------------------|
| <b>Comprehensive Housing</b>            |                         |
| <b>R&amp;D Institute</b> .....          | <b>Established 1990</b> |
| <b>SHIAWASE SUMAI Institute</b> .....   | <b>Established 2018</b> |
| <b>Patents held (Japan)</b> .....       | <b>1,283</b>            |
| <b>Design rights held (Japan)</b> ..... | <b>468</b>              |



#### Pursuing Excellence in Quality and Technology

|                    |                             |                     |
|--------------------|-----------------------------|---------------------|
| Seismic resistance | Energy efficiency           | Space proposals     |
| Durability         | Renewable energy generation | Design proposals    |
| Fire resistance    | Environmental consideration | Lifestyle proposals |
| Thermal insulation | Universal design            | Happy homes         |
| Sound insulation   |                             |                     |
| Security           |                             |                     |

► Delivering our original structural framing system

#### Design Professionals: Bringing ideas to life

Under a rigorous internal certification system, design professionals, including architects, interior coordinators, and site supervisors, combine their expertise to bring each customer's ideal home to life while addressing regulations and site-specific challenges. Together, they create homes tailored to individual lifestyles and needs.

|                                                                   |               |
|-------------------------------------------------------------------|---------------|
| <b>First-class registered architects</b> .....                    | <b>3,590*</b> |
| <b>Interior coordinators</b> .....                                | <b>189*</b>   |
| <b>Chief architects (in-house certified)</b> .....                | <b>350*</b>   |
| <b>Structural planning specialists (in-house certified)</b> ..... | <b>165*</b>   |

\* As of April 1, 2026



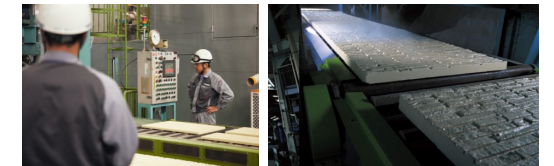
#### Design Proposals through Technical Expertise

- Technical foundations and in-house certifications supporting high-quality operations
- Self-directed learning and networking opportunities for our chief architects
- Detached Housing College, Sha Maison College, Platinum College, and Townscape College
- Career trial programs for design, site supervision, and management

#### Production and Procurement Division: Supporting high-quality production

The Production and Procurement Division maintains rigorous quality standards through in-house inspection specialists and advanced quality management systems. By manufacturing high-quality components, the division supports reliable homes. As the first in the industry to achieve ISO 9001 certification, we remain committed to quality.

|                                                                                  |              |
|----------------------------------------------------------------------------------|--------------|
| <b>Registered in-house inspectors</b> .....                                      | <b>1,516</b> |
| <b>Holders of publicly recognized manufacturing-related certifications</b> ..... | <b>3,115</b> |
| <b>Production sites</b> .....                                                    | <b>5</b>     |
| <b>Domestic logistics centers</b> .....                                          | <b>45</b>    |



#### Production Technologies for Custom Home Design

- Customized production tailored to customer needs
- High quality and efficiency through robotics
- Thorough quality control by dedicated inspectors
- Manufacturing technologies for original exterior wall materials
- In-house development of manufacturing equipment and systems



## Technical Expertise

### Our Technicians Pushing Beyond Limits

What can we do to build even better homes? Sekisui House's technicians are constantly asking that question. Unbound by existing technologies or conventional wisdom, their pursuit of what lies one step beyond is not confined to laboratories and research facilities. Customer expectations gathered through our sales teams and Customer Service Centers often

become the starting point for new technological development, pushing our technicians beyond perceived limits. Our goal is not simply to improve housing performance, but to give shape to happier living. The SHAWOOD KOKAGE LOUNGE featured on this page stands as a symbol of these challenges and the progress achieved through collaboration across the Group.



### SHAWOOD "KOKAGE LOUNGE"—Building on 15 Years of Experience in Japan, Entering a New Stage of Global Expansion

#### It All Began with Customers' Voices

"I want to live more openly in a home made of wood." Those words became the starting point for a development project launched in 2005. Rather than accepting that such a request was difficult to achieve in wooden housing, we chose to respond through technology. Our goal was to combine high performance, including seismic resilience and thermal insulation, with spacious, open living environments. That decision marked the beginning of a 15-year effort to push the limits of wooden structural engineering.

#### Making the Impossible Possible

Development was built on years of steady experimentation. We repeatedly tested every element, from the size and length of individual screws used in the joints to the materials themselves, while continuously refining our metal joint connection system. Every detail was carefully examined and improved. There were periods when results fell short of expectations. Yet we kept asking, "How can we make this work?" and continued building knowledge through countless small-scale tests. Those efforts steadily expanded the possibilities of SHAWOOD.

#### 15 Years, One Answer

Our goal was to create a large, column-free wooden space comparable to reinforced concrete or steel-frame construction. By adopting Clearview Design and incorporating floor-to-ceiling windows, we created a sense of openness that extends beyond the home. We also achieved a seamless connection between interior and exterior spaces by extending the warmth and texture of wood from the sloped ceiling to the eaves. By refining structure and design as an integrated whole, we created living spaces that combine openness, comfort, and ease.

#### Toward the Next Evolution

The technologies developed through this journey gave rise to KOKAGE LOUNGE, a home that combines visual openness with the comfort and sense of security of being sheltered beneath a great tree, bringing these qualities into everyday living. Continuing to evolve from the voices of our customers, KOKAGE LOUNGE has now expanded into Australia and the United States. Building on 15 years of effort and innovation, we will continue pursuing happier living on a global scale.



**Atsushi Otsuka**  
Tama Branch,  
Sekisui House, Ltd.



**Akira Hirose**  
Deputy Head of Research &  
Development Headquarters,  
Sekisui House, Ltd.



Image  
(CGI)

## Construction Capabilities

### Construction Specialists Building Happiness

A value found nowhere else in the world. At its heart is the spirit of *Unmei Kyodotai*, founded on the belief that people work together, support one another, and share a common destiny.

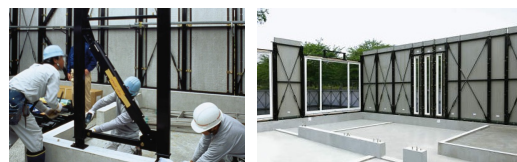
Homebuilding depends on the efforts of many people. Guided by this belief, we have fostered strong bonds between the Sekisui House Construction Group and the Sekisui House Association, committed to the highest quality. These relationships form the foundation of construction capabilities unmatched anywhere in the world.

With world-class craftsmanship and an unwavering commitment to excellence, our construction specialists devote their skills to every home they build. Through attention to detail and pride in their work, they deliver quality that exceeds customer expectations and creates distinctive value.

#### A Responsible Construction System: Ensuring high construction quality

Based on the belief that the foundation is the most important part of any building, we established Sekiwa Construction, a foundation specialist, in 1973 and created an in-house responsible construction system. Today, the Sekisui House Construction Group continues to uphold construction quality across Japan.

|                                                          |       |
|----------------------------------------------------------|-------|
| <b>Sekisui House Construction Group</b> .... 8 companies |       |
| Construction personnel .....                             | 4,786 |
| Crafters (included in the above) .....                   | 685   |
| Site supervisors and others .....                        | 1,295 |



#### Scale | A Robust Construction Network

**Sekisui House Construction Holdings**  
(Sekisui House Construction)  
Foundation/Exterior

Strong and trusted relationship

**Sekisui House Association**  
(Primary Work Constructor Association)  
Interior

*Unmei Kyodotai* and responsible construction  
(approximately 7,700 people across the three trades combined)

#### The Sekisui House Association: Sharing a commitment to happiness

Partner constructors are essential to responsible construction. United by a shared commitment to happiness, we established the Sekisui House Association and the Sekisui House Cooperation Association. Together, we continue improving construction skills, working environments, and welfare programs.

|                                                       |                                |
|-------------------------------------------------------|--------------------------------|
| <b>Sekisui House Association</b> .....                | 2,609 companies                |
| Primary work constructors .....                       | 299 companies                  |
| Primary work constructor personnel (carpenters) ..... | 2,838                          |
| Sekisui House Cooperation Association .....           | approximately 12,000 companies |



#### Quality | Skill Development and Evaluation

**Training skilled crafters**  
Basic skill training at vocational schools



**Sekisui House Carpenter Championship WAZA**  
Passing top-level skills and craftsmanship to future generations



#### Education and Training Centers: Passing skills to future generations

To improve construction quality, pass on skills, and develop talent, we established vocational training schools in 1982. Serving Sekisui House Construction Group employees and partner constructors, they operate certification programs. Graduates work as crafters and managers in Japan and overseas.

|                                                                    |             |
|--------------------------------------------------------------------|-------------|
| <b>Education and training centers and vocational schools</b> ..... | 3 locations |
| <b>Sekisui House Construction graduates</b> .....                  | 716         |
| <b>Partner constructor graduates</b> .....                         | 346         |
| <b>Cumulative graduates</b> .....                                  | 1,064       |

\* Over the past 13 years (2013–2025)



**Sustainable and stable construction capabilities built on industry-leading quality and precision standards**

## Construction Capabilities

### Construction Specialists Building Happiness

How can we build the ideal home with the highest quality? This is the question that those involved in construction at Sekisui House continue to ask. Guided by the vision in each design, the unique conditions of every site, and our millimeter-level standards, they constantly strive to go one step further, always keeping in mind the peace of mind and happiness that come after a

home is completed. At the heart of this pursuit are the construction systems and talent development initiatives we have built since our founding. Through efforts to pass on skills and craftsmanship and expand opportunities in Japan and overseas, the construction capabilities of the Sekisui House Group continue to evolve. This page highlights some of these initiatives.



#### Sekisui House Group's Ever-Evolving Construction Capabilities

##### Creating Happiness through Multi-Skilled Crafters: Recruiting and developing crafters

Since our founding, we have strengthened construction quality by building a robust construction system, developing talent, and passing on technical expertise through initiatives such as foundation-specialized companies and vocational training schools. In 2023, the Sekisui House Construction Group renamed its construction technicians "crafters" and expanded recruitment and training programs for multi-skilled professionals while promoting a workplace where employees can continue working with confidence and stability.

##### Strengthening crafter recruitment

- **112 hires** joining in April 2026
- Cumulative total: 423 (as of April 2026)
- Target workforce: 1,000 (by April 2033)

##### Crafter development

- Enhanced training and mentoring
- Greater transparency in construction skills
- Improved compensation and HR programs
- Skill matrix evaluations and more

##### Passing Skills and Spirit to Future Generations: The Sekisui House Carpenter Championship *WAZA*

Guided by the founding spirit of celebrating the skill and dedication of carpenters and passing it on to future generations, we hold the Sekisui House Carpenter Championship *WAZA*. A total of 26 competitors selected from approximately 5,000 carpenters nationwide compete in craftsmanship, precision, and quality. The event also brings together families and colleagues, creating opportunities to celebrate one another while inspiring the next generation through the skills and dedication on display.



##### Bringing Japan's Construction Capabilities to the World: Dispatching technicians overseas

As our overseas business expands, more than 40 technicians have been dispatched overseas to share the construction expertise and quality standards developed in Japan. In the United States, they provide technical guidance and quality management at local construction sites, helping establish Sekisui House quality standards and laying the foundation for consistent construction quality.

Visits to events such as the Sekisui House Carpenter Championship *WAZA* have also deepened appreciation among leaders of overseas Group companies, not only for advanced technical skills but also for Japan's meticulous preparation, precise workmanship, attention to detail, and pride in craftsmanship.

Expectations are growing for these skills and values to be shared across the Group, accelerating the transfer of construction expertise across countries and regions and fostering the next generation of construction leaders.



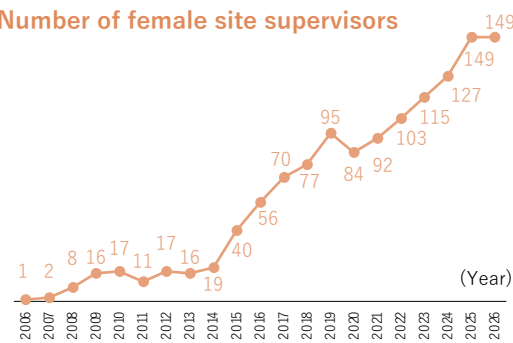
## Construction Capabilities

### Construction Specialists Building Happiness

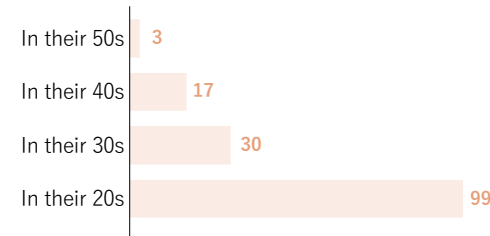
#### Diverse Perspectives Transform the Worksite: Construction Capabilities Continue to Evolve

Construction quality is built through countless decisions made on site. Every choice, from scheduling and task coordination to meticulous attention to detail, shapes the quality of the finished home. The growing presence of female site supervisors has broadened on-site perspectives, strengthened situational judgment, and improved team responsiveness. Supported by an environment where employees can continue working with confidence, these strengths have taken root across worksites and contribute to high-quality housing stock that supports happy living for many years to come.

Number of female site supervisors



Number of female site supervisors  
by age group, as of January 2026



#### Individual Efforts That Advance Our Construction Capabilities

I joined Sekisui House because I shared the desire to support customers in creating their ideal homes and was inspired by our Global Vision of “Make Home the Happiest Place in the World.” A site supervisor is responsible for the schedule, quality, and safety from planning through handover, bringing to life the vision entrusted to us by sales and design teams. Seeing customers and their families look forward to their new home is one of the most rewarding aspects of the job.

What makes this work especially meaningful is the spirit of co-creation that naturally exists on site. Craftsmen, designers, and sales staff support one another, and whenever a decision is difficult, someone is always ready to help. These relationships are what enable us to maintain the highest standards of quality.

We also value open communication and positive interaction on site. The ability to continue working alongside craftsmen from the Sekisui House Association is one of Sekisui House’s strengths. Because we share common standards and ways of thinking, communication is smoother and construction quality remains consistent.

Going forward, I hope to continue improving construction quality by looking beyond conventional approaches and creating happiness for everyone involved, ultimately helping build better homes.



Joined in 2020,  
Detached Housing Business,  
Site Supervisor

### A Form of Happiness Nurtured Over 20 Years, Carried into the Future

#### Individual Efforts That Drive Change

- From pioneering assignments in 2006 to full-scale recruitment and retention from 2014
  - Building networks through the Female Site Supervisor Conference
  - Sharing and visualizing on-site challenges
  - Dialogue and mindset shifts involving supervisors and training personnel
- Female site supervisors active across all 17 regional headquarters nationwide (2025)

#### Support Systems That Empower Employees

- Pregnancy work guidelines and phased training enhancements
  - Introduction of uniforms and maternity uniforms for women
  - Provision of women’s restrooms, lightweight safety belts, and helmets
  - Pair-buddy systems to reduce reliance on individuals and respond to unexpected absences
- High return-to-work rates after parental leave and a workplace where employees can continue working with confidence (2025)

#### Advancing Construction Capabilities That Expand Happiness

- 149 female site supervisors in 2026 (approximately 8 times the 2014 level)
  - Female site supervisor ratio: 2% (2014) → over 10% (2026)
  - Promotion and retention of young technicians, recruitment, and team-based construction systems
  - Advancement of global construction quality and on-site management
- Evolving construction capabilities that contribute to high-quality housing stock (future plan)

## Customer Base

### Customer Relationships Nurturing Happiness

A home is where happiness grows. That is why we value understanding and sharing our customers' aspirations, staying close to them throughout their lives, and continually asking what creates value for them. Through these efforts, we strive to help build a future where happiness can endure for generations.

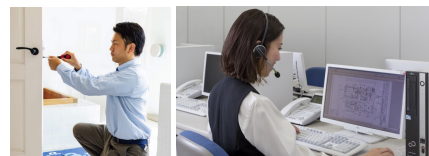
Through ongoing dialogue and trusted relationships, we strengthen the customer-first philosophy that has long been part of Sekisui House's DNA. These relationships extend beyond the home, connecting a diverse range of businesses and services to form the Sekisui House Economic Sphere, where homes, lifestyles, and services come together to enrich people's lives.

 P.87 The Sekisui House Economic Sphere

#### Customer Service Centers: Staying close to our customers

Customer Service Centers play a central role in building lasting relationships with our customers. As a trusted point of contact after move-in, they provide prompt support and respond to inquiries, helping customers enjoy comfort and peace of mind at home.

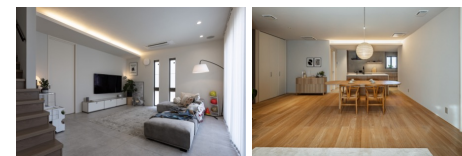
|                           |                       |
|---------------------------|-----------------------|
| Cumulative homes built    | 2,749,520             |
| Sekisui House             |                       |
| Support Plus              | 12 business divisions |
| Customer Service Centers  | 30 locations          |
| After-sales service staff | 1,496                 |



#### Remodeling and Real Estate Services: Supporting diverse living needs

Our remodeling and real estate businesses support diverse living needs through high-quality renovation proposals, the circulation of pre-owned homes, and effective use of real estate. These efforts optimize living environments and enhance housing value.

|                                         |              |
|-----------------------------------------|--------------|
| Sekisui House Reform offices            | 38 locations |
| Sekisui House Reform employees          | 2,000        |
| Sekisui House Real Estate Group         | 11 companies |
| Sekisui House Real Estate sales offices | 87 locations |



#### Experience Facilities: Bringing ideal living to life

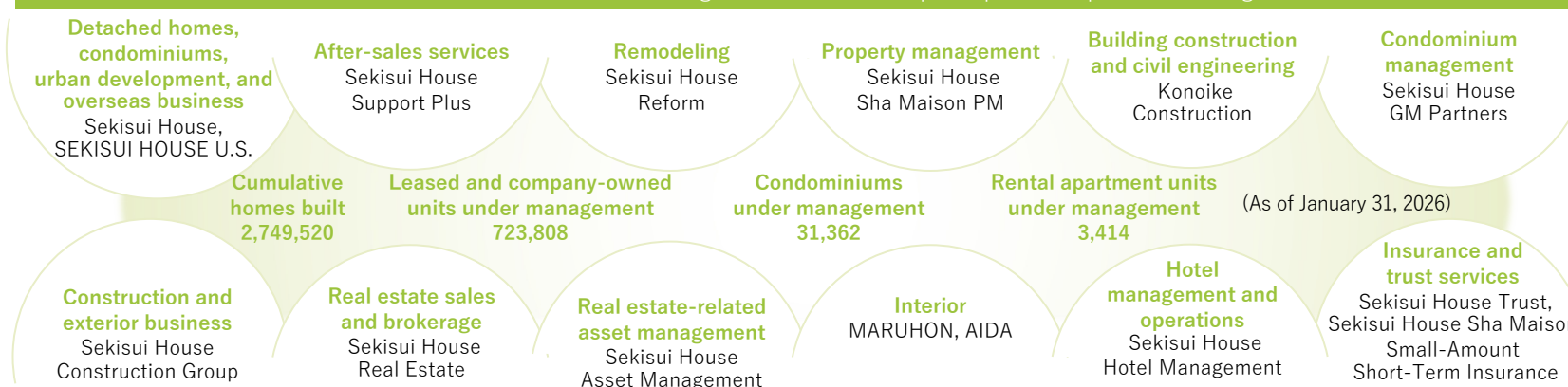
Our experience facilities allow visitors to explore the comfort, performance, and design excellence of our homes. Through model homes, exhibits, and hands-on experiences engaging the five senses, customers can find inspiration for their ideal lifestyle.

|                            |               |
|----------------------------|---------------|
| Tomorrow's Life Museum     | 5 locations   |
| SUMUFUMU TERRACE           | 7 locations   |
| Housing exhibition centers | 253 locations |
| JUNOPARK                   | 1 location    |



#### Staying Connected with Our Customers

99 branches and sales offices nationwide work together with 301 Group companies to provide housing-related services



## Customer Base

### Customer Relationships Nurturing Happiness

#### Creating New Value through Deeper Group Collaboration

To further strengthen our customer base, we established Sekisui House Support Plus in 2025 by spinning off our after-sales services business. We also separated the rental management and real estate brokerage businesses of Sekisui House Real Estate, building a structure that provides one-stop responses to a wide range of housing-related needs.

Under the Seventh Mid-Term Management Plan (FY2026–FY2028), we will further strengthen Group collaboration while deepening our expertise to provide more advanced services and solutions. This page introduces the progress of these initiatives and the direction set out in our Mid-Term Management Plan.

🔗 P.86 2026–2028 Seventh Mid-Term Management Plan  
🔗 Value Report 2025 P.35

#### Sekisui House Support Plus, Ltd.: Becoming Japan's leading housing concierge

Sekisui House Support Plus builds on the Sekisui House Group's customer base, one of our core competencies, and serves as a trusted partner that stays close to homeowners in their daily lives.

Under the Seventh Mid-Term Management Plan, we aim to further strengthen our customer base by expanding customer touchpoints. As a specialized after-sales service company, we

will expand our services beyond periodic inspections and maintenance after handover into preventive maintenance and equipment replacement. By providing high-value-added services as a housing concierge, we aim to enhance lifetime value (LTV). We will also strengthen Group collaboration and play a central role in customer engagement, helping to further deepen the Sekisui House Economic Sphere.



**Tomoaki Minobe**  
President, Representative  
Director of the Board  
Sekisui House Support Plus, Ltd. 🔗 [URL](#)

#### Sekisui House Sha Maison PM: Becoming Japan's leading property management company

Sekisui House Sha Maison PM has maintained stable and robust performance, supported by the high-quality homebuilding and meticulous management and operational systems developed by the Sekisui House Group over many years. To support stable long-term management, we have established systems that maximize owners' asset value through proactive remodeling proposals while expanding

tenant services through app development.

Going forward, we will accelerate the digital transformation of property management operations and improve efficiency. Sekisui House Real Estate Holdings will continue to evolve as a housing and lifestyle platform, providing real estate services that offer peace of mind to both owners and residents while supporting sustainable growth.



**Hirotaka Kuroda**  
Director of the Board,  
Sekisui House  
Real Estate Holdings, Ltd. 🔗 [URL](#)

#### Sekisui House Real Estate, Ltd.: Becoming a leading housing-focused real estate company

As a specialist in real estate brokerage and sales, Sekisui House Real Estate has strengthened our ability to respond to a broad range of housing-related needs through a one-stop approach. By expanding our property sales and growing our detached housing development business, we continue to enhance our real estate solutions while staying close to customers at every stage of life, from purchasing or changing

homes to building assets.

Under the Seventh Mid-Term Management Plan, we will leverage Group collaboration to strengthen residential land acquisition and sales and expand the Sekisui House *noie* business. We will also invest in priority strategic areas and optimize talent allocation. Through housing-focused real estate solutions, we will further enhance value for our customers.



**Ichiro Otaka**  
President, Representative  
Director of the Board,  
Sekisui House  
Real Estate, Ltd. 🔗 [URL](#)



Management Capital

# Management Capital

## Enabling Value Creation

The Sekisui House Group possesses a diverse range of management capital, including human capital, technology, trusted customer relationships, and a Group-wide business network. By leveraging these assets, we have built an integrated value chain that encompasses every stage of homebuilding. At the same time, we have strengthened our distinctive capabilities and expanded our business domains beyond housing.

The connection among these forms of capital is what drives value creation. The expertise and ambition of each employee advance our technologies, which in turn support construction quality and strengthen trust with customers. That trust then extends into value creation across the entire Group.

Going forward, we will continue to build on the strengths of our management capital and value chain, deepen collaboration across the Group, and drive sustainable value creation.

### Management Capital

#### Human Capital

People with diverse expertise support every aspect of homebuilding. The challenges embraced and growth achieved by each employee drive value creation and strengthen lasting value.

Investment in talent development: **¥2.207 billion** (+¥213 million)

Number of employees (consolidated): **32,186** (−79)

#### Technological and Intellectual Capital

Investment in intangible assets, including R&D and intellectual property, supports innovation, enhances housing value, and enables distinctive homes and technologies.

R&D expenses: **¥10.5 billion** (−¥60 million)

Patents held: **1,283** (+224)

#### Manufacturing and Construction Capital

Our proprietary quality standards and advanced construction systems enable high-quality homebuilding. Years of construction expertise support customer confidence and trust.

Capital expenditures: **¥99.6 billion** (−¥190 million)

Production sites in Japan: **5**

#### Customer Capital

The trust we have built with customers over many years forms the foundation of our business, while connections that begin with housing continue creating opportunities for new value.

Cumulative homes built in Japan: **2.679 million** (+30,000)

Cumulative homes built overseas: **70,000** (+13,000)

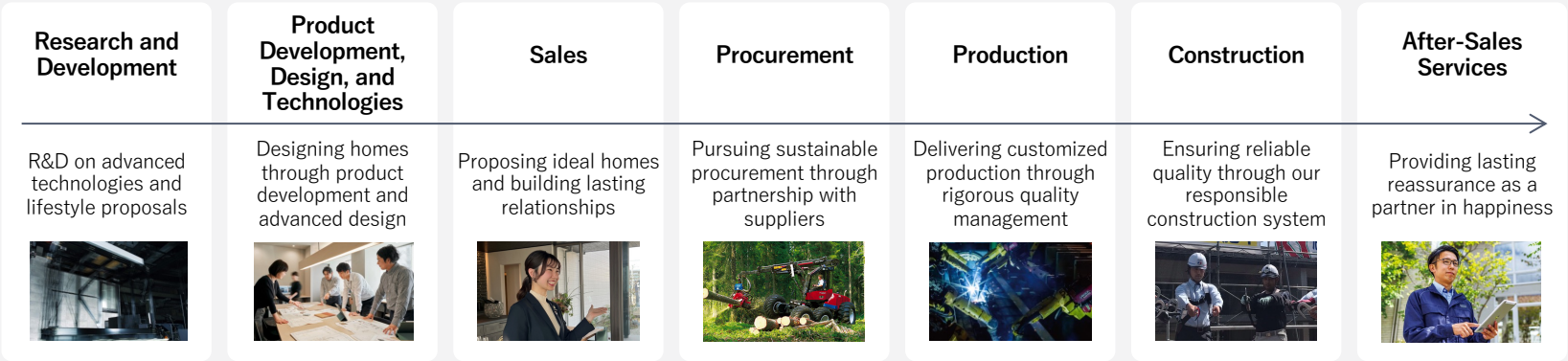
#### Group Capital

Collaboration among Group companies operating across diverse businesses expands the Group's capabilities, creating new value by combining diverse expertise and strengths.

Group companies: **301** (−75)

Overseas locations: **257** (−69)

### Value Chain



## Topic | Intellectual Property

# Our Intellectual Property Strategy

## Supporting Our Core Competencies and Carrying Their Value into the Future

Our core competencies are the source of value for the Sekisui House Group, cultivated through years of sustained effort. Based on our belief that the foundation is the most important part of a building, we became the first homebuilder in Japan to introduce preliminary ground surveys in 1976 and began verification testing of earthquake-resistance technologies in 1979. We subsequently developed proprietary technologies, including the SHAWOOD SMJ construction method and the SHEQAS seismic force-absorbing system, significantly improving the reliability of our homes.

Since then, we have continued uncompromising technological development, extending even to structural components hidden inside walls and the columns and metal fittings that support them. At the same time, we have pursued design excellence to create homes that remain loved across generations.

However, the more valuable these

technologies become, the greater the risk of imitation, making it harder to translate that value into earnings. Patents and design rights are therefore essential to mitigating this risk and generating returns commensurate with our investment. By securing intellectual property rights, we reinforce our core competencies and establish a competitive advantage.

Trademark rights are also important for accurately conveying the quality of our homes and the appeal of our businesses. We have therefore secured trademarks not only for our core business names such as “Sha Maison” and “SHAWOOD,” but also for customer-facing names such as “Suite Concier” and “Home Visit Days,” and for social contribution initiatives such as “Green First” and the “Gohon no Ki Project.”

In this way, intellectual property rights are both a foundation of management and an expression of our technicians’ commitment to housing safety, our designers’ dedication to detail, and our employees’ commitment to society. They also help us share with society the future we seek to create.

積水ハウスの賃貸住宅 シャーメゾン  
**Sha Maison**

積水ハウスグループの美術館  
**住まいの参観日**

シャウウッド  
**SHAWOOD**

グリーンファースト  
**Green First**

## Internal Structure for Intellectual Property

To make effective use of intellectual property in management, we must raise IP literacy throughout the Company and integrate management, R&D, business operations, and intellectual property activities.

To this end, we prepare an annual IP Report that visualizes the results and data of our intellectual property activities and make it available to all employees. Using the IP Report, we explain key aspects of IP management to executives, including Outside Directors, at management meetings. We also brief the heads of technical divisions on the latest intellectual property developments across the housing industry. These initiatives enable our IP strategy to support both management and R&D strategies.

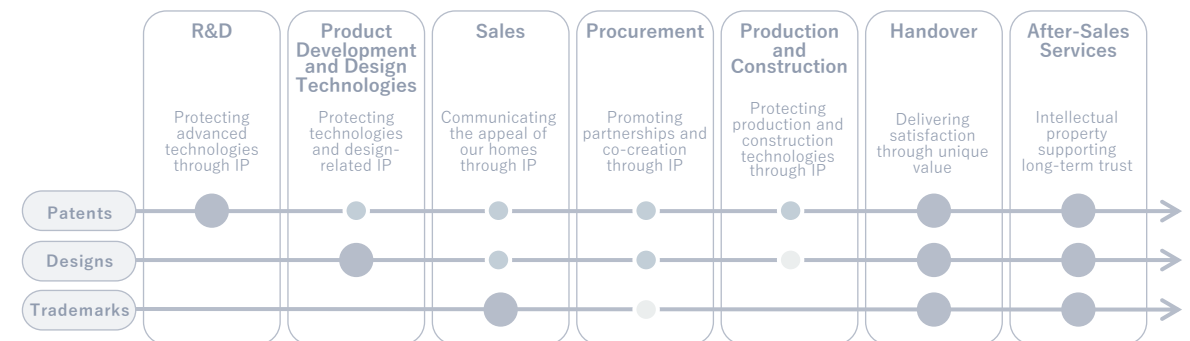
In addition, employees appointed as

intellectual property officers in each business division meet annually with members of the Intellectual Property Department to exchange views based on the IP Report, identify business challenges that intellectual property can help resolve, and promote projects addressing those challenges.

For example, if the sales division wants to communicate a product’s appeal more effectively, we can develop tools that use patent rights to explain the distinctiveness of the relevant technology to customers. This allows intellectual property to contribute directly to resolving business challenges.

By making full use of the IP Report, we embed intellectual property throughout management and every stage of our business, supporting Sekisui House both now and in the future.

## Relevance of intellectual property across business stages



## Topic | Intellectual Property

### Intellectual Property Supporting Our Future Business

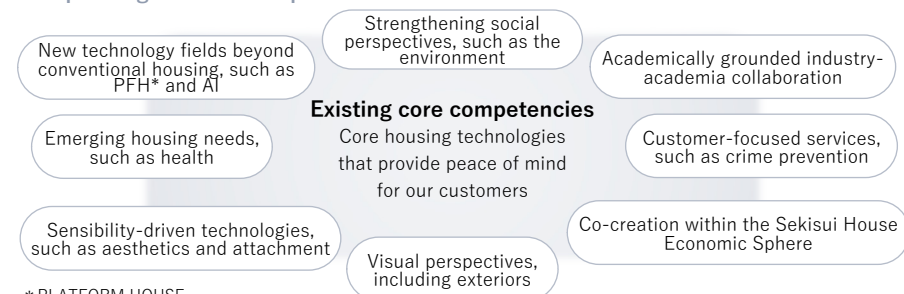
#### ■ Expanding our core competencies

As expectations for housing continue to change, we are working to expand our core competencies through intellectual property. With an eye on the Seventh Mid-Term Management Plan, the Intellectual Property Department and R&D Division are working together to set KPIs for high-value-added patents that increase the value of our homes. This includes technologies developed through co-creation with other companies and technologies not previously used in conventional housing. Through these efforts, we aim to improve the quality of our patent portfolio. (1. Expanding our core competencies)

#### ■ Strategic acquisition of intellectual property rights

For patents, we analyze our portfolio across building components, brands, social contribution technologies, and trademarks to identify the rights needed for our businesses. For each application, we clarify its purpose and assess its value. We protect important intellectual property through a balanced combination of patents and design rights while pursuing a strategic approach to rights acquisition. (2. Rights held in Japan) We also analyze third-party rights and explore the use of AI to improve operational efficiency.

#### 1. Expanding our core competencies



#### ■ Advancing our business in the U.S. and Australia

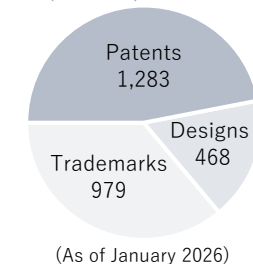
To transfer proprietary Japanese technologies overseas, we have increased patent applications in the U.S. and Australia since FY2023, building an intellectual property foundation for our businesses in both countries. We are also securing foreign design rights, which have been relatively uncommon in the housing industry, and trademarks to extend the trust associated with the Sekisui House brand to the U.S. and Australia. (3. International patent applications)

#### ■ Governance and risk management

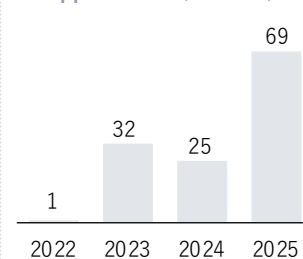
The homes offered by the Sekisui House Group represent a culmination of proprietary technologies. Because we also respect the intellectual property rights of other companies, we have not experienced any significant intellectual property disputes to date. We will continue to ensure Group-wide governance and reduce intellectual property risk.

In markets such as the U.S., where intellectual property litigation is common, it is difficult to eliminate risk entirely. We therefore continue to manage risk appropriately through collaboration with external experts and share information about these risks with our Risk Management Committee and other relevant bodies.

#### 2. Rights held in Japan (number)



#### 3. International patent applications (number)



### Intellectual Property Systems in Developing Countries and Their Contribution to Sekisui House's Business

I provide support, however modest, to international students, including government officials, from developing countries such as those in Africa, who come to Japan to learn about intellectual property systems. Through discussions with participants, I have found a common challenge: even where resources exist, technological capabilities and industrial infrastructure often remain underdeveloped.



**Jun Aoki**  
Operating Officer, Head of  
Intellectual Property  
Department,  
Sekisui House, Ltd.

For this reason, they come to Japan, a country that achieved economic growth through technology after the war, to study intellectual property systems and pursue transformational change in their own countries. However, establishing a system alone does not automatically lead to economic development. Sekisui House does not place primary emphasis on generating returns through intellectual property licensing. We do not believe that relying on licensing income as a source of business competitiveness and earnings is necessarily desirable. Instead, we seek returns by applying technologies we create within our businesses.

I therefore tell these students that, while it is important to build an intellectual property system suited to their country, they should not rely on that system alone. Rather, they should pursue economic development and build an intellectual-property-based nation that leverages its strengths and appeal.

I sometimes imagine receiving news that these students have achieved prosperity through intellectual property and seeing Sekisui House homes spread across a more prosperous Africa. That is a future I hope to see.



## 03 Core Competence

### Summary | Strengths for the future

Technology.

Craftsmanship.

Customer relationships.

These core competencies  
make it possible to envision the future.

To shape what comes next,  
we continue to refine them.

By evolving the strengths that are uniquely ours,  
we continue expanding the choices  
available for the future.



### Reflection | Our core competencies

Core competencies.

Behind those words,  
we see the people who have shaped them.

The quiet pride of never settling.

The determination to make things  
better for the next person.

Perhaps what we inherit is not only our strengths,  
but also the commitment to keep refining them.

## 04 Transformation

# Evolving as One Group

### Innovation and Communication

To bring the future we envision to life,  
we choose to keep evolving.

Staying curious.

Exchanging ideas.

Creating something new together.

Taking a step beyond yesterday.

Supporting one another's ambitions.

Turning differences into strengths.

That is what we mean by

Innovation and Communication.





## Our Organizational Reform Journey

### 01 A Turning Point for Sekisui House

In 2018, Sekisui House stood at a turning point. While carrying forward the values built since our founding, we recognized the need to evolve in order to remain relevant to society and realize the future we envisioned. To do so, we first had to ask ourselves a fundamental question: What kind of organization did we want to be?

The seeds of innovation lie with the employees who work closest to our customers. Management's role is to create an environment in which those seeds can flourish. During Japan's period of rapid economic growth, simply following directions from above was often enough to achieve success. Today, however, there is no single formula for growth. Sustainable growth can only be achieved when employees bring their own perspectives, values, and ideas to their work.

That is why, alongside structural reforms such as governance reform, HR system reform, and organizational restructuring, we set out to transform our corporate culture. Our goal was to create an environment where frontline voices could be heard and acted upon. The phrase that came to define this effort was "Innovation and Communication."

At the heart of this initiative was a desire to rediscover a value deeply rooted in our Corporate Philosophy, "Love of Humanity": respecting each individual, wishing for the happiness of others, and creating value together with colleagues. We worked to remove barriers to dialogue, encourage people to take on challenges, and ensure that frontline voices would not be overlooked. Transforming the mindset of management became the starting point of our organizational reform.

### 02 The Company We Wanted to Build

We wanted to build a company where honest opinions could be exchanged freely across organizational and generational boundaries, where people could take on challenges while enjoying both work and life.

Small ideas inspired by customer interactions would be shared with colleagues and supervisors, refined through dialogue, and eventually reach management. Good ideas would be refined, and even failures would be shared as valuable learning opportunities.

In short, we envisioned a company where Innovation and Communication thrive together. We also aspired to be a company guided by a simple principle: if something contributes to customer happiness, it is worth pursuing. When that shared purpose exists, challenges are no longer constrained by department, function, or role. Whether in technology, sales, service, or new business development, people can take diverse approaches toward the same goal.

That was the vision we set for ourselves, and it remains the direction we continue to pursue.

#### Message from the CEO

#### "Innovation and Communication" at Sekisui House

The word *innovation* often brings to mind major inventions or breakthrough technologies. For us, however, innovation means something broader. If a small idea or improvement brings happiness to a customer, it can be a meaningful innovation. Seen this way, every employee can be an innovator. *Communication*, meanwhile, means sharing ideas, perspectives, and aspirations. When employees exchange thoughts and engage in dialogue, new value emerges. Sometimes innovation drives communication, and sometimes

communication drives innovation.

Through Innovation and Communication, we will continue creating new value for our customers and society.





## Our Organizational Reform Journey

### First, We Changed Our Systems

Innovation and Communication. A phrase alone cannot transform an organization. To create an environment where people could take on challenges, we first needed to address the systems that stood in the way. That is why we began by reforming our HR systems.

We started by reviewing how employees were promoted into management roles. Moving away from the traditional seniority-based approach, we opened a path to promotion in as little as five years after joining the Company, enabling employees to take on challenges based on ability and performance.

### Career paths and performance evaluation

At the same time, we introduced multiple career paths for managers. In addition to management positions, we created specialist roles that allow employees to contribute through advanced expertise, giving individuals greater freedom to choose the path that best fits their strengths.

We also redesigned our performance evaluation system. Employees are now assessed from both performance and behavioral perspectives, with results reviewed from multiple viewpoints during evaluation meetings. Behavioral factors such as integrity, grit, and the ability to drive change are reflected in

promotion, compensation, and retirement benefits.

We also placed greater emphasis on processes behind results. Innovation was incorporated into the evaluation framework to ensure creativity is properly recognized and rewarded. In addition, we expanded workplace flexibility, giving employees greater autonomy in how they use leave and arrange work hours.

### Putting our values into practice

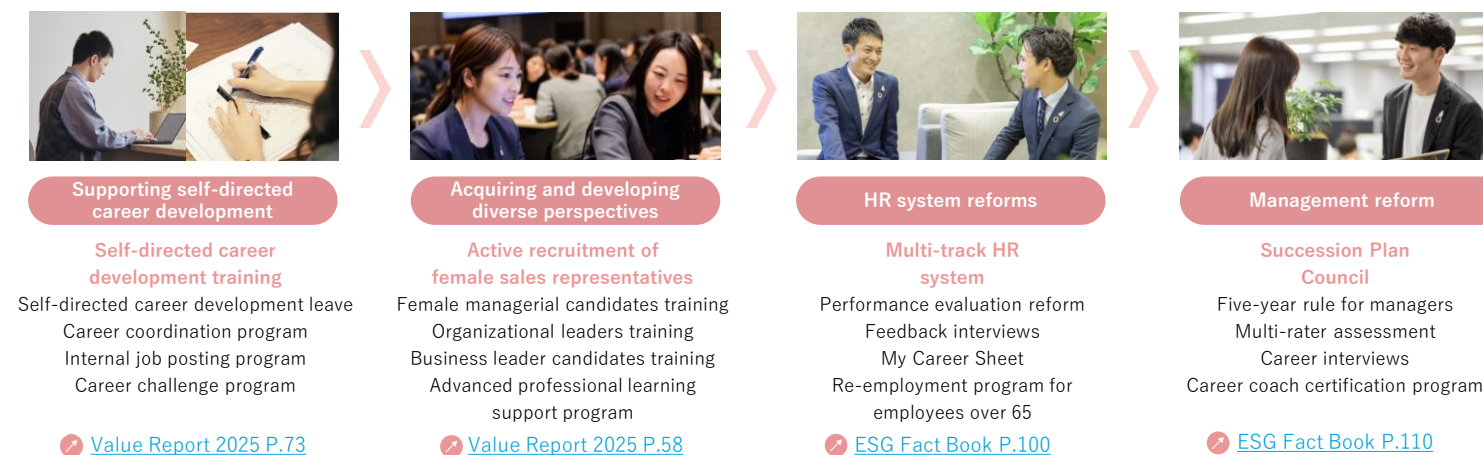
These reforms were designed to create opportunities for those willing to take on challenges, to value both expertise and

leadership, and to place equal importance on results and behavior. In other words, we used our systems to express what we value as a company.

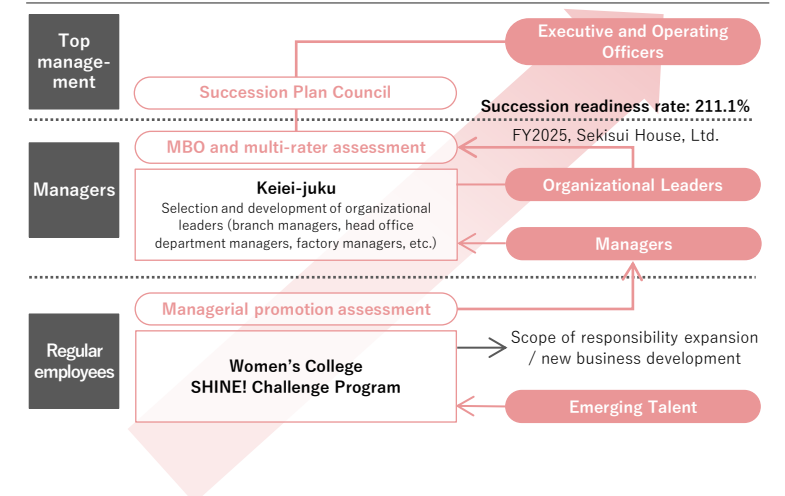
Changing these systems was not about rejecting the past. Rather, it was about choosing a better future. Encouraging people to take on challenges without systems to support them would only have created contradictions within the organization. Likewise, emphasizing dialogue without providing the necessary time or platforms would have been ineffective.

These reforms were one way we sought to align our systems with our aspirations.

### Key Initiatives Supporting System Reform



### Building a Stronger Business Leader Pipeline



## Our Organizational Reform Journey

### Next, We Changed Our Management

Changing systems means changing structures. But structure alone is not enough to change an organization. Culture is created by people, and the atmosphere of a workplace is shaped largely by the attitudes of its leaders.

When small ideas and early signs of innovation are dismissed with responses such as “There is no precedent” or “Let’s wait and see,” they quickly fade away.

To change that atmosphere, we reconsidered our approach to management itself. Our goal was to shift from managers who provide answers to leaders who ask questions, and from managing people to supporting them.



### The five-year rule for managers

One symbolic change was the introduction of a rule requiring managers to rotate every five years. Employees cannot choose their supervisors. For that reason, we believed it was important to avoid fixed relationships and create an environment where different perspectives and ideas could emerge.

The initiative was driven by a simple idea: changing supervisors for the benefit of their teams.

### Redefining the manager’s role

We also introduced career interviews, held five times a year. Supervisors and employees sit side by side, and employees choose the discussion topics themselves.

At first, many supervisors found this unfamiliar. Rather than providing answers, they were expected to listen, wait, and ask questions that encourage employees to develop their own thinking. It required a very different mindset from traditional management.

### Open dialogue across hierarchies

To deepen mutual understanding, we also introduced ESG dialogue sessions. Employees discuss specific themes in small groups, exchanging views and listening carefully while respecting different perspectives. We continued these sessions under a simple set of principles.

For an organization previously focused on instructions and oversight, this was not an easy transition. Yet as understanding of different backgrounds and values deepened, employees became more willing to embrace different ideas, gradually changing the atmosphere of the organization.



### Managers who could not communicate

The management team took the reform one step further. Managers who were unable to communicate effectively were asked to change. If they could not, they were asked to step away from management roles.

We refused to compromise on managers who could not recognize the seeds of innovation. Through this clear commitment, and the example set by leadership, the importance of both mindset and behavior gradually became embedded across the organization.

### Systems and management

System reform changes structures. Management reform changes culture.

Culture does not change overnight, because culture changes only when people change. It was only when system reform and management reform advanced together that the organization truly began to take on a new shape, reinforcing one another every step of the way.

### Career Coach Certification Program

Training and certification



Four 7-hour training sessions, including lectures and practical exercises



Written and practical examinations



Certification

Interview analysis



Recorded career interviews



Review of interview and analysis results

### Career Interview Survey (July 2025 to January 2026, 8,444 respondents)



95%

Percentage of employees who said their supervisor listened to them:



92%

Percentage of employees who said their supervisor recognized their strengths:

## Our Organizational Reform Journey

### Then, People Began to Change

The changes brought about through system and management reform gradually began to appear in people's behavior. ESG dialogue expanded across the Group, creating opportunities for discussion across organizational boundaries.

As employees came to understand one another's values and respect different perspectives, a culture emerged where it felt acceptable to be different. People became more willing to share their views and listen to others.

These changes were also reflected in a growing willingness to take on challenges. Since its launch in 2014, every participant in the Sekisui House Women's College has volunteered to join. While the Company creates opportunities, it is employees who take the first step. Their actions gradually shaped a new culture.



- [Value Report 2025 P.58–61 Promoting women's active participation and advancement](#)
- [Promoting D&I](#)

### Introducing SHIP: connecting ideas

The Sekisui House Innovation & Performance (SHIP) Awards Program, launched in 2021, became another symbol of this transformation.

Employees post their ideas on an internal platform, attracting colleagues who share an interest. Teams form across departments, generations, and functions, developing ideas through dialogue. Finalists present their ideas and achievements to management and employees across the Group. For the grand prize and runner-up entries, members of management work alongside the teams to help bring ideas to life as businesses or projects.

If the Company's baseball tournament is a tournament of sports, SHIP is a tournament of ideas. A single idea brings together people with different expertise and values. As strengths come together, possibilities and value emerge.



- [Value Report 2025 P.69–72 SHIP Awards Program](#)
- [Supporting self-directed career development](#)

### A culture that supports challenges

Just as in a baseball tournament, every challenge has supporters. At the final judging session, colleagues and supervisors who helped develop ideas stand alongside participants. The atmosphere naturally celebrates both those who take on challenges and those who support them along the way.

At the SHIP awards ceremony last year, one award recipient reflected on the experience: "People told me the idea was different from what we had always done and that they did not know how to move it forward. In an environment where a 20-year approach was considered the norm, even recognizing the need for improvement was difficult. At one point, I thought that if this was the reality of the Company, I might leave."

But that was not the end of the story.



### Transformation taking shape

"I had a supervisor who opened a path to management. I had a President who backed bold change. I had a Senior Managing Officer who created an environment where I could act freely. Looking back, that may be what makes Sekisui House unique."

Systems create the path. Management provides support. People take on challenges, and the organization celebrates those challenges. When people change, organizations begin to move. When organizations change, new challenges emerge. The phrase we embraced, "Innovation and Communication," is now steadily taking root as part of our culture.

Transformation does not happen in a single moment. It is built through the accumulation of small realizations, challenges, and actions that shape the future.





## What Makes Us Sekisui House

### The Journey Continues

The transformation we began in 2018 has created real momentum. Our systems evolved, our leadership strengthened, and our people embraced new ways of thinking and working.

Today, we are expanding our business and strengthening our presence across global markets. Our ambition is clear: to bring Sekisui House technologies to the world. At the heart of that ambition is a deep respect for people and an unwavering commitment to our customers. These values are embedded in our technology, craftsmanship, and everything we build. These values have defined who we are for generations, and they enable us to contribute to happier lives around the world.

### Redefining who we are

As we continued to evolve, we found ourselves returning to a fundamental question: “Who are we?” To grow as a global company, we needed a shared foundation that could unite us across countries, businesses, and cultures, providing a common compass that would remain constant wherever we operate.

In 2022, we began defining our Corporate Values. We reflected not only on how we want to be seen by our customers and society, but also on who we want to be as the people who make up Sekisui House. Those discussions led to the creation of “SEKISUI HOUSE-SHIP” in 2024. SEKISUI HOUSE-SHIP expresses the values and behaviors that unite us as one team.

It reflects the kind of people we aspire to be and the culture we want to build together. In many ways, it represents the essence of who we are.

In February 2026, we also introduced our Integrity Code. Rather than a rulebook, it serves as a guide for continually asking ourselves a simple question: *What does it mean to act as a member of Sekisui House?*

Neither initiative was imposed from above. Both were shaped through dialogue among employees across the Sekisui House Group. Together, they represent our renewed understanding of what it means to be Sekisui House.

### Bringing our values to the world

Our goal is to bring the spirit of “Love of Humanity” that has guided us throughout our history to people around the world. Cultures and histories may differ, but shared values create connections that run deeper than those differences. Before we share our technology and business expertise, we must first share the values that define us.

As one team united by a common purpose, we continue working toward our Global Vision together. No matter where we operate, that foundation remains unchanged.

We do not view change as the destination. We will continue to challenge ourselves and raise the bar. Our journey continues.



### Growth Calls for a Return to Our Roots

Sekisui House began in 1960 with just 34 employees. By 1990, our workforce had grown to more than 10,000 people. As we continued to grow, we believed it was important to revisit the principles on which we were founded. In 1989, we established our Corporate Philosophy, followed by our Code of Conduct the next year. Guided by these shared values and beliefs, we continued our journey of growth.

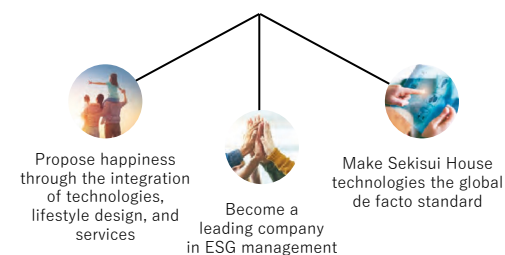
### The Beginning of Our Third Phase

Under our NEXT SEKISUI HOUSE 30-Year Vision, we established our Global Vision: “Make Home the Happiest Place in the World.”

### As We Prepare for the Next Stage of Growth

Today, nearly 30,000 employees across the Sekisui House Group are working together to build our next chapter of growth. As we expand globally, we believe it is more important than ever to deepen our understanding of the values and culture that define us. This belief led to the creation of our Corporate Values, “SEKISUI HOUSE-SHIP,” and our Integrity Code. By thinking, acting, and making decisions based on these shared principles, each of us plays a role in strengthening what it means to be Sekisui House.

### The Sekisui House Global Vision Make Home the Happiest Place in the World



## What Makes Us Sekisui House

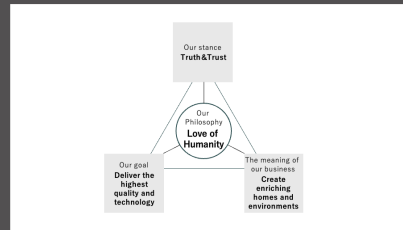
Our Global Vision is supported by our Corporate Philosophy, the aspirations embodied in “SEKISUI HOUSE-SHIP,” and our Integrity Code, grounded in the belief that “each and every one of us is Sekisui House.” Rooted in our enduring philosophy of “Love of Humanity,” we bring the best of

Sekisui House to everything we do. By acting with integrity, upholding the highest ethical standards, and working together with colleagues across the world, we will continue creating value for generations to come.

### Our Corporate Philosophy

#### Our Origin

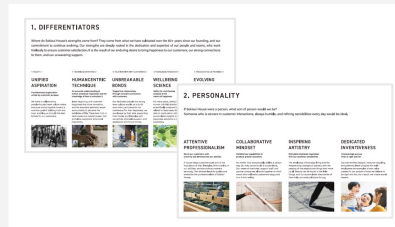
Our purpose, rooted in the fundamental philosophy of “Love of Humanity”



### Corporate Values

#### Our Distinction

The corporate identity we aspire to, expressing what makes us uniquely Sekisui House



### SEKISUI HOUSE-SHIP

#### Our Aspiration

A guide for creating value with pride and responsibility

- Creating new value through innovation.
- Fostering ideas through effective communication and collaboration.
- Taking proactive and independent action.
- Continually refining our technology and sense of beauty.
- Committing as professionals to making home the happiest place in the world.

### Integrity Code

#### Our Integrity

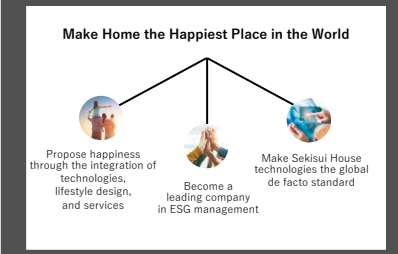
The principles that guide our actions and decisions every day



### Global Vision

#### Our Future

The future we seek to create through our business



### The Thinking Behind the Name SEKISUI HOUSE-SHIP

In English, the suffix “-ship” is often attached to a noun to create an abstract noun, with many positive examples such as partnership, leadership, friendship, and sportsmanship. Following this convention, we wanted to create a watchword by combining it with our company name.

“SHIP” expresses the unique identity of the Sekisui House Group, while also evoking the sense of unity of a Group sailing together on the same ship toward the same destination.

### SEKISUI HOUSE-SHIP Alignment



**87.4%** 22,137 employees

Employees who identify with SEKISUI HOUSE-SHIP and work with a strong sense of professionalism



**86.9%** 21,997 employees

Employees who understand the importance of creating new value through Innovation and Communication

FY2025 Governance Awareness Survey Respondents: 25,323 employees of domestic Group companies % responding “Strongly Agree” or “Agree” [Value Report 2025 P.68–78](#) [SEKISUI HOUSE-SHIP](#)

## What Makes Us Sekisui House

### Bringing SEKISUI HOUSE-SHIP to Life

SEKISUI HOUSE-SHIP was established in 2024. Since then, we have focused on deepening understanding through dialogue among employees. Values do not take root simply because they are communicated. They become meaningful when each of us reflects on them through our own experiences, puts them into words, and listens to the perspectives of others. Through this process, shared values become more personal and meaningful.

For us, dialogue serves a purpose beyond understanding. It helps turn shared values into empathy, and empathy into action.

### It started with ESG dialogue

Our commitment to dialogue began with the ESG dialogue program launched in 2020. Rather than treating ESG as a set of policies, we connected it to our Corporate Philosophy. Through conversations with colleagues, we encouraged employees to reflect on what ESG means in their daily work and how it relates to their own roles.

In 2022, employees took part in a cumulative 42,870 hours of dialogue. Beyond deepening understanding, many participants reported positive workplace changes, demonstrating the power of dialogue in sharing values.

### Empathy drives action

Beginning in 2024, our dialogue initiatives focused on SEKISUI HOUSE-SHIP. In 2025, 14,163 employees responded to a post-dialogue survey. Through discussions around the phrases that resonated with them and the perspectives shared by colleagues, many reported changes in their own thinking and behavior.

Our goal is not dramatic transformation. It is the accumulation of small insights and moments of understanding. Over time, these experiences influence individual actions, create positive change in the workplace, and eventually spread throughout the organization.

### Strengthening what makes us Sekisui House

The Integrity Code, established in February 2026, will also be brought to life through dialogue across our Group companies around the world.

Looking back, dialogue has deepened our understanding of important themes, including our Corporate Philosophy, ESG initiatives, happiness, and SEKISUI HOUSE-SHIP. As our business and organization continue to grow, the essence of Sekisui House remains unchanged. That continuity is built through dialogue, where our values are shared, strengthened, and passed on to future generations.

#### FY2022 | Impact of ESG Dialogue



% responding "Agree" or "Somewhat Agree"  
Post-dialogue survey,  
responses from 580 business locations (cumulative)

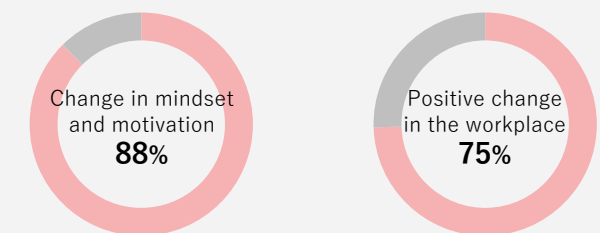
Employees reported positive changes, including: "People have become more willing to share ideas and speak up." "We are making progress toward greater mutual understanding, collaboration, and a more open workplace culture."

#### FY2025 | Employee Feedback on SEKISUI HOUSE-SHIP Dialogue

- "Our roles may be different, but the dialogue reminded me that we are all contributing to our customers' happiness."
- "I connected with the direction we are pursuing and felt even more proud to be part of Sekisui House."
- "When dialogue sessions are announced, people often wonder who they will talk with and what the conversation will be about. Once the dialogue begins, however, participants engage openly and positively. People genuinely enjoy conversation and communication, and regular opportunities for dialogue help create an environment where innovation can thrive."



#### FY2025 | Impact of SEKISUI HOUSE-SHIP Dialogue



% responding "Significant Change" or "Some Change"  
Post-dialogue survey, 14,163 respondents

Employees reported positive changes, including: "The shared desire to improve has encouraged more open and active discussion." "We are seeing more thoughtful interactions, whether it is a word of encouragement or simply asking a colleague, 'What do you think?'"



# What Makes Us Sekisui House

## Building the Integrity Code Together

The Integrity Code, established in February 2026, serves as a guide for putting our Corporate Philosophy of “Love of Humanity” and “Truth & Trust” into practice every day. It defines the principles we uphold as members of the Sekisui House Group. From the beginning, we believed that the Integrity Code should not simply be issued by management. It should be shaped by the people who bring it to life through their daily work. In August 2025, we deliberately shared a draft version before it was finalized.

Through a dedicated intranet site, company publications, workplace discussions, and workshops across our global Group companies, employees were encouraged to reflect on what integrity means in their own work and decision-making. Their feedback helped us improve the content by simplifying the language, reducing the volume of text, adding practical examples, and incorporating diverse perspectives from across the Group. This page highlights the development process, how employee perspectives evolved over time, and our initiatives from 2026 onward to deepen understanding and encourage practical application.

[Sekisui House Group Integrity Code](#)

### Developing the Integrity Code

### Embedding the Integrity Code

August 2025

Completed in February 2026

Dedicated intranet site  
Internal newsletter communications

Employee feedback and consultation  
Workplace discussions across domestic and international Group companies

Responses to employee questions through intranet FAQs  
Revisions based on employee feedback

2026 and beyond  
From awareness to understanding to action



Sekisui House branch offices



Sekisui House Construction

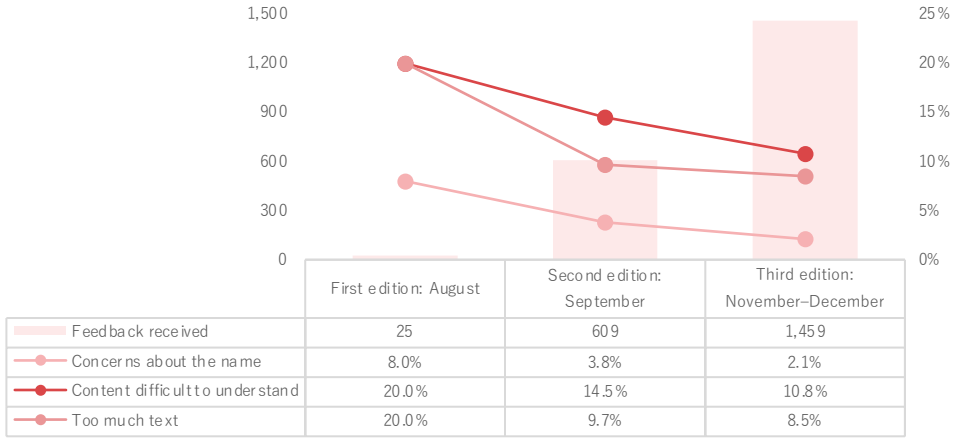


Sekisui House Support Plus



NORTH AMERICA  
SEKISUI HOUSE

### Employee feedback during the development of the Integrity Code



- Explanatory videos for all employees
- Mobile app access for all employees
- Executive dialogue sessions on the Integrity Code and Corporate Philosophy
- Integrity-focused human rights and compliance training for all employees
- Integrity dialogue sessions for all employees
- Integration of the Integrity Code into leadership and career development programs
- Group-wide employee awareness survey

## What Makes Us Sekisui House

### Every Voice Helps Shape the Future



**Keiko Yaguchi**  
Operating Officer in  
Charge of Human Rights  
and Compliance  
Promotion,  
Sekisui House, Ltd.

The Integrity Code began with a simple idea. As the Sekisui House Group continues to grow around the world, we wanted a guide that is clear, practical, and easy to relate to, something that anyone can turn to when faced with a difficult decision, rather than a complicated set of rules.

What matters most for our future is not a set of rules imposed by the company. It is a

shared commitment built by people who choose the kind of company they want to be part of. That is why we placed such importance on ensuring that everyone could participate in the process.

By keeping the process open and transparent, we received far more feedback than expected. We welcomed not only positive comments but also candid criticism. Based on employee feedback, we revised the draft repeatedly, improving its clarity and message with each version. As a result, the Integrity Code became easier to understand and more meaningful.

We hope employees can see their own ideas reflected in the Integrity Code and how it evolved through their contributions. Above all, we hope it is seen as something that belongs to all of us.

### Employee Comments



Learning that the Integrity Code was not something decided by a few people, but something shaped through the participation of employees across the Group, encouraged me to think more personally about what it means to be a member of Sekisui House. By acting with integrity toward both our customers and our colleagues, we can come together to realize our Global Vision.



I strongly identify with the idea of “Our Integrity” and “Our Commitment to One Another,” especially as sources of strength when we face difficult decisions or uncertainty. Because the Integrity Code grew out of employee involvement, I hope we can make it something familiar and meaningful by approaching workplace culture with the mindset that each of us is Sekisui House.



I joined Sekisui House because I was inspired by our Corporate Philosophy of “Love of Humanity.” I feel both a strong sense of pride and responsibility in helping carry that philosophy forward through an Integrity Code that evolves alongside society and our Group. The opportunity for employees to contribute to its development makes that responsibility even more meaningful.

### An external perspective on the Integrity Code

I had the opportunity to work with employees across the Sekisui House Group in developing the Integrity Code. What stood out most was the highly participatory process and the strong sense of ownership it inspired across the organization.

Equally impressive was the commitment to the enduring philosophy of “Love of Humanity.” Rather than treating it as a historical principle, employees explored how it should guide decisions and behavior today.

The concept of integrity is deeply aligned with “Love of Humanity.” Looking ahead, I hope three principles become defining characteristics of what it means to be Sekisui House: “focus on what is right, not who is right,” “build long-term relationships based on trust,” and “learn and grow from failure.”

By continually measuring progress, encouraging dialogue, and translating principles into action, the Integrity Code can become a powerful force in supporting the organization’s continued evolution.



**Daisuke Fukamizu**  
Attorney,  
Nagashima Ohno &  
Tsunematsu

## Human Capital Strategy

### Human Capital Strategy in the Seventh Mid-Term Management Plan

Sekisui House has grown as an organization where people grow and create value. Under the Seventh Mid-Term Management Plan, we will further evolve the principle that underpins this growth: Employee Autonomy × Aligned Efforts.

To strengthen employee autonomy, we will expand opportunities for learning, growth, and global challenges across four key areas while fostering a culture where employees can practice Innovation and Communication with confidence. To create aligned efforts, we will strengthen our leadership pipeline, advance strategic talent development and deployment, and deepen alignment around our philosophy and values across the Group.

As employees proactively shape their own careers and fully apply their abilities, the insights and ideas they generate will be nurtured by the organization and translated into value creation. We will continue strengthening this cycle as a driver of sustainable growth.

🔗 [ESG Fact Book P.78 Enhancing human capital value](#)

🔗 [ESG Fact Book P.161–162 Indicators and progress](#)

### 2026–2028 Seventh Mid-Term Management Plan Human Capital Strategy

## Maximizing Value Creation by Enhancing Human Capital Value



### The Sekisui House Group: Where Innovation and Communication Thrive

#### Supporting Self-Directed Career Development

An environment where employees can shape their own careers through learning and challenges.

#### Building a Foundation for Well-Being

An organization that supports well-being and empowers employees to perform at their best.

#### Creating Contact Points with Diverse Sensibilities

A culture where diverse perspectives and values are respected and strengthened through open dialogue.

#### Creating Places for Value Creation

A framework that connects ideas and aspirations with business activities and value creation.

#### Aligned Efforts

Aligning aspirations and strategy to unlock the full strength of the organization.



## Human Capital Strategy

### Our Journey and the Value We Create

Building on these initiatives, under the Seventh Mid-Term Management Plan we will further evolve our model to help employees continue creating value through autonomy. Related indicators will be updated periodically on our website.

|                   | 1960–1990   Developing Technical Experts                                                                                                                                                                                                                                                                                                                                                                              | 1990–2020   Promoting Diversity                                                                                                                                                                                                                                                                                                                                                                 | 2020–2050   Employee Autonomy                                                                                                                                                                                                    | 2026–2028                                                            | Value Created                                                                                                     | Amplified Impact                                                                                       |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Employee Autonomy |  <p>1982: Vocational training school</p>  <p>1987: Training guidelines established</p>  <p>1987: Design Dojo established</p>                                       |  <p>2003: Self-directed career development training</p> <p>2004: Internal job posting program<br/>2006: Career Challenge Program<br/>2006: Established the Interior Dojo<br/>2006: Technical Specialist Certification Program</p>                                                                              | <p>2021: Multi-track HR system<br/>2023: Advanced Professional Learning Support Program<br/>2023: Self-directed career development leave<br/>2023: Career coordination program<br/>2024: Welcome Home program</p>                | <b>Career Autonomy Support Individual</b>                            | Creating an environment where employees can learn, grow, and take on challenges while building diverse expertise. | Building a workforce that adapts to change, supports sustainable growth, and enhances corporate value. |
|                   |  <p>1967: "Community of Shared Destiny" philosophy</p>  <p>1967: Introduced Wednesday as a regular day off</p>  <p>1972: Sekisui House Association established</p> |  <p>2018: Paternity leave program</p> <p>2004: Volunteer leave program<br/>2014: Expanded nursing care support program<br/>2017: Remote work program<br/>2018: Flexible work hours program<br/>2019: Cancer treatment and fertility support leave program</p>                                                  | <p>2020: Well-Being Survey<br/>2021: Happiness and Health Project<br/>2020: Re-employment program for employees over 65<br/>2022: Child support leave program<br/>2023: Expanded support for relocation and solo assignments</p> | <b>Building a Foundation for Well-Being Individual and Family</b>    | Creating a workplace where employees can thrive through health and well-being support.                            | Enhancing happiness and productivity while strengthening a sustainable employment foundation.          |
|                   | <p>Progress in advancing women through FY2025</p> <p><b>192 Graduates</b> of Women's College<br/>Of whom, <b>146</b> promoted to management positions</p>                                                                                                                                                                                                                                                             |  <p>2005: Active recruitment of female sales representatives</p> <p>2006: Human Resources Sustainability Declaration<br/>2007: National Networking Event for Female Sales Representatives<br/>2014: Women's College<br/>2015: Female site supervisors support program<br/>2015: Diversity Networking Event</p> | <p>2020: ESG Dialogue<br/>2020: Sekisui House Construction Women's College<br/>2022: Sekisui House Reform Leaders College<br/>2024: Networking Event for Women in Technical and Production Roles</p>                             | <b>Creating Contact Points with Diverse Sensibilities Colleagues</b> | Building a culture where diverse perspectives are valued through respect and open dialogue.                       | Applying diverse perspectives to decision-making and expanding value creation across society.          |
|                   |  <p>1988: "My Idea" suggestion program</p> <p>"My Idea": <b>60,147</b> submissions (1988–2025)<br/>Idea proposal program for improving construction methods and quality</p>                                                                                                                                                        |   <p>2018: Keiei-juku (Management School) established<br/>2019: SHINE! Challenge Program</p>                                                                                                                             | <p>2021: Career interviews<br/>2021: Sekisui House Innovation &amp; Performance (SHIP) Awards Program<br/>2023: SHIP Academy<br/>2023: Social contribution program reform<br/>2024: InnoCom Square</p>                           | <b>Creating Places for Value Creation Value to Society</b>           | Creating opportunities that connect diverse ideas and insights directly to business outcomes.                     | Accelerating business innovation while delivering new value and impact to society.                     |
|                   | <p>Investment in human capital development: training expenses<br/>FY2025: <b>¥2.207 billion</b><br/>+¥213 million year on year</p>                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 | <p>2021: Succession Plan Council<br/>2021: Multi-rater assessment<br/>2021: Introduced talent management system</p>                                                                                                              | <b>Aligned Efforts Direction of the Organization</b>                 | Developing leaders who share a common vision and strategic direction across the organization.                     | Strengthening organizational capability to support sustainable growth and competitiveness.             |

## Human Capital Strategy

### Human Capital Strategy to Strengthen Human Capital Value



**Junji Takeuchi**

Executive Officer in Charge  
of Human Resources and  
General Affairs  
Head of Human Resources  
Development Department,  
Sekisui House, Ltd.

The foundation of our human capital strategy lies in aligning individual autonomy with the direction the organization seeks to pursue. Thinking, choosing, and acting for oneself. The accumulation of these actions drives personal growth and moves the organization forward. By respecting and supporting each individual's aspirations and actions, we aim to create an environment where autonomous employees inspire one another and generate new value.

At the same time, we continue to rethink not only how to unlock individual potential, but also the organization itself. By reexamining talent allocation, leadership development, and management practices, we are working to enhance human capital value. We believe these efforts will serve as the source of value creation and a driver of positive impact on society.

#### Diverse experiences that support growth

Personal growth does not come from work experience alone. It is nurtured through everyday life and engagement with society. Experiences gained through community involvement, exposure to different cultures, overseas assignments, childcare, caregiving, and relationships with family and friends all broaden perspectives and deepen understanding.

Each of these experiences fosters richer sensibilities and more diverse values, creating new perspectives and ideas.

#### People think and act for themselves

Organizations focused solely on short-term results cannot unlock the full potential of their people. We not only support individual growth, but also place importance on creating environments where employees can act autonomously. It is not enough to simply express ideas. We encourage people to

experiment, involve others, and turn ideas into action. We believe organizations thrive when such efforts are recognized and rewarded fairly.

#### Building the foundation for value creation

When one person's aspirations connect with another person's capabilities, new value is created. To support this process, we are strengthening three key foundations.

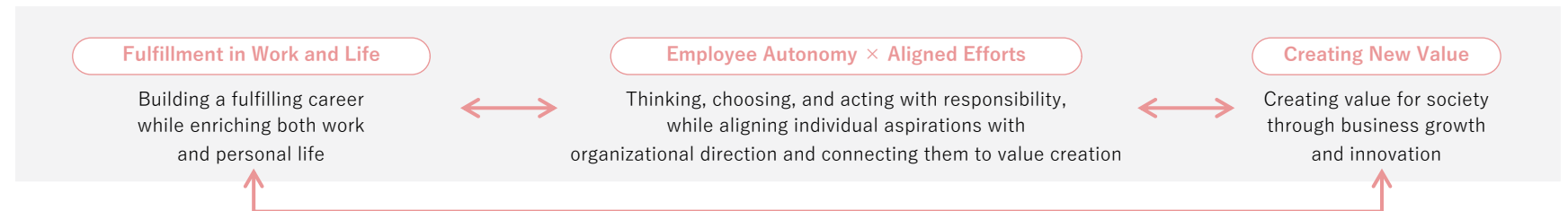
The first is recruitment. We are reviewing recruitment processes across the Group and strengthening recruiting capabilities on a Group-wide basis. Rather than simply increasing hiring numbers, we carefully consider what kind of people can help create the future together, based on the principle of "Employee Autonomy × Aligned Efforts," and continue strengthening the foundations that support talent acquisition across the organization.

The second is making learning and strengths visible. By better understanding the

experiences, capabilities, strengths, and value-creation potential of each individual, we can foster stronger connections not only between people, but also between people and their work. This enables new collaboration, creates opportunities for synergy, and helps unlock new value across the organization.

The third is talent development in digital technologies. We are focused on developing two types of talent: digitally fluent people who can bridge business and technology, and highly specialized professionals with deep technical expertise in fields such as AI and digital technologies. At the same time, we are strengthening the core expertise that underpins these capabilities and supports decision-making and business execution.

Through these initiatives, we aim to enhance both individual and organizational capabilities, ultimately transforming stronger human capital value into greater value creation and sustainable growth.



## Topic | Happiness and Value Creation

### New Value Through Diverse Perspectives

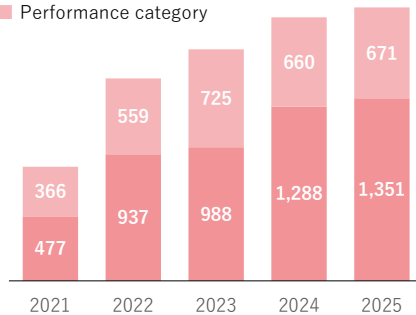
The Sekisui House Innovation & Performance (SHIP) Awards Program, launched in 2021, brings together employees across departments and functions to generate new ideas and turn them into new businesses.

One example is “Gardens That Last 100 Years,” which received the runner-up prize in June 2023. Beginning that November, specialists from exterior design, related departments, and management joined the project team and worked in multiple working groups to develop the idea into a business.

Through the process, diverse perspectives and expertise came together, helping transform the idea into a new business and creating new value.

#### SHIP Idea Submissions

■ Innovation category  
■ Performance category



### How Ideas Become Businesses

#### Expanding Into a New Business

Green Maintenance Visits\* were launched as a new service for homeowners after handover, creating a new business opportunity centered on long-term garden care and maintenance. (\*1,804 visits conducted between August and December 2025)

#### From Award-Winning Ideas to Business

Following the award, project teams worked on service design, talent development, maintenance support systems, pruning quality standards, and contractor selection criteria to prepare the business for launch.



#### Winning idea: “Gardens That Last 100 Years”

An initiative that helps preserve beautiful gardens for generations by preventing neglected trees and supporting happy, fulfilling lives through ongoing care.



Our landscaping initiatives originated with the *Gohon no Ki* Project, but maintaining those landscapes is just as important as creating them. Customer Service Centers receive around 7,600 inquiries each year related to trees and garden care. Since launching Green Maintenance Visits in August 2025, we have confirmed customer satisfaction in every case. The question is not simply how to plant trees, but how to care for them over the long term. This is a challenge shared across the housing industry, and we are working closely with our partners and contractors to improve our capabilities. This marks a new beginning, and we will continue advancing the initiative across the Group.

**Hiroyuki Kitamura** Managing Director, Sekisui House Support Plus, Ltd.



I believe this business expansion was made possible by repeatedly validating data and confirming conditions in the field, allowing us to identify challenges one by one. Going forward, we will continue working closely with relevant companies and departments to deliver services that bring even greater satisfaction to our customers.

**Naoko Yano** Fellow, R&D Division, Sekisui House, Ltd.



- Conducted Green Maintenance Visit training for approximately 1,000 employees nationwide through online and in-person programs
- Established service workflows, operational manuals, inspection standards, reporting procedures, and customer support materials
- Developed service branding, brochures, and communication materials while expanding awareness through websites and catalogs
- Analyzed visit results and identified design and construction improvement opportunities
- Identified shortages of pruning contractors and expanded the network through new partnerships and certification initiatives



## Topic | Happiness and Value Creation

### InnoCom Square:

#### Where People and Organizations Connect

The diverse perspectives fostered through Innovation and Communication, and the value they create, are extending beyond the boundaries of the Group and into society. As new connections form among people, organizations, and ideas, opportunities for co-creation continue to expand.

In February 2024, we established Sekisui House Innovation & Communication, Ltd. (*Sekisui House InnoCom*) to advance open innovation. In April, we launched the corporate venture capital (CVC) fund, Sekisui House Investment Limited Partnership, and in September opened InnoCom Square as a hub for open innovation and value co-creation, bringing together people and organizations from inside and outside the Group.



#### A hub for co-creating new value

InnoCom Square brings together researchers and developers from the Sekisui House Group, as well as companies, government agencies, universities, and other external partners.

Centered on the themes of “housing and living,” the facility aims to generate new synergies, address social challenges, and create new value through continuous dialogue and collaboration across disciplines, organizations, and areas of expertise.

#### Expanding co-creation through action

At InnoCom Square, we are advancing practical co-creation, including reverse-pitch events in which we present challenges and invite proposals from startups and other partners. Collaboration is underway in areas such as inclusive living, art-enriched lifestyles, healthy sleep, the circular economy, construction innovation, and housing DX, helping create business opportunities, accelerate collaboration, and generate social value.

#### Advancing value creation through CVC

Since April 2024, we have invested in nine companies through our CVC fund (as of the end of July 2026). In addition to DX and business-process innovation in construction and real estate, our investments span a wide range of fields, including next-generation mobility, energy, AI, ESG management, crisis management, certification infrastructure, regional revitalization, and talent development.

Guided by the concept of “Business Areas for Synergy,” we pursue investments that deepen and expand existing businesses while creating new ones. By supporting social implementation and fostering collaboration both inside and outside the Group, we aim to generate business synergies, contribute to partners’ growth and human capital development, and expand social impact centered on “housing and living.” Through these partnerships, we seek to expand opportunities for co-creation and broaden our impact.

 [Sekisui House InnoCom](#)

#### A culture shaped by diverse knowledge and perspectives

InnoCom Square is an open innovation hub where people and organizations from inside and outside the Company connect and collaborate. By combining the Sekisui House Group’s core competencies with expertise from different fields and technologies such as AI, we turn social challenges into business opportunities. Through dialogue across disciplines and organizational boundaries, ideas are developed, tested, refined, and transformed into new businesses. We believe this process cultivates the knowledge, perspectives, and creativity of those involved. Through innovation and collaboration, we aim to foster a culture where diverse ideas and experiences create new value.



**Nobuhiro Tatsui**

President and Representative  
Director, Sekisui House  
Innovation & Communication, Ltd.

## Topic | Happiness and Value Creation

### Creating Value With Colleagues

The ideas generated through SHIP share a common thread: value is created through the accumulation of dialogue, collaboration, and shared understanding. Exposure to diverse perspectives, combined with encouragement and recognition from colleagues, gives employees the confidence to take on new challenges.

We believe this kind of value creation emerges when autonomous individuals engage with diverse perspectives and continue challenging themselves. The results of the reforms we have pursued under the shared concept of “Innovation and Communication” are also reflected in our Well-Being Survey, which has been conducted annually since 2020.

### Well-Being Survey Insights

- Happiness scores among Sekisui House Group employees have remained above the national average for six consecutive years
- Employees who feel they work autonomously tend to report higher levels of happiness and stronger performance evaluations
- The relationship between happiness and performance appears stronger in the direction of “happiness leading to performance” than “performance leading to happiness”
- Employees involved in idea creation are more likely to report personal growth, recognition from others, and a workplace culture that encourages challenge and supports new initiatives

Value Report 2025 P.84-88 [Employee happiness](#)

### A Workplace Culture That Supports New Challenges



#### Shared happiness

I believe that working with the goal of bringing happiness to others ultimately leads to my own happiness. At SHIP, daily improvements and challenges are recognized, inspiring us to take the next step. What stands out most to me is seeing everyone involved actively engaged and energized.



#### Ideas connect people

Being able to present my ideas to so many people is incredibly rewarding. I am grateful for colleagues who collaborate as a team and engage in meaningful discussions to improve ideas. Whether great ideas emerge from dialogue or dialogue deepens through ideas, both are equally important.



#### Messages of appreciation

Wanting to recognize the good in one another and make our workplace more enjoyable, we created opportunities for employees to share messages of appreciation. The joy of being recognized inspires the next action, creating a positive cycle that spreads throughout the workplace.



### Our Priority: Employee Happiness

Employee happiness is a core value at Sekisui House. While it ultimately contributes to customers and society, its starting point is simple: our genuine wish for every employee to be happy.

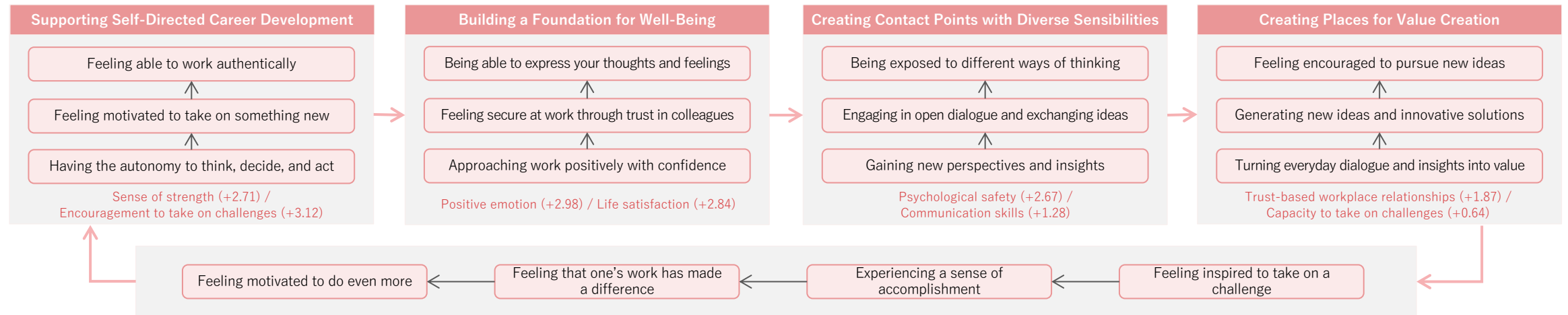
To better understand happiness from an objective and scientific perspective, we have conducted a Well-Being Survey of all employees since 2020. Unlike engagement surveys, which primarily measure commitment and enthusiasm for work, this survey takes a broader view, examining personal growth, physical and mental well-being, and relationships within the workplace.

We position the survey as an opportunity for employees to reflect on their conditions, recognize changes, and reconsider their careers and work. While transparency is important, we carefully evaluate how results are disclosed and used, sharing trends that can be meaningfully communicated.

The survey consists of the “Well-Being Circle Assessment” (72 questions) and the “Workplace Happiness/Unhappiness Assessment” (42 questions), and is conducted under the supervision of Professor Takashi Maeno, Dean of the Faculty of Well-being at Musashino University and Professor Emeritus at Keio University.

## Topic | Happiness and Value Creation

### The Path from Individual Growth to Value Creation



### How Innovation and Communication Create Value: Insights from the Well-Being Survey

How do changes experienced by individuals translate into value creation? This model illustrates that connection. Results from our Well-Being Survey show significant improvement over the past six years in employees' sense of strength and encouragement to take on challenges. At the same time, positive emotion and life satisfaction have also increased, creating a stronger foundation for confident and optimistic engagement at work. The survey findings also indicate growth in psychological safety, communication skills, and trust-based workplace relationships. Together, these factors foster an environment where ideas are exchanged freely and dialogue flourishes.

Within this environment, employees become more willing to take on challenges, and behaviors that drive value creation spread across the organization. Autonomy and well-being foster dialogue and connection, sparking new challenges and creating value. Innovation and Communication are now taking shape as measurable organizational change.

| Key Well-Being Survey Indicators<br>* Difference from the general average | 2020* | 2021* | 2022* | 2023* | 2024* | 2025* | Change from 2020 to 2025 |
|---------------------------------------------------------------------------|-------|-------|-------|-------|-------|-------|--------------------------|
| <b>Sense of personal strength</b>                                         | 3.03  | 3.82  | 4.31  | 4.69  | 6.10  | 5.74  | + 2.71                   |
| <b>Encouragement to take on challenges</b>                                | 0.06  | 1.47  | 1.83  | 1.91  | 3.20  | 3.18  | + 3.12                   |
| <b>Positive emotion</b>                                                   | 0.71  | 1.89  | 2.67  | 3.43  | 3.98  | 3.69  | + 2.98                   |
| <b>Life satisfaction</b>                                                  | 4.38  | 5.01  | 5.46  | 6.00  | 6.82  | 7.22  | + 2.84                   |
| <b>Psychological safety</b>                                               | 0.29  | 1.15  | 1.53  | 1.84  | 2.77  | 2.96  | + 2.67                   |
| <b>Communication skills</b>                                               | 1.86  | 2.45  | 2.89  | 2.80  | 3.32  | 3.14  | + 1.28                   |
| <b>Trust-based workplace relationships</b>                                | 2.34  | 2.75  | 2.88  | 3.15  | 4.01  | 4.21  | + 1.87                   |
| <b>Capacity to take on challenges</b>                                     | 1.48  | 1.42  | 1.48  | 1.45  | 2.10  | 2.12  | + 0.64                   |



## Topic | Happiness and Value Creation

### Taking Ownership of Your Life and Career

New value is created by our people. At the heart of that value creation is autonomy, a principle Sekisui House has fostered for over 20 years.

For us, autonomy means owning one's choices and actions, making decisions independently, and accepting responsibility for the outcomes.

Autonomy cannot be imposed. The Company's role is to continue supporting employees who aspire to work autonomously.

In 2003, before self-directed careers were widely recognized in Japan, we introduced a career development program to help employees envision their future and make career choices. Despite initial skepticism, the program has continued for over 20 years and remains a cornerstone of our approach.

### Value creation through alignment

Our approach to human capital can be expressed as: Employee Autonomy × Aligned Efforts.

Alignment does not mean having everyone follow the same path. Rather, it means sharing a common direction while allowing individuals and business units the freedom to determine how best to contribute.

The Mid-Term Management Plan and annual policies provide a shared direction for the organization. Within that framework, each business division develops its own strategies and initiatives, and each employee chooses how to contribute.

When autonomy and alignment coexist, employees can fully apply their strengths while moving toward a common goal. Neither alone is

sufficient. Autonomy without alignment may not create organizational value, while alignment without individual initiative cannot generate meaningful results.

As employees continually reflect on what they want to achieve and align those aspirations with the Company's direction, autonomy becomes a driver of value creation and helps shape the future of the organization.

The impact of this approach is also reflected in our Well-Being Survey. Between 2024 and 2025, the number of employees who reported working with both autonomy and alignment increased. The trend is evident across career stages, including new graduates and mid-career hires, suggesting that this mindset is becoming increasingly embedded throughout the Group.

### How autonomy creates well-being and value

The Well-Being Survey shows that employees who feel empowered to work autonomously report higher well-being, while gains are more modest when autonomy is limited.

These findings suggest that autonomy fundamentally changes how people experience work. When employees think, choose, and act on their own initiative, work becomes a source of personal purpose rather than something simply assigned. This creates a sense of ownership, achievement, and purpose.

Autonomy also strengthens dialogue and relationships, encourages new challenges, and ultimately contributes to value creation. Well-being is reinforced through everyday actions, choices, and interactions.

#### Employee Voices

#### Why Autonomy Matters to Me

Choosing for myself how I work is essential to my well-being. For me, autonomy is not simply about working hours or flexibility. It means understanding what others need, taking initiative, and creating value in a way that benefits both them and me.

I value customers' needs and preferences that are not always expressed in words. When a proposal aligns with their expectations and earns their appreciation, it gives me a strong sense of fulfillment.

Working overseas, where conventional assumptions do not always apply, reinforced the importance of staying true to myself and acting on what I believe is right. It reminded me of the value of taking ownership and acting on my convictions.

During a discussion with my manager, I was asked what I wanted to achieve and how I envisioned my future. Having the opportunity to express my own aspirations and perspectives, which I had rarely shared before, encouraged me to think more consciously each day about what I can do, how I want to contribute, and what role I can play in the Company's future.



#### Sekisui House Group Employees Working Autonomously



Employees who report working with autonomy



Employees who report working with both autonomy and alignment

Source: FY2025 Well-Being Survey (23,985 respondents)

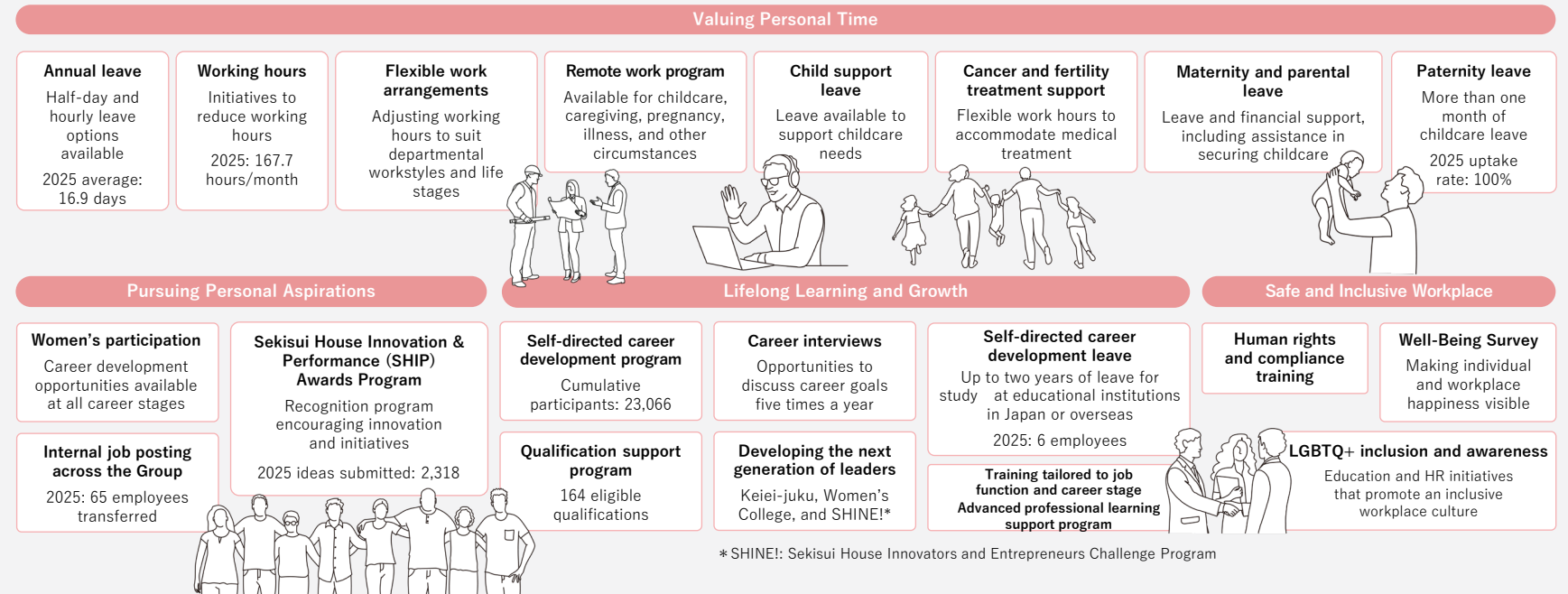
## Topic | Happiness and Value Creation

### Individual Paths to Autonomy

At the Sekisui House Group, supporting employees in building self-directed careers is fundamental to our approach to human capital. Autonomy means making choices that reflect individual priorities and circumstances while making full use of the Group's opportunities and resources.

Whether arranging work around family caregiving responsibilities, spending more time with children, or taking extended leave for further education, we believe these choices are expressions of autonomy. Our programs and systems support employees in making decisions that align with their aspirations and way of life.

🔗 [ESG Fact Book P.78-113 Details of initiatives](#)



### Message from the CEO

#### A professional creates value for society

What does it mean to be a professional? I often tell employees of the Sekisui House Group that a professional is someone who creates value for society. A professional athlete inspires people through performance, and a musician moves people through music. In the same way, professionals create value through their unique capabilities.

Those of us at the Sekisui House Group contribute to society through housing, enriching people's lives and creating happiness through the value we provide.

When individuals choose to join the Sekisui House Group, they also choose to take ownership of the role they wish to play. Our Group offers a broad range of capabilities that contribute to society, including our brand, design expertise, lifestyle proposal capabilities, technical knowledge, and customer trust built through decades of homebuilding.

By making full use of these strengths, I hope our employees will continue to thrive in an environment they have chosen for themselves while creating value for society.



## Topic | Happiness and Value Creation

### Where New Value Begins

For many years, “Womenomics” positioned women’s advancement as a driver of Japan’s economic growth. The underlying idea was that enabling diverse talent to thrive would strengthen the creativity and competitiveness of both businesses and society.

At the Sekisui House Group, we have promoted women’s advancement and supported self-directed career development for more than 20 years. Yet our goal has never been the success of any particular group. Instead, we seek to create an environment that reflects the diversity of society itself, where each individual can pursue their own aspirations naturally and authentically, in a way that reflects who they want to be.

Rather than asking people to conform to a single model or work solely for the benefit of the Company, we want every employee to thrive

as the person they choose to be. To support that goal, we have continued to build programs and systems that empower individual choice.

Guided by this philosophy, our Well-Being Survey has revealed an important insight: happiness is not simply an outcome. It emerges through action and, in turn, encourages further action. We call this concept “Wellnomics.”

Traditionally, happiness has been viewed as something that follows achievement. Yet in an era where uniform ways of working no longer generate sustainable value, people must act autonomously and engage with perspectives different from their own. Happiness often arises through these interactions and differences, providing the energy to take on new challenges, build new connections, and create new value.

At the Sekisui House Group, we are already beginning to see this cycle take shape.

### How Well-Being Shapes the Future

Research suggests that people with higher levels of happiness tend to demonstrate greater productivity and creativity. Happiness encourages people to embrace challenges, while a sense of security fosters connection and openness to new ideas.

As these interactions spread, they create a chain reaction of challenges, support, and collaboration. A society where more people are happy has the potential to generate new ideas and new forms of value continuously. People become more willing to take on challenges, support one another, and embrace perspectives and differences that enrich their thinking.

Our Global Vision, “Make Home the Happiest Place in the World,” seeks to give shape to a form of happiness that is often overlooked: the comfort of home, family connections, children’s smiles, and the small joys found in everyday life.

If happiness has the power to influence how

people think, act, and create, then the values nurtured within a single happy home may ultimately help shape the future of society itself. One home may change how people act, and the accumulation of such changes can create new value throughout society.

Just as Womenomics highlighted the link between women’s advancement and economic growth, Wellnomics points to a broader possibility: a society where more people act autonomously while experiencing genuine well-being will become more creative, innovative, and better positioned for sustainable growth. Such a society can unlock new forms of creativity and contribute to social progress.

An organization where such people come together naturally creates new value. That is the organization we aspire to be at the Sekisui House Group.

Autonomous individuals who experience well-being connect with colleagues who bring diverse perspectives, continue taking on new challenges, and create new value. We aspire to be an organization where Innovation and Communication thrive.





## 04 Transformation

### Summary | Choosing to evolve

To bring the future we envision to life,  
we choose to keep evolving.  
Not by relying on yesterday's success,  
but by looking toward a shared future.  
Thinking for ourselves.  
Taking new steps forward.  
It is through these collective efforts that  
the Sekisui House Group moves forward.

### Reflection | SEKISUI HOUSE-SHIP

Creating new value through innovation.  
Fostering ideas through effective communication and collaboration.  
Taking proactive and independent action.  
Continually refining our technology and sense of beauty.  
Committing as professionals to making home the happiest place in the world.  
These five principles show who we aspire to be.  
Their meaning is shaped by each of us, every day.





## 05 Next Stage

# Charting the Path Forward

### 2026-2028 Strategy

In 2026, the Sekisui House Group embarked on a new three-year journey.

Our Mid-Term Management Plan outlines the future we seek to create and the path to achieve it.

Where are we headed?

What matters most along the way?

Looking toward the same future, each of us takes on new challenges.

Turning the future we envision into lasting growth.

Fundamental Policy under the Seventh Mid-Term Management Plan

Japan | Cultivating the Sekisui House Economic Sphere through Group-wide Capabilities  
Overseas | Building a Growth Platform to Drive a Game-Changing Transformation



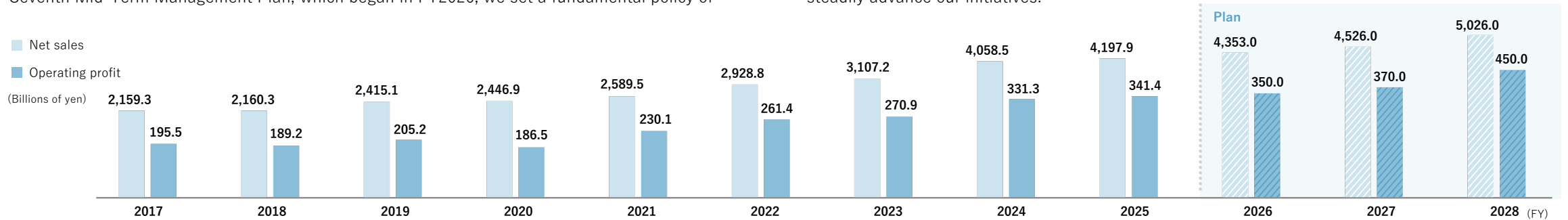


## 2026-2028 Seventh Mid-Term Management Plan

### Evolution of Our Mid-Term Management Plans

Since our First Mid-Term Management Plan, which started in FY2010, we have worked to steadily and consistently expand our business domain centered on housing. In FY2020, we designated “Make Home the Happiest Place in the World” as our Global Vision, working to grow into a global company that leverages the core competencies developed since our founding to offer happiness from integrated technologies, lifestyle design, and services based on the residential domain. In our Seventh Mid-Term Management Plan, which began in FY2026, we set a fundamental policy of

“Cultivating the Sekisui House Economic Sphere through Group-wide Capabilities” and “Building a Growth Platform to Drive a Game-Changing Transformation.” Specifically, we aim to sustain growth in Japan by diving deeper into the strategies that yielded results in the Sixth Mid-Term Management Plan. Overseas, we seek to achieve transformative growth in the U.S. homebuilding business. We view the three years as a period for laying the foundations to achieve these goals, and we will steadily advance our initiatives.



#### Fourth Mid-Term Management Plan Fundamental Policy

Building the foundation for the residential-related business toward BEYOND 2020

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

Further strengthening core businesses and embarking on new businesses

#### Sixth Mid-Term Management Plan Fundamental Policy

Stable growth in Japan and proactive growth overseas

#### Seventh Mid-Term Management Plan Fundamental Policy

**Japan** | Cultivating the Sekisui House Economic Sphere through Group-wide Capabilities

**Overseas** | Building a Growth Platform to Drive a Game-Changing Transformation

#### Business Policies

##### Built-to-order business

Lead the industry as the top brand and take on the challenge of a new built-to-order business

##### Supplied housing business

Expand the business domain by creating new markets, taking advantage of existing houses

##### Development business

Focus on balance between growth investments and the asset turnover ratio

##### Overseas business

Increase business opportunities by providing high-value-added houses and housing environments in overseas markets

##### Built-to-order business

- Implement three brand strategies
- Promote focused S and A area marketing

##### Development business

- Pursue ROA management
- Generate stable profit by improving turnover and acquiring prime land

##### Supplied housing business

- Actively deploy proposal-based and energy-efficient remodeling
- Strengthen rental housing management and brokerage business by enhancing brand value

##### Overseas business

Start the global rollout of Sekisui House technologies and advance to the next stage

##### Built-to-order business

- Strengthen our detached house brands
- Enhance the Sha Maison brand
- Construct a stable foundation to create sustainable value

##### Development business

Develop cities and rural areas through area marketing and investment decisions from a medium- to long-term perspective

##### Supplied housing business

- Practice property management that offers enhanced services
- Proposals to extend the life of our housing stock and to enhance its asset value

##### Overseas business

Shift from a development-focused business model to a dual approach that balances both the development business and the homebuilding business while actively promoting growth strategies for the homebuilding business

##### Built-to-order business

- Establish our custom detached house brands
- Expand orders in central urban areas through Sha Maison brand
- Deliver sustainable value by leveraging our environmental technologies and construction expertise

##### Development business

- Provide a broad range of real estate solutions that leverage our strengths in housing
- Build value connecting to the future of cities and rural areas

##### Supplied housing business

- Make Sha Maison PM Japan's premier property management company
- Further enhance the value of high-quality housing stock

##### Overseas business

- Accelerate the transfer of Sekisui House technologies
- Build a lean portfolio centered on the U.S. homebuilding business



## 2026-2028 Seventh Mid-Term Management Plan

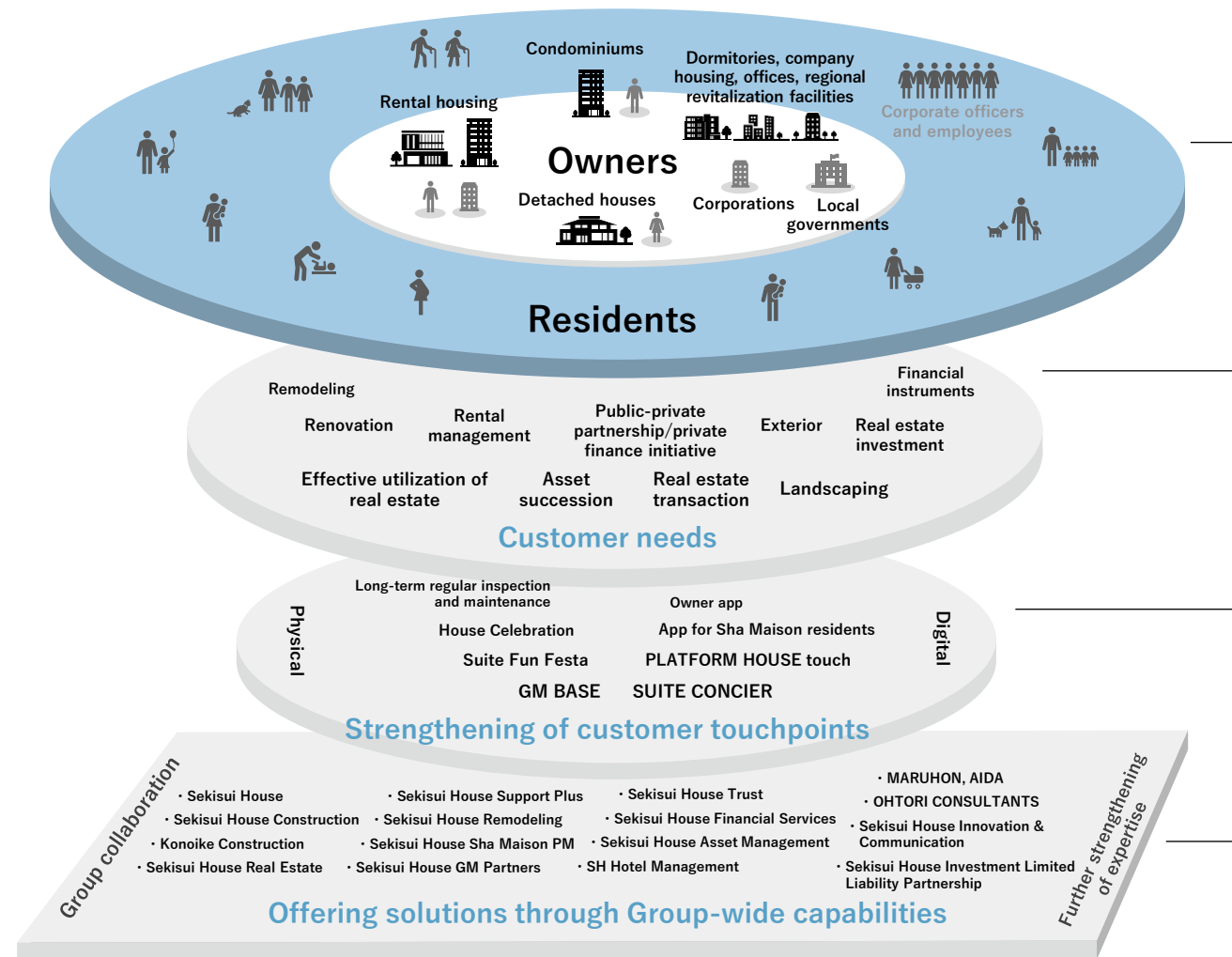
### Japan | Cultivating the Sekisui House Economic Sphere through Group-wide Capabilities

We define our connections with the owners, residents, and their families of the 2.74 million homes we have supplied since our founding as the “**Sekisui House Economic Sphere.**”

The needs of owners and residents are expanding beyond the construction and management of their homes to include enhancing their quality of life and even asset utilization that leads to peace of mind for the future.

For example, our strengths lie in our ability to communicate with customers on an ongoing basis through Sekisui House Support Plus (Customer Service Centers) and Sekisui House Sha Maison PM companies. In recent years, we have been working to develop a communication platform utilizing digital tools to strengthen customer touchpoints.

By further strengthening both physical and digital customer touchpoints, we will uncover diverse needs and, through seamless Group collaboration, enable Group companies to leverage the expertise they have honed thus far to provide optimal solutions.



Since our founding, we have supplied 2.74 million homes. We support the lives of a large number of residents, including individual and corporate owners, as well as tenants and their families.

Housing-related needs are becoming increasingly diverse, encompassing not only housing construction and management, but also remodeling, renovation, rental management, real estate transactions, asset succession, and more.

In addition to the direct and continuous communication that we have long prioritized, we are also expanding our use of digital tools such as social media, PLATFORM HOUSE touch, and our app for residents.

Through organizational restructuring within the Group, we are strengthening the expertise of each business and establishing a system that enables us to address all housing-related issues in a one-stop manner.

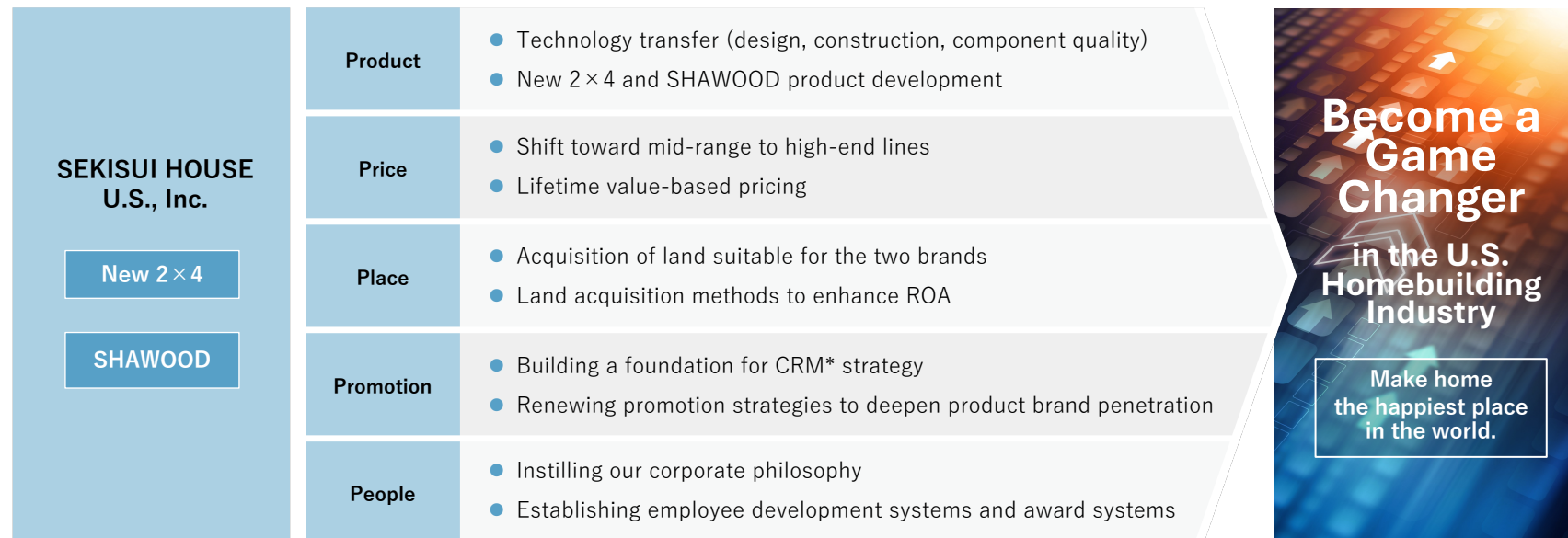
## 2026-2028 Seventh Mid-Term Management Plan

### Overseas | Building a Growth Platform to Drive a Game-Changing Transformation

We are aiming to become a game changer in the U.S. homebuilding industry. To achieve this goal, we will focus on building a business foundation during the three-year period of our Seventh Mid-Term Management Plan to drive sustainable future growth.

Specifically, we will implement a unique value creation strategy centered on our two brands, “New 2×4” (tentative name) and “SHAWOOD,” to strengthen and establish our presence in the U.S. market. To this end, we have organized our business policy and strategy from five perspectives. For “Product,” we will promote the product development of New 2×4 and SHAWOOD. In particular, we consider the transfer of the high construction quality and quality management expertise cultivated in Japan to the U.S. our utmost priority in becoming a game changer. For “Price,” we will review our

pricing strategy and shift toward mid-range to high-end lines, as in Japan. We aim to establish a business model that is not reliant on price competition, but reflects durability and other forms of added value in the price. For “Place,” we will focus on acquiring land in areas suitable for mid-range to high-end lines. For “Promotion,” we will strengthen the appeal of our product brands through new promotional methods and sales proposals. And for “People,” we will focus on establishing development systems and award systems to enhance human capital value, including local sales, design, construction, and onsite supervision to instill the Sekisui House corporate philosophy. By implementing these five strategies in an integrated manner, we will secure a competitive advantage in our U.S. homebuilding business.



\* Customer Relationship Management: Management systems and methods that aim to build and maintain good customer relations, create value, and enhance earnings by centrally managing data gained from customers and utilizing it in a timely and appropriate manner

## Business Strategies | Built-to-Order Business

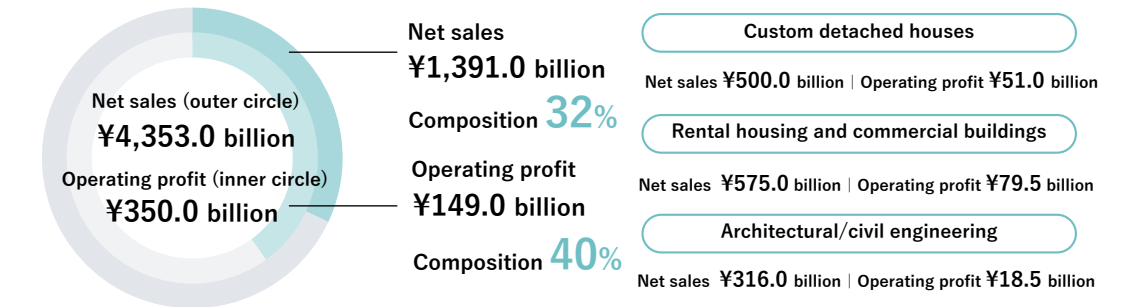


### We will enhance brand value and profitability through high-value-added proposals and advancements in technical expertise

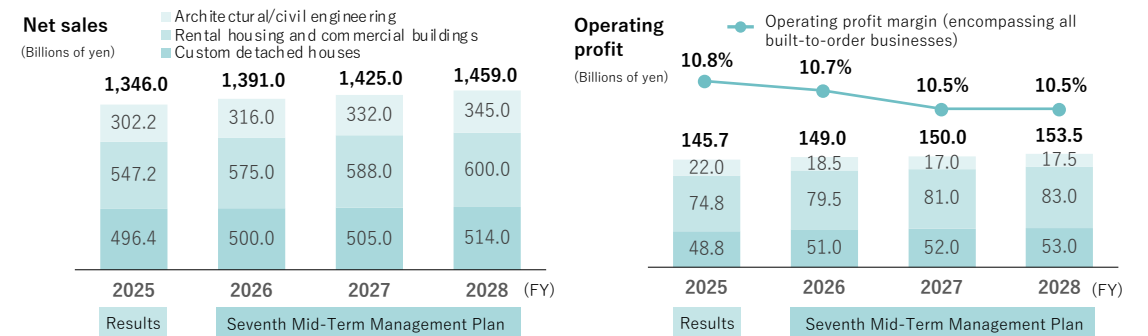
Within the built-to-order business, the custom detached houses and rental housing and commercial buildings businesses aim to create strong customer bases by providing high-value-added properties. Moreover, the architectural/civil engineering business, via Konoike Construction, takes on both governmental and private construction and civil engineering projects.

These businesses involve constructing buildings and other structures on land owned by customers. Accordingly, they are asset-light operations that require minimal investment, and generate stable cash flows.

### FY2026 Plan Built-to-Order Business



\* Calculation of the composition ratio does not include eliminations and back office



\* We partially revised segment composition in FY2026. Thus, figures for FY2025 represent the figures after segment restructuring

In our Sixth Mid-Term Management Plan, we focused on supplying high-value-added properties and improving profitability. We established an intermediate holding company to oversee the Sekisui House Construction Group, aiming to enhance and expand our construction expertise, and launched the skeleton and infill business to contribute to the creation of high-quality housing stock in Japan.

Under our Seventh Mid-Term Management Plan, we will establish our brands in the custom detached houses business through advanced technologies and enhanced proposal capabilities, and expand orders in central urban areas in the rental housing and commercial buildings business by enhancing our area strategy and the Sha Maison brand. In the architectural/civil engineering business, we will deliver sustainable value by leveraging our environmental technologies and construction expertise.



## Business Strategies | Built-to-Order Business

### Custom detached houses

This business engages in designing and constructing custom detached houses on land owned by customers.



#### 【Our competitive advantage】

- Offering high-value-added homes via our custom home design concept and the Company's unique construction methods (98% of homes are custom-built)
- The responsible construction system and consistent construction capabilities of the Sekisui House Construction Group and the Sekisui House Association

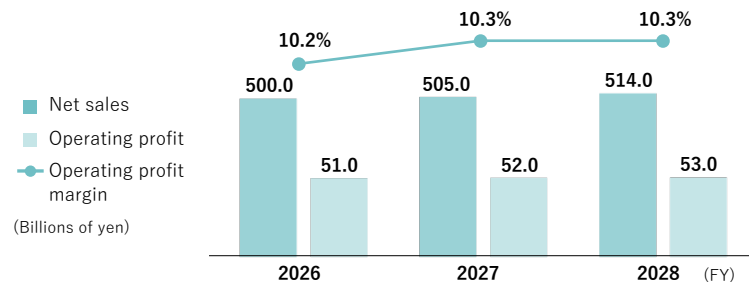
#### Growth strategy in the Seventh Mid-Term Management Plan

##### Establishing our custom detached house brands through the highest technology and advancement of proposal capabilities

Values and lifestyles involving housing are diversifying, while social needs for high-quality housing stock are growing. We will develop brand strategies for different price ranges, optimize sales activities through Group CRM, and integrate our technologies (technical expertise), lifestyle design (proposal capabilities), and broad range of diverse services to provide high-value-added housing that aligns with customer needs.

#### Business strategy and performance targets

- Enhancing our three-brand strategy
- Expanding CRM strategy
- Integrating our technologies, lifestyle design, and services



### Rental housing and commercial buildings

This business engages in designing and constructing rental housing as well as commercial buildings (such as medical and nursing care facilities) on land owned by customers.



#### 【Our competitive advantage】

- Delivering high-value-added assets that can be stably maintained over the long term, differentiated by the design flexibility and site adaptability made possible by our unique construction methods
- The responsible construction system and consistent construction capabilities of the Sekisui House Construction Group and the Sekisui House Association

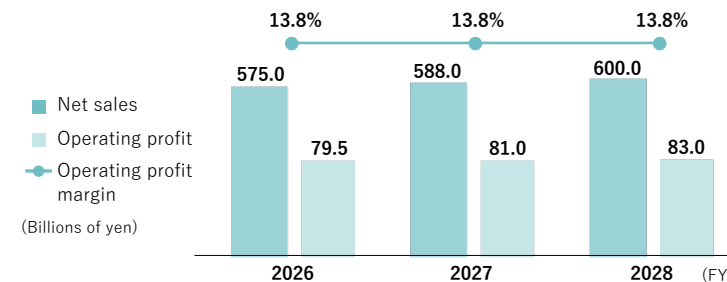
#### Growth strategy in the Seventh Mid-Term Management Plan

##### Expanding orders in central urban areas through enhancing area strategy and overwhelming strength of Sha Maison brand

Amid soaring construction prices in conventional construction methods and increasing corporate needs for effective asset utilization, we will promote Sha Maison ZEH, which employs a system where excess electricity is sold by individual residents, and strengthen our sales capabilities for corporations (CRE) and public organizations such as local governments (PRE) in order to increase orders in key areas through prefabricated housing.

#### Business strategy and performance targets

- Enhancing area strategy
- High-value-added Sha Maison
- Expanding CRE/PRE business



### Architectural/civil engineering

This business engages in the construction of housing, such as condominiums; non-residential buildings, such as logistics centers; and civil engineering projects, including infrastructure development.



#### 【Our competitive advantage】

- The technical expertise, construction expertise, and trusted relationships with suppliers that Konoike Construction has cultivated over more than 150 years since its founding

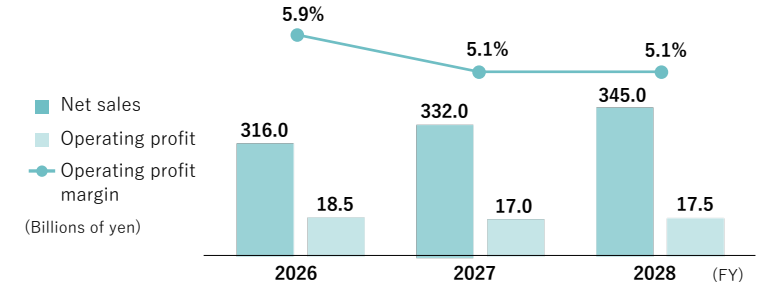
#### Growth strategy in the Seventh Mid-Term Management Plan

##### Delivering sustainable value to customers and society, leveraging our environmental technologies and construction expertise

Backed by robust private construction investment, we will focus on securing orders by balancing growth areas such as logistics and data centers with priority areas such as condominiums and office buildings. At the same time, we will aim to differentiate ourselves by offering unique environmental solutions to address the issue of aging social infrastructure.

#### Business strategy and performance targets

- Architectural construction: stable expansion of orders
- Civil engineering: differentiation through environmental solutions
- Strengthening construction expertise



## Business Strategies | Built-to-Order Business

### Custom detached houses

Integrating our technologies, lifestyle design, and services



We deliver value that aligns with people's lives, starting with their homes, through the integration of our technologies, lifestyle design, and services. First, our technologies, which enable us to deliver high-performance, highly durable, safe, and eco-friendly housing, serve as the foundation of our value creation. Furthermore, we have honed our lifestyle design, i.e., our ability to make proposals by diligently uncovering customers' sensibilities and design all aspects of the home, including the interior, centered on "life knit design," our system for proposing designs. Going forward, we will create new value by enhancing our analysis of aesthetic preferences using AI and further promoting the spread of services that assist residents, such as PLATFORM HOUSE touch.

### Rental housing and commercial buildings

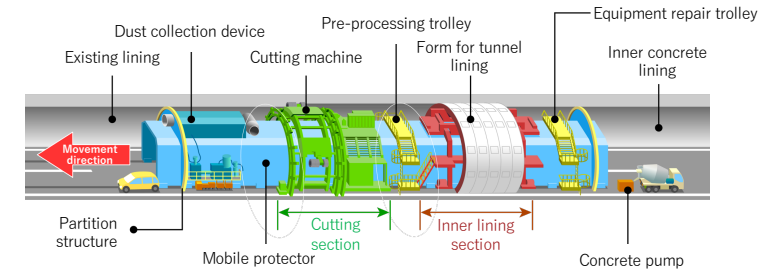
Thorough area marketing



We are committed to thorough area marketing in this business to ensure the long-term stable management of owners' rental properties and the happy lifestyles of each and every resident. We derive the housing truly needed in specific areas by thoroughly analyzing regional characteristics and demographics to clearly define the profile of prospective residents. Based on the results of our marketing analysis, we plan each building with optimized floor plans, facilities, and designs. By delivering housing that residents continue to choose, we achieve high occupancy rates and gain the support of the local community. At the same time, we support owners in increasing the value of their assets and managing rental housing that the local community takes pride in.

### Architectural/civil engineering

Konoike Construction's technical expertise, the "Relining method"



The number of aging tunnels more than 50 years old is increasing throughout Japan. While swift action to address this issue is needed, repair work is sometimes postponed because road closures to carry out construction cause significant social and economic damage. Konoike Construction has been involved in civil engineering business since 1898, accumulating a wealth of experience. In 2022, it developed the "Relining method," a new construction method that enables the renovation of aging concrete linings without disrupting traffic. Going forward, we will continue to support the realization of a society where people can live with peace of mind by providing technologies that contribute to the development of resilient infrastructure.

## Our ESG strategy for the built-to-order business

### Custom detached houses

We will promote decarbonization through wider adoption of ZEH and renewable energy, while enhancing quality of life and expanding high-quality housing stock through housing and services that support health, connectedness, and lifelong learning.

### Rental housing and commercial buildings

We will reduce energy consumption and advance decarbonization through wider adoption of Sha Maison ZEH, while maintaining asset value and enabling sustainable real estate use through asset inheritance and land utilization support from Sekisui House Trust.

### Architectural/civil engineering

We will reduce environmental impact and promote decarbonization across the construction process through environmental technologies, while supporting safer, more sustainable construction through improved productivity and site conditions enabled by construction DX.

## Value we create

### Built-to-order business

By providing high-quality housing stock, we will improve quality of life and townscape beauty, promote comfortable, safe living environments and technology transfer, and contribute to creating valuable social capital for future generations.

## Business Strategies | Supplied Housing Business

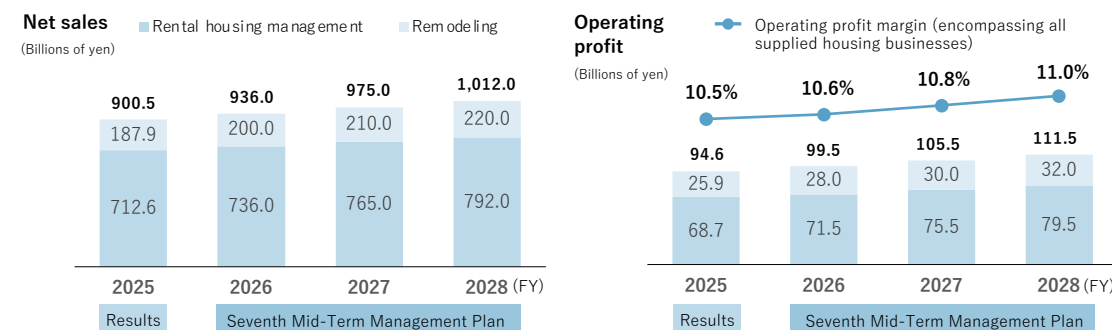
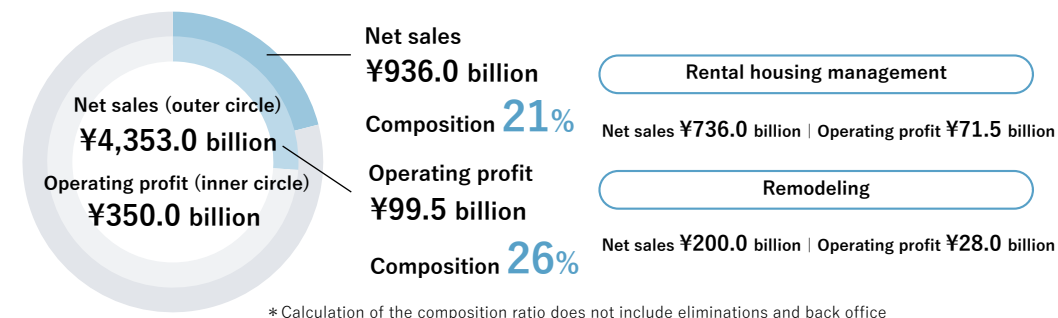


### We will expand stable earnings by focusing on maximizing the profit of managed properties and expanding customer touchpoints

Under the supplied housing business, our rental housing management business—led by Sekisui House Sha Maison PM companies—manages rental housing. The remodeling business involves the remodeling and renovation of detached houses and rental housing aimed at maintaining and enhancing asset value.

The supplied housing business is an asset-light business that generates stable cash flow, mainly for custom detached houses and rental housing designed and constructed by the Company. Combined with the built-to-order business, these businesses together account for more than half of our consolidated net sales, forming a stable earnings base.

### FY2026 Plan Supplied Housing Business



\* We partially revised segment composition in FY2026. Thus, figures for FY2025 represent the figures after segment restructuring

In our Sixth Mid-Term Management Plan, we leveraged the strengths of our customer base to achieve stable growth in our rental housing management and remodeling businesses. Moreover, we implemented organizational restructuring across the Group to strengthen our expertise (establishment of Sekisui House Sha Maison PM companies and Sekisui House Support Plus, Ltd.).

Under our Seventh Mid-Term Management Plan, we will strive to improve asset value, resident satisfaction, and profitability in our rental housing management business to achieve our goal of “making Sekisui House Sha Maison PM Japan’s premier property management company.” We will further strengthen the customer base of our remodeling business by expanding touchpoints and enhance the value of high-quality housing stock.



## Business Strategies | Supplied Housing Business

### Rental housing management

This business primarily engages in the management of rental housing constructed by the rental housing and commercial buildings business.



#### Our competitive advantage

- Prospects for stable growth as newly constructed rental housing increases and the number of units under management expands
- Operating in regions with robust rental demand is helping maintain high occupancy rates

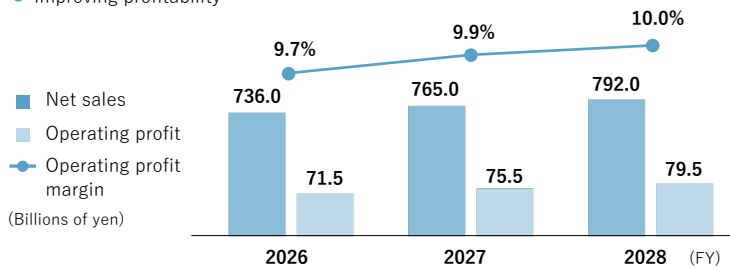
### Growth strategy in the Seventh Mid-Term Management Plan

#### Making Sekisui House Sha Maison PM Japan's premier property management company

Amid the uptrend in rents for rental housing stemming from rising construction costs, we will maximize owners' asset value by achieving high occupancy rates and setting appropriate rents. Furthermore, we will boost services that enhance convenience for residents with the aim of further improving resident satisfaction and streamlining management operations, backed by accelerated DX, such as the provision of various online procedures.

#### Business strategy and performance targets

- Maximizing owners' asset value
- Further improving resident satisfaction
- Improving profitability



### Remodeling

This business primarily engages in remodeling buildings constructed by the custom detached houses as well as the rental housing and commercial buildings businesses.



#### Our competitive advantage

- Prospects for stable growth due to strong relationships with property owners
- Sekisui House Support Plus, with 12 divisions, 30 customer service centers, and approximately 1,500 employees in charge of after-sales services

### Growth strategy in the Seventh Mid-Term Management Plan

#### Further enhancing the value of high-quality housing stock

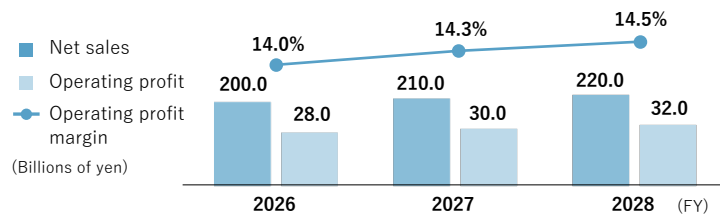
Amid policies aimed at improving the quality of existing housing, we will meet the needs for extending home longevity and enhancing asset value.

For detached houses, we aim to enhance stock value through daily maintenance and renovations tailored to resident lifestyles.

For rental housing, we will improve resident satisfaction and enhance owners' asset value through renovation proposals.

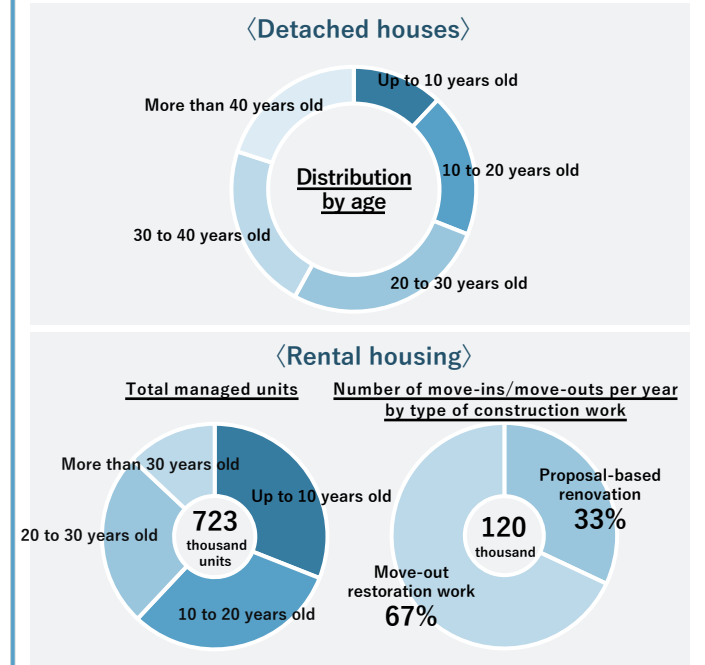
#### Business strategy and performance targets

- Detached houses
  - Further strengthening customer base through expansion of touchpoints
  - Enhancing housing stock value through proposal-based and environmentally friendly remodeling
- Rental housing
  - Promoting value-enhancing renovations



### COLUMN

### Remodeling business opportunities

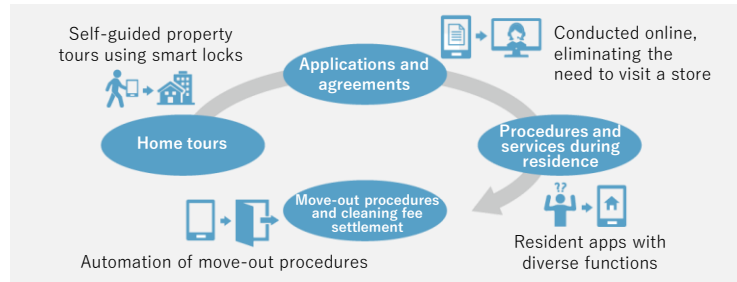


With both detached houses and rental housing having a broad age distribution, we propose appropriate renovations tailored to changing lifestyles and other needs. Furthermore, rental housing sees approximately 120 thousand move-ins and move-outs each year, providing opportunities for renovation and move-out restoration work. Based on the characteristics of each property, we propose solutions that accurately capture demand, thereby providing a high-quality living environment, maximizing owners' asset value, and achieving comfortable living for residents.

## Business Strategies | Supplied Housing Business

### Rental housing management

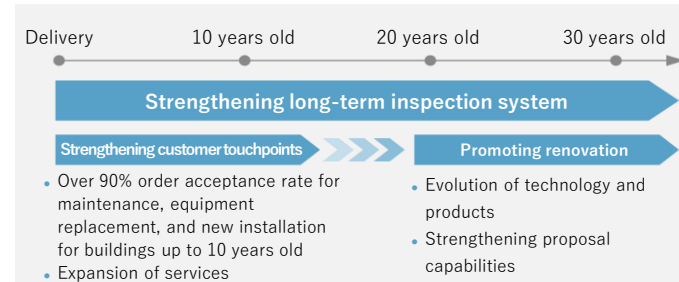
Efficient management through cutting-edge rental management models



Sekisui House Sha Maison PM companies are advancing the DX of rental management, building models that enable all processes to be completed online, from property searches to agreements, services during residence, and move-outs. This has led to increased operational efficiency through labor saving and the reduction of paper documents, while also enabling self-guided property tours and electronic agreements that eliminate the need for store visits. The percentage of electronic agreements for individual contracts has reached 95%, with residents highly valuing the convenience we offer. After move-in, 24-hour support through our dedicated app and the accumulation of service usage data ensure resident convenience and promote optimal services for living environments that provide comfort and peace of mind.

### Remodeling

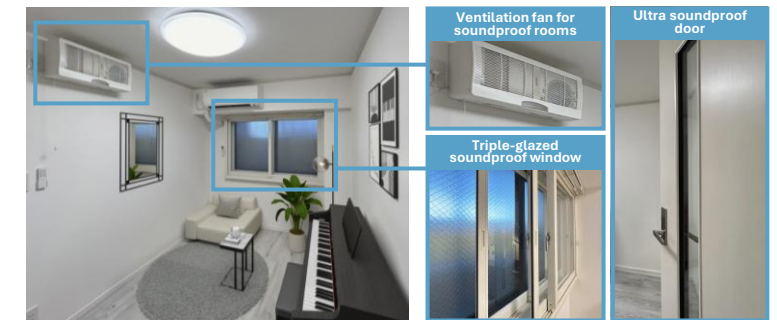
Expanding customer touchpoints and promoting renovations



For detached house remodeling, Sekisui House Support Plus handles all aspects of after-sales services, providing a wide range of small-scale works from air conditioner replacement to screen door replacement. Working closely with customers in this manner helps build long-term relationships of trust with them. Meanwhile, Sekisui House Remodeling focuses its management resources on enhancing proposal capabilities and developing human resources, carrying out remodeling work that provides happy lifestyles. Sekisui House Support Plus strengthens customer touchpoints through daily maintenance support and connects customers to Sekisui House Remodeling, thereby enhancing the value of housing stock.

### COLUMN

Example of a rental property remodeling proposal that contributed to long-term stable management and rent increases



Given the scarcity of rental housing equipped with soundproof rooms, we transformed this home into a desirable choice for musicians by installing a full-fledged soundproof room.

This remodeling enabled us to raise the asking rent for 30-year-old rental housing, resulting in a remodel that satisfied the owner as well as the resident.

### Our ESG strategy for the supplied housing business

#### Rental housing management

We aim to create and maintain a comfortable living environment that provides peace of mind through optimal management services, and support maintaining and enhancing asset value and extending building life through systematic and appropriate maintenance.

#### Remodeling

We will promote the shift to a supplied-housing society by extending the longevity of existing houses, and will reduce environmental impact and enhance quality of life in a sustainable manner through energy-saving renovations and proposals tailored to different life stages.

### Value we create

#### Supplied housing business

By enhancing the value of existing houses, we will support lifestyles in which people can live happily for years to come, and contribute to a circular economy through long-term asset value, environmental consideration, and local community revitalization.

## Business Strategies | Development Business

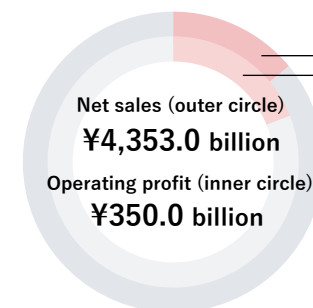


Provided by GRAND GREEN OSAKA developers (9 Joint Venture Companies)

### Providing optimal real estate solutions and building value that connects to the future of cities and rural areas

The development business is comprised of the real estate and brokerage business, condominiums business, and urban redevelopment business, and aims for even greater growth by utilizing profits gained from the built-to-order and supplied housing businesses to drive high-quality development projects. Due to the upfront investments in acquiring land for development, we aim to manage the business with a focus on the asset turnover ratio and return on assets (ROA).

### FY2026 Plan Development Business



Net sales  
**¥634.0 billion**

Composition **14%**

Operating profit  
**¥70.0 billion**

Composition **19%**

#### Real estate and brokerage

Net sales **¥430.0 billion** | Operating profit **¥32.0 billion**

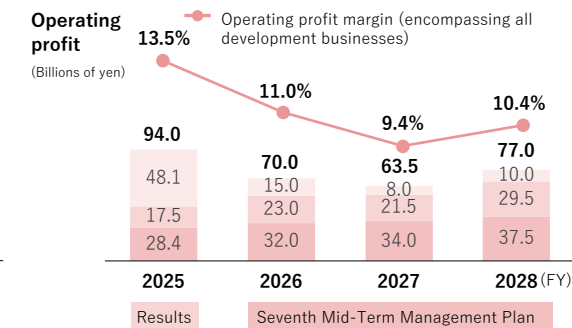
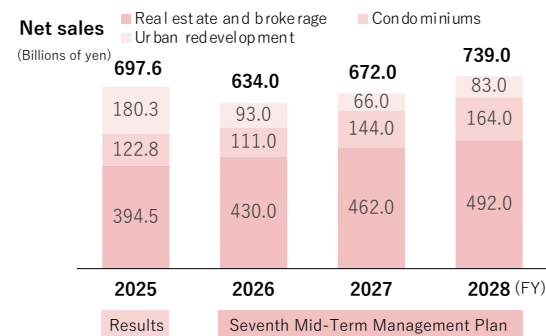
#### Condominiums

Net sales **¥111.0 billion** | Operating profit **¥23.0 billion**

#### Urban redevelopment

Net sales **¥93.0 billion** | Operating profit **¥15.0 billion**

\* Calculation of the composition ratio does not include eliminations and back office



\* We partially revised segment composition in FY2026. Thus, figures for FY2025 represent the figures after segment restructuring

In our Sixth Mid-Term Management Plan, Sekisui House Real Estate's real estate sales business, centered on high-quality residential land, performed well. Condominium sales and development property sales also exceeded our initial targets.

Under our Seventh Mid-Term Management Plan, in our real estate and brokerage business, we will leverage our strengths in housing cultivated thus far to provide a broad range of real estate solutions. In the condominiums and urban redevelopment businesses, we will build value connecting to the future of cities and rural areas as a living environment design company.



## Business Strategies | Development Business

### Real estate and brokerage

This business engages in the brokerage, acquisition, and sale of detached housing lots and income-generating properties, and sale of detached houses.



#### 【Our competitive advantage】

- Leveraging the comprehensive strengths of the Sekisui House Group, which is strong in housing, to procure residential land
- Procuring and selling high-quality land for housing with a focus on achieving an asset turnover ratio of one or higher based on discernment cultivated through extensive experience

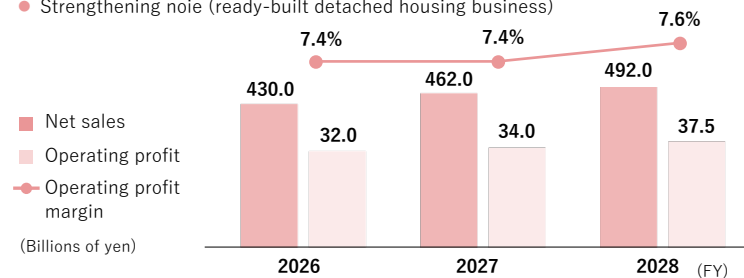
#### Growth strategy in the Seventh Mid-Term Management Plan

#### Providing a broad range of real estate solutions that leverage our strengths in housing

In response to the expanding demand for land in metropolitan areas and the diversification of asset management needs, we will strengthen procurement and expand sales of residential land by identifying prime real estate in key strategic areas. Furthermore, we will strengthen our ready-built detached housing business by supplying Sekisui House quality ready-built detached houses in carefully selected locations.

#### Business strategy and performance targets

- Strengthening procurement and sales of residential land
- Strengthening noie (ready-built detached housing business)



### Business strategy and performance targets

### Condominiums

This business engages in the development, sales, and management of GRANDE MAISON, our condominiums-for-sale brand.



#### 【Our competitive advantage】

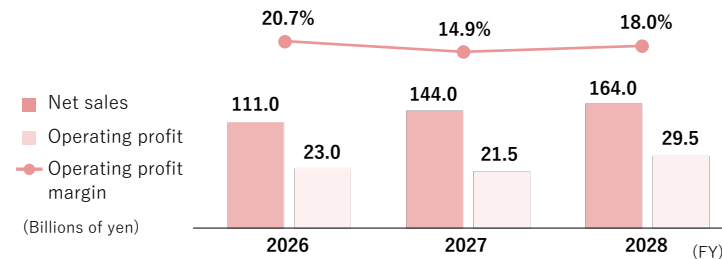
- Focusing on business development in strategic areas centered on Tokyo, Nagoya, Osaka, and Fukuoka (the four main metro areas)
- Providing high-value-added condominiums, all of which are ZEH-compliant starting with FY2023 properties

#### Growth strategy in the Seventh Mid-Term Management Plan

#### Building value connecting to the future of cities and rural areas as a living environment design company

#### Business strategy and performance targets

We will supply our unparalleled, high-value-added housing, GRANDE MAISON, in select areas within the four main metro areas in Japan, and further enhance brand value by expanding the community of Sekisui House fans through the new base (GM BASE).



### Urban redevelopment

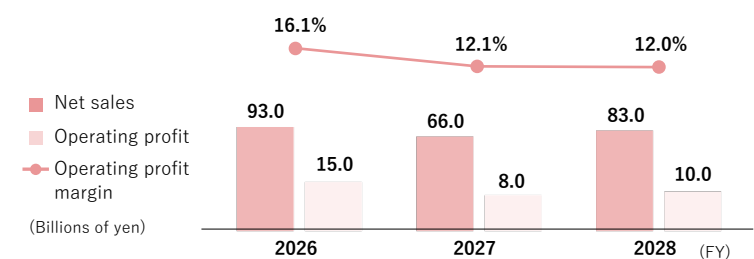
This business engages in the development of rental condominiums, office buildings, hotels, and similar properties in carefully selected areas.



#### 【Our competitive advantage】

- Focusing on business development in strategic areas centered on Tokyo, Nagoya, Osaka, and Fukuoka (the four main metro areas)
- Exit strategies involving the sale of properties to such entities as Sekisui House Reit and other real estate investors

Amid continued robust demand for urban development in the four main metro areas in Japan, we will promote the expansion of rental condominiums (Prime Maison) and enhance asset value by improving the profitability of office and hotel properties. Furthermore, we will promote a regional revitalization hotel business centered on the Trip Base Michi-no-Eki Stations Project (development of accommodation facilities at roadside stations).



## Business Strategies | Development Business

### Real estate and brokerage

Building a brand for Sekisui House Real Estate, which is strong in housing



Established on February 1, 2025 as a new company specializing in real estate brokerage and sales, “Sekisui House Real Estate” aims to establish itself as a “real estate company strong in housing,” with approximately 70% of its land holdings being residential. Its strength lies in its ability to acquire residential land by leveraging the Group-wide capabilities of the Sekisui House Group, with one of its distinguishing features being its track record in real estate procurement and sales, as well as brokerage. To further strengthen its procurement capabilities, we are working to build its brand, including launching a TV commercial featuring actor Ryunosuke Kamiki, to ensure that the new company name is recognized by many stakeholders.

### Condominiums

Expanding the community of Sekisui House fans with GM BASE as a hub



GM BASE was established as a salon for owners of GRANDE MAISON condominiums that provides information on housing and lifestyle, and as a community hub that brings new encounters to the neighborhood. It is located in the heart of each of the four main metro areas in Japan: Tokyo, Nagoya, Osaka, and Fukuoka. We hold workshops that allow people to experience local traditions and seasons. Moving forward, we aim to place GM BASE at the core of our efforts to strengthen customer touchpoints with a view to cultivating the Sekisui House Economic Sphere through events that owners of Sha Maison units and detached houses can participate in.

### Urban redevelopment

Umekita Phase 2 Development Project, GRAND GREEN OSAKA



©Akira Ito.aifoto

Developed by a joint venture of nine companies, GRAND GREEN OSAKA is a town centered on UMEKITA PARK, an urban park of approximately 4.5 hectares directly connected to Osaka Station, and is composed of various functions, including office spaces, hotels, commercial facilities, innovation facilities, and residences, all while providing ample green space. Sekisui House, as the lead developer for the housing project, is responsible for two high-rise condominiums, “GRAND GREEN OSAKA THE NORTH RESIDENCE” and “GRAND GREEN OSAKA THE SOUTH RESIDENCE,” which serve as the core residences of the large-scale mixed-use development project, contributing to the enhancement of urban value.

## Our ESG strategy for the development business

### Real estate and brokerage

We aim to deliver housing that provides safe and happy lifestyles through prime land and comfortable housing, while facilitating the resale and turnover of existing homes through housing history information and supporting the fair evaluation and transfer of asset value.

### Condominiums and urban redevelopment

We will promote decarbonization through adoption of ZEH-M and renewable energy, while strengthening disaster resilience and advancing community-building projects to enhance safety, attractiveness, and local economic vitality.

## Value we create

### Development business

By creating communities that respond to diverse lifestyles, we will enhance local attractiveness, scenery, and living environments, and contribute to a sustainable urban future through value creation rooted in local characteristics.

## Business Strategies | Overseas Business

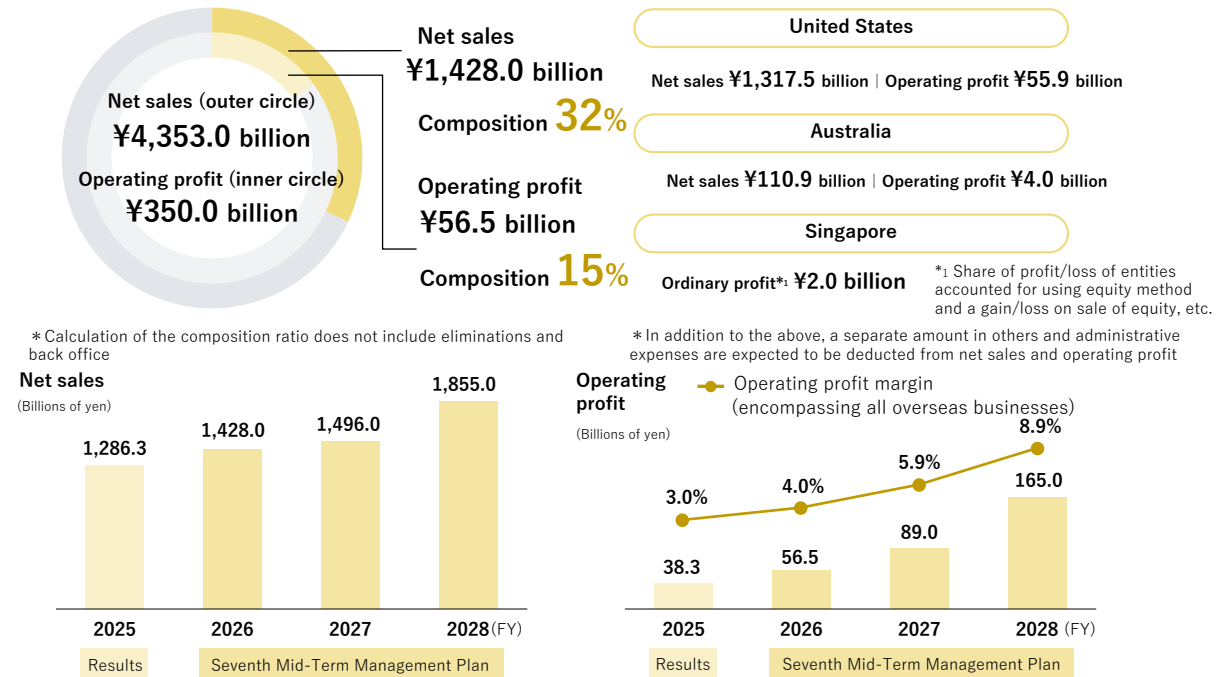


### We will accelerate the transfer of Sekisui House technologies in the U.S. homebuilding business

Started in 2009, the overseas business now engages in selling detached houses, condominiums, and residential land as well as developing rental condominiums, commercial facilities, and mixed-use developments. Operations, which extend to Australia and Singapore, are currently focused on the United States.

We are expanding the Sekisui House technologies we have cultivated in Japan over the past 60 years to the global market and delivering high-quality housing. Through this, we aim to achieve one of the Company's sub-visions underlying its Global Vision to "Make Sekisui House technologies the global de facto standard."

### FY2026 Plan Overseas Business



During the period of the Sixth Mid-Term Management Plan, under our fundamental policy of "proactive growth overseas," we completed a major M&A transaction and advanced the integration of four Group homebuilders. As a result, we launched a "One Company" structure under the new entity "SEKISUI HOUSE U.S., Inc." (SEKISUI HOUSE U.S.) starting in January 2026. Under our Seventh Mid-Term Management Plan, we will further accelerate the transfer of Sekisui House technologies developed in our domestic businesses and our brand building initiatives under this "One Company" structure in pursuit of transformative growth in the U.S. homebuilding business.



## Business Strategies | Overseas Business (U.S.)

### Homebuilding

A business that constructs and sells detached houses. Launched as SEKISUI HOUSE U.S. in January 2026.



#### 【Our competitive advantage】

- Creating unique value and providing high-quality housing of Sekisui House quality through our original wooden-frame housing brand “SHAWOOD” and the planned sale of “New 2×4” (tentative name) products equipped with Sekisui House technologies

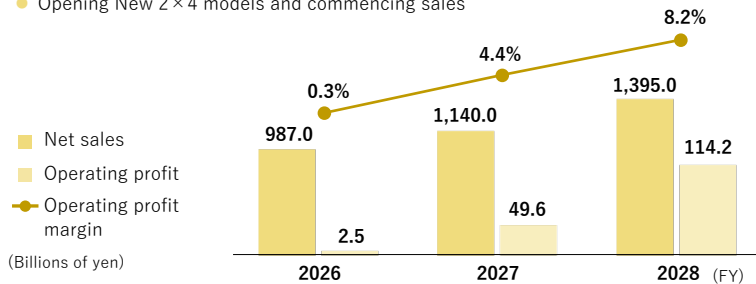
#### Growth strategy in the Seventh Mid-Term Management Plan

##### Launch of SEKISUI HOUSE U.S. as “One Company”

We will promote the development of New 2×4 and SHAWOOD products and strive for growth based on a two-brand strategy. We will extend Sekisui House’s unique high-quality standards, cultivated in Japan, to our U.S. homebuilding business, and shift toward mid-range to high-end lines. In addition, we will strengthen our sales capabilities through renewed promotion strategies, and while instilling our corporate philosophy as SEKISUI HOUSE U.S., we will achieve sustainable growth through human resource and system development.

#### Business strategy and performance targets

- Developing New 2×4 and SHAWOOD products
- Transferring Sekisui House’s quality standards and value-based sales approach
- Opening New 2×4 models and commencing sales



### Master-planned community

This business mainly engages in the development of residential land for housing, but also the development of land for commercial and public facilities.



#### 【Our competitive advantage】

- Synergies with the homebuilding business
- Accumulation of business management expertise to achieve high profit margins

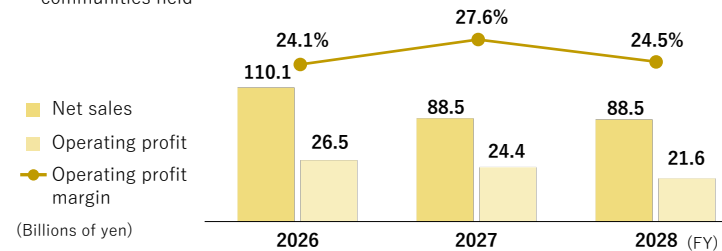
#### Growth strategy in the Seventh Mid-Term Management Plan

##### Securing high profitability by maintaining asset balance and strengthening Group collaboration

We aim to secure high profitability by maintaining stable asset balance and strengthening Group collaboration. We will continue to invest in high-quality projects to maintain an asset balance of ¥200.0 billion, and will expand our earnings base by strengthening sales of detached houses in the communities held, including through SEKISUI HOUSE U.S.

#### Business strategy and performance targets

- Expanding investment in high-quality projects and maintaining asset balance at ¥200.0 billion
- Strengthening detached housing sales by SEKISUI HOUSE U.S. in the communities held



### Multifamily

This business sells rental housing after developing and leasing it to increase rental income and enhance asset value.



#### 【Our competitive advantage】

- Building a high-quality portfolio by responding to market conditions and rotating assets

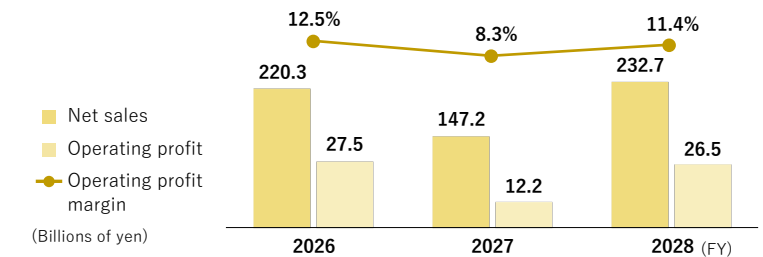
#### Growth strategy in the Seventh Mid-Term Management Plan

##### Reducing asset balance through sale of projects held and investment shift to high-turnover properties

We will reduce our asset balance through the sale of completed projects currently held in our portfolio and by shifting investments toward high-turnover properties. While strengthening our exit strategies, we will focus on high-turnover properties, primarily low- to mid-rise properties, to improve capital efficiency and ensure profitability.

#### Business strategy and performance targets

- Strengthening exit strategies
- Shifting to high-turnover properties, primarily low- to mid-rise properties



## Business Strategies | Overseas Business (Australia/Singapore)

### Australia

#### Homebuilding

By providing high-value-added housing through SHAWOOD, we are strengthening our business in the high-end markets of Sydney's coastal and northwestern areas.



#### Apartment & mixed-use development

We are expanding mixed-use development projects centered on condominiums in Sydney utilizing Japanese environmentally sustainable technologies and design principles.



\* Illustration

#### 【Our competitive advantage】

- Development of high-quality detached houses and condominiums utilizing Japanese housing technology and design principles
- Provision of high-value-added housing with strengths in highly accurate construction and environmental performance

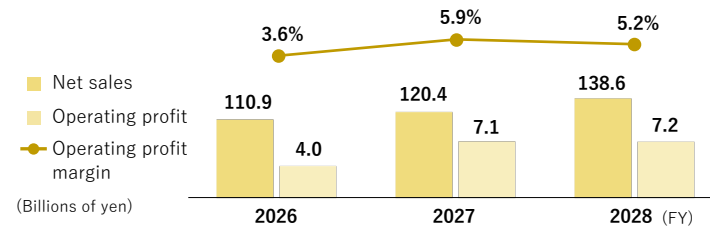
#### Growth strategy in the Seventh Mid-Term Management Plan

##### Establishment of product brands

In the homebuilding business, we will launch the “KOKAGE LOUNGE,” a product utilizing SHAWOOD’s unique technology, in the Australian market, and will implement promotional activities aimed at enhancing brand value. We will also aim to secure volume while maintaining high construction, component, and design quality. In the apartment & mixed-use development business, we will start the “GRANDE MAISON (GM)” condominium project, redevelop design and construction guidelines, acquire appropriate land, and establish sales locations and systems that convey GM's value.

#### Business strategy and performance targets

- Establishment of range-based strategy
- Start of GRANDE MAISON (GM) project



### Singapore

#### Condominium development

We are advancing development projects centered on condominiums in partnership with leading developers in Asia.



#### 【Our competitive advantage】

- Combining our advanced technical expertise and knowledge to strengthen the competitiveness of our business through closer collaboration with partners

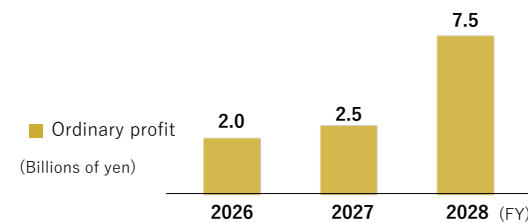
#### Growth strategy in the Seventh Mid-Term Management Plan

##### Continued investment in high-quality projects

We aim to establish a stable revenue base through strengthened partnerships. We will achieve sustainable growth by continuing close partnerships with prominent partners, searching for new partners with understanding of our investment policy and values, and examining new projects.

#### Business strategy and performance targets

- Strengthening partnerships and ensuring stable earnings



#### Our ESG strategy for the overseas business

##### U.S. homebuilding business

- Improving housing quality through the promotion of highly durable, high-performance homes
- Addressing housing shortages and supporting diverse lifestyles
- Transferring technology by creating jobs and developing local talent

##### U.S. master-planned community business and multifamily business

- Promoting environmentally friendly urban living through high-quality housing
- Building communities in harmony with local landscapes and cultures

##### Australia and Singapore

- Supplying high-quality, high-performance housing and advancing urban development
- Conserving ecosystems and greening communities for development in harmony with nature
- Co-creating value through stronger partnerships

#### Value we create

##### Overseas business

By bringing Japanese technologies and quality to global markets, we will create lifestyles and community value suited to local climates and cultures, while providing high-quality housing and enhancing technical expertise worldwide.

## Topic | SEKISUI HOUSE U.S.

# 01

## Become a Game Changer in the U.S. Homebuilding Industry—Launch of SEKISUI HOUSE U.S. as “One Company”—

### Our path to becoming a game changer through the transfer of Sekisui House technologies

Since launching our U.S. homebuilding business in 2017, we have broadened our business areas while expanding our business with our three builders. In 2024, we welcomed M.D.C. Holdings, Inc. (MDC), the operator of Richmond American Homes, into the Group. This has enabled us to expand the scope and scale of our business areas, and to acquire a robust platform for the full-scale deployment of Sekisui House technologies.

In January 2026, we integrated these four Group homebuilders, including MDC, and made a fresh start as SEKISUI HOUSE U.S. This U.S. subsidiary will integrate Sekisui House technologies with business strategy expertise for developing mid-range to high-end lines. To promote this, we have dispatched and appointed a CSO\*<sup>1</sup> and CTO\*<sup>2</sup> from Japan, and are beginning our journey toward becoming a game changer, working in collaboration with local management on our management and business strategies and the transfer of Sekisui House technologies, among other measures.

We reorganized the business areas of SEKISUI HOUSE U.S., which span 14 states,

into six regions. Taking into account the characteristics of each region, we aim to build a growth model that achieves both quality and volume by leveraging the brand value and local presence of each builder, including appointing regional executives from each of the four pre-merger builder companies.

We aim to become a game changer in the U.S. homebuilding industry by aligning the efforts of all employees with a customer-centric approach, integrating the positive cultures cultivated by each company to date, and transferring Sekisui House technologies.

\*1 CSO: Chief Strategy Officer

\*2 CTO: Chief Technology Officer

### SEKISUI HOUSE U.S., Inc.

### Integrated into One Company



### Launch of SEKISUI HOUSE U.S.

In January 2026, SEKISUI HOUSE U.S. launched as One Company, marking a significant milestone in our journey thus far. At the launch event, President Nakai directly communicated our vision and strategy to local employees, and I also had the opportunity to speak about our bright future. Integrating four companies with different histories, cultures, and work styles was a major challenge. This achievement was made possible thanks to the dedicated efforts, cooperation, and perseverance of team members across the United States. I am extremely grateful to everyone who helped make this integration a success.

We have established a robust foundation for the future. At present, we are working to foster a united corporate culture and strengthen

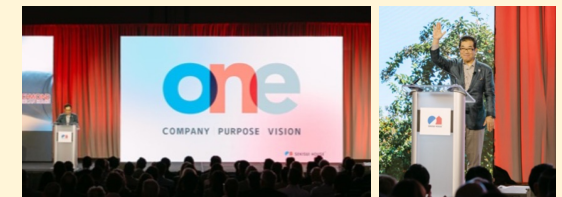
**David Viger**  
SEKISUI HOUSE U.S., Inc.  
CEO



communication across the organization, while also deepening our ties under a shared strategy with the aim of transforming the homebuilding industry. Furthermore, regarding the enhancement of our construction expertise, one of our top priorities, we are beginning to see steady results in construction precision, onsite cleanliness, and the mindset of our construction workers, through construction site visits and ongoing team collaboration. While this integration is a significant achievement, we have only just begun. As CEO, I will fully leverage the expertise and capabilities that underpin Sekisui House's uniqueness, providing even greater value to our customers and stakeholders, while aiming to establish a new standard in the U.S. homebuilding industry.

### Event held in Los Angeles

On January 20, 2026, we held the SEKISUI HOUSE U.S. launch event in Los Angeles, bringing together many employees from across the United States. At the event, executives from Japan and the United States took the stage to share the significance of establishing the new company and our medium- to long-term growth strategy.





## Topic | SEKISUI HOUSE U.S.

### Our growth strategy moving forward

We are building a growth platform to drive a game-changing transformation centered on our two brands, “New 2×4” and “SHAWOOD.”

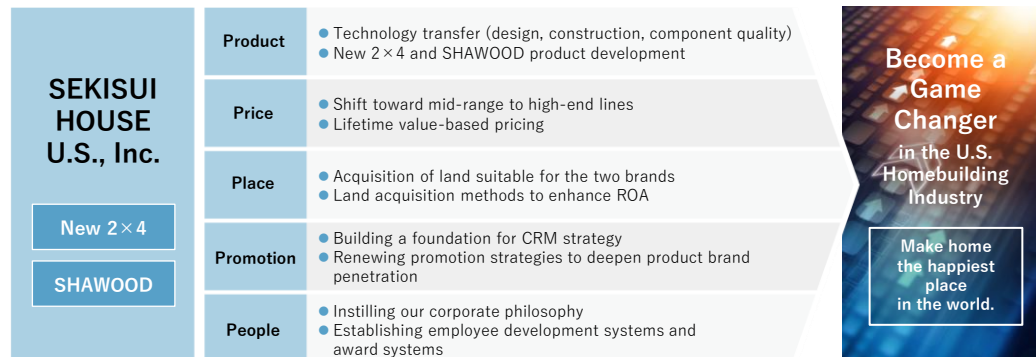
Our strategy is comprised of five pillars: Product, Price, Place, Promotion, and People. For Product, we will strengthen our overwhelming product appeal centered on construction quality; for Price, we will shift toward mid-range to high-end lines; for Place, we will acquire land suitable for the two brands; for Promotion, we will advance our sales and promotional activities; and for People, we will integrally strengthen human resource development.

The execution of these five pillars will be driven by our U.S. management team, along

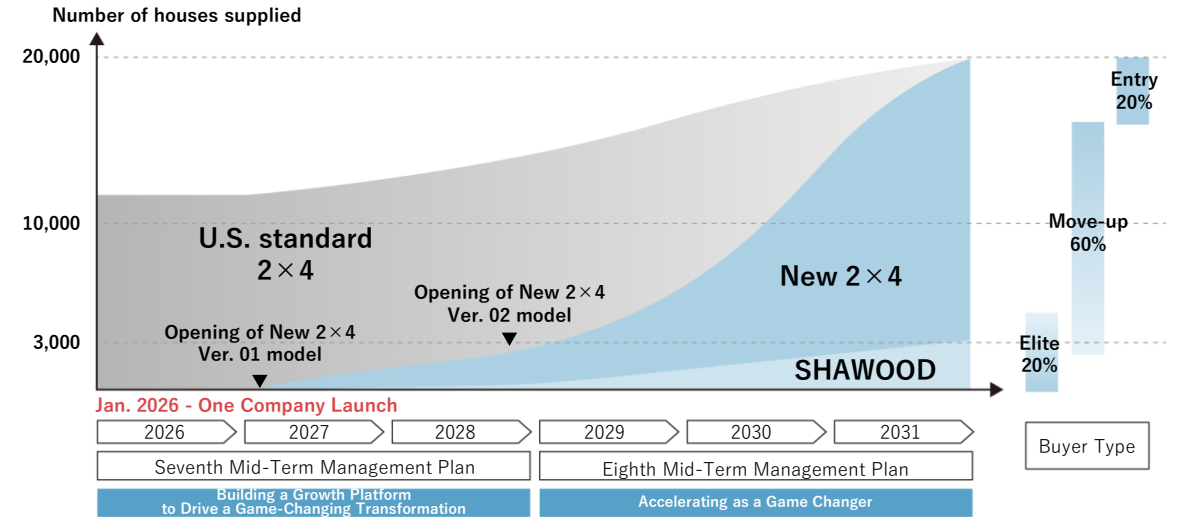
with members including our CSO, who has been relocated from Japan. Through the transfer of technology and the steady implementation of the five Ps, we aim to establish a growth model that will shift the axis of competition in the U.S. homebuilding market based on quality and added value, rather than simply acquiring companies for the purpose of scaling up.

The graph on the right shows our path to expanding supply for both brands. Starting with the opening of the “New 2×4 Ver. 01” model house scheduled for spring 2027, we will begin full-scale operation with the aim of establishing a supply framework of 20,000 units per year by 2031. In doing so, we will strive to move from foundation building to accelerated growth.

### Building a growth platform to drive a game-changing transformation



### Game-changing roadmap



### Toward the expansion and adoption of Sekisui House technologies overseas

As the Head of Corporate Management Strategy Headquarters, I have primarily been involved in formulating and executing domestic growth strategies. Currently, as CSO of SEKISUI HOUSE U.S., I am responsible for expanding the strategic strengths cultivated in Japan overseas and ensuring their firm establishment. Specifically, I am driving business reform based on the five Ps shown in the diagram on the left. In particular, our Place and Promotion strategies are key fields that serve as the foundation of our competitive edge, and I recognize that establishing value propositions is

**Yoshiyuki Kamiya**  
SEKISUI HOUSE U.S., Inc.  
CSO



essential in the U.S. homebuilding industry, rather than simply competing on price. I am also focusing on instilling a culture that includes evaluation criteria and decision-making processes. While valuing what makes us Sekisui House, I will not unilaterally apply Japanese methods, but rather clearly share the intention behind them and the benefits they bring, thereby creating an environment where local members can think and act proactively through dialogue.

## Topic | SEKISUI HOUSE U.S.

### Transferring technologies from Japan to expand our U.S. homebuilding business

In Japan, the number of new housing starts looks poised for a long-term decline caused by the shrinking population and number of households. Meanwhile, the United States faces the persisting structural challenge of housing supply shortages due to population growth. Particularly with a large population of millennials and Gen Z, who are of home-buying age, we expect the market environment to remain stable in terms of housing demand. However, generally speaking, the construction quality of detached houses in the United States varies from property to property, meaning that quality is not adequately guaranteed. In contrast, SEKISUI HOUSE U.S. conducts high-level construction inspections and only sells homes that meet certain quality standards. We believe there is a considerable latent demand for high-quality homes, given that this contributes to the safety and

peace of mind of our customers. However, as we do not believe that homes can be sold based on construction quality alone, we will provide unique value by combining construction quality with design quality and component quality. In order to become a game changer in the U.S. homebuilding business, we plan to launch New 2 × 4 alongside our existing SHAWOOD brand under our Seventh Mid-Term Management Plan.

Our original product line, SHAWOOD, has already been recognized for its value throughout the United States. In 2025, Sommers Bend, the first SHAWOOD community in the U.S., received the top award at The Nationals 2025, the largest and most prestigious award program in North America's housing industry, followed by Folsom and Arcadia at The Nationals 2026. Going forward, we will aim to become a game changer in the U.S. homebuilding industry and strive for further business expansion.

**Atsushi Hyodo**  
SEKISUI HOUSE U.S., Inc.  
CTO



After joining the Company, I worked in product development and design departments at the head office, and then at a detached housing branch, where I was involved in the design of actual properties. After that, I transferred to the International Business Headquarters. I currently oversee the overall technology domain as CTO of SEKISUI HOUSE U.S. I am confident that Sekisui House's technologies can be fully applied in the United States. Its effectiveness has been demonstrated at

Sommers Bend, the first SHAWOOD community in the U.S., where many buyers cited high quality as their reason for purchase. Meanwhile, New 2 × 4 is still in its early stages. We are currently preparing to open our first model house in the spring of 2027. Understanding local housing culture and customer needs requires the expertise of local employees. We are promoting the transfer of Sekisui House technologies while focusing on close communication between local members and employees assigned overseas. Learning after launch is crucial for the deployment of New 2 × 4. We aim to steadily implement the PDCA cycle to establish the New 2 × 4 business.

#### SHAWOOD



**"Folsom" and "Arcadia" received  
the top award in four categories at  
"The Nationals 2026"**





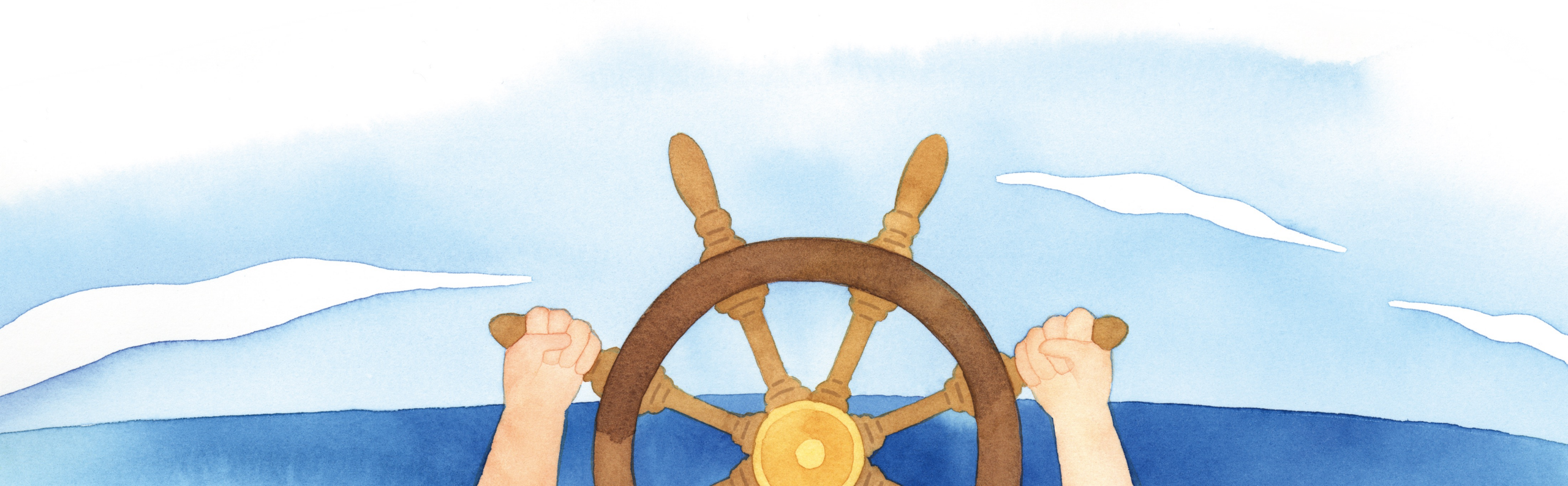
## 05 Next Stage

### Summary | Turning commitments into results

For the Sekisui House Group,  
our Mid-Term Management Plan  
is a promise to our stakeholders.  
Not simply setting goals,  
but turning them into results.  
Adapting to change. Adjusting our course.  
Step by step, we will fulfill that promise.

### Reflection | Our path to the future

What kind of happiness do we want to create?  
And how should we navigate toward it?  
Our Mid-Term Management Plan points the way,  
but it is each of us who takes the helm.  
The choices we make today  
help shape the future we envision.





## 06 Integrity as Foundation

# Strengthening Our Foundation

### Financial Strategy and Corporate Governance

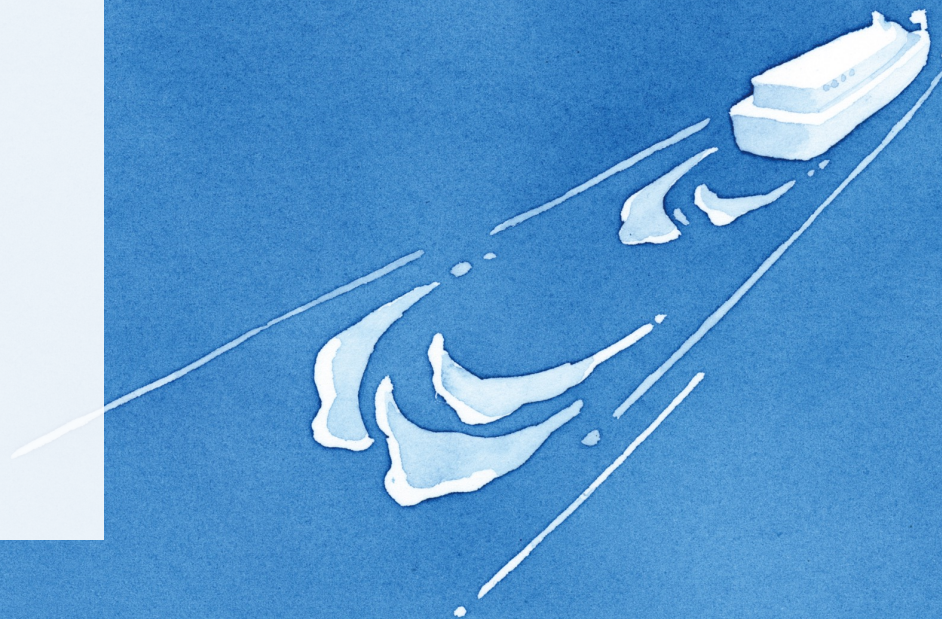
No matter how bold the vision,  
without a strong foundation,  
the future cannot be realized.

For years, we have continued to strengthen  
the foundations of our management,  
asking what must endure  
and what must change.

Protecting what matters.

Changing what must be changed.

To build the future we envision.







## Satoshi Tanaka

Representative Director of the Board  
Executive Vice President, Executive Officer  
Managing Finance Division and Auditing,  
in charge of Human Resources Division and  
Administration Division

### Financial and Capital Strategy

**We have formulated the financial strategy for the Seventh Mid-Term Management Plan. We will strengthen our ability to generate cash and improve capital efficiency to achieve sustainable growth and enhance shareholder value.**

#### Results of the Sixth Mid-Term Management Plan and Financial and Capital Strategy for the Seventh Mid-Term Management Plan

Under the fundamental policy of “stable growth in Japan and proactive growth overseas” set forth in our previous Sixth Mid-Term Management Plan, we steadily advanced strategies for each of our businesses, exceeding the initial targets for both net sales and profit over the three-year period, while also achieving record highs in the final fiscal year of the plan.

We also made active growth investments. Overseas, the acquisition of MDC gave us a platform to drive the rapid expansion of our U.S. homebuilding business. In January 2026, we integrated MDC and three other builders, and

under the “One Company” structure, we launched initiatives to drive a game-changing transformation in the U.S. homebuilding industry.

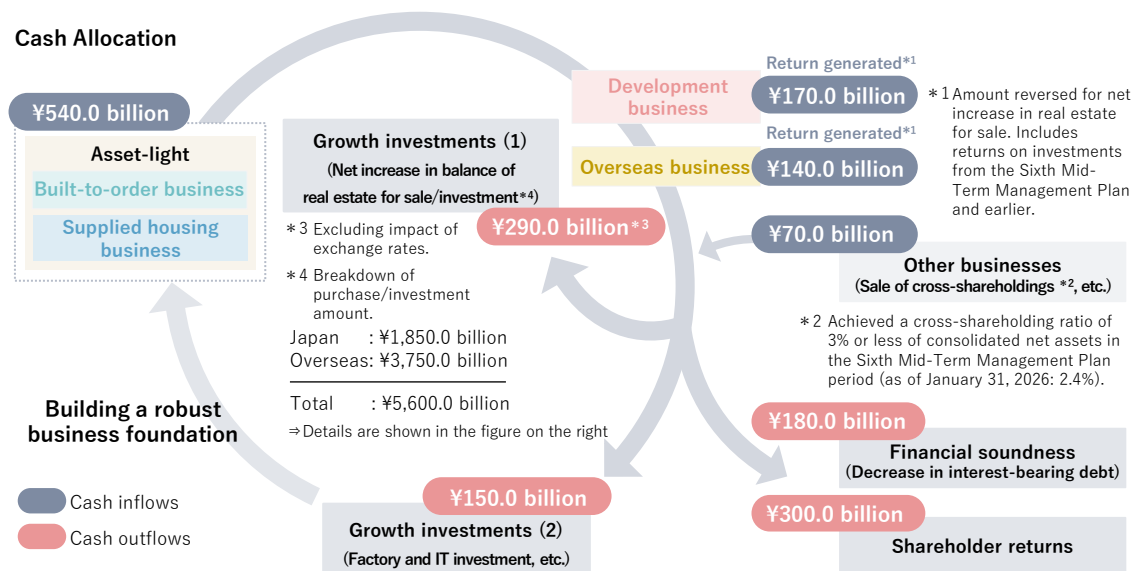
At the same time, the MDC acquisition has affected our financial soundness, underscoring the growing importance of cash allocation and improved asset efficiency (ROA) to sustainable growth. Based on these circumstances, in our newly formulated Seventh Mid-Term Management Plan, we aim to further enhance corporate value while maintaining a balanced approach to executing growth strategies, restoring financial soundness, and providing appropriate shareholder returns.

## Financial and Capital Strategy

### Cash Allocation and the Restoration of Financial Soundness

Our growth strategy is supported by the stable and robust cash generating capabilities of our built-to-order and supplied housing businesses. By constructing high-quality buildings through our built-to-order business and then carrying this forward into our supplied housing business in the form of subsequent remodeling and rental housing management, we achieve stable growth backed by our solid customer base. The built-to-order and supplied housing businesses are asset-light businesses that have a low impact on the balance sheet. Investing the cash generated into the development and overseas businesses, which involve real estate procurement and development, enables us to achieve even greater returns and growth, which in turn leads to the expansion of shareholder returns and investments in our growth platform. The Seventh Mid-Term Management Plan outlines our cash allocation approach in connection with this business model. By clarifying both our approach to allocating the cash we generate and the cash generation capabilities of each business, we aim to deepen the market's understanding of our capital policy and the strengths of our business model.

#### Cash Allocation



During the period of the Seventh Mid-Term Management Plan, we plan to make real estate investments exceeding the scale of those made during the previous Mid-Term Management Plan (¥5.6 trillion) with an eye to achieving sustainable growth. At the same time, we plan to execute our growth strategies and restore financial soundness through sales and recoupment that exceed this amount (¥6.6 trillion).

Regarding financial soundness, while we have maintained a domestic credit rating of AA, our overseas credit rating has been downgraded by two notches due to the increase in interest-bearing debt associated with the acquisition of MDC. Following the MDC acquisition, our debt repayment period (Net Debt/EBITDA\*) rose to over three years—an issue we are addressing directly. In our Seventh Mid-Term Management Plan, we aim to reduce interest-bearing debt by achieving stable cash generation in our domestic businesses, restoring profitability in our U.S. homebuilding business, and accelerating the sale of properties held in our U.S. multifamily business. Our goal is to reduce the debt repayment period to about two years by FY2028, the final fiscal year of the plan. This will strengthen our financial foundation to drive further growth in the Eighth Mid-Term Management Plan and beyond.

\* EBITDA: Operating income + depreciation and amortization + amortization of goodwill + interest and dividend income

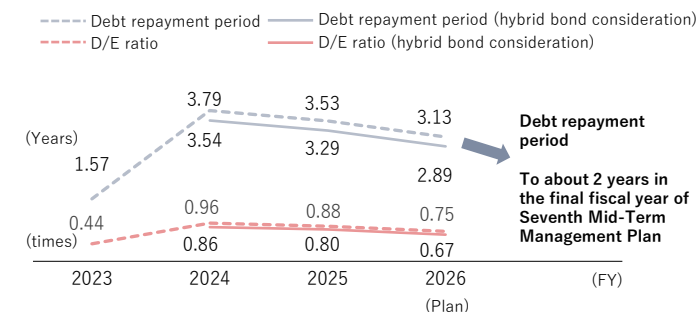
#### Results and Plans for Real Estate Investments

| Purchase/investment of real estate for sale/investment |       |          |                    |
|--------------------------------------------------------|-------|----------|--------------------|
|                                                        | Japan | Overseas | (Trillions of yen) |
| Sixth Mid-Term Management Plan (three-year results)    | ¥1.4  | ¥3.1     | Total: ¥4.5        |
| Seventh Mid-Term Management Plan (three-year plan)     | ¥1.8  | ¥3.7     | Total: ¥5.6        |

| Sales/recoupment of real estate for sale/investment |       |          |                    |
|-----------------------------------------------------|-------|----------|--------------------|
|                                                     | Japan | Overseas | (Trillions of yen) |
| Sixth Mid-Term Management Plan (three-year results) | ¥1.6  | ¥3.1     | Total: ¥4.7        |
| Seventh Mid-Term Management Plan (three-year plan)  | ¥1.8  | ¥4.8     | Total: ¥6.6        |

#### Debt Repayment Period and D/E Ratio



#### Status of Long-Term Credit Ratings (as of July 2026)

|                                         |      |
|-----------------------------------------|------|
| Japan Credit Rating Agency (JCR)        | AA   |
| Rating and Investment Information (R&I) | AA-  |
| S&P Global Ratings (S&P)                | BBB+ |



## Financial and Capital Strategy

### Enhancing ROE with a Focus on Capital Efficiency

We position ROE as a key management indicator to enhance corporate value. In our Seventh Mid-Term Management Plan, we target an ROE in the high 12% range by FY2028, the final fiscal year of the plan. For each component of ROE, we have set targets of around 6% for the net profit margin, asset turnover ratio of 1 time or more, and financial leverage of around 2 times, respectively.

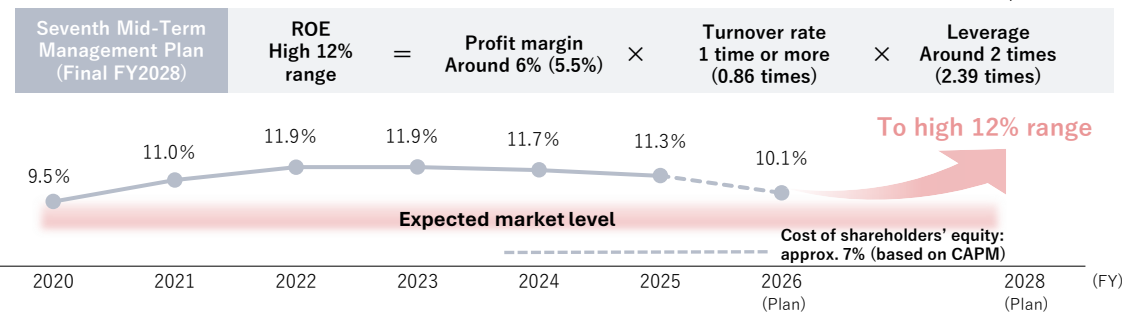
We aim to improve the profit margin by shifting toward mid-range to high-end lines in our U.S. homebuilding business, strengthening high-value-added proposals in our domestic businesses, and improving efficiency through DX and other means. Furthermore, given the increase in assets and liabilities following the acquisition of MDC, we will reduce U.S. multifamily business assets, and will also focus on improving the turnover rate by carefully selecting and appropriately controlling new property investments in Japan and overseas. While we intend to reduce financial leverage by repaying debt to improve financial soundness, as stated above, we believe that achieving our ROE target is entirely possible through improvements in the profit margin and the turnover rate that outweigh this reduction.

Improving market valuation requires widening the equity spread—the difference between ROE and the cost of shareholders' equity. We currently estimate our cost of shareholders' equity to be around 7% based on CAPM\*, but we believe that market expectations are even higher in light of our endeavors in the United States. Going forward, we will work to widen the equity spread by pursuing further ROE improvement alongside efforts to reduce our cost of capital through enhanced information disclosure and proactive dialogue with stakeholders.

\*CAPM: Capital Asset Pricing Model

### Changes in ROE

FY2025 results shown in parentheses



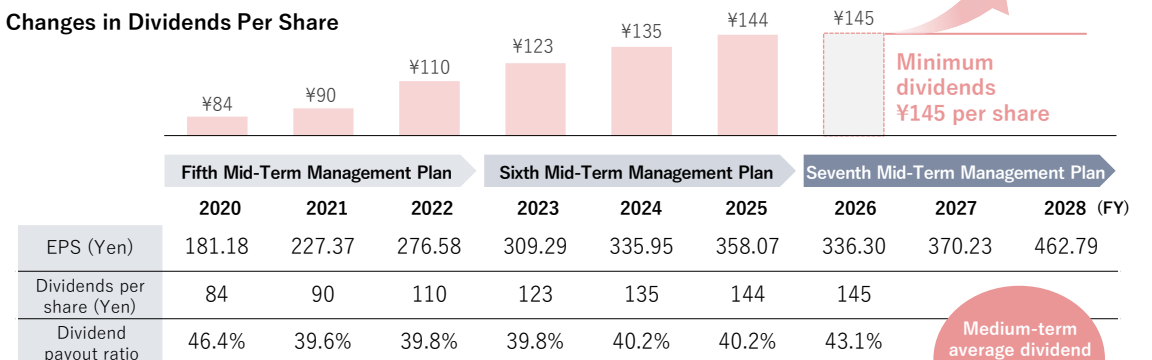
### Enhancing Shareholder Returns and Increasing Shareholder Value Through Profit Growth

Regarding shareholder returns, we aim to increase dividends through profit growth, in line with our existing policy of maintaining a medium-term average dividend payout ratio of 40% or more. For FY2026, we plan to pay dividends per share of ¥145 (up ¥1 year on year), for a 15th consecutive year of dividend increases. Furthermore, we have raised the minimum dividends per share for the Seventh Mid-Term Management Plan period to ¥145, ensuring dividend stability. Regarding share buybacks, we plan to implement them in a flexible manner in light of financial soundness and other factors.

We believe that we can implement such shareholder returns even amid the highly uncertain business environment, as each of our businesses is well positioned for steady growth on the back of the robust earnings foundation of our domestic businesses. We are confident that by steadily expanding our unique core competencies supporting the above—technical expertise, construction expertise, and customer base—not only in Japan but also overseas, we can build an even stronger earnings foundation and further enhance shareholder returns. We look forward to delivering continued growth for the Sekisui House Group.



### Changes in Dividends Per Share



Note: EPS for FY2027 and FY2028 is calculated based on the number of outstanding shares issued as of FY2026.

## Results and Financial Analysis

### Operating Results

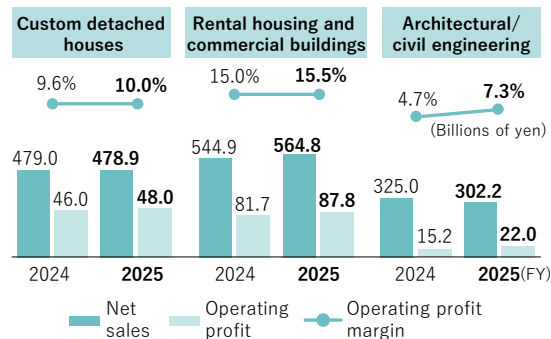
In FY2025, despite a challenging business environment that continued in the United States caused by persistently high interest rates and economic uncertainty, stable growth in domestic businesses, coupled with significant contributions from the sale of development properties in the urban redevelopment business, resulted in sales and profit growth, with net sales coming to ¥4,197.9 billion (up 3.4% year on year) and operating profit reaching ¥341.4 billion (up 3.0% year on year).

In non-operating income and expenses, the share of profit of entities accounted for using the equity method increased significantly due to the sale of properties by special purpose companies in which we have an equity interest. As a result, profit attributable to owners of parent was ¥232.0 billion (up 6.6% year on year), and net sales and profit achieved record highs.

### Results by Segment

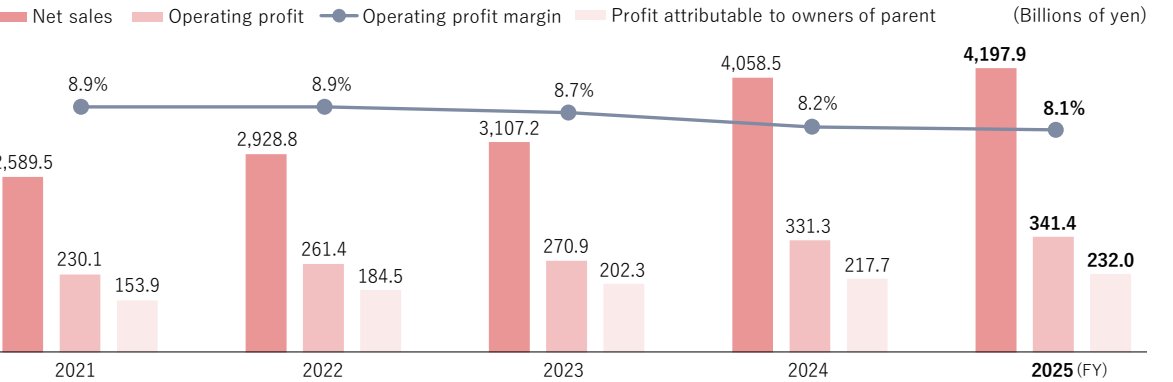
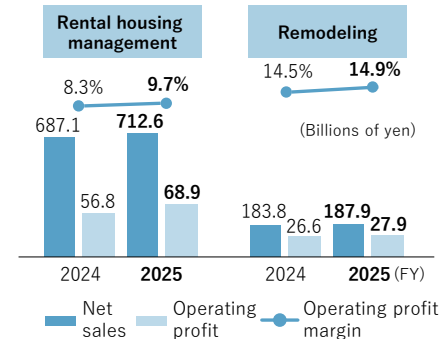
#### Built-to-Order Business

In the custom detached houses business and the rental housing and commercial buildings business, the high-value-added proposals proved successful, resulting in an increase in the average selling price of detached houses and rental housing and continued profit growth. In the architectural/civil engineering business, while the absence of large-scale projects recorded in the previous fiscal year weighed on performance, solid progress with other projects and improved profitability due to factors such as successful cost-pass-through measures contributed to profit growth.



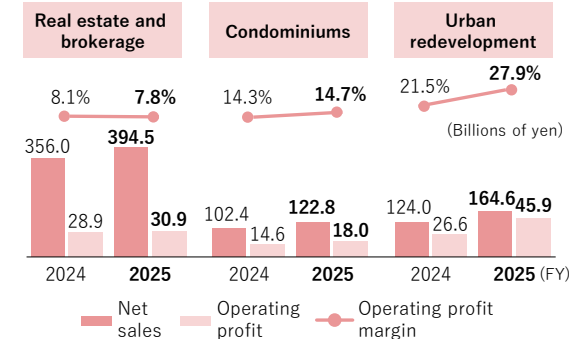
#### Supplied Housing Business

The rental housing management business achieved growth in sales and profit, due to the maintenance of high occupancy rates driven by the supply of well-located, high-quality buildings, as well as successful efficiency improvements owing partly to DX utilization. The remodeling business also achieved growth in sales and profit by continuing to promote proposal-based remodeling for detached houses tailored to family structure and lifestyles, and renovation proposals aimed at enhancing the asset value of rental housing.



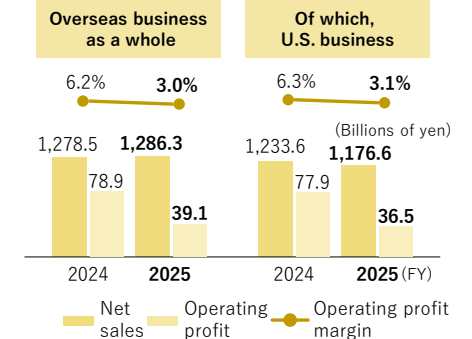
#### Development Business

The real estate and brokerage business achieved continued growth as Sekisui House Real Estate, established at the beginning of the fiscal year as a company specializing in the real estate and brokerage business, strengthened its procurement and sales of prime real estate for sale centered on residential land. In the condominiums and urban redevelopment businesses, sales exceeded our targets due to development focused on strategic areas, resulting in sales and profit growth.



#### Overseas Business

Overall, the overseas business experienced an increase in sales and a decrease in profit. In the U.S. business, the homebuilding business saw a decline in profit owing to increased incentives resulting from customers' continued wait-and-see attitude, as well as the recording of a loss on valuation of real estate for sale. Meanwhile, the master-planned community business and multifamily business both achieved profit growth on the back of progress with property sales.



## Results and Financial Analysis

### Financial Position

Total assets as of January 31, 2026 amounted to ¥5,006.6 billion (up 4.1% year on year). Real estate for sale increased 6.9% year on year to ¥3,034.6 billion due to proactive investments in Japan and overseas, primarily in the U.S. homebuilding business. Non-current assets amounted to ¥1,099.1 billion (up 0.2% year on year), due to the sale of real estate for leasing, etc., as well as continued capital investments and an increase in retirement benefit assets. Moreover, we continued to reduce our cross-shareholdings, which led to a ratio of cross-shareholdings to consolidated net assets at the end of FY2025 of 2.4%, achieving the target (3% or less) set in the Sixth Mid-Term Management Plan. Meanwhile, total liabilities amounted to ¥2,818.4 billion (up 1.0% year on year) and interest-bearing debt rose to ¥1,881.7 billion (up 0.2% year on year) due to investments in real estate for sale. Net assets were ¥2,188.2 billion (up 8.4% year on year) due mainly to the recording of profit.

Compared to the end of FY2022, the final fiscal year of the Fifth Mid-Term Management Plan, the balance sheet expanded and its composition changed significantly during the period of the Sixth Mid-Term Management Plan. In addition to the expansion of our U.S. business, including the acquisition of MDC in 2024, increased investments associated with the growth of our real estate and brokerage business in Japan led to a significant increase in real estate for sale and interest-bearing debt. As a result, total assets increased from ¥3,007.5 billion at the end of FY2022 to ¥5,006.6 billion at the end of FY2025.

### Status of Cash Flows

#### Cash flows from operating activities

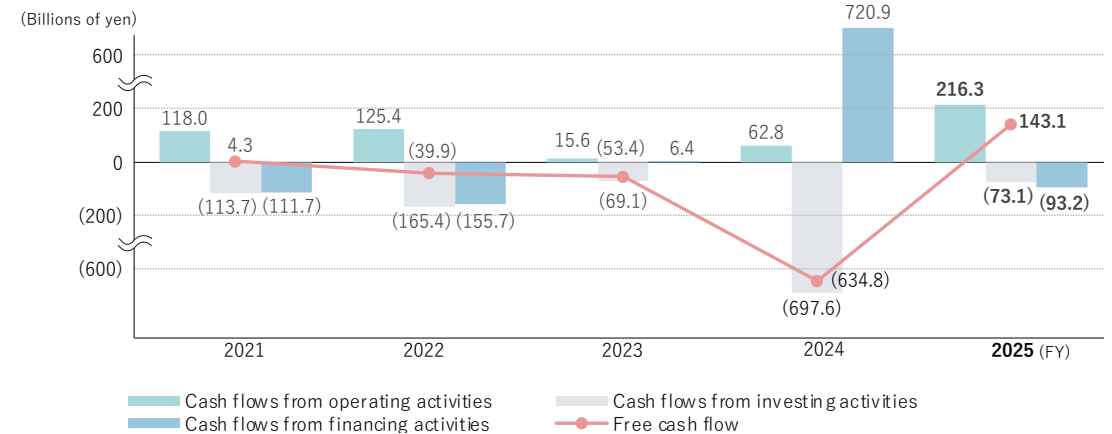
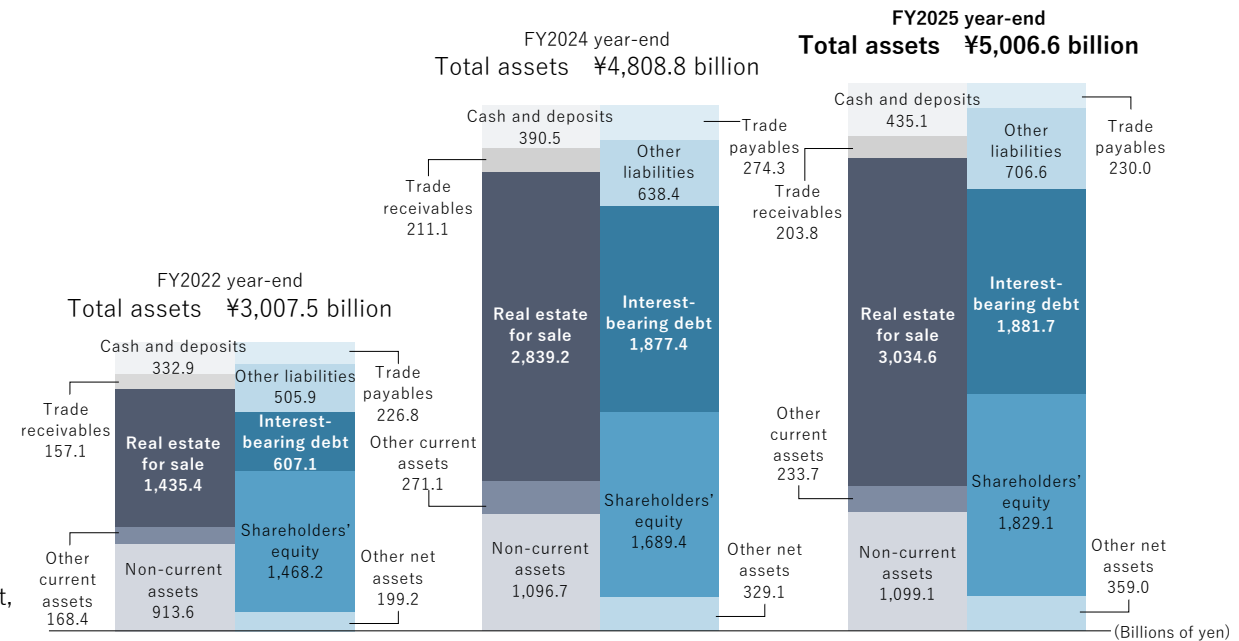
Net cash provided by operating activities amounted to ¥216.3 billion (a year-on-year increase of ¥153.4 billion), due in part to an increase in profit before income taxes.

#### Cash flows from investing activities

Net cash used in investing activities amounted to ¥73.1 billion (a year-on-year increase of ¥624.5 billion), due in part to capital investments, compared to the previous fiscal year when there was a purchase of shares of subsidiaries associated with the acquisition of MDC.

#### Cash flows from financing activities

Net cash used in financing activities amounted to ¥93.2 billion (a year-on-year decrease of ¥814.2 billion), mainly due to dividends paid, compared to the previous fiscal year when there was fundraising associated with the acquisition of MDC.





## Results and Financial Analysis

### Targeted Performance Indicators

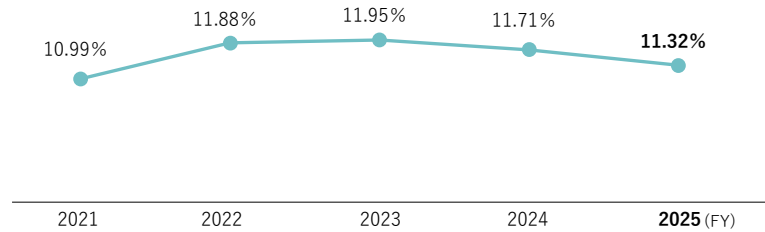
We position ROE as a key management indicator for enhancing corporate value, and as part of our efforts to improve it, we are working to strengthen the soundness of our balance sheet and enhance the profitability and efficiency of each business.

In our newly formulated Seventh Mid-Term Management Plan, we aim to raise ROE to the high 12% range in FY2028, the final fiscal year of the plan, and to reduce the debt repayment period to about two years as a benchmark for financial soundness.

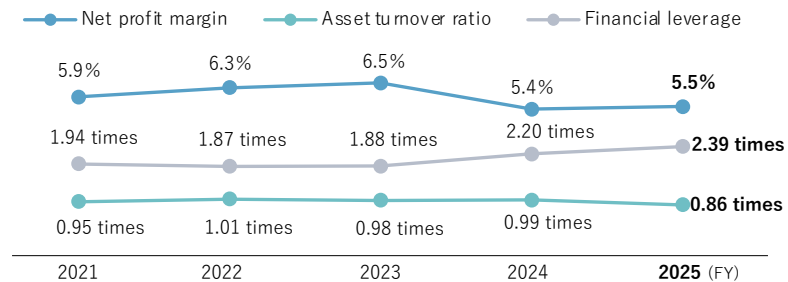
In FY2025, ROE was 11.32%. Breaking this down into its components, the net profit margin was 5.5%, asset turnover ratio was 0.86 times, and financial leverage was 2.39 times.

\* ROE = net profit margin × asset turnover ratio × financial leverage

### ROE (Return on Equity)



### Breakdown of ROE



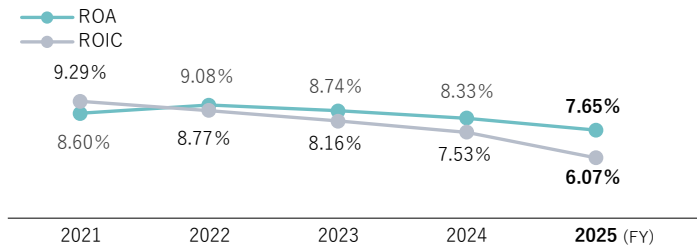
\* Financial leverage is calculated using the average of the balances at the beginning and end of the period.

The net profit margin improved from the previous fiscal year, as high-value-added proposals and property sales in the domestic businesses contributed to improved profitability, despite an increase in incentives and the recording of a loss on valuation of real estate held for sale in the U.S. homebuilding business.

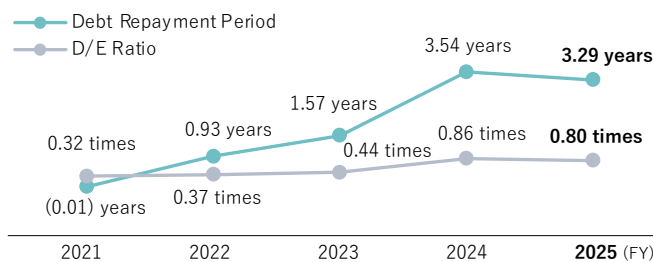
Asset turnover ratio declined from the previous fiscal year, as net sales decreased while inventory assets increased in the U.S. homebuilding business. ROA was 7.65%.

Although financial leverage increased from the previous fiscal year due to an increase in interest-bearing debt resulting from the acquisition of MDC in FY2024, the debt repayment period decreased to 3.29 years, reflecting profit generation in each business and progress in fund recovery through the sale of development properties. D/E ratio was 0.80 times.

### ROA (Return on Assets)/ROIC (Return on Invested Capital)

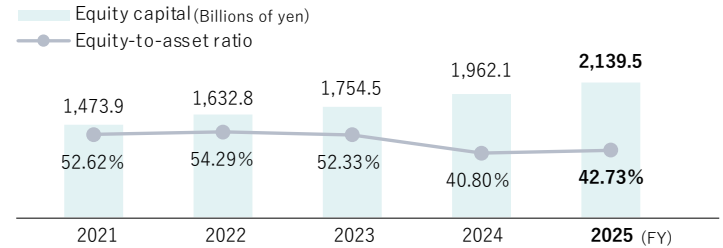


### Debt Repayment Period / D/E Ratio

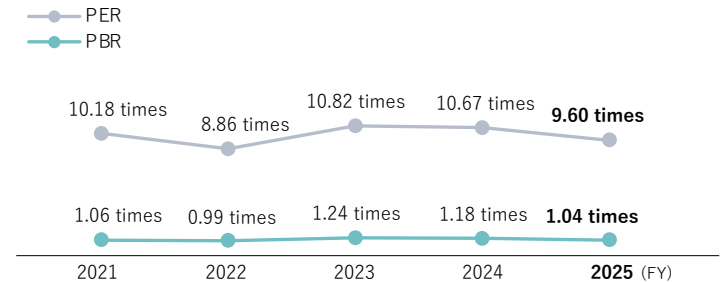


\* These figures for the debt redemption period and D/E ratio in FY2021, FY2024, and FY2025 take into account the equity credit assigned to hybrid bonds by credit rating agencies.

### Equity Capital/Equity-to-Asset Ratio



### PER (Price Earnings Ratio)/PBR (Price Book-value Ratio)



## 11-Year Highlights (Consolidated)

### Financial Data

(Millions of yen)

| (Fiscal year)                                | 2015      | 2016      | 2017        | 2018        | 2019          | 2020            | 2021          | 2022      | 2023      | 2024        | 2025        |
|----------------------------------------------|-----------|-----------|-------------|-------------|---------------|-----------------|---------------|-----------|-----------|-------------|-------------|
| <b>Business Performance</b>                  |           |           |             |             |               |                 |               |           |           |             |             |
| Net sales                                    | 1,858,879 | 2,026,931 | 2,159,363   | 2,160,316   | 2,415,186     | 2,446,904       | 2,589,579     | 2,928,835 | 3,107,242 | 4,058,583   | 4,197,922   |
| Gross profit                                 | 373,867   | 418,297   | 445,082     | 444,596     | 478,036       | 473,511         | 528,877       | 584,297   | 623,745   | 785,993     | 839,819     |
| Gross profit margin (%)                      | 20.1      | 20.6      | 20.6        | 20.6        | 19.8          | 19.4            | 20.4          | 19.9      | 20.1      | 19.4        | 20.0        |
| Selling, general and administrative expenses | 224,222   | 234,132   | 249,541     | 255,373     | 272,780       | 286,992         | 298,716       | 322,808   | 352,789   | 454,626     | 498,416     |
| Operating profit                             | 149,645   | 184,164   | 195,540     | 189,223     | 205,256       | 186,519         | 230,160       | 261,489   | 270,956   | 331,366     | 341,402     |
| Operating profit margin (%)                  | 8.1       | 9.1       | 9.1         | 8.8         | 8.5           | 7.6             | 8.9           | 8.9       | 8.7       | 8.2         | 8.1         |
| Ordinary profit                              | 160,589   | 190,989   | 203,678     | 195,190     | 213,905       | 184,697         | 230,094       | 257,272   | 268,248   | 301,627     | 327,800     |
| Profit attributable to owners of parent      | 84,302    | 121,853   | 133,224     | 128,582     | 141,256       | 123,542         | 153,905       | 184,520   | 202,325   | 217,705     | 232,095     |
| <b>Return on Investment</b>                  |           |           |             |             |               |                 |               |           |           |             |             |
| ROE (%)                                      | 7.9       | 11.3      | 11.6        | 10.8        | 11.5          | 9.5             | 11.0          | 11.9      | 11.9      | 11.7        | 11.3        |
| ROA (%) *1                                   | 8.3       | 9.4       | 9.0         | 8.3         | 8.8           | 7.3             | 8.6           | 9.1       | 8.7       | 8.3         | 7.7         |
| <b>Assets and Interest-Bearing Debt</b>      |           |           |             |             |               |                 |               |           |           |             |             |
| Total assets                                 | 2,029,794 | 2,184,895 | 2,419,012   | 2,413,035   | 2,634,748     | 2,625,861       | 2,801,189     | 3,007,537 | 3,352,798 | 4,808,848   | 5,006,637   |
| Total net assets                             | 1,068,428 | 1,118,264 | 1,208,121   | 1,196,923   | 1,306,850     | 1,368,887       | 1,520,959     | 1,667,546 | 1,794,052 | 2,018,599   | 2,188,237   |
| Equity capital                               | 1,057,696 | 1,103,359 | 1,194,975   | 1,182,808   | 1,266,195     | 1,326,535       | 1,473,940     | 1,632,830 | 1,754,585 | 1,962,199   | 2,139,555   |
| Equity-to-asset ratio (%)                    | 52.11     | 50.50     | 49.40       | 49.02       | 48.06         | 50.52           | 52.62         | 54.29     | 52.33     | 40.80       | 42.73       |
| Interest-bearing debt                        | 426,013   | 491,017   | 622,084     | 639,510     | 586,891       | 562,966         | 549,862       | 607,198   | 774,965   | 1,877,410   | 1,881,709   |
| D/E ratio (Times) *2                         | 0.40      | 0.45      | 0.52 (0.45) | 0.54 (0.47) | 0.46 (0.40)   | 0.42 (0.36)     | 0.37 (0.32)   | 0.37      | 0.44      | 0.96 (0.86) | 0.88 (0.80) |
| Debt repayment period (Years) *2             | 1.29      | 1.32      | 1.34 (1.07) | 1.37 (1.10) | 0.01 [(0.25)] | (0.18) [(0.46)] | 0.13 [(0.01)] | 0.93      | 1.57      | 3.79 (3.54) | 3.53 (3.29) |
| Sales/Total assets (Times)                   | 0.94      | 0.96      | 0.94        | 0.89        | 0.96          | 0.93            | 0.95          | 1.01      | 0.98      | 0.99        | 0.86        |
| <b>Cash Flows</b>                            |           |           |             |             |               |                 |               |           |           |             |             |
| Cash flows from operating activities         | 45,884    | 115,820   | 165,355     | 125,088     | 363,766       | 191,972         | 118,034       | 125,464   | 15,683    | 62,885      | 216,325     |
| Cash flows from investing activities         | (76,166)  | (107,397) | (76,150)    | (70,184)    | (65,229)      | (95,504)        | (113,706)     | (165,409) | (69,124)  | (697,687)   | (73,172)    |
| Cash flows from financing activities         | 32,084    | 5,511     | 30,154      | (31,030)    | (148,160)     | (77,614)        | (111,701)     | (155,780) | 6,483     | 720,967     | (93,255)    |
| Cash and cash equivalents at end of period   | 192,338   | 204,701   | 324,693     | 342,898     | 583,297       | 600,234         | 515,174       | 332,747   | 292,901   | 390,307     | 434,925     |
| <b>Investments</b>                           |           |           |             |             |               |                 |               |           |           |             |             |
| Capital expenditure                          | 81,258    | 98,277    | 68,799      | 58,680      | 73,255        | 96,609          | 89,512        | 95,330    | 86,709    | 99,891      | 99,696      |
| Depreciation                                 | 24,438    | 23,125    | 21,983      | 22,155      | 21,518        | 21,726          | 24,069        | 26,711    | 27,745    | 35,235      | 42,761      |
| R&D: Research and development expenses       | 4,772     | 4,991     | 5,181       | 6,041       | 7,313         | 9,665           | 9,478         | 9,562     | 9,050     | 10,581      | 10,520      |
| <b>Corporate Value</b>                       |           |           |             |             |               |                 |               |           |           |             |             |
| Market capitalization at end of period       | 1,329,946 | 1,297,656 | 1,379,985   | 1,123,051   | 1,630,703     | 1,382,375       | 1,584,699     | 1,678,159 | 2,218,601 | 2,375,517   | 2,279,814   |
| Stock price at end of period (Yen)           | 1,874.0   | 1,828.5   | 1,998.0     | 1,626.0     | 2,361.0       | 2,019.0         | 2,314.5       | 2,451.0   | 3,347.0   | 3,583.0     | 3,438.0     |
| <b>Per-Share Information</b>                 |           |           |             |             |               |                 |               |           |           |             |             |
| EPS: Earnings per share (Yen)                | 120.16    | 175.48    | 193.06      | 186.53      | 205.79        | 181.18          | 227.37        | 276.58    | 309.29    | 335.95      | 358.07      |
| BPS: Book value per share (Yen)              | 1,508.81  | 1,598.90  | 1,731.60    | 1,718.82    | 1,852.62      | 1,948.12        | 2,184.36      | 2,466.04  | 2,707.90  | 3,027.64    | 3,300.57    |
| Dividends per share (Yen)                    | 54.00     | 64.00     | 77.00       | 79.00       | 81.00         | 84.00           | 90.00         | 110.00    | 123.00    | 135.00      | 144.00      |
| Dividend payout ratio (%)                    | 44.9      | 36.5      | 39.9        | 42.4        | 39.4          | 46.4            | 39.6          | 39.8      | 39.8      | 40.2        | 40.2        |
| <b>Stock Price Indicators</b>                |           |           |             |             |               |                 |               |           |           |             |             |
| PER: Price Earnings Ratio (Times)            | 15.60     | 10.42     | 10.35       | 8.72        | 11.47         | 11.14           | 10.18         | 8.86      | 10.82     | 10.67       | 9.60        |
| PBR: Price Book-value Ratio (Times)          | 1.24      | 1.14      | 1.15        | 0.95        | 1.27          | 1.04            | 1.06          | 0.99      | 1.24      | 1.18        | 1.04        |

\* 1 (Operating profit + Interest income + Dividend income + Equity in earnings of affiliates) ÷ Total assets

\* 2 Values in square brackets account for hybrid bonds

## 11-Year Highlights (Consolidated)

### Other Key Reference Data

|                                                                                | (Fiscal year) | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           | 2023           | 2024           | (Millions of yen)<br>2025 |
|--------------------------------------------------------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|
| <b>New Housing Starts in Japan (Units) *1</b>                                  |               |                |                |                |                |                |                |                |                |                |                |                           |
| Owner-occupied houses                                                          |               | 283,366        | 292,287        | 284,283        | 283,235        | 288,738        | 261,088        | 285,575        | 253,287        | 224,352        | 218,175        | <b>201,285</b>            |
| Ready-built detached houses                                                    |               | 241,201        | 250,532        | 255,191        | 255,263        | 267,696        | 240,268        | 243,944        | 255,487        | 246,299        | 225,315        | <b>208,169</b>            |
| Condominiums                                                                   |               | 115,652        | 114,570        | 114,830        | 110,510        | 117,803        | 107,884        | 101,292        | 108,198        | 107,879        | 102,427        | <b>89,888</b>             |
| Detached houses                                                                |               | 123,624        | 133,739        | 138,189        | 142,393        | 147,522        | 130,753        | 141,094        | 145,992        | 137,286        | 121,191        | <b>115,935</b>            |
| Rental housing                                                                 |               | 378,718        | 418,543        | 419,397        | 396,404        | 342,289        | 306,753        | 321,376        | 345,080        | 343,894        | 342,092        | <b>324,991</b>            |
| Corporate houses                                                               |               | 6,014          | 5,875          | 5,770          | 7,468          | 6,400          | 7,231          | 5,589          | 5,675          | 5,078          | 6,613          | <b>6,222</b>              |
| <b>Total</b>                                                                   |               | <b>909,299</b> | <b>967,237</b> | <b>964,641</b> | <b>942,370</b> | <b>905,123</b> | <b>815,340</b> | <b>856,484</b> | <b>859,529</b> | <b>819,623</b> | <b>792,195</b> | <b>740,667</b>            |
| <b>Number of Houses Built by Sekisui House in Japan (Units)</b>                |               |                |                |                |                |                |                |                |                |                |                |                           |
| Custom detached houses (Built-to-order)                                        |               | 11,248         | 11,105         | 10,617         | 9,822          | 10,663         | 8,411          | 8,349          | 7,842          | 8,967          | 8,273          | <b>7,891</b>              |
| Ready-built detached houses *2                                                 |               | 2,364          | 2,071          | 2,677          | 2,336          | 2,589          | 1,958          | 2,261          | 2,219          | 205            | 279            | <b>268</b>                |
| Rental housing                                                                 |               | 32,631         | 35,156         | 32,937         | 30,078         | 27,981         | 26,033         | 25,321         | 27,203         | 23,676         | 21,660         | <b>20,299</b>             |
| Condominiums (for sale)                                                        |               | 2,002          | 1,231          | 1,184          | 1,499          | 2,081          | 1,510          | 2,320          | 1,865          | 1,311          | 1,403          | <b>1,028</b>              |
| <b>Total</b>                                                                   |               | <b>48,245</b>  | <b>49,563</b>  | <b>47,415</b>  | <b>43,735</b>  | <b>43,314</b>  | <b>37,912</b>  | <b>38,251</b>  | <b>39,129</b>  | <b>34,159</b>  | <b>31,615</b>  | <b>29,486</b>             |
| Sekisui House's market share in Japan (%)                                      |               | 5.3            | 5.1            | 4.9            | 4.6            | 4.8            | 4.6            | 4.5            | 4.6            | 4.2            | 4.0            | <b>4.0</b>                |
| Total Number of Houses Built (Japan) *3                                        |               | 2,284,659      | 2,334,222      | 2,381,637      | 2,425,372      | 2,468,686      | 2,506,598      | 2,544,849      | 2,583,978      | 2,618,137      | 2,649,752      | <b>2,679,238</b>          |
| Total Number of Houses Built (Overseas)                                        |               | 5,345          | 8,251          | 12,731         | 16,137         | 22,301         | 27,953         | 33,166         | 38,767         | 44,046         | 57,085         | <b>70,282</b>             |
| <b>Trend in Housing Constructed by Sekisui House</b>                           |               |                |                |                |                |                |                |                |                |                |                |                           |
| <b>Built-to-order detached houses</b>                                          |               |                |                |                |                |                |                |                |                |                |                |                           |
| Sales per detached house (Thousands of yen)                                    |               | 37,002         | 37,292         | 38,074         | 38,753         | 39,935         | 41,388         | 42,656         | 46,196         | 49,551         | 52,486         | <b>56,429</b>             |
| Floor area per detached house (Square meters)                                  |               | 140.43         | 138.63         | 137.94         | 138.03         | 137.68         | 135.91         | 135.04         | 137.41         | 136.23         | 135.75         | <b>136.08</b>             |
| <b>Built-to-order rental housing (Low-rise apartments)</b>                     |               |                |                |                |                |                |                |                |                |                |                |                           |
| Sales per building (Thousands of yen)                                          |               | 76,771         | 83,612         | 93,959         | 100,194        | 102,415        | 117,962        | 126,566        | 141,619        | 165,437        | 193,159        | <b>210,125</b>            |
| Floor area per building (Square meters)                                        |               | 366.10         | 385.19         | 418.35         | 432.28         | 427.67         | 470.83         | 485.52         | 515.23         | 550.03         | 599.67         | <b>600.13</b>             |
| <b>Trends in Sekisui House Sha Maison PM companies Block Leasing Operation</b> |               |                |                |                |                |                |                |                |                |                |                |                           |
| Occupancy ratio (%) *4                                                         |               | 96.5           | 96.5           | 96.7           | 97.8           | 97.7           | 97.7           | 97.9           | 97.8           | 97.7           | 97.9           | <b>98.1</b>               |
| Units under management (Units)                                                 |               | 565,471        | 584,096        | 601,582        | 619,494        | 639,780        | 657,190        | 674,125        | 691,635        | 708,464        | 721,293        | <b>723,808</b>            |

\* 1 Calendar year basis

\* 2 In FY2023, built-to-order houses were recategorized from ready-built detached houses to detached houses (built-to-order).

\* 3 Figures for FY2016 onward are for the entire Group.

\* 4 Presentation changed to monthly data from month-end data as of FY2018.



## 11-Year Highlights (Consolidated)

### Sales and Operating Profit by Segment

(Millions of yen)

| Former segments * <sup>1</sup> |                                 | (Fiscal year) | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      | 2021      | 2022      |
|--------------------------------|---------------------------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Net sales                      | Built-to-Order Business         |               |           |           |           |           |           |           |           |           |
|                                | Custom detached houses          |               | 393,786   | 383,129   | 371,171   | 357,944   | 390,995   | 323,332   | 352,732   | 352,463   |
|                                | Rental housing                  |               | 400,601   | 440,312   | 442,845   | 416,062   | 360,026   | 358,745   | 384,022   | 426,116   |
|                                | Architectural/Civil engineering |               | —         | —         | —         | —         | 120,986   | 302,837   | 261,930   | 298,777   |
|                                | Subtotal                        |               | 794,388   | 823,442   | 814,017   | 774,006   | 872,008   | 984,915   | 998,685   | 1,077,357 |
|                                | Supplied Housing Business       |               |           |           |           |           |           |           |           |           |
|                                | Real estate management fees     |               | 448,751   | 469,132   | 489,891   | 514,035   | 534,876   | 557,632   | 584,969   | 619,271   |
|                                | Remodeling                      |               | 134,458   | 133,498   | 136,843   | 141,416   | 152,729   | 141,090   | 156,167   | 165,910   |
|                                | Subtotal                        |               | 583,210   | 602,631   | 626,735   | 655,452   | 687,606   | 698,722   | 741,136   | 785,182   |
|                                | Development Business            |               |           |           |           |           |           |           |           |           |
|                                | Ready-built detached houses     |               | 137,484   | 142,014   | 155,481   | 148,880   | 151,268   | 139,151   | 191,488   | 238,252   |
|                                | Condominiums                    |               | 81,470    | 66,125    | 77,497    | 89,581    | 103,984   | 77,091    | 90,612    | 90,883    |
|                                | Urban redevelopment             |               | 93,038    | 130,491   | 103,777   | 173,391   | 131,920   | 104,953   | 102,736   | 135,320   |
|                                | Subtotal                        |               | 311,993   | 338,631   | 336,756   | 411,853   | 387,173   | 321,195   | 384,837   | 464,456   |
|                                | Overseas Business               |               |           |           |           |           |           |           |           |           |
|                                | Overseas Business               |               | 89,522    | 182,127   | 306,716   | 245,953   | 389,866   | 370,686   | 388,936   | 521,124   |
|                                | Other Business                  |               | 79,764    | 80,099    | 75,137    | 73,050    | 78,531    | 71,384    | 75,984    | 80,715    |
| Total                          |                                 | 1,858,879     | 2,026,931 | 2,159,363 | 2,160,316 | 2,415,186 | 2,446,904 | 2,589,579 | 2,928,835 |           |

|                              |                                 |          |          |          |          |          |          |          |          |
|------------------------------|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Operating profit             | Built-to-Order Business         |          |          |          |          |          |          |          |          |
|                              | Custom detached houses          | 47,208   | 49,514   | 48,043   | 42,255   | 45,942   | 32,231   | 42,475   | 38,309   |
|                              | Rental housing                  | 51,918   | 60,832   | 60,883   | 50,376   | 49,710   | 47,052   | 56,047   | 58,407   |
|                              | Architectural/Civil engineering | —        | —        | —        | —        | 3,730    | 16,051   | 15,146   | 13,214   |
|                              | Subtotal                        | 99,127   | 110,347  | 108,926  | 92,632   | 99,383   | 95,335   | 113,668  | 109,931  |
|                              | Supplied Housing Business       |          |          |          |          |          |          |          |          |
|                              | Real estate management fees     | 26,819   | 31,278   | 33,133   | 39,407   | 41,054   | 43,869   | 50,480   | 50,659   |
|                              | Remodeling                      | 15,847   | 17,544   | 19,760   | 21,109   | 23,535   | 20,479   | 25,546   | 27,561   |
|                              | Subtotal                        | 42,667   | 48,823   | 52,893   | 60,516   | 64,589   | 64,348   | 76,027   | 78,221   |
|                              | Development Business            |          |          |          |          |          |          |          |          |
|                              | Ready-built detached houses     | 11,919   | 8,822    | 13,460   | 11,088   | 12,259   | 7,586    | 14,548   | 20,777   |
|                              | Condominiums                    | 8,031    | 2,248    | 9,229    | 6,478    | 10,134   | 8,817    | 12,486   | 13,403   |
|                              | Urban redevelopment             | 24,747   | 23,414   | 16,994   | 40,403   | 17,045   | 16,565   | 11,276   | 15,051   |
|                              | Subtotal                        | 44,698   | 34,485   | 39,684   | 57,970   | 39,439   | 32,969   | 38,311   | 49,233   |
|                              | Overseas Business               |          |          |          |          |          |          |          |          |
|                              | Overseas Business               | (5,673)  | 25,172   | 29,761   | 16,340   | 44,551   | 39,708   | 50,147   | 73,860   |
|                              | Other Business                  |          | 2,511    | 726      | 1,234    | (44)     | (273)    | (2,480)  | (1,208)  |
| Eliminations and back office |                                 | (33,686) | (35,390) | (36,960) | (38,192) | (42,434) | (43,363) | (46,786) | (49,317) |
| Total                        |                                 | 149,645  | 184,164  | 195,540  | 189,223  | 205,256  | 186,519  | 230,160  | 261,489  |

| New segments <sup>*2</sup>              |  | 2022             | 2023             | 2024             | 2025             |
|-----------------------------------------|--|------------------|------------------|------------------|------------------|
| <b>Built-to-Order Business</b>          |  |                  |                  |                  |                  |
| Custom detached houses                  |  | 476,416          | 471,056          | 479,091          | <b>478,952</b>   |
| Rental housing and commercial buildings |  | 506,307          | 524,121          | 544,934          | <b>564,813</b>   |
| Architectural/Civil engineering         |  | 267,317          | 274,653          | 325,024          | <b>302,293</b>   |
| <b>Subtotal</b>                         |  | <b>1,250,040</b> | <b>1,269,832</b> | <b>1,349,050</b> | <b>1,346,059</b> |
| <b>Supplied Housing Business</b>        |  |                  |                  |                  |                  |
| Rental housing management               |  | 617,245          | 646,588          | 687,119          | <b>712,621</b>   |
| Remodeling                              |  | 166,975          | 174,996          | 183,868          | <b>187,958</b>   |
| <b>Subtotal</b>                         |  | <b>784,221</b>   | <b>821,584</b>   | <b>870,988</b>   | <b>900,580</b>   |
| <b>Development Business</b>             |  |                  |                  |                  |                  |
| Real estate and brokerage               |  | 221,040          | 288,456          | 356,060          | <b>394,509</b>   |
| Condominiums                            |  | 97,110           | 109,450          | 102,494          | <b>122,844</b>   |
| Urban redevelopment                     |  | 86,130           | 135,131          | 124,021          | <b>164,634</b>   |
| <b>Subtotal</b>                         |  | <b>404,281</b>   | <b>533,039</b>   | <b>582,576</b>   | <b>681,989</b>   |
| <b>Overseas Business</b>                |  |                  |                  |                  |                  |
| Overseas Business                       |  | 521,124          | 511,055          | 1,278,511        | <b>1,286,358</b> |
| <b>Other</b>                            |  | <b>9,454</b>     | <b>11,171</b>    | <b>14,066</b>    | <b>16,451</b>    |
| Eliminations and back office            |  | (40,287)         | (39,440)         | (36,610)         | <b>(33,516)</b>  |
| <b>Total</b>                            |  | <b>2,928,835</b> | <b>3,107,242</b> | <b>4,058,583</b> | <b>4,197,922</b> |

|                                         |  |                |                |                |                 |
|-----------------------------------------|--|----------------|----------------|----------------|-----------------|
| <b>Built-to-Order Business</b>          |  |                |                |                |                 |
| Custom detached houses                  |  | 41,474         | 41,065         | 46,069         | <b>48,035</b>   |
| Rental housing and commercial buildings |  | 74,450         | 78,016         | 81,796         | <b>87,826</b>   |
| Architectural/Civil engineering         |  | 11,826         | 12,904         | 15,218         | <b>22,049</b>   |
| <b>Subtotal</b>                         |  | <b>127,751</b> | <b>131,986</b> | <b>143,084</b> | <b>157,911</b>  |
| <b>Supplied Housing Business</b>        |  |                |                |                |                 |
| Rental housing management               |  | 47,585         | 50,180         | 56,804         | <b>68,996</b>   |
| Remodeling                              |  | 22,431         | 23,482         | 26,624         | <b>27,966</b>   |
| <b>Subtotal</b>                         |  | <b>70,016</b>  | <b>73,663</b>  | <b>83,429</b>  | <b>96,962</b>   |
| <b>Development Business</b>             |  |                |                |                |                 |
| Real estate and brokerage               |  | 17,531         | 25,857         | 28,971         | <b>30,915</b>   |
| Condominiums                            |  | 13,762         | 17,532         | 14,648         | <b>18,062</b>   |
| Urban redevelopment                     |  | 5,130          | 22,454         | 26,665         | <b>45,992</b>   |
| <b>Subtotal</b>                         |  | <b>36,424</b>  | <b>65,845</b>  | <b>70,285</b>  | <b>94,970</b>   |
| <b>Overseas Business</b>                |  |                |                |                |                 |
| Overseas Business                       |  | 73,854         | 48,898         | 78,945         | <b>39,102</b>   |
| <b>Other</b>                            |  | <b>1,890</b>   | <b>1,630</b>   | <b>2,466</b>   | <b>3,203</b>    |
| Eliminations and back office            |  | (48,448)       | (51,067)       | (46,844)       | <b>(50,747)</b> |
| <b>Total</b>                            |  | <b>261,489</b> | <b>270,956</b> | <b>331,366</b> | <b>341,402</b>  |

\* 1 Architectural/civil engineering became a reportable segment as of FY2020. The figures for FY2019 have been reclassified to reflect this change.

\* 2 To further enhance the link between business strategies, and organizational coherence and improve capital efficiency in FY2023, we introduced management methods for each individual business and revised segment composition. Thus, figures for FY2022 are shown alongside the figures after segment restructuring.

## Message from the Chairperson of the Board of Directors

### Taking on New Challenges to Realize Our Future Vision



**Toshifumi Kitazawa**  
Independent Outside Director  
of the Board (Chairperson of  
the Board of Directors)

Has held positions including President & Chief Executive Officer, and Vice Chairman & Director at Tokio Marine & Nichido Fire Insurance Co., Ltd. Appointed Independent Outside Director of the Company in April 2020 and Chairperson of the Board of Directors in May 2021.

#### Taking on Challenges to Realize the Future We Envision and the Responsibilities of the Board of Directors

How will the Sekisui House Group continue to forge ahead toward a future we envision? These words embody our strong commitment to clearly outlining our vision for the future and boldly taking on challenges to achieve it, as we believe that company growth cannot be achieved through efforts that are just the extension of past endeavors. The Board of Directors is also constantly discussing how to achieve this vision, while focusing on preserving the things that must never change, changing the things that must change, and strengthening the things that must be strengthened.

#### Establishing the Sekisui House Economic Sphere and Enhancing Earnings Structure

At the core of our new endeavors is the Sekisui House Economic Sphere concept, which we have set as part of the fundamental policy of our Seventh Mid-Term Management Plan. To date, the relationships with our customers tended to gradually weaken after the delivery of their homes. However, a home is the vessel

that holds and protects our customers' lives, and Sekisui House must remain a presence that stays close to our customers over the long term, together with that vessel. By continuously supporting remodeling, relocations, and various lifestyle-related services as a unified Group, we can build relationships where customers think, "When something's wrong, Sekisui House is the first place to turn—that will put my mind at ease." The economic sphere we aim to achieve is also an initiative to fulfill our responsibility to stay close to our customers' lives and continue to be of service to them. As a result of these efforts, we will achieve stable business growth and advance our earnings structure over the long term.

Even at this very moment, about 10 million customers in Japan are living in various Sekisui House homes. If each of these customers comes to see us as their closest and most reliable partner, the potential of our economic sphere will expand even further, also enabling us to expand it overseas. We believe that continuing to seriously take on the challenge of realizing this concept as a unified Group will lead to the creation of new value and the expansion of our business domain.

#### Improving the Effectiveness of the Board of Directors in Driving the Economic Sphere Concept

As Sekisui House's business domain expands and our business model evolves, the role required of the Board of Directors is becoming more advanced year by year. We conduct an annual evaluation of the effectiveness of our Board of Directors by a third-party organization, and are working to improve effectiveness on an ongoing basis. The most recent evaluation indicated

that we are maintaining effectiveness at a high level, but there is also a need to respond quickly to new issues such as the globalization of our business and improving the efficiency of capital allocation.

Accordingly, the Board of Directors is working to enhance its functions by sharing important information earlier and expanding opportunities for discussion. Going forward, we will quantitatively monitor whether the economic sphere concept, which serves as the core initiative of our integrated Group management, is functioning properly, and further deepen discussions on enhancing customer value.

#### Advancing and Upgrading Group and Global Governance

As our business expands on a Group-wide and global scale, our governance is evolving from optimization at the individual business level to integrated optimization across the entire Group. In the Seventh Mid-Term Management Plan, a key management theme is the optimization of capital allocation and our business portfolio by further strengthening our circular business model that reinvests cash into the development and overseas businesses based on the stable cash generation of our built-to-order and supplied housing businesses. In our U.S. homebuilding business in particular, we are forging ahead with efforts to transfer Sekisui House technologies and build brands in order to establish a competitive advantage. Based on progress with post-merger integration (PMI) efforts following the acquisition of MDC, the Board of Directors is working to establish a decision-making system focused on Group-wide optimization. Going forward, we will also strive to enhance our monitoring

capabilities to ensure that integrated value creation is continuously achieved across the Group and on a global scale.

#### Sustainable Growth and Future Prospects Based on People and Culture

What supports these initiatives are Sekisui House's corporate culture—rooted in a spirit of mutual empathy and consideration—and its foundation of human capital. We have established the Integrity Code as the standards to be upheld by each and every employee. This is not a set of rules that restricts employees, but rather a guideline for working and growing with enthusiasm while respecting one another.

The Board of Directors will also monitor the progress of investments in human capital and our corporate culture to ensure that this corporate culture of Sekisui House becomes even more deeply rooted in the actual behavior of employees in Japan and overseas. As the Board of Directors, we intend to firmly support the entire Sekisui House Group in taking on new challenges to achieve customer happiness and enhance corporate value together.



# Evaluation of Effectiveness of the Board of Directors

## Evaluation Methods

- Questionnaire-based survey of all Directors of the Board and Audit and Supervisory Board Members (the questionnaire was prepared, distributed, and collected by the third-party organization)
- Interviews of all Directors of the Board and Audit and Supervisory Board Members, carried out by the third-party organization (approximately one-hour interview per interviewee)
- Examination of the materials and minutes of meetings of the Board of Directors

## Questionnaire Items

- Overall evaluation of the Board of Directors
- Composition of the Board of Directors
- Preparations for the meetings of the Board of Directors
- Management of the meetings of the Board of Directors
- Debate in the meetings of the Board of Directors
- Nomination and Compensation Advisory Committee
- Supervision of business execution
- Importance of agenda items and the sufficiency of discussion

The third-party organization implemented an evaluation and compiled the results into a report. At a meeting of the Board of Directors held in February 2026, the contents of the report were explained by the evaluation company and discussed among the attendees of the meeting.

## Outline of the Results of the Evaluation of the Effectiveness of the Board of Directors for the Fiscal Year Ended January 31, 2026

### 1. Conclusion

The Board of Directors evaluated and confirmed that a sufficiently high level of effectiveness has been achieved by the Board of Directors. Moreover, it confirmed that progress had been generally made on the issues indicated in the evaluation of effectiveness of the Board of Directors in the previous fiscal year.

| Issues for the Fiscal Year Ended January 31, 2026                                                                       | Initiatives/Issues Confirmed Through the Board of Directors Evaluation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Progress  |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>1. Further strengthening of governance from a Group/global perspective</b>                                           | <ul style="list-style-type: none"><li>● Through PMI in the U.S., opportunities have increased for substantive discussions on group management from the perspective of improving corporate value (including on-site inspections and discussions in the U.S., as well as observation reports prepared by Outside Directors of the Board).</li><li>● The CFO function, centered on finance specialists, has also been strengthened, and opportunities for discussion were expanded by holding a meeting of the Management Investment Council in December 2025 to discuss investments and finances.</li><li>● Regarding timely and sufficient sharing of information with Directors of the Board, no particular issues were raised.</li><li>● On the other hand, as the number of agenda items at the Board of Directors meetings has increased, there were continued requests for improvements in Board operations to ensure sufficient time for strategic themes.</li></ul> | Improving |
| <b>2. Enhancement of discussions on succession to ensure the continued high effectiveness of the Board of Directors</b> | <ul style="list-style-type: none"><li>● Regarding board succession, the onboarding of newly appointed Directors of the Board who took office this fiscal year is underway, but it remains an important issue to continue efforts, including the search for candidates with a view to the transition of “leadership roles” in the Company’s governance.</li><li>● Regarding CEO succession, the Nomination and Compensation Advisory Committee has made progress in initiatives such as establishing opportunities for engagement with internal succession candidates, but initiatives remain ongoing and further efforts are required.</li></ul>                                                                                                                                                                                                                                                                                                                          | Improving |



## Evaluation of Effectiveness of the Board of Directors

### 2. Strengths supporting the effectiveness of the Board of Directors

Based on the evaluation made by the third-party organization, the Board of Directors confirmed that its effectiveness was supported by the “strengths” shown in items 1 to 3 below.

| Strengths                                                                                        | Details of Strengths (Observations by the third-party organization)                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Presence of leaders to ensure effective governance</b>                                     | <ul style="list-style-type: none"> <li>Many Directors of the Board who play leadership roles, including the Chairperson (as well as newly appointed members), are able to balance supervision and business execution at a high level.</li> </ul>                                                                                                                                                         |
| <b>2. Strong commitment of Independent Outside Directors of the Board</b>                        | <ul style="list-style-type: none"> <li>Proactive recommendations on business execution based on the premise of “moderate separation of supervision and execution.”</li> <li>Guided by the belief that “seeing is believing,” a strong willingness to gain a deep understanding of operations by engaging with Management Meetings and business sites, together with a strong time commitment.</li> </ul> |
| <b>3. Further strengthening the Board Secretariat function supporting the Board of Directors</b> | <ul style="list-style-type: none"> <li>Proactive and prompt preparation and response by the Board of Directors Office and its commitment to further strengthening its functions.</li> </ul>                                                                                                                                                                                                              |

### 3. Issues for further enhancement of effectiveness

Based on the findings and proposals made by the third-party organization, the Board of Directors confirmed that the items shown below are the issues and initiatives for consideration in the fiscal year ending January 31, 2027.

| Issues for the Fiscal Year Ending January 31, 2027                                                       | Details of Issues (Observations by the third-party organization)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Initiatives for Consideration                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Further strengthening of the monitoring function</b>                                               | <ul style="list-style-type: none"> <li>As the reinforcement of our executive team progresses and the scope of management to be covered has expanded both domestically and internationally, conditions are in place to further delegate authority to the executive team and strengthen the monitoring function.</li> <li>Among Directors of the Board and Audit and Supervisory Board Members, there has been an increasing view that the “moderate separation of supervision and execution” should be further promoted to strengthen the monitoring function.</li> </ul>              | <ul style="list-style-type: none"> <li>To consider the direction and options for the future, with reference to practices at other companies.</li> </ul>                                                                                        |
| <b>2. Prioritization of agenda items to enable focused discussions of strategically important themes</b> | <b>a. Securing opportunities to discuss important themes</b> <ul style="list-style-type: none"> <li>There were calls to expand opportunities to discuss important themes from the perspective of improving corporate value (e.g., governance of overseas business and long-term vision).</li> <li>Regarding individual agenda items, there were also requests for a deeper understanding of the strategic positioning and management’s intent from an execution standpoint.</li> </ul>                                                                                                | <ul style="list-style-type: none"> <li>To discuss and agree on the selection of important themes.</li> <li>To reflect them in the annual discussion schedule.</li> <li>To establish forums outside the Board of Directors meetings.</li> </ul> |
|                                                                                                          | <b>b. Creating time by making the operations of the Board of Directors more efficient</b> <ul style="list-style-type: none"> <li>As the number of agenda items at the Board of Directors meetings has increased, concerns were expressed that time constraints may affect the depth of discussions.</li> <li>Although efforts have been made to improve the setting of agenda items and the efficiency of Board operations, there were views that further improvements remain possible.</li> </ul>                                                                                    |                                                                                                                                                                                                                                                |
| <b>3. Strengthening initiatives regarding succession</b>                                                 | <b>a. Succession and integration of Outside Directors of the Board</b> <ul style="list-style-type: none"> <li>Steps are underway toward the replacement of Outside Directors of the Board who have played leading roles in the Company’s governance.</li> <li>Regarding succession, including the integration of newly appointed Outside Directors of the Board, careful consideration is required to ensure that the high level of commitment by Outside Directors of the Board, which is a characteristic of the Company’s governance, is inherited and further evolved.</li> </ul> | <ul style="list-style-type: none"> <li>To hold off-site meetings for Outside Directors of the Board aimed at the inheritance and evolution of governance.</li> </ul>                                                                           |
|                                                                                                          | <b>b. Succession of the executive team</b> <ul style="list-style-type: none"> <li>As the Company continues to pursue new challenges both domestically and internationally, the succession of the executive team, which has led reforms across both execution and governance, is important.</li> </ul>                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                |

## Message from the Chairperson of the Audit and Supervisory Board

### Supporting the Spread of the Integrity Code to Contribute to the Group's Sustainable Growth and the Enhancement of Corporate Value



#### Yoritomo Wada

Outside Audit and Supervisory Board Member (Chairperson of the Audit and Supervisory Board)

Drawing on his professional expertise as a certified public accountant and his experience as an outside audit and supervisory board member at other companies, Mr. Wada assumed the position of Outside Audit and Supervisory Board Member in 2020. He assumed the position of Chairperson of the Audit and Supervisory Board in April 2026.

#### Building on Our “Strengths” to Reach New Heights of Effectiveness — Current State and Future Outlook of the Audit and Supervisory Board —

The current Audit and Supervisory Board consists of two Internal Audit and Supervisory Board Members with extensive work experience and three Outside Audit and Supervisory Board Members with overseas experience and diverse expertise, ensuring a well-balanced composition.

In FY2025, we focused on consultations with senior management and audit divisions through on-site audits of U.S. subsidiaries, confirming progress in information security controls, and clarifying the skills expected of future Audit and Supervisory Board Member candidates. We continue to have the effectiveness of the Audit and Supervisory Board evaluated by a third-party organization, and this fiscal year, we again received an evaluation confirming that a high level of effectiveness had been ensured in its activities and that a robust governance structure had been established. We will continue to value our Audit and Supervisory Board's strengths, such as frank

exchanges with senior management based on an understanding of operations, an organizational culture that welcomes such exchanges, and close cooperation with audit divisions and the Accounting Auditor through three-pillar audits. This year, we aim to increase opportunities for such dialogue and further enhance effectiveness through early risk detection and recommendations to improve the Company.

#### Audit Policy for FY2026

We will continue to adhere to the audit policy formulated two years ago through extensive discussions at Audit and Supervisory Board meetings: “As an independent body responsible for corporate governance, we will focus on preventive audits while striving to monitor and verify the establishment and operation of the internal control system and to contribute to the sound and sustainable growth of the Sekisui House Group.”

#### [Priority Audit Item] Group Governance and Overseas Business

As the consolidated Group is more than twice the size of the parent company on a non-consolidated basis, supporting the enhancement of audit effectiveness across the Group, including subsidiaries where part-time corporate auditors serve concurrently in other positions, is one of my key responsibilities. In the overseas business, four U.S. subsidiaries were integrated at the beginning of 2026, and SEKISUI HOUSE U.S., Inc. was established. As the chain of command changes following organizational

integration, we are further strengthening our existing internal control system into a more robust structure. During this transitional period, we will focus our audits on confirming whether our control mechanisms are robust and whether any inappropriate conduct may exist.

#### [Priority Audit Item] Cybersecurity Measures and Information Security

Alongside overseas business, we consider preparation against cyberattacks to be another major risk area. Recently, there have been cases at other companies involving factory shutdowns and information leaks. Once such an incident occurs, the damage to the company is immeasurable. We will focus our audits on assessing whether the Company's measures to address these risks are sufficient and whether the Company-wide management system for IT security is functioning effectively.

#### [Priority Audit Item] Instilling the Integrity Code

This fiscal year, the Integrity Code, which replaces our previous Corporate Code of Conduct and Corporate Ethics Guidelines, was established. The Audit and Supervisory Board places great importance on this new set of principles that every member of the Sekisui House Group is expected to uphold. We believe that if this Code takes root among all officers and employees, it will not only help prevent inappropriate conduct but also lead to the sustainable growth of the Company and the enhancement of corporate value. As the Audit and Supervisory Board, we will watch over and support the executive team's

efforts to instill this spirit throughout the organization and provide advice as necessary.

#### Commitment of the Chairperson of the Audit and Supervisory Board

Our audit activities aim to confirm whether Directors of the Board are fulfilling their duty of care and, as an independent body entrusted by shareholders, to ensure the soundness and transparency of management with a strong resolve to say what needs to be said from an objective standpoint.

Specifically, we will attend important meetings, such as Board of Directors meetings, to examine the appropriateness of decision-making, demand accountability through dialogue with management, and engage in efficient audit activities through three-pillar audit coordination with the Auditing Department and the Accounting Auditor.

Through these actions, we will not only prevent erosion of the Sekisui House Group's value, but also ensure its sound and sustainable growth and play an active role, together with the Board of Directors, in establishing corporate governance and ensuring its effective operation.



## Evaluation of Effectiveness of the Audit and Supervisory Board

### Evaluation Methods

- Questionnaire-based survey of all Audit and Supervisory Board Members (the questionnaire was prepared, distributed, and collected by the third-party organization)
- Interviews of all Audit and Supervisory Board Members; Director of the Board managing the Finance Division, Human Resources and Auditing, in charge of the Administration Division; Director of the Board managing the Building Sales Administration, in charge of TKC Project; Head of the Corporate Administration Headquarters; Head of the Auditing Department; International Auditing Office Lead; and the Accounting Auditor, carried out by the third-party organization (approximately one-hour interview per interviewee)  
\* To gain new insights based on the opinions of collaborators and audit subjects, the interviewees were partially changed in the fiscal year ended January 31, 2026, and Director of the Board managing the Building Sales Administration, in charge of TKC Project, and Head of the Corporate Administration Headquarters became new subjects to the interview.
- Examination of the materials and minutes of meetings of the Audit and Supervisory Board

### Main Questionnaire Items

- Audit policy and plans
- Recommendations for senior management and audits of the execution of duties
- Internal audit framework
- Auditing framework at subsidiaries
- Fraud detection framework
- Accounting audit framework
- Cooperation through the three-pillar audit system
- Audits of the establishment and operation of the internal control system
- Operation of the Audit and Supervisory Board, etc.

The third-party organization implemented an evaluation and compiled the results into a report. The Audit and Supervisory Board was briefed on the content of the report by the third-party organization and deliberated on this content at the meetings held in January and February 2026.

## Outline of the Results of the Evaluation of the Effectiveness of the Audit and Supervisory Board for the Fiscal Year Ended January 31, 2026

### 1. Conclusion

The Audit and Supervisory Board confirmed that a high level of effectiveness has been ensured for the auditing activities of the Audit and Supervisory Board and Audit and Supervisory Board Members, based on analysis of the results of the questionnaire and interviews and the recommendations of the third-party organization. Moreover, the Audit and Supervisory Board confirmed that, in addition to its normal auditing activities, the issues raised in the previous fiscal year's evaluation of the effectiveness of the Audit and Supervisory Board had been generally improved or progress had been made toward improvement.

| Issues for the Fiscal Year Ended January 31, 2026                                                                    | Initiatives/Issues Confirmed Through the Audit and Supervisory Board Evaluation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Progress  |
|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>1. Confirmation of the adequacy of controls in response to the expansion of the U.S. business</b>                 | During on-site audits and visits to the U.S. subsidiaries, Audit and Supervisory Board Members (including Outside Audit and Supervisory Board Members) conducted interviews with local senior management regarding the outlook for the U.S. homebuilding business, the status of PMI following the acquisition of M.D.C. Holdings, Inc., and progress toward becoming "One Company." They also conducted interviews with the Audit Committee and Internal Audit of the U.S. subsidiaries, and discussed the level of controls in light of business practices in the U.S. Based on this, in cooperation with the executive team (Overseas Business, Accounting Department, Auditing Department, and International Auditing Office) and the Accounting Auditor (in Japan and the U.S.), Audit and Supervisory Board Members and the Audit and Supervisory Board confirmed the progress of the executive team's initiatives regarding priority audit items.                                                   | Improved  |
| <b>2. Confirmation of the adequacy of system and information security controls</b>                                   | <ul style="list-style-type: none"> <li>● Q&amp;A sessions regarding reports from the Information Security Committee were conducted at Audit and Supervisory Board meetings, and ongoing discussions were held between the Standing Audit and Supervisory Board Members and the secretariat of the Information Security Committee. The progress of the executive team's initiatives (including the development of information security personnel) to ensure the adequacy of controls related to information security across the Group, and the implementation of an information security assessment by a third-party organization were confirmed, and a certain degree of improvement was made regarding the issues pointed out by the Audit and Supervisory Board.</li> <li>● On the other hand, given the increasing information security threats in the external environment, the Audit and Supervisory Board will continue to closely monitor the adequacy of information security controls.</li> </ul> | Improving |
| <b>3. Identification of the skills and experience expected for future members of the Audit and Supervisory Board</b> | Through repeated deliberations at the Audit and Supervisory Board meetings, the optimal combination of skills and experience required for the Audit and Supervisory Board, considering the medium- to long-term business expansion of the Group, was organized, and it was confirmed that this would be utilized when considering future candidates for Audit and Supervisory Board Members.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Improved  |



## Evaluation of Effectiveness of the Audit and Supervisory Board

### 2. Strengths supporting the effectiveness of the Audit and Supervisory Board

Based on the evaluation made by the third-party organization, the Audit and Supervisory Board confirmed that its effectiveness was supported by the “strengths” shown below.

| Strengths                                                                          | Details of Strengths (Observations by the third-party organization)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Exchange of opinions with and recommendations to senior management</b>       | <ul style="list-style-type: none"> <li>• In exchanging opinions with senior management, Audit and Supervisory Board Members maintain an appropriate distance from the executive team. Rather than merely communicating concerns, they provide findings and recommendations based on a sufficient understanding of operations through on-site audits and interviews.</li> <li>• As a result, a relationship of trust between senior management and Audit and Supervisory Board Members has been built, allowing for frank exchanges of opinions and recommendations. An organizational culture has also taken root in which senior management positively accepts and responds to matters pointed out by Audit and Supervisory Board Members.</li> </ul>                                                                                                                                                                                                                                                                                                             |
| <b>2. Cooperation with the internal audit divisions and the Accounting Auditor</b> | <ul style="list-style-type: none"> <li>• The presence of the Head of the Auditing Department and the Accounting Auditor at interviews with the executive team conducted by Audit and Supervisory Board Members has increased opportunities for information sharing and cooperation, leading to further enhancement of the three-pillar audit system.</li> <li>• At the Three-Pillar Audit System Cooperation Meetings, which started in the fiscal year ended January 31, 2024, discussions and information sharing reflecting the respective perspectives of Audit and Supervisory Board Members, the Auditing Department, and the Accounting Auditor are conducted, serving not merely as a forum for reporting but as an opportunity to further strengthen the substantive value of cooperation.</li> </ul>                                                                                                                                                                                                                                                     |
| <b>3. Appropriateness of the audit plan</b>                                        | <ul style="list-style-type: none"> <li>• Through exchanges of opinions with senior management and discussions with the Auditing Department and the Accounting Auditor, audit plans are formulated by considering internal and external environmental changes and taking into account the impact of risk factors on the auditing environment.</li> <li>• Based on the issues identified in the annual analysis and evaluation of the effectiveness of the Audit and Supervisory Board, priority audit items are identified and reflected in the audit plans.</li> <li>• Audit and Supervisory Board Members share the annual audit policy (including matters discussed at the Audit and Supervisory Board meetings) with senior management and confirm the progress in addressing audit findings from previous fiscal years.</li> <li>• As this enables senior management to reconfirm the Audit and Supervisory Board’s recognition of issues, exchanges of opinions with Audit and Supervisory Board Members are regarded as a meaningful opportunity.</li> </ul> |

### 3. Issues for further enhancement of effectiveness

Based on the issues for consideration to further improve effectiveness indicated by the third-party organization, the Audit and Supervisory Board confirmed that the items shown below are key issues for consideration going forward.

| Issues for the Fiscal Year Ending January 31, 2027                                                                              | Details of Issues                                                                                                                                                                                                              | Initiatives to be Considered                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Further confirmation of the adequacy of controls in response to the organizational restructuring of the U.S. business</b> | Continue to confirm the adequacy of controls at each stage, given that the U.S. business is in a transitional phase of organizational restructuring, including the move toward “One Company.”                                  | To continue conducting audits by the Audit Committee and Internal Audit of the U.S. subsidiaries and to cooperate with relevant departments, and to continue confirming the progress of the executive team’s initiatives regarding risk assessment at each stage and the adequacy of controls in response to changes in the business environment. |
| <b>2. Confirmation of the adequacy of system and information security controls</b>                                              | Continue to confirm the adequacy of controls related to information security, in light of the organizational restructuring regarding information security management (including the separation of the second and third lines). | To confirm in greater detail the executive team’s initiatives to ensure the adequacy of controls through monitoring the activities of the Information Security Committee and conducting interviews with information security departments (including those of domestic and overseas subsidiaries).                                                 |

## Corporate Governance | Corporate Governance Reforms

### The Sekisui House Group's Corporate Governance Reforms

Why has the Sekisui House Group been able to pursue such bold reforms at this pace? And why do we continue to strengthen them? At the heart of these questions is another question: Are we truly evolving into a company suited to the next era? Have we created an organization that can embrace differing opinions? Has sound discipline functioned effectively? Have we built an organization in which leaders can consistently put sound

judgment first? We confronted these questions and fundamentally reassessed the organization and corporate culture we aspired to create. Beginning in 2018, we undertook wide-ranging structural and organizational reforms. As a result, the Sekisui House Group has transformed our management foundation to support sustainable growth and value creation. Underpinning this transformation is integrity, which guides every decision and action.

### Integrity as Foundation

#### 01 The Roots of Our Reforms

Sekisui House once had a culture that placed a strong emphasis on results. It is also true that, during Japan's period of rapid economic growth and the expansion of the housing market, this culture strongly supported our growth.

However, sustainably enhancing corporate value requires management that not only pursues results, but also embraces diverse perspectives and enables sound discussion and checks and balances. Our predecessors evolved the Company in response to the needs of their eras. We, too, have worked to address the changes required in our own time.

We sought to transform Sekisui House into a company suited to the next era. To do so, we reexamined the very structure of management itself. One of the key pillars of this effort was governance reform. We asked ourselves what kind of corporate and management structure

Sekisui House needed to become such a company. This question marked the starting point of our governance reforms.

For us, corporate governance reforms come down to one point: improving the quality of management. The objective is not simply to adopt formal standards or overseas frameworks. What matters is that we identify and build the form of governance truly needed by Sekisui House, based on our history and distinctive strengths. We have remained firmly committed to that approach throughout our reforms.

To establish a framework in which sounder discussion and appropriate checks and balances could function effectively, we concluded that we first needed to change how decisions were made. We therefore began our reforms with the Board of Directors, the highest decision-making body and the foremost priority for governance reform.

#### 02 Balanced Supervision and Execution

To ensure that we started from the right premise, we fundamentally reassessed the respective roles of supervision and execution when clarifying the division of responsibilities within the Board of Directors. What matters is not the form of the system itself, but the role the Board of Directors should fulfill and how it should assume responsibility for enhancing corporate value.

In medium-term management strategy and major decision-making, the Board of Directors does more than monitor. Through advice and the provision of direction, the Board engages proactively in management and assumes responsibility for medium- to long-term management. For day-to-day business execution, meanwhile, authority is clearly delegated to the executive side, enabling those closest to operations to make decisions and act

swiftly and responsibly.

This approach led us to the concept of a “moderate separation of supervision and execution.” It does not mean completely separating the two functions. The Board of Directors is deeply involved in medium- to long-term management, while business execution is entrusted to the executive side. Both function with appropriate tension and mutual trust, thereby achieving both effectiveness and agility.

We deliberately use the word “moderate” because this balance matters. We arrived at this approach by pursuing the form of governance most effective for Sekisui House.

While building on our strengths, we will continue to refine the form of management best suited to Sekisui House. Our commitment to continuous improvement will remain unchanged.

## Corporate Governance | Corporate Governance Reforms

### Integrity as Foundation

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#### Three Requirements for Leaders

No matter how well a system is designed, governance will not function unless the leaders entrusted with it can make sound decisions. For this reason, following the reform of the Board of Directors, we also clarified a common set of requirements for those responsible for execution, including Executive Officers, division heads, and branch managers. We identified three essential qualities: integrity, grit, and human resource development.

We view integrity as maintaining high ethical standards. It means choosing to do what is right, even when no one is watching. People are imperfect, and judgment can sometimes be clouded by thoughts such as, “That much should be acceptable,” or “This is a special case.” Precisely because of this, leaders must continue to ask themselves what is right and put that judgment into practice.

The second quality is grit, the ability to see things through. It means carrying through on a decision to the end, refusing to give up halfway, and continuing to take on challenges, adapting one’s approach even after failure. Adversity is inevitable in business. Whether a leader continues to face those difficulties without

walking away is where their true worth as a leader is tested. A leader who turns away at such moments represents a serious loss to the organization and a profound misfortune for those who follow.

The final quality is human resource development, by which we mean developing the next generation of leaders. There was a time when a “learn by watching me” approach to leadership worked. Today, however, value is no longer created through the strength of individuals alone, but through the collective capabilities of the entire organization.

That is why division heads and branch managers are expected, once they assume their roles, to develop successors who may one day surpass them. Leaders must remain mindful of succession, cultivate multiple candidates, and provide opportunities for demanding experiences and challenges, including stretch assignments. As outstanding leaders emerge, their values and conduct spread throughout the organization, supporting sustainable growth. Human resource development is therefore an important management priority that must be embraced throughout the Company, including by senior management.

04

#### The Resolve to Change and Preserve

Through the structural reforms we began in 2018, the Sekisui House Group has changed significantly. At the same time, no matter how much the world changes, there are things that must not change. One is our Corporate Philosophy of “Love of Humanity.” Another is integrity, which is what enables us to continue putting that philosophy into practice.

Integrity reflects what we believe is right and the kind of Company we choose to be and how we choose to act. It is not required only of leaders. It is an attitude expected of every employee.

As society becomes more complex and values become more diverse, there is not always a single correct answer. That is why it is important to make decisions and act not based on immediate gain or convenience, but in accordance with one’s own conscience.

Integrity does not mean behaving properly simply because someone is watching. It means choosing and standing by what is right even when no one is watching, and continuing to do so consistently through our everyday decisions and actions. It is also a way of embodying our Corporate Philosophy of “Love of Humanity” in

our everyday work.

Nor is integrity about striving for perfection. It is about choosing actions that will delight our customers, engaging openly with colleagues and treating them with sincerity, and continuing to pursue the value society needs. Integrity is expressed in each of these actions.

It is through the accumulation of such actions that we earn the trust of customers and society and shape the character and dignity of the Sekisui House Group as a company worthy of that trust.

While preserving our unchanging philosophy, we will continue to change the systems and structures that must evolve. Upholding integrity, we will continue to evolve.



➡ P.69 What Makes Us Sekisui House

➡ P.132 Promoting Compliance



## Corporate Governance | Strengthening Governance

### Basic Approach

The Sekisui House Group positions corporate governance as an important management issue, in accordance with our Corporate Philosophy—founded on the core principle of “Love of Humanity” and upholding “Truth & Trust,” “Deliver the highest quality and technology,” and “Create enriching homes and environments.” To sustainably enhance corporate value while earning the trust of all our stakeholders, including our shareholders and investors, we are working to enhance the effectiveness of our corporate governance, build the necessary structures, and pursue swift and sincere management.

[Basic Policy on Corporate Governance](#)

### Strengthening the Corporate Governance Structure

The Group has positioned 2018 as the “first year of governance reform,” and has steadily implemented measures such as a mandatory retirement age of 70 for Representative Directors of the Board, the establishment of Management Meetings, the clarification of Directors’ areas of responsibility, reform of the officer remuneration system, and reform of the Executive Officer system, in order to build a resilient management foundation for long-term, sustainable corporate value enhancement. Going forward, we will continue to disclose our approach to and framework for corporate governance to stakeholders while further enhancing them.

### Milestones in Our Governance Reforms

| 2018                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2019                                                                                                                                                                                                                                                                                                                                                                            | 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2021-2022                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Introduced a mandatory retirement age of 70 for Representative Directors of the Board</li> <li>Appointed female Outside Officers</li> <li>Enhanced transparency and vitalized operation of the Board of Directors</li> <li>Established Management Meetings</li> <li>Clarified the areas of responsibility of Directors of the Board</li> <li>Began conducting evaluations of the effectiveness of the Board of Directors</li> <li>Reformed the internal approval (<i>Ringi</i>) system</li> <li>Secured the independence of General Affairs Department heads at the Sales Administration Division and branches and strengthened their check-and-balance function</li> <li>Enhanced integrity of branch managers</li> </ul> | <ul style="list-style-type: none"> <li>Developed next-generation management and leadership talent</li> <li>Introduced a restricted stock remuneration system</li> <li>Abolished the officer bonus system for Outside Directors of the Board</li> <li>Reviewed the term of office for Directors of the Board</li> <li>Abolished the senior advisor and advisor system</li> </ul> | <ul style="list-style-type: none"> <li>Reviewed the remuneration composition ratio and set appropriate remuneration levels</li> <li>Introduced Shareholding Guidelines</li> <li>Established selection and dismissal criteria and procedures for senior management</li> <li>Enhanced the independence of the Board of Directors</li> <li>Strengthened the effectiveness of the Nomination and Compensation Advisory Committee</li> <li>Established an internal reporting system for overseas operations</li> <li>Established the Directors’ Office</li> </ul> | <ul style="list-style-type: none"> <li>Reformed the Executive Officer system</li> <li>Selected an Outside Director of the Board as Chairperson of the Board of Directors</li> <li>Began individual disclosure of remuneration for Internal Directors of the Board</li> </ul> |



### Changes in the Composition Ratio of Officers

|                                                                                                   | 2018-19 | 2020  | 2021  | 2022-25 | 2026 (As of April 23, 2026)       |
|---------------------------------------------------------------------------------------------------|---------|-------|-------|---------|-----------------------------------|
| <b>Ratio of Outside Directors of the Board</b>                                                    | 27.3%   | 33.3% | 40.0% | 50.0%   | 50% (5/10) of which 3 are women   |
| <b>Ratio of Outside Officers (Directors of the Board and Audit and Supervisory Board Members)</b> | 41.2%   | 44.4% | 50.0% | 53.3%   | 53.3% (8/15) of which 4 are women |

## Corporate Governance | Strengthening Governance

### Strengthening Governance across Top Management, Business Management, and Global Management

Under the Sixth Mid-Term Management Plan, which began in FY2023, we worked to further strengthen governance through the two pillars of top management and business management, promoting more active discussion of medium- and long-term strategy based on our Global Vision,

strengthening the supervisory function over business execution, and enhancing the effectiveness of the governance network across the Group. Under the Seventh Mid-Term Management Plan, beginning in FY2026, we will further deepen governance across each level of top management, business management, and global management.

#### 2023-2025 | Sixth Mid-Term Management Plan

##### Top Management Level

###### Moving from Building the Corporate Governance Framework to the Stage of Making It Function

###### — A diverse Board of Directors fully demonstrates its functions

- Vitalizing Board of Directors discussions based on our Global Vision
- Strengthening the effectiveness of the management talent pipeline

###### Enhancing stakeholder engagement

###### — Pursue consistent information disclosure based on independent judgment

- Further upgrading information disclosure

###### ■ FY2025 Highlights

###### Results of the Board of Directors effectiveness evaluation by a third-party organization

- Increased opportunities for substantive discussions on Group management from the perspective of enhancing corporate value, through PMI in the U.S.

###### Upgrading statutory disclosure

- Submission of the Annual Securities Report prior to the General Meeting of Shareholders and simultaneous disclosure in English

##### Business Management Level

###### Global expansion of Group governance

###### — Eliminate barriers between domestic and overseas Group companies to create a network based on mutual trust

- Establishing Group governance in the U.S.
- Promoting the governance network
- Strengthening the global internal audit structure

###### Fostering an organizational culture founded on trust built through communication

###### — Aim to realize a vibrant workplace environment with high psychological safety

- Developing an environment to raise compliance awareness and strengthening autonomous organizational management capabilities

###### ■ FY2025 Highlights

###### Strengthening Group governance

- Assignment of governance personnel at major subsidiaries

###### Developing an environment to raise compliance awareness

- Expanded the scope of participants in Risk Management Training and promoted integrity-enhancement training for branch managers and other future management-level personnel
- Conducted deliberations, dialogue, and solicitation of opinions toward the establishment of the Integrity Code

#### 2026-2028 | Seventh Mid-Term Management Plan

##### Top Management

###### Further deepening the functions of the Board of Directors

- Continuing effectiveness evaluations by a third-party organization and embedding the improvement process
- Enhancing discussions on risk-taking related to Group and global strategy

###### Enhancing the management talent pipeline

- Further expanding the succession plan to Group companies
- Clarifying the selection and remuneration decision-making process for Group company management

###### Linking sustainability disclosure with governance

- Building a structure to respond to changes in disclosure standards
- Integrated strengthening of governance through Group-wide disclosure response

##### Business Management

###### Strengthening Group governance

- Tailoring governance frameworks to each Group company

###### Advancing risk management

- Strengthening frameworks for key risks, including information security

##### Global Management

###### Globalizing Group governance

- Upgrading corporate functions at overseas Group companies

###### Strengthening global risk management

- Building robust risk-asset management frameworks globally

###### Global promotion of a corporate culture centered on integrity and respect for human rights

- Instilling the Integrity Code in line with our Corporate Philosophy
- Identifying and addressing key human rights issues and developing a consultation structure

## Corporate Governance | Corporate Governance Structure

### Corporate Governance Structure

The Company has adopted the corporate governance structure of a company with an Audit and Supervisory Board, under which the Audit and Supervisory Board and its members maintain a high degree of independence. In addition, we have introduced an Executive Officer system in order to accelerate decision-making and build a management structure capable of responding accurately to rapidly changing economic and market conditions. Through the reform of the Executive Officer system implemented in April 2021, we established four tiers:

“Entrusted Executive Officers” (President, Vice President, and Senior Managing Officer) who concurrently serve as Directors of the Board;

“Entrusted Executive Officers” (Senior Managing Officer and Managing Officer) who are candidates for Director of the Board; “Employed Executive Officers,” who retain employee status to allow for flexible promotion; and “Operating Officers,” who are candidates for Employed Executive Officer. By clarifying roles, human resource requirements, and selection and dismissal processes, we are strengthening the development of management talent in each division and building a sustainable leadership pipeline.

Since April 2021, we have expanded the function of Management Meetings, which serve not only for the preliminary review of important matters to be submitted to the Board of Directors, but also as a

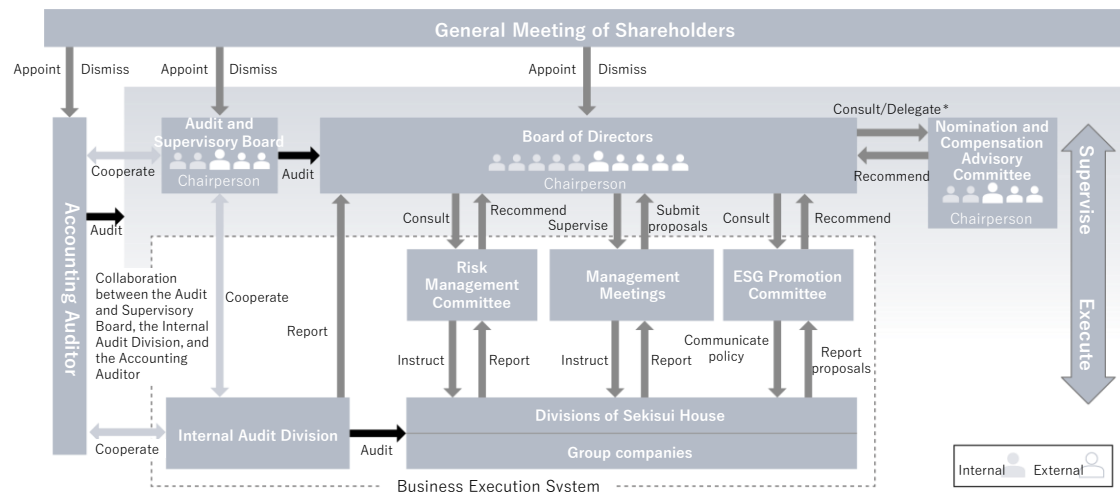
forum for decision-making on individual business execution matters and information sharing among Entrusted Executive Officers at the level of Managing Officer and above. Outside Directors of the Board and Audit and Supervisory Board Members may also attend as observers, at their discretion.

The Board of Directors, including Outside Directors of the Board, is supported by a skill matrix encompassing diverse knowledge, experience, and capabilities. This enables the Board of Directors to formulate business strategies, management policies, and plans while overseeing the execution of medium- to long-term key business initiatives. To ensure a balanced governance structure, short-term and segment-specific business execution is delegated to Management Meetings and similar bodies, allowing for a moderate separation between supervisory and executive functions.

Outside Director of the Board, Toshifumi Kitazawa, has served as the Chairperson of the Board of Directors, while Representative Director of the Board, President, Executive Officer, Yoshihiro Nakai, serves as the convener.

The Board of Directors is composed of a size deemed appropriate to allow for substantive discussion, with Independent Outside Directors of the Board appointed such that they account for at least one-third of the Board. After formulating a skill matrix based on our management strategy and plans, the Board is composed to achieve both diversity and an appropriate size, taking into account knowledge, experience, capabilities, tenure, and gender, and including members with expertise in areas such as finance, accounting, and legal and regulatory compliance. In addition, we have established the Directors’ Office to support the duties of Outside Directors of the Board, staffed by multiple employees, including dedicated personnel.

### Corporate Governance Structure (As of April 23, 2026)



\* The Board of Directors delegates the authority to determine the amount of remuneration for individual Directors to the Nomination and Compensation Advisory Committee.

### Board of Directors

The Board of Directors consists of ten members (seven men and three women), including five Outside Directors of the Board. In principle, the Board meets once a month. Its primary responsibilities include formulating management policies, strategies and plans, and making decisions on key business operations, as well as supervising and evaluating the performance of Directors of the Board and Executive Officers and establishing systems, such as internal control and risk management, to ensure sound corporate governance and management integrity.

To encourage constructive dialogue, we have separated the roles of Chairperson of the Board of Directors and the convener. Since May 2021, an

Please refer to the Annual Securities Report for details on the following committees and their roles.

- [Audit and Supervisory Board P.118](#)
- [Nomination and Compensation Advisory Committee P.120](#)
- [Management Meetings P.120](#)
- [ESG Promotion Committee P.121](#)
- [Risk Management Committee P.121](#)
- [Annual Securities Report](#)



## Corporate Governance | Internal Control System

### Internal Control System

In accordance with the Companies Act and its Enforcement Regulations, the Company has established and operates an internal control system based on basic policies approved by the Board of Directors. The Auditing Department, our dedicated internal audit division, conducts internal audits to verify the appropriateness and effectiveness of internal controls and management practices based on laws, regulations, and internal rules. Where necessary, the department issues recommendations for corrective action. Audit results are reported to Directors of the Board, Audit and Supervisory Board Members, and relevant departments, and are shared regularly at meetings of the Board of Directors. The Auditing Department works closely with the Accounting Auditor to ensure internal audits are conducted effectively and efficiently.

To oversee internal controls at Group companies, including those overseas, we dispatch Directors of the Board and other personnel to monitor management conditions and receive reports on key operational matters, and the internal audit division conducts regular audits of Group companies. In addition, we aim to strengthen oversight of overseas operations by establishing an International Auditing Office within the Auditing Department. Please refer to the Annual Securities Report for details on the fundamental policies of the development of the internal control system as well as its status of operations.

➤ [Annual Securities Report P.121-125 Fundamental policies of the development of the internal control system, and Status of operations of the internal control system](#)

### Strengthening Group Company Administrative Systems

The Company has established a two-tier administrative framework to reinforce its Group Governance Structure. This includes administrative departments responsible for segment-based management and supervision of Group company operations, and specialized departments at the head office that provide functional support and leadership for highly specialized business areas.

Administrative departments regularly or as needed request reports from subsidiaries on the status of their business execution. They also collaborate with head office departments to develop operational standards. In turn, head office departments provide guidance and oversight aligned with their respective responsibilities.

For certain subsidiaries, the Company dispatches personnel to serve as Directors of the Board or Audit and Supervisory Board Members, thereby strengthening supervision and audit functions.

### Strengthening Governance through Restructuring Group Companies

We established Sekisui House Real Estate Holdings, Ltd., a holding company for Sekisui House Real Estate companies, in February 2022, and Sekisui House Construction Holdings, Ltd., a holding company for Sekisui House Construction companies, in February 2024. In February 2025, to strengthen the expertise of each business, the Company reorganized the Group companies of Sekisui House Real Estate.

Furthermore, the after-sales service business of the Company was spun off to Sekisui House Support Plus, Ltd., establishing a structure aimed at enhancing added value in after-sales services. We are promoting the delegation of authority and assignment of specialist organizations and personnel to achieve a balance between governance and business operations.

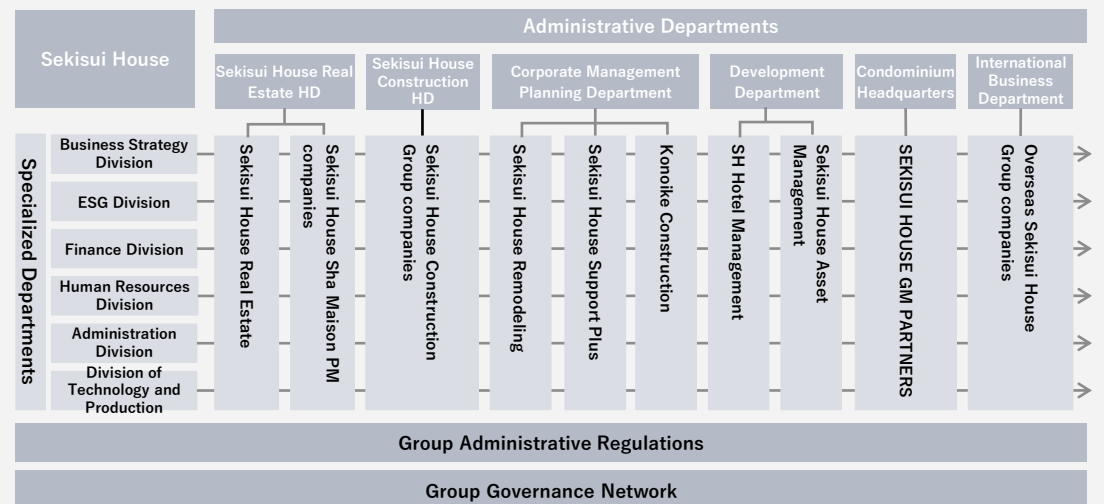
### Initiatives Related to Group Company Management

In order to strengthen the Group's internal control through the development of regulations at each Group company, the Company revised the Group

administrative regulations (which stipulate the Company's responsibilities and authority with respect to Group companies and the management structure) by resolution of the Board of Directors, with the aim of clarifying the key regulations to be introduced by each company and the departments responsible for their implementation, thereby developing regulations.

In addition, the Company convenes regular Sekisui House Group Audit and Supervisory Board Collaborative Meetings for the purpose of exchanging information and deepening awareness of issues between the audit and supervisory board members.

**Management Framework for Main Group Companies** (As of February 1, 2026)



## Corporate Governance | CEO Evaluation and Selection Processes

### CEO Evaluation Meeting by Outside Members

The CEO evaluation meeting is held annually under the Nomination and Compensation Advisory Committee, an advisory body to the Board of Directors chaired by an independent Outside Director of the Board and composed of a majority of Independent Outside Directors of the Board.

This meeting, aimed at enhancing the transparency of CEO evaluations and selection processes, is attended by three Outside Directors of the Board who serve on the Nomination and Compensation Advisory Committee, along with the CEO. At the meeting, CEO evaluation is conducted based on the publicly disclosed CEO Evaluation Criteria, and includes discussions on the CEO's performance for the fiscal year, awareness of challenges, self-assessment, management vision, and other relevant matters.

The outcomes of the meeting, along with recommendations for the appointment of Directors for the next term, are reported to the Board of Directors. The evaluation criteria are reviewed annually to determine whether updates are necessary.

### CEO Successor Requirements and a Development Framework

As part of the goal of the Sixth Mid-Term Management Plan (FY2023–2025) to strengthen the effectiveness of the management talent pipeline, discussions were held in FY2023 within the Nomination and Compensation Advisory Committee. Based on these discussions, the CEO Successor Requirements and the CEO Successor Development Framework were introduced to the Board of Directors and formally established.

These frameworks aim to improve objectivity and transparency in the CEO selection process, and to share with all employees the desire for them to understand that “it is the responsibility of a leader to develop successors who can carry on their mission.”

The Nomination and Compensation Advisory Committee continues to review, and updates as necessary, the ideal profile for the next CEO in light of the management environment. Furthermore, when developing CEO successors, the CEO Succession Plan Council is established to create a list of candidates and to monitor their development process through challenging assignments, personnel rotations, and other initiatives.

### Key Points of CEO Evaluation

|                                   |                                                                     |                                                                                                                                                                            |
|-----------------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Qualification Requirements</b> | 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                                                          |
| <b>Competence Requirements</b>    | 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 |
| <b>Motivation and Health</b>      | 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                                                           |

### Requirements for the Next CEO

|                      |                                                                                                                                                                                                                                                  |                                                                                                                                                                               |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Qualification</b> | <ul style="list-style-type: none"> <li>Capable of carrying out the Sekisui House Group's social duties and, to this end, personifying our Corporate Philosophy</li> <li>Possesses unwavering and steadfast integrity</li> </ul>                  |                                                                                                                                                                               |
| <b>Competence</b>    | Conceptualization                                                                                                                                                                                                                                | Identifies new challenges arising from changes in society, envisions a future in which “happiness” is realized through housing, and develops this vision into business models |
|                      | 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                                                   |
| <b>Mindset</b>       | <ul style="list-style-type: none"> <li>Has a strong determination to lead the entire Sekisui House Group based on their personal responsibility</li> <li>Is dedicated and continuously passionate towards realizing our Global Vision</li> </ul> |                                                                                                                                                                               |

## Corporate Governance | Selection Process for Director of the Board and Executive Officer/Officer Remuneration

### Stance on and Procedures for Selection of Prospective Directors of the Board

The Company shall select prospective Directors from among individuals who demonstrate high integrity and possess strong management capabilities, are well-suited to embody and practice our Corporate Philosophy, show a deep insight into our businesses, and have the insight and commitment necessary to contribute to the creation of corporate value and the enhancement of business performance. The stance on the selection of prospective Directors and specific proposals shall be reviewed at the Nomination and Compensation Advisory Committee and determined by the Board of Directors based on the recommendations of the committee.

Regarding the selection of prospective Internal Directors of the Board, the qualification requirements and competence requirements shall be specified, and these criteria shall be reviewed at the Nomination and

Compensation Advisory Committee based on requirements for human resources and a performance evaluation.

### Selection of Entrusted Executive Officers

When selecting Entrusted Executive Officers, we conduct a management talent assessment. For new candidates, in addition to performance evaluations and multi-rater evaluations, an external agency conducts a management talent assessment, comprehensively judging current capabilities and growth potential through interviews, psychological tests, and other methods.

Based on the results of these evaluations, the Nomination and Compensation Advisory Committee deliberates on candidate selection, and a future development plan is formulated through feedback provided to the individual.

### Remuneration Governance

To enhance the objectivity and independence of the remuneration decision-making process, the Board of Directors, by its resolution, delegates the authority to determine the amount of remuneration for individual Directors of the Board to the Nomination and Compensation Advisory Committee.

[Annual Securities Report, Basic policy on officer remuneration](#)

### Remuneration, etc. for Directors of the Board (Including the CEO and Excluding Outside Directors of the Board)

#### ■ Remuneration levels

We determine officer remuneration using objective remuneration market survey data provided by external specialist organizations. A benchmark group of companies is selected, and remuneration levels are set appropriately in line with the scale of the Sekisui House Group's operations and financial performance.

#### ■ Remuneration structure and incentive remuneration scheme

Remuneration for Directors of the Board (including the CEO and excluding Outside Directors of the Board) consists of basic remuneration (fixed amount) and incentive remuneration (variable amount). The latter includes: Performance-related bonuses (linked to short-term operating results), Performance Share Units (PSUs: linked to medium-term performance), and Restricted stock remuneration (linked to long-term performance).

As for the remuneration composition ratio, with the aim of providing sound incentives to pursue long-term, sustainable improvement of corporate value, in addition to single-year operating results targets, the specific ratio for each Director of the Board is set in

line with their position-based roles and responsibilities.

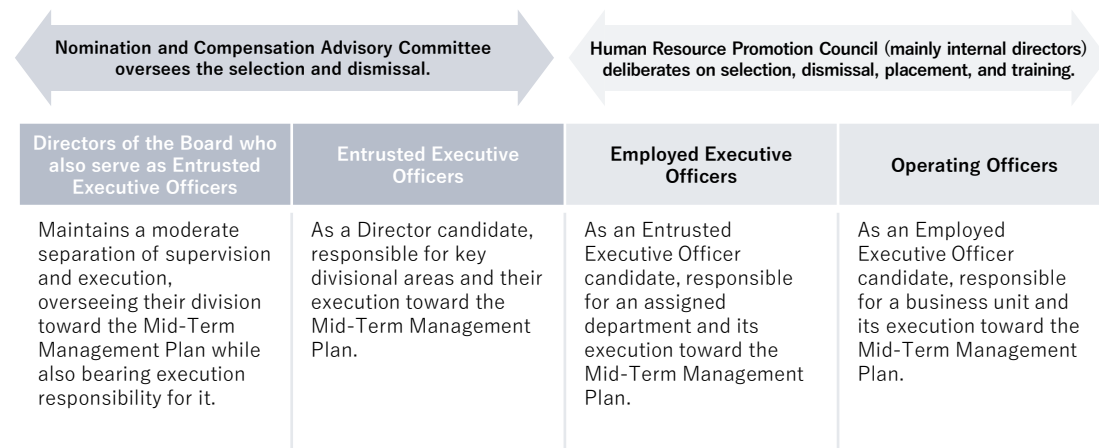
Based on this policy, the ratio of basic remuneration, performance-related bonus and share-based remuneration for the CEO is set at about 1:1.4:1.8, and for other Representative Directors of the Board at about 1:1.2:1.4 (provided that the Company achieves base performance).

### Remuneration for Outside Directors of the Board

Remuneration for Outside Directors of the Board consists of basic remuneration (fixed amount) and allowances, determined based on their responsibilities as Chairperson of the Board, or Chairperson or Member of the Nomination and Compensation Advisory Committee. These amounts are set with reference to objective market data provided by external specialist organizations, reflecting their supervisory role and independent oversight of the Company's management.

### Remuneration for Audit and Supervisory Board Members

Remuneration for Audit and Supervisory Board Members consists solely of basic remuneration (fixed amount) in recognition of their independent supervisory role. The level of remuneration is determined based on their responsibilities and benchmarked against objective market data from external specialist organizations. The fundamental policy, structure and individual remuneration amounts are determined through deliberation among Audit and Supervisory Board Members at the Audit and Supervisory Board, within the maximum limit approved at the General Meeting of Shareholders.



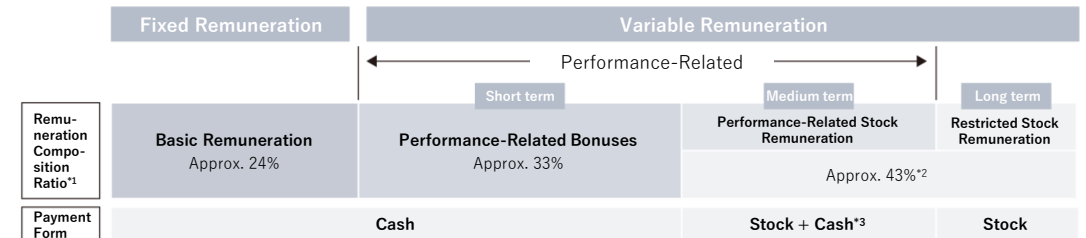


## Corporate Governance | Officer Remuneration

### Remuneration Structure and Incentive Remuneration Scheme for Directors of the Board Who Supervise Business Execution (Including the CEO and Excluding Outside Directors of the Board)

| Type of Remuneration |                    |                                                             | KPI                          | Overview and Reasons for Selecting Indicators Related to Performance-Linked 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                      | Short Term         | Performance-Related Bonuses                                 | 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 who supervises business execution. The bonuses shall not be paid if profit attributable to owners of parent is less than ¥160 billion.                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                      | Medium Term        | Performance-Related Stock Remuneration (PSU <sup>*1</sup> ) | ROE and ESG                  | Performance is evaluated using ROE, a key medium-term financial indicator, and ESG management indicators, a non-financial indicator. Executive Directors are granted base stock units based on a predetermined amount for their position. Depending on target achievement over the three-year evaluation period, the number of units paid is set within a range of 0%-150%, with 50% delivered in stock and the remainder paid in cash for tax purposes. ROE and ESG indicators are weighted 80% and 20%, respectively, and the Nomination and Compensation Advisory Committee conducts a rigorous review of ESG target-setting and evaluation to ensure objectivity and transparency.<br><a href="#">Annual Securities Report, ESG management indicators-linked portion</a> |
| Variable             | Long Term          | Restricted Stock Remuneration (RS <sup>*2</sup> )           | —                            | A number of shares of the Company's common stock (subject to transfer restrictions), corresponding to a predetermined base amount for each position of Directors of the Board who supervise business execution, is delivered, and the transfer restrictions are lifted once the recipient loses their position as both a Director of the Board and an Executive Officer of the Company.                                                                                                                                                                                                                                                                                                                                                                                      |

### Image of Remuneration Composition Ratio for the CEO at Base Performance



\* 1 The remuneration composition ratio varies according to position, as well as the Company's performance and the degree of achievement of performance evaluation indicators. The figures shown represent the remuneration composition ratio for Representative Directors of the Board at base performance.

\* 2 The composition ratio of performance-related stock remuneration to restricted stock remuneration is approximately 2.7:1 (at base performance).

\* 3 50% of the performance-related stock remuneration is paid in cash for the purpose of covering tax payments.

### Target Values and Results Basis for Performance-Related Stock Remuneration (PSU 4th Payment) for FY2023 through FY2025

| KPI                         | Evaluation Weight | Changes in Payment Ratio | Target Value |        | Results | Payment Ratio by Indicator |
|-----------------------------|-------------------|--------------------------|--------------|--------|---------|----------------------------|
| ROE Average for Three Years | 80%               | 0%-150%                  | Maximum      | 13.00% | 11.65%  | 116%                       |
|                             |                   |                          | Standard     | 11.00% |         |                            |
|                             |                   |                          | Minimum      | 9.00%  |         |                            |
| ESG Management Indicator    | 20%               | 0%-150%                  | *            |        |         | 131%                       |

\* For this PSU, ESG management indicator targets are set for each of the following items and their degree of achievement is evaluated by the Nomination and Compensation Advisory Committee: E (Environment) {① CO<sub>2</sub> emissions reduction rate in business activities, ② ZEH ratio for detached houses, ③ ZEH ratio for Sha Maison}; S (Social) {④ number of female managers, ⑤ percentage of male employees taking childcare leave, ⑥ percentage of annual paid leave taken}; and G (Governance) {⑦ strengthening the information security structure, ⑧ establishing Group governance in the U.S.}.

\* 1 PSU: Performance Share Unit \* 2 RS: Restricted Stock

## Corporate Governance | Officer Remuneration/Cross-Shareholdings

### FY2025 | Total Remuneration for Parent Company Officers by Category, Type of Remuneration, and Number of Eligible Officers

| Officer Category                                                            | Total Remuneration (Millions of yen) | Total Remuneration by Type (Millions of yen) |                             |                                        |                               | Number of Eligible Officers |
|-----------------------------------------------------------------------------|--------------------------------------|----------------------------------------------|-----------------------------|----------------------------------------|-------------------------------|-----------------------------|
|                                                                             |                                      | Basic Remuneration                           | Performance-Related Bonuses | Performance-Related Stock Remuneration | Restricted Stock Remuneration |                             |
| <b>Directors of the Board</b><br>(Excluding Outside Directors of the Board) | 745                                  | 268                                          | 282                         | 89                                     | 105                           | 7                           |
| <b>Audit and Supervisory Board Members</b><br>(Excluding Outside Members)   | 88                                   | 88                                           | —                           | —                                      | —                             | 3                           |
| <b>Outside Officers</b>                                                     | 197                                  | 197                                          | —                           | —                                      | —                             | 10                          |

The above includes a Director who retired from office as of the end of the 72nd General Meeting of Shareholders on April 25, 2023, as well as a Director, an Outside Director, an Audit and Supervisory Board Member, and an Outside Audit and Supervisory Board Member who retired as of the end of the 74th General Meeting of Shareholders on April 23, 2025.

### FY2025 | Total Consolidated Remuneration for Directors of the Board (Excluding Outside Directors of the Board)

| Name                     | Remuneration by Type (Millions of yen) |                             |                                        |                               | Total Remuneration (Millions of yen) |
|--------------------------|----------------------------------------|-----------------------------|----------------------------------------|-------------------------------|--------------------------------------|
|                          | Basic Remuneration                     | Performance-Related Bonuses | Performance-Related Stock Remuneration | Restricted Stock Remuneration |                                      |
| <b>Yoshihiro Nakai</b>   | 82                                     | 101                         | 36                                     | 40                            | 261                                  |
| <b>Satoshi Tanaka</b>    | 49                                     | 61                          | 20                                     | 24                            | 156                                  |
| <b>Toru Ishii</b>        | 41                                     | 40                          | 10                                     | 12                            | 103                                  |
| <b>Hiroshi Shinozaki</b> | 41                                     | 40                          | 12                                     | 12                            | 105                                  |
| <b>Yasushi Omura</b>     | 38                                     | 40                          | 10                                     | 8                             | 97                                   |

The above shows individuals whose total consolidated remuneration is ¥100 million or more, and who were Directors of the Board of the Company (excluding Outside Directors of the Board) as of January 31, 2026.

### Introduction of Shareholding Guidelines

The Company considers it important to ensure the long-term and sustainable sharing of value with our shareholders. To this end, we have established Shareholding Guidelines that encourage Directors of the Board who supervise business execution to increase their shareholdings of Company stock during their tenure until reaching a predetermined benchmark amount (based on market value), and require them to continue holding at least that amount once the benchmark is reached. The benchmark amounts are as follows.

- **CEO: Three times the annual basic remuneration**
- **Other Representative Directors of the Board: Twice the annual basic remuneration**
- **Other eligible Directors of the Board (excluding Outside Directors of the Board): Equal to the annual basic remuneration**

### Stock Remuneration Return (Malus and Clawback Provisions)

With the aim of restraining excessive risk-taking by Directors of the Board who supervise business execution and ensuring the soundness of management, the Company has established malus and clawback provisions in its officer remuneration regulations. Under these provisions, if a serious matter such as misconduct or a violation of laws or regulations arises in connection with, or related to, the performance of duties or conduct of a Director of the Board who supervises business execution, the Company may, by resolution of the Board of Directors based on deliberations by the Nomination and Compensation Advisory Committee, acquire without compensation, forfeit, or demand the return of all or part of the shares or base stock units already allotted as stock remuneration, or an equivalent amount in cash.

### Basic Stance on Cross-Shareholdings

The Company shall not engage in cross-shareholdings with business partners unless it determines that such holdings contribute to medium- and long-term enhancement of corporate value through the stable maintenance and strengthening of business relationships. The appropriateness of cross-shareholdings shall be reviewed annually by the Board of Directors, and the summary shall be disclosed in reports related to the Corporate Governance Structure.

### Overview of an Analysis on Cross-Shareholdings

At the Board of Directors meeting held in October 2025, the Company conducted a comprehensive review of the significance of holding all listed shares held as cross-shareholdings (14 issues, excluding Sekisui House Reit, Inc. and equity-method affiliates), taking into account their holding status, risk and return (stock price divergence, dividend yield, ROE, credit ratings, etc.), and the importance of the related business relationships. Under a policy of gradually reducing such holdings from the perspective of improving capital efficiency, the Company has set a target of keeping the ratio to consolidated net assets at 3% or less\* during the period of the Sixth Mid-Term Management Plan (through the end of January 2026).

- **Stocks sold during FY2025: Of the 14 companies reviewed, the Company sold all shares in two companies and a portion of shares in two companies.**
- **Ratio of cross-shareholdings to consolidated net assets: 2.4% (at the end of FY2025)**

\* Refers to the ratio of the balance sheet amount of stocks for investment held for purposes other than pure investment (including unlisted stocks), stated in the Annual Securities Report, to consolidated net assets.

## Strengthening Risk Management

The Sekisui House Group takes a Group-wide approach to managing increasingly diverse and sophisticated risks from both short-term and medium- to long-term perspectives, linking them to business growth and value creation with a view to enhancing corporate value sustainably and achieving stable business growth.

### Risk Management Structure

The Group has established a comprehensive risk management structure to accurately identify significant risks that may arise in the course of business activities. In the event that such risks materialize, we are prepared to take appropriate measures to mitigate their impact on the Group's operations. Strategic risks and financial/market risks are deliberated by the Board of Directors, Management Meetings, and other decision-making bodies. Operational risks and hazard risks are monitored by the Risk Management Committee, an advisory body to the Board of Directors.

The Risk Management Committee is composed primarily of members appointed by resolution of the

Board of Directors. For each material risk item, the Committee conducts evaluation and provides guidance based on the management status in the specialized departments, etc. at the head office, and reports its deliberations to the Board of Directors on a semi-annual basis. The Internal Audit Division is also involved, ensuring coordination with periodic audits.

In addition, the Group has established the Quality Management Committee and the Information Security Committee. These subcommittees take a specialized, cross-divisional approach to identify and address risks in their respective areas. These deliberations are reported to the Risk Management Committee three times each year.

### Risk Management Process

Strategic risks as well as financial and market risks identified by relevant departments are assessed, along with reviews of their countermeasures, through deliberations by the Board of Directors, Management Meetings, and other decision-making bodies on the Mid-Term Management Plan and individual projects. These bodies monitor for incidents that could materially affect the Company's business operations.

The likelihood and potential impact of operational risks and hazard risks are assessed by the Risk Management Committee based on monitoring activities conducted across domestic and overseas Group companies, as well as from interviews with each head office department. A risk map is then compiled to identify material risks.

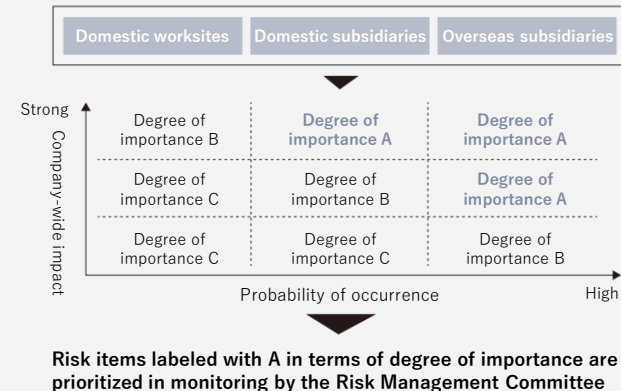
For risks identified, the responsible departments formulate a management plan and report progress to the Risk Management Committee, thus promoting a PDCA cycle. With regard to Group companies, we are working to strengthen the governance network through matrix-based management by administrative departments and specialized departments.

In the event that a serious incident expected to affect the Group's overall operations occurs, it is reported to the Risk Management Committee in accordance with the Crisis Response Manual. We have developed the system by establishing a Crisis Countermeasures Headquarters and taking other measures. We have also conducted drills to validate and improve the system.

Risk Management Structure Diagram



Risk Map



### Individual Risks

Major risks that are recognized as having the potential to seriously affect investors' decisions are provided in our Annual Securities Report. [Annual Securities Report](#)

- [Strategic risks, financial and market risks](#)
- [Operational risks, hazard risks](#)
- [Risks related to sustainability](#)



## Promoting Compliance

To enhance corporate value sustainably and build trust with society, the Sekisui House Group considers it important to embed fair and sincere decision-making and actions throughout the organization, in addition to ensuring thorough compliance with laws and regulations and corporate ethics, in accordance with the Sekisui House Group Integrity Code. Under our governance structure for advancing compliance, we are working to enhance effectiveness by fostering strong awareness and strengthening monitoring functions.

### Sekisui House Group Integrity Code

Founded upon our Corporate Philosophy of “Love of Humanity” and our stance of “Truth & Trust,” the Sekisui House Group established the Sekisui House Group Integrity Code in February 2026 to embed actions based on a higher standard of ethics throughout the organization.

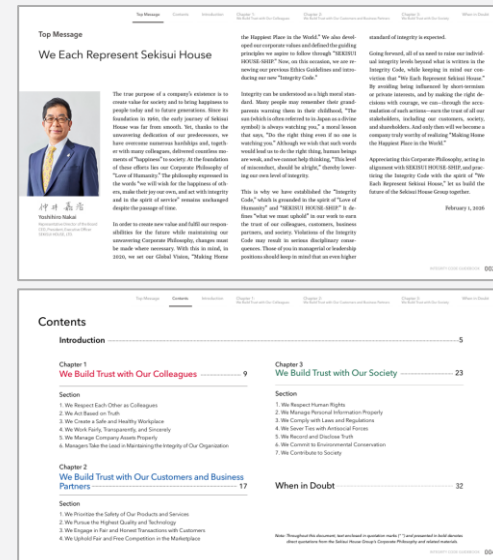
This Code replaces our previous Corporate Code of Conduct and Corporate Ethics Guidelines. It goes beyond mere compliance with laws and regulations, calling on us to independently choose the right decisions and actions without being swayed by short-term gain or personal considerations.

Our integrity is reflected in the following three principles:

1. Judge and act autonomously based on “what is right,” not “who is right”
2. Act with sincerity to build long-term relationships of trust
3. Acknowledge human weakness and adopt an attitude of learning from failure rather than assigning blame

Guided by this belief, the continued accumulation of sincere actions by each and every officer and employee serves as the foundation of trust with all

stakeholders, including colleagues, customers, business partners, and local communities. We believe that this leads to the sustainable enhancement of corporate value and the realization of our Global Vision.



Sekisui House Group Integrity Code

### Initiatives to Raise Compliance Awareness

We conduct Human Rights and Compliance Training for all employees, with the aim of raising compliance awareness, deepening knowledge of human rights issues, and improving the workplace environment through dialogue. Since FY2024, this training has evolved into its current form by integrating it with human rights training.

Through group discussion-based training that uses cases involving compliance violations, including breaches of corporate ethics, as discussion materials, employees are given opportunities to think for themselves, develop their own insights, and actively listen to the differing perspectives of their colleagues. Starting in FY2026, following the establishment of the Integrity Code, we will also focus on integrity, promoting self-directed behavioral change and further improvement of our organizational culture.

In addition, with the aim of strengthening compliance at business sites, we provide Risk Management Training to business site managers. In FY2025, the training covered themes such as risk mapping, key risks at each business site, and integrity. The sessions were discussion-based, allowing participants to gain insights from one another and learn from different perspectives.

Post-training, managers bring the results of these discussions back to their respective business sites and hold further discussions among business site managers, thereby reinforcing their awareness of their leadership role in promoting compliance across the entire business site. Since FY2023, this training has been extended to senior managers at Group companies to further strengthen our Group-wide framework for promoting compliance.

### Implementing the Governance Awareness Survey

Every year, we conduct the Governance Awareness Survey targeting all Group employees. This anonymous survey covers corporate ethics, the Corporate Code of Conduct, workplace conditions, and compliance-related matters, and enables regular assessments of these areas. The Board of Directors evaluates the survey results with a focus on how well the Corporate Philosophy, the Corporate Code of Conduct, and related principles have been embedded throughout the organization.

Each organizational unit also uses the findings to assess current workplace conditions and provide opportunities for dialogue and exchange of views, thereby helping to foster a more open workplace culture.

## Promoting Compliance

### Promoting the Use of the Internal Reporting and Consultation System

The Sekisui House Group has established multiple internal reporting and consultation channels, including the Sekisui House Group Compliance Helpline, the Sexual and Power Harassment Hotline, and the Sekisui House Global Helpline. These systems are operated in accordance with the Whistleblower Protection Act, and the Human Rights and Compliance Promotion Department accepts reports and consultations related to actual or suspected violations of laws, Corporate Ethics Guidelines, various forms of harassment, or human rights violations. The Board of Directors receives regular updates on the operation of these systems and exercises appropriate oversight.

In preparation for the enforcement of the revised Whistleblower Protection Act in June 2022, we established internal regulations in May 2022 titled “Rules on the Internal Reporting and Consultation System.” In June 2024, we expanded the scope of eligible reporters and consultees from Group officers and employees to include ongoing business partners. We also conducted awareness-raising activities to communicate the details of the revised system at health and safety conventions nationwide.

These regulations stipulate matters such as accepting anonymous reports and consultations, prohibiting disadvantageous treatment based on a report or consultation, prohibiting, in principle, the identification of users of the reporting channels, and

maintaining the confidentiality of users, thereby ensuring thorough protection for those who use these channels.

In addition, where internal consultation is difficult, we have also established an external reporting and consultation channel operated by a law firm. We will continue our awareness-raising activities to promote these channels as trusted reporting and consultation channels, and, under the Sekisui House Group Integrity Code established in February 2026, we will continue to promote awareness of the system and further enhance its effectiveness.

### Trends in the Number of Reports Received and Responses

The number of reports and consultations received by each channel is set as a KPI for raising awareness of these channels and enhancing trust in them, and the trends are shown in the table on the right. We view the increasing trend in the number of reports received as evidence that awareness of the system is rising and that an environment in which employees can report and consult without hesitation is steadily being established.

In addition to the cases for which corrective actions were taken, other reports and consultations are also handled appropriately according to the nature of each case. Once again in FY2025, no serious human rights violations related to our business were identified.

 [Sekisui House Group Human Rights Report](#)

| System                                         | Point of Contact                                                    | Consultation Methods                       | Subject and Scope of Reports and Consultations                                                                                                                                                                                                          |
|------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sekisui House Group Compliance Helpline</b> | <b>Internal</b><br>Human Rights and Compliance Promotion Department | Phone<br>Letter<br>Email                   | For Group officers, employees, and business partners. Accepts reports on actual or suspected violations of laws, regulations, or the Group’s Corporate Ethics Guidelines and Code of Conduct, including bribery-related cases.                          |
| <b>Sexual and Power Harassment Hotline</b>     |                                                                     |                                            | For Group officers, employees, and business partners. Handles consultations on harassment (sexual, power, and customer harassment, as well as issues related to pregnancy, childbirth, childcare/nursing care leave, and job hunting) and human rights. |
| <b>Sekisui House Global Helpline</b>           | <b>External</b><br>Law firm                                         | Email (English language support available) | For officers and employees of overseas subsidiaries in English-speaking regions. Covers harassment, bullying, human rights violations, and suspected breaches of laws, regulations, or corporate ethics.                                                |

|                                                                                          | FY2023 | FY2024 | FY2025 |
|------------------------------------------------------------------------------------------|--------|--------|--------|
| <b>Total number of consultations received by Sekisui House Group Compliance Helpline</b> | 63     | 81     | 100    |
| <b>Of which, cases involving corrective action</b>                                       | —      | 67     | 56     |
| <b>Total number of consultations received by the Sexual and Power Harassment Hotline</b> | 253    | 258    | 309    |
| <b>Of which, cases regarding harassment complaints</b>                                   | 131    | 150    | 196    |
| <b>Of which, cases involving corrective action</b>                                       | 76     | 83     | 130    |
| <b>Total number of consultations received by Sekisui House Global Helpline</b>           | —      | 11     | 11     |
| <b>Of which, cases involving corrective action</b>                                       | —      | 4      | 8      |

### Understanding Awareness of Human Rights

In the anonymous Governance Awareness Survey conducted annually for all Group employees, we include three questions asking whether the workplace culture categorically does not tolerate sexual harassment, power harassment, and discrimination that violates human rights. This allows us to understand Group-wide awareness and conditions that cannot be captured through individual case reports. The survey results are used to facilitate exchanges of opinions within each organizational unit, helping to improve the workplace culture.

## Promoting Compliance

### Initiatives for Compliance with Laws and Regulations

The Sekisui House Group conducts its business activities in compliance with various laws and regulations in Japan and overseas. In Japan, we ensure compliance with laws and regulations through the introduction of a regulatory check system at the design stage and a double-check structure involving the head office and business sites, while also working to properly manage assigned engineers and secure and develop qualified personnel. Overseas, we continuously monitor developments in local laws and regulations and respond swiftly in cooperation with local legal departments and outside experts.

In addition, specialized departments collect and analyze information on laws and regulations and share it internally, striving to ensure thorough compliance with laws and regulations across the Group.

🔗 [Annual Securities Report P.67 Risk related to laws and regulations](#)

### Marketing and Advertising Policy

As stipulated in the Sekisui House Group Integrity Code, the Group provides consumers and customers with appropriate information about our products and services. To conduct sales and advertising activities appropriately in compliance with relevant laws, including the Construction Business Act and the Building Lots and Buildings Transaction Business Act, we have developed rules and manuals, provided training to employees involved in real estate advertising, conducted regular audits by the Internal Audit Division, and conducted regular business inspections by the headquarters overseeing sales locations. We have also built and operate a system for continuously checking advertising and display content on our website. Through these initiatives, we continuously confirm the effectiveness of legal compliance in our sales and advertising activities.

### Anti-Corruption Initiatives

The Sekisui House Group Integrity Code clearly prohibits inappropriate relationships with public officials, and based on our Anti-Bribery and Corruption Policy and Anti-Corruption Guidelines, we have established specific rules to prevent inappropriate relationships and transactions by officers and employees.

When in doubt, employees are encouraged to consult in advance with their supervisor or the Human Rights and Compliance Promotion Department at the head office, and to keep a record of such consultations.

The Internal Audit Division confirms the status of the development and dissemination of the anti-corruption structure, as well as responses to legal risks, through periodic audits conducted every two years domestically and every year at overseas Group companies.

🔗 [Annual Securities Report P.158 Status of internal audits](#)

🔗 [Anti-Bribery and Corruption Policy Sekisui House, Ltd.](#)

### Personal Information Protection Initiatives

In accordance with our Rules on the Handling of Personal Information, we have established a management structure headed by the Head of the Corporate Headquarters as the person with overall responsibility, and we strive to handle personal information appropriately.

We disclose our Customer Information Protection Policy and Information Security Policy, and deepen employees' understanding of the personal information handled at each business location through training and e-learning. We have also established a dedicated department with a consultation point, respond to requests for disclosure and correction, and provide prompt explanations and responses in the event of an incident.

In addition, we are also developing structures and providing training overseas in accordance with the laws and regulations of each country.

🔗 [Global Website Privacy Policy](#)

🔗 [Sekisui House Group Information Security Policy](#)

### Tax Transparency

The Sekisui House Group is committed to complying with the tax laws of all the countries in which we conduct business, and to fulfilling our fair share of tax payments.

Our detailed policy on tax transparency, along with our tax payment results by country for FY2025, are disclosed on our website.

🔗 [Tax Transparency](#)

### Legal Compliance Status in FY2025

- There were no significant violations of laws or regulations or voluntary standards related to bribery or corruption within the Group.
- There were no disciplinary actions or dismissals of employees due to violation of the Anti-Corruption Policy. To the best of our knowledge, the Group did not incur any costs related to fines, surcharges, or settlements associated with corruption.
- There were no significant violations or penalties related to environmental laws or regulations, no spills at factories that affected the surrounding environment, and no ESG-related provisions, including environmental provisions.
- There were no fines paid for violations of laws or regulations related to the provision or use of our products and services. In the event that a significant matter concerning our products or services is discovered, we will conduct an investigation and, if the facts are confirmed, promptly disclose the details of the matter and our response policy.
- There were no infractions of health and safety regulations or voluntary standards.
- There were no substantiated complaints or petitions for redress related to customer privacy infringements or loss of customer data.
- The Group faced no legal action, significant fines, or punitive measures related to anti-competitive behavior, antitrust violations, or monopolistic practices.



## Stakeholder Engagement

The Sekisui House Group places great importance on dialogue with diverse stakeholders, including customers, shareholders and investors, business partners, employees, and local communities. We take the issues and expectations we receive seriously, reflect them in our business, and actively promote engagement with the aim of fostering understanding and appropriate evaluation.

### Small-group meeting between Outside Directors of the Board and institutional shareholders

In December 2025, two Independent Outside Directors of the Board—Kitazawa, Chairperson of the Board of Directors, and Yoshimaru, Chairperson of the Nomination and Compensation Advisory Committee—held frank and sincere discussions with institutional investors on a wide range of topics. We present some highlights of that day’s dialogue below.

### Q. As an Outside Director, how do you view the Board’s role in providing both an “accelerator” and a “brake” for the executive side?

■ **Kitazawa** | As Chairperson of the Board of Directors, I am constantly mindful about enhancing the functions of the Board. Every year, we conduct an effectiveness evaluation of the Board using a third-party organization. We position the issues identified as important indicators and work to improve the operation of the Board.

With the acquisition of MDC and the “One Company” integration of our U.S. business,

among other developments, the scale of our Group’s operations has expanded dramatically. For the business to grow soundly, I believe the Board needs to enhance its monitoring function and assess risk, while at the same time giving the executive side the confidence to take on important challenges that the Company should pursue from a long-term perspective. Outside Directors in particular bring diverse insights and extensive experience. I therefore believe it is important for the Board to accurately exercise both its “brake” function to avoid various risks and its “accelerator” function to encourage the challenges needed for growth.

One example of the accelerator function was the acquisition of the land for condominiums in a prime location in Tokyo. This land is in an extremely rare location, but the fundamental premise for a land acquisition decision is securing profitability. The executive side’s initial proposal placed such emphasis on profitability that there was a risk of losing the bid. During Board discussions, Outside Directors raised the view that, in addition to profitability, the bid

price should be reconsidered in light of the flagship value of GRAND MAISON in Tokyo. In response, the bid price was reviewed, and following re-deliberation, the bid was successfully won and the land acquired.

I see this as an example of the Outside Directors exercising the accelerator function by asserting that the elements of long-term brand value building also be given weight, then turning it into a growth opportunity.

### Q. How does the Board monitor the governance of the U.S. business following the acquisition of MDC?

■ **Kitazawa** | The acquisition of MDC was an extremely important decision for our Group. We conduct our business under a Global Vision aimed at expanding Japan’s advanced housing technologies overseas and providing more comfortable, secure homes around the world. MDC has a nationwide business base across the U.S., and its acquisition represented both a major growth opportunity and an excellent opportunity to realize our Global Vision.

To achieve this, it is essential that management is resolved to drive the various domestic divisions such as Corporate Management Planning, Human Resources, Accounting and Finance, IT, Legal, and Research & Development to work as one with the International Division in supporting the U.S. business, thereby ensuring that the acquisition



of MDC does not remain simply as an investment for business expansion, but leads to the realization of the Company’s objectives. The Board discussed the acquisition from this perspective, and a resolution was passed on the acquisition.

Even more important is supporting post-acquisition growth. All of our Outside Directors visited Denver, where MDC’s headquarters is located, as well as business sites in various locations, engaging in serious discussions with U.S. management team and strongly conveying our determination, as a company, to support the growth of the U.S. business.

Even today, our Outside Directors visit the U.S. every year, continuing to exchange views with U.S. management team to support the provision of safe, secure, and comfortable housing, as well as other efforts. In addition, we require regular reports to the Board on the progress of the U.S. business and continue to monitor it from the perspectives of both strengthening governance and business growth.

## Stakeholder Engagement

### Q. What do you see as the strengths of Sekisui House's governance, and what challenges remain going forward?

■ **Kitazawa** | Since President Nakai took office in 2018, the Company has actively pursued governance reforms. As a result, an awareness of the need to strengthen governance and achieve sound growth has been strongly shared across the entire management team, and this serves as an important foundation for driving our governance reforms. Since our founding, we have conducted our business by cherishing the spirit of “Love of Humanity.” The idea of “wishing for another’s happiness, and to take joy in their joy” is deeply rooted in each and every employee, forming a corporate culture in which we strive to do work that pleases our customers. I believe that by guiding it in the right direction, this corporate culture has become a powerful force supporting the enhancement of our governance.

At the same time, human capital is essential to further advance our governance. In particular, with the expansion of our U.S. business, strengthening global governance has become an important theme. For this reason, we need to take urgent steps to further nurture specialized talent in areas such as finance and governance going forward.

■ **Yoshimaru** | I joined the Company in 2018, which we designated as the “launch year of governance reform,” and since then, I have felt that our Board of Directors has evolved significantly year after year for effective corporate governance. We have established a framework under which Outside Directors of the

Board participate in internal management meetings as observers and gain a deeper understanding of business execution through visits to projects both in Japan and overseas, enabling them to provide informed and constructive input. One of the strengths of our management team is its willingness to take the views of Outside Directors seriously and to move swiftly to implement those recommendations that it considers valuable. Another clear and distinctive strength is our ability to make bold decisions quickly, as exemplified by the acquisition of MDC.

Importantly, our strengths do not end with decision-making. Through my monitoring of management’s execution of the Company’s strategy, I have also observed the Company’s ability to maintain a high level of speed and focus on priorities during the execution phase. I believe this is one of the Company’s defining characteristics.

Looking ahead, I believe there are a number of important challenges to address as the business environment continues to change significantly. These include strengthening governance across the Group as our business footprint expands, incorporating technological innovations such as generative AI, and further developing our talent strategy and related systems.

### Q. How are you making the development of next-generation management talent and CEO succession effective?

■ **Kitazawa** | I believe the role of Outside Directors is also significant in human resource development.

For the Board to hold grounded, substantive discussions, it is essential that Outside Directors correctly understand the Company’s business and its people. At our Company, Outside Directors are given wide-ranging opportunities to participate in various internal meetings and events. Through these opportunities, they deepen their understanding of the business content of each division and gain firsthand knowledge of the mindsets, attitudes, and personalities of the employees active there.

I, too, serve as a member of the Nomination and Compensation Advisory Committee, and I feel that this accumulated experience forms the foundation for evaluating next-generation management talent on a well-informed, personal basis.

■ **Yoshimaru** | At the Nomination and Compensation Advisory Committee, we have placed particular emphasis on CEO succession planning and are working to build a robust pipeline of next-generation management talent, with CEO succession at its core. Approximately three years ago, we established a formal CEO succession planning framework. Since then, we have clarified the competencies and attributes required for the role, as well as the nomination and selection process, and have narrowed down the pool of candidates through ongoing discussion and review. We currently assess potential candidates across multiple generations—the next generation, the generation after that, and a younger talent pool—and review the candidates every six months.

The Company has also been putting in place

various mechanisms, including succession planning meetings focused on potential executive officer candidates and talent appointment meetings. Through these initiatives, the concept of “tough assignments”—providing high-potential talent with challenging roles and opportunities to stretch themselves—is beginning to take root across the organization as an important approach to talent development.

### Conclusion

■ **Kitazawa** | Through this dialogue with institutional investors, we were able to gain many valuable insights. Receiving incisive questions from everyone gives us the opportunity to organize our own thoughts on challenges and to remain conscious of taking the right actions as Directors. To ensure our Group can achieve sustainable growth both in Japan and overseas, the Board will continue to appropriately apply both the accelerator and the brake, firmly supporting and overseeing execution toward sound growth.

■ **Yoshimaru** | It was a very valuable opportunity to hear and discuss directly about the interests and expectations of institutional investors. In particular, I was reminded of the strong expectations placed on us with regard to strengthening global governance and further developing our CEO succession planning. I intend to incorporate the perspectives and insights gained through these dialogues into my activities going forward.

## Stakeholder Engagement

### Engagement With Individual Shareholders

With the aim of deepening individual shareholders' understanding of our business, we held facility tours in November 2025 at "JUNOPARK," a housing "edutainment" facility that nurtures children's sensibilities, which opened in August 2025, and at "Tomorrow's Life Museum Kansai," a theme park dedicated to housebuilding. This was the first time a tour was held on a Saturday, making it an event that families with children could more easily attend. As a result, we received an even greater response than in previous years.

At "JUNOPARK," participants ranging from children to adults enjoyed a variety of activities, including experiences such as designing rooms to suit their own preferences. This provided an opportunity for participants to realize and discover what elements such as "comfort," "like," and "important" mean to them personally. Furthermore, at "Tomorrow's Life Museum Kansai," we introduced the latest lifestyle proposal-oriented model houses, as well as the structure and strengths of our homes, which are not usually visible to the public, giving visitors a firsthand sense of

the Company's commitment to housebuilding.

Following the tour, we gave a presentation on our business, creating an opportunity for active dialogue with individual shareholders. The post-event survey received many expressions of satisfaction, helping to promote understanding of our initiatives. Going forward, we will continue to engage in sincere and attentive communication through facility tours and other events as we strive to deepen high-quality engagement.



### Main Engagement Activities in FY2025

#### ■ Events for Institutional Shareholders/Investors and Analysts

- Financial results briefing: **4 times**
- Management plan briefing: **2 times**
- Business and ESG-related briefing: **1 time**
- Individual IR interviews: **335 companies**
- Individual SR interviews: **17 companies**
- Overseas IR meetings: **6 times/76 companies**
- Small-group meetings with Outside Directors of the Board: **1 time/15 companies**

- Small-group meetings with securities firms: **2 times/28 companies**
- Conferences sponsored by securities firms: **4 times/40 companies**
- Tours of Company facilities: **6 times/30 companies**

#### ■ Events for Individual Shareholders/Investors

- Facility tours for individual shareholders: **1 time**
- Briefings organized by securities firms: **2 times**



## Directors of the Board and Outside Directors of the Board (As of August 1, 2026)

### Yoshihiro Nakai

Representative Director of the Board, CEO, President, Executive Officer



Number of years in office 10

Mr. Nakai held positions as Head of Corporate Management Planning Department and was in charge of Corporate Management Planning and Accounting & Finance of the Company. Assumed the positions of Director of the Board in April 2016, President, Representative Director of the Board in February 2018. Assumed the positions of Representative Director of the Board, President, Executive Officer, CEO, and in charge of Business Strategy Division and Division of Built-to-Order Business in April 2021. Assumed the current position in April 2025.

### Satoshi Tanaka

Representative Director of the Board Vice President, Executive Officer Managing Finance Division and Auditing, in charge of Human Resources Division and Administration Division



Number of years in office 6

Mr. Tanaka held positions including Representative Director of the Board, Executive Vice President, CAO, CIO, and CPO of Mitsui & Co., Ltd. Assumed the position of Outside Director of the Board of the Company in April 2020, and Representative Director of the Board, Executive Vice President, Executive Officer in April 2021, in charge of the Administration and Human Resources Divisions. Assumed the current position in July 2025.

### Toru Ishii

Director of the Board Senior Managing Officer In Charge of Division of Development Business, and Head of International Business Division



Number of years in office 6

Mr. Ishii held positions as Head of Development Department, Head of International Business Department of the Company. Assumed the positions of Managing Officer in April 2016, Director of the Board, Senior Managing Officer in April 2020. In charge of Development, Condominiums, and International Businesses. In charge of Division of Development Business in February 2021. Assumed the current position in May 2024.

### Yasushi Omura

Director of the Board Senior Managing Officer In Charge of Corporate Strategy, and Managing TKC Project



Number of years in office 1

Mr. Omura held positions as Head of the Sales Administration Division of the Company and President, Representative Director of the Board of Sekisui House Construction Holdings, Ltd. Assumed the positions of Managing Officer of the Company, Head of the Sekisui House Construction Business Division in April 2023, and Director of the Board, Senior Managing Officer in April 2025. In charge of managing the Detached Housing Business and the Remodeling Business. Assumed the current position in August 2026.

### Masaru Noma

Director of the Board Senior Managing Officer Managing Division of Technology and Production



Assumed office in April 2026

Mr. Noma held positions as Head of Comprehensive Housing R&D Institute, Head of Research & Development Headquarters of the Company. Assumed the positions of Managing Officer in April 2022, Senior Managing Officer, in charge of Division of Technology and Production in April 2024, Managing Division of Technology and Production in February 2026, Director of the Board in April 2026.

### Yukiko Yoshimaru

Outside Director of the Board



Outside Independent

Number of years in office 8

Ms. Yoshimaru held positions including Director of the Board of the U.S. subsidiary of Oki Electric Industry Co., Ltd., Head of the Diversity Development Office of Nissan Motor Co., Ltd., and Executive Officer of Nifco Inc. Assumed the position of Outside Director of the Board of the Company in April 2018. Has served as Chairperson of the Nomination and Compensation Advisory Committee since May 2020.

### Toshifumi Kitazawa

Outside Director of the Board



Outside Independent

Number of years in office 6

Mr. Kitazawa held positions including President, Director of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd., Director of the Board of Tokio Marine Holdings, Inc., and Vice Chairman, Director of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd. Assumed the position of Outside Director of the Board of the Company in April 2020. Has served as Chairperson of the Board of Directors since May 2021.

### Yoshimi Nakajima

Outside Director of the Board



Outside Independent

Number of years in office 5

Ms. Nakajima held positions including Country Manager (President) of American Express International, Inc., Singapore, and President, Representative Director of the Board of American Express Japan, Inc. Assumed the position of Outside Director of the Board of the Company in April 2021.

### Shinichi Abe

Outside Director of the Board



Outside Independent

Number of years in office 4

Mr. Abe served as Executive Officer of Oracle Corporation Japan and Representative of Google Cloud Japan G.K., among other positions, before becoming President, Representative Director of the Board of MNES, Inc. (current position). Assumed the position of Outside Director of the Board of the Company in April 2022.

### Yukiko Kuroda

Outside Director of the Board



Outside Independent

Number of years in office 1

Ms. Kuroda worked at Sony Corporation and a U.S.-affiliated management consulting firm before founding People Focus Consulting Co., Ltd. Assumed the position of Outside Director of the Board of the Company in April 2025.

## Audit and Supervisory Board Members (As of August 1, 2026)

### Takashi Ogino

Standing Audit and Supervisory Board Member



Number of years in office 4

Mr. Ogino held positions as branch head, Head of Auditing Department, Operating Officer of the Company. Assumed the position of Standing Audit and Supervisory Board Member in April 2022.

### Osamu Minagawa

Standing Audit and Supervisory Board Member



Number of years in office 1

Mr. Minagawa held positions including branch head, Head of the Sales Administration Division, Managing Officer, and was in charge of Human Resources Division and Auditing of the Company. Assumed the position of Standing Audit and Supervisory Board Member in April 2025.

### Yoritomo Wada

Outside Audit and Supervisory Board Member

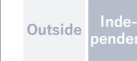


Number of years in office 6

After working as partner of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC), Mr. Wada assumed the position of Outside Audit and Supervisory Board Member of the Company in April 2020. Has served as Chairperson of the Audit and Supervisory Board since April 2026.

### Yuko Tamai

Outside Audit and Supervisory Board Member

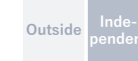


Number of years in office 1

Ms. Tamai currently serves as a Partner of Nagashima Ohno & Tsunematsu. Assumed the position of Outside Audit and Supervisory Board Member of the Company in April 2025.

### Nobuo Hanada

Outside Audit and Supervisory Board Member



Assumed office in April 2026

Mr. Hanada held positions including Head of the Auditing Department, Head of Global Auditing, and Standing Audit & Supervisory Board Member of FUJIFILM Holdings Corporation. Assumed the position of Outside Audit and Supervisory Board Member of the Company in April 2026.

| Directors of the Board | Attendance at Board of Directors FY2025 | Particular Knowledge, Experience, and Abilities Expected (Not All Skills are Displayed) |                                            |                                   |                                        |                                                                    |                                         |
|------------------------|-----------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------|-----------------------------------|----------------------------------------|--------------------------------------------------------------------|-----------------------------------------|
|                        |                                         | Corporate Management/ Business Strategy                                                 | Overseas Business/ International Knowledge | Financial Strategy and Accounting | Technology and Environment/ Innovation | Improvement of Social Value/ Human Resource Development/ Diversity | Governance/ Risk Management/ Compliance |
| Yoshihiro Nakai        | 13/13                                   | ●                                                                                       |                                            | ●                                 |                                        | ●                                                                  | ●                                       |
| Satoshi Tanaka         | 13/13                                   | ●                                                                                       | ●                                          | ●                                 |                                        | ●                                                                  | ●                                       |
| Toru Ishii             | 13/13                                   | ●                                                                                       | ●                                          |                                   |                                        | ●                                                                  |                                         |
| Yasushi Omura          | 9/9                                     | ●                                                                                       |                                            |                                   | ●                                      |                                                                    | ●                                       |
| Masaru Noma            | —                                       | ●                                                                                       |                                            |                                   | ●                                      |                                                                    | ●                                       |
| Yukiko Yoshimaru       | 13/13                                   | ●                                                                                       | ●                                          |                                   |                                        | ●                                                                  | ●                                       |
| Toshifumi Kitazawa     | 13/13                                   | ●                                                                                       | ●                                          | ●                                 |                                        |                                                                    | ●                                       |
| Yoshimi Nakajima       | 13/13                                   | ●                                                                                       | ●                                          | ●                                 |                                        | ●                                                                  |                                         |
| Shinichi Abe           | 13/13                                   | ●                                                                                       | ●                                          |                                   | ●                                      | ●                                                                  |                                         |
| Yukiko Kuroda          | 9/9                                     | ●                                                                                       | ●                                          |                                   |                                        | ●                                                                  | ●                                       |

| Audit and Supervisory Board Members | Attendance FY2025           |                    | Particular Knowledge, Experience, and Abilities Expected (Not All Skills are Displayed) |                                            |                                            |                                               |               |                                         |
|-------------------------------------|-----------------------------|--------------------|-----------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|-----------------------------------------------|---------------|-----------------------------------------|
|                                     | Board of Corporate Auditors | Board of Directors | Corporate Management                                                                    | Overseas Business/ International Knowledge | Quality and Technology/ Business Processes | Financial Strategy and Accounting/ Disclosure | Legal Affairs | Governance/ Risk Management/ Compliance |
| Takashi Ogino                       | 18/18                       | 13/13              | ●                                                                                       |                                            | ●                                          |                                               |               | ●                                       |
| Osamu Minagawa                      | 10/10                       | 9/9                | ●                                                                                       |                                            | ●                                          |                                               |               | ●                                       |
| Yoritomo Wada                       | 18/18                       | 13/13              |                                                                                         | ●                                          |                                            | ●                                             |               | ●                                       |
| Yuko Tamai                          | 10/10                       | 9/9                |                                                                                         | ●                                          |                                            | ●                                             | ●             | ●                                       |
| Nobuo Hanada                        | —                           | —                  |                                                                                         | ●                                          |                                            | ●                                             |               | ●                                       |

For the significant concurrent posts at other companies and reasons for selecting each item in the skill matrix, please refer to the Annual Securities Report.

[Annual Securities Report](#)

## 06 Integrity as Foundation

### Summary | A foundation shaped by questions

What must change  
to realize the future we seek to create?  
By continually asking ourselves that question,  
we have continued to evolve  
the way we manage our business.  
Not for the sake of systems and structures,  
but in pursuit of better management.  
That is the answer we have chosen.

### Reflection | Our integrity

Doing good work with sincerity.  
Being appreciated by our customers.  
Earning the trust of our colleagues.  
Being someone others want to work with.  
Perhaps that is what integrity is:  
a quiet strength that brings out the best in us.





## Closing Notes

# The Journey Continues

Since our founding in 1960,  
our business has expanded beyond the  
home into many areas of people's lives.  
Yet no matter where we are,  
our desire to create happiness  
remains unchanged.  
We will continue to nurture happiness  
in everyday life and carry it forward  
to future generations.



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### Affiliated Companies

Sekisui House Real Estate Holdings, Ltd.  
- Sekisui House Real Estate, Ltd.  
- Sekisui House Sha Maison PM: 6 companies  
Sekisui House Trust, Ltd.  
Sekisui House Construction Holdings, Ltd.  
- Sekisui House Construction companies: 8 companies  
Sekisui House Remodeling, Ltd.

Sekisui House Support Plus, Ltd.  
Sekisui House Financial Services Co., Ltd.  
Sekisui House Umeda Operation Co., Ltd.  
Sekisui House Asset Management, Ltd.  
Konoike Construction Co., Ltd. and MARUHON INC.  
Sekisui House GM Partners, Ltd.  
Sekisui House Hotel Management Co., Ltd.

SEKISUI HOUSE US HOLDINGS, LLC  
SEKISUI HOUSE U.S., Inc.  
NORTH AMERICA SEKISUI HOUSE, LLC  
SH RESIDENTIAL HOLDINGS, LLC  
SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED, among others  
Consolidated subsidiaries: 301 companies (44 in Japan / 257 overseas)  
Equity-method affiliates: 36 companies (13 in Japan / 23 overseas)

Company and Shareholder Information (As of January 31, 2026)

Corporate Profile

|                           |                                                                                                            |
|---------------------------|------------------------------------------------------------------------------------------------------------|
| Corporate name            | SEKISUI HOUSE, LTD.                                                                                        |
| Head office               | 1-1-88 Oyodonaka, Kita-ku, Osaka 531-0076, Japan<br>Umeda Sky Building, Tower East                         |
| Date of establishment     | August 1, 1960                                                                                             |
| Number of employees       | 32,186 (consolidated) / 14,178* (non-consolidated)<br>* Including employees seconded to subsidiaries, etc. |
| Share capital             | ¥203.3 billion                                                                                             |
| Production sites (plants) | Five locations in Japan (in Miyagi, Ibaraki, Shizuoka, Hyogo, and Yamaguchi prefectures)                   |
| Research institutes       | Comprehensive Housing R&D Institute / SHIAWASE SUMAI Institute                                             |
| Sales offices             | Branches and sales offices: 99<br>Customer service centers: 30<br>Housing display centers: 253             |
| Affiliated companies      | Consolidated subsidiaries: 301 companies<br>(44 in Japan / 257 overseas)                                   |
| Equity-method affiliates  | 36 companies<br>(13 in Japan / 23 overseas)                                                                |

Share Information

Total number of shares issued

663,122,166 shares  
(of which 14,712,490 are treasury shares)

Trading unit

100 shares

Total number of shareholders

328,965

Total shareholder return

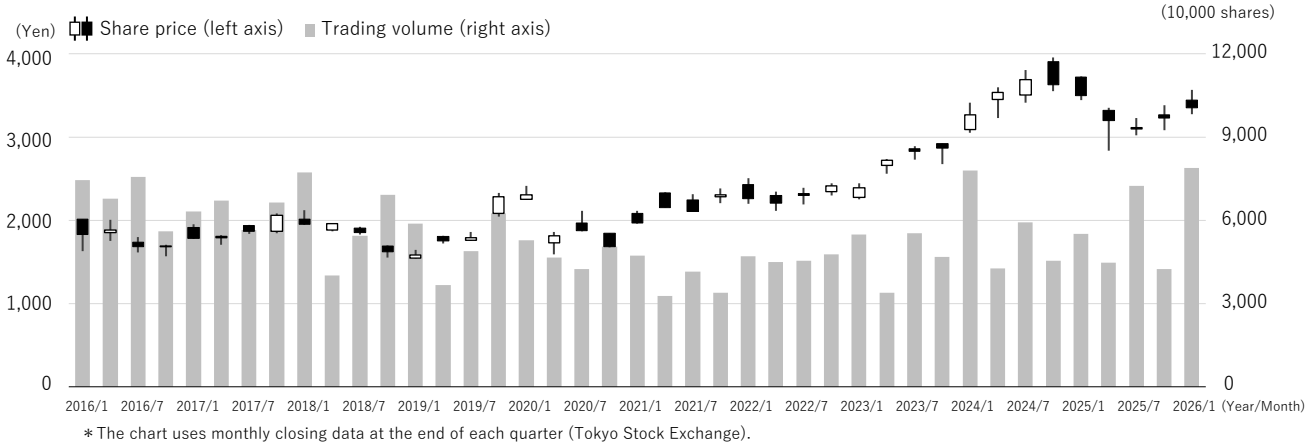
| FY                        | 2021   | 2022   | 2023   | 2024   | 2025   |
|---------------------------|--------|--------|--------|--------|--------|
| Sekisui House             | 119.1% | 131.3% | 181.8% | 200.1% | 200.1% |
| TOPIX<br>(with dividends) | 107.0% | 114.6% | 151.7% | 169.7% | 222.5% |

Major Shareholders (Top 10)

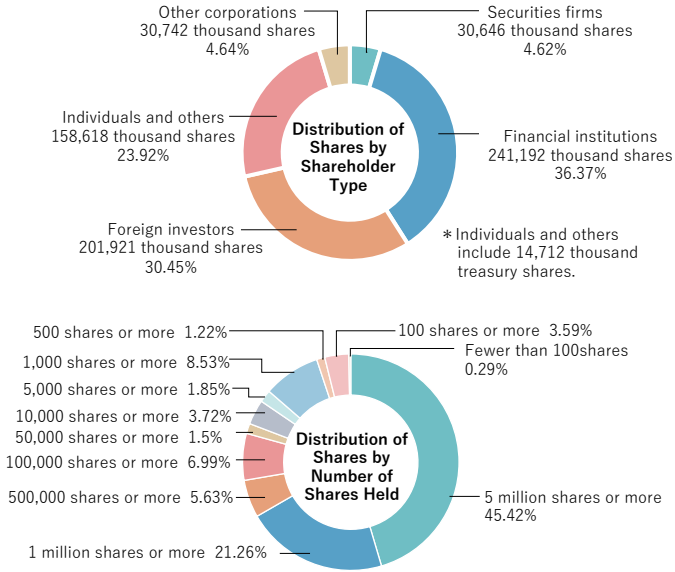
| Shareholder                                          | Shares held (thousands) | Share holding ratio (%) |
|------------------------------------------------------|-------------------------|-------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 108,393                 | 16.72                   |
| Custody Bank of Japan, Ltd. (Trust Account)          | 48,906                  | 7.54                    |
| Sekisui House Ikushikai                              | 22,146                  | 3.42                    |
| Sekisui Chemical Co., Ltd.                           | 14,168                  | 2.19                    |
| SMBC Nikko Securities Inc.                           | 10,246                  | 1.58                    |
| JP MORGAN CHASE BANK 385781                          | 8,903                   | 1.37                    |
| JPMorgan Securities Japan Co., Ltd.                  | 8,313                   | 1.28                    |
| STATE STREET BANK AND TRUST COMPANY 505001           | 7,909                   | 1.22                    |
| Japan Securities Finance Co., Ltd.                   | 7,689                   | 1.19                    |
| Dai-ichi Life Insurance Company, Limited             | 7,508                   | 1.16                    |

\* Sekisui House Ikushikai is the Company's employee stock ownership plan.  
\* The Company holds 14,712,490 treasury shares, which are excluded from the major shareholders listed above. Shareholding ratios are calculated by dividing the number of shares held by the total number of shares issued less treasury shares.

Share Price Trends



Share Composition



## Editorial Policy

|                                           |                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Editorial policy</b>                   | Value Report – Our Impact presents an integrated view of the Sekisui House Group’s value creation and aims to deepen dialogue with stakeholders.                                                                                                                                                                                                                            |
| <b>Reporting period</b>                   | February 1, 2025 – January 31, 2026 (FY2025)<br>The report also contains information beyond this reporting period.                                                                                                                                                                                                                                                          |
| <b>Target organizations</b>               | In principle, this report covers Sekisui House, Ltd. and its 301 consolidated subsidiaries. Departures from this scope are indicated in the text.                                                                                                                                                                                                                           |
| <b>Note on forward-looking statements</b> | Forward-looking information stated in this report, such as performance forecasts, is based on estimates made by Sekisui House, Ltd. using information available at the time this report was prepared and is subject to risks and uncertainties. Please be aware that actual results may differ significantly from the stated information due to changes in various factors. |
| <b>Guidelines referenced</b>              | <ul style="list-style-type: none"> <li>• Ministry of Economy, Trade and Industry, Guidance for Collaborative Value Creation 2.0</li> <li>• IFRS Foundation, International Integrated Reporting Framework</li> <li>• IFRS Foundation, SASB Standards</li> <li>• GRI Standards</li> </ul>                                                                                     |
| <b>Related materials</b>                  | Sekisui House ESG Fact Book 2026 (April 2026)<br>Sekisui House ESG Data Book 2026 (April 2026)<br>Sekisui House Group Human Rights Report (January 2026)<br>Annual Securities Report for the 75th Fiscal Year (April 2026)<br>Internal Control Report for the 75th Fiscal Year (April 2026)                                                                                 |

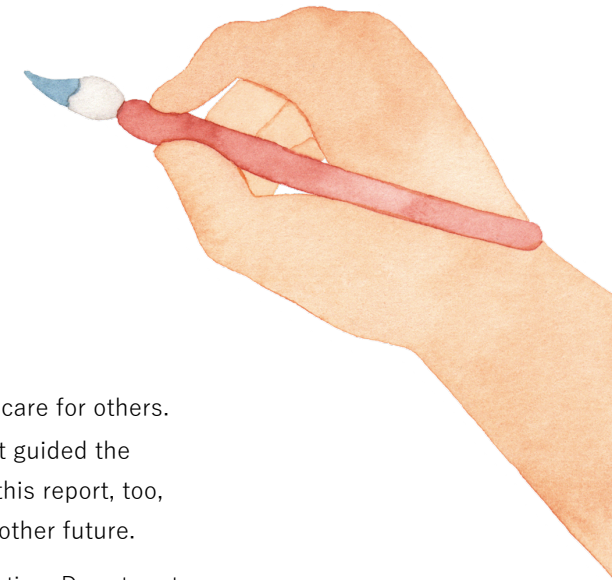
## The Role of the Value Report in Our Communication

|          | Financial Information                                                             | Non-Financial Information                     |
|----------|-----------------------------------------------------------------------------------|-----------------------------------------------|
|          | Value Report – Our Impact                                                         |                                               |
| Reports  | ➤ <a href="#">Annual Securities Report</a>                                        | ➤ <a href="#">ESG Fact Book</a>               |
|          | ➤ <a href="#">Business Report</a>                                                 | ➤ <a href="#">ESG Data Book</a>               |
|          |                                                                                   | ➤ <a href="#">Corporate Governance Report</a> |
| WEB      | ➤ <a href="#">Information for shareholders and investors (Investor Relations)</a> | ➤ <a href="#">ESG Management</a>              |
| Dialogue | ➤ <a href="#">Briefings on earnings results and management plans</a>              | ➤ <a href="#">Briefings on ESG management</a> |
|          | Meetings with analysts and institutional investors                                | Meetings with stakeholders                    |
|          | ➤ <a href="#">General Meeting of Shareholders</a>                                 |                                               |

URL: [https://www.sekisuihouse.co.jp/english/company/sustainable/library/2026/ESG\\_factbook\\_en.pdf](https://www.sekisuihouse.co.jp/english/company/sustainable/library/2026/ESG_factbook_en.pdf)  
 URL: [https://www.sekisuihouse.co.jp/library/company/sustainable/download/2026/ESG\\_databook.pdf](https://www.sekisuihouse.co.jp/library/company/sustainable/download/2026/ESG_databook.pdf)  
 URL: [https://www.sekisuihouse.co.jp/library/english/company/sustainable/2026/human\\_rights\\_report202601\\_en.pdf](https://www.sekisuihouse.co.jp/library/english/company/sustainable/2026/human_rights_report202601_en.pdf)  
 URL: [https://www.sekisuihouse.co.jp/company/financial/library/ir\\_document/227230/2025\\_kessan/yuho\\_2025e.pdf](https://www.sekisuihouse.co.jp/company/financial/library/ir_document/227230/2025_kessan/yuho_2025e.pdf)  
 URL: [https://www.sekisuihouse.co.jp/company/financial/library/ir\\_document/227230/2025\\_kessan/naiho\\_2025.pdf](https://www.sekisuihouse.co.jp/company/financial/library/ir_document/227230/2025_kessan/naiho_2025.pdf)



# Innovation and Communication

**Editor's Note**

How can some people speak of happiness with such conviction? Wanting to understand, we explored the ideas behind the words. A care for others. Gratitude for those who came before. The resolve to carry something forward. What we found, in the end, was a conviction that what guided the past would continue to guide the future. “The future we once imagined is here today.” If someone feels that way someday, perhaps this report, too, will become a memory from a time when the future still lay ahead. And by then, the Sekisui House Group will surely be imagining another future.



## Head Office

1-1-88 Oyodonaka, Kita-ku, Osaka 531-0076, Japan  
Umeda Sky Building, Tower East

## Contact

Investor Relations | [investor.relations@sekisuihouse.co.jp](mailto:investor.relations@sekisuihouse.co.jp)  
ESG Management Promotion Headquarters | [esg@sekisuihouse.co.jp](mailto:esg@sekisuihouse.co.jp)

## Published

August 2026

## Website

<https://www.sekisuihouse.co.jp/english/>

Information for shareholders and investors

<https://www.sekisuihouse.co.jp/english/company/financial/>

ESG Management

<https://www.sekisuihouse.co.jp/english/company/sustainable/>



## External Recognition

Our ongoing efforts have earned high recognition from a range of external bodies, including inclusion in domestic and international indices. We have also been selected as a constituent of all six ESG indices adopted by Japan's Government Pension Investment Fund (GPIF), the world's largest pension fund.



2025 CONSTITUENT MSCI日本株  
ESGセレクト・リーダーズ指数

2025 CONSTITUENT MSCI日本株  
女性活躍指数 (WIN)

THE USE BY SEKISUI HOUSE, LTD. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION OR PROMOTION OF SEKISUI HOUSE, LTD. BY MSCI. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES ARE SERVICE MARK(S) OF MSCI OR ITS AFFILIATES.

- External evaluations of ESG management
- Participation in international initiatives and activities with government and industry bodies
- Third-party assurance of environmental and social performance data