



SEKISUI HOUSE

VALUE REPORT 2026

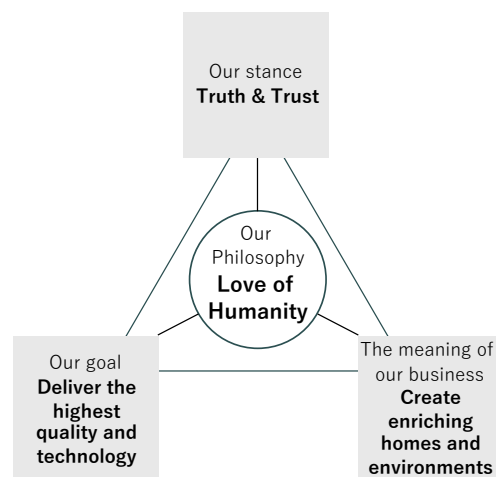
— OUR IMPACT

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

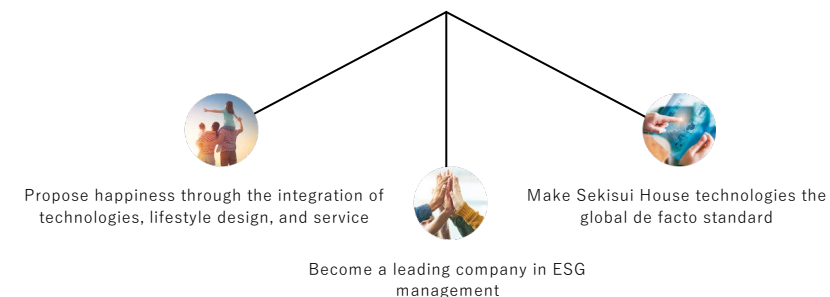
Sekisui House Group Integrity Code
Each of us represents Sekisui House.

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.

Why We Exist	01 Identity Value Preserving Our Foundation	Preserve
Where We're Headed	02 Enduring Value Fulfilling Our Promise	
What We Build	03 Core Competence Advancing Unique Value	Evolve
What We Change	04 Transformation Evolving as One Group	
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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.

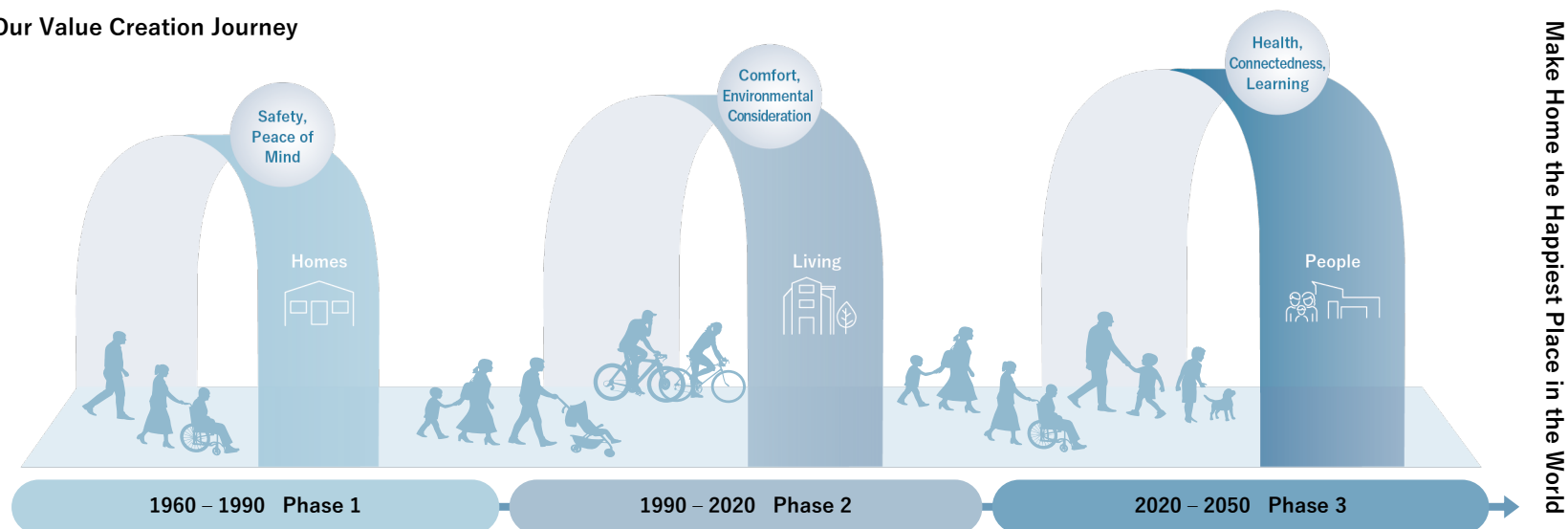
Executive Summary

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.

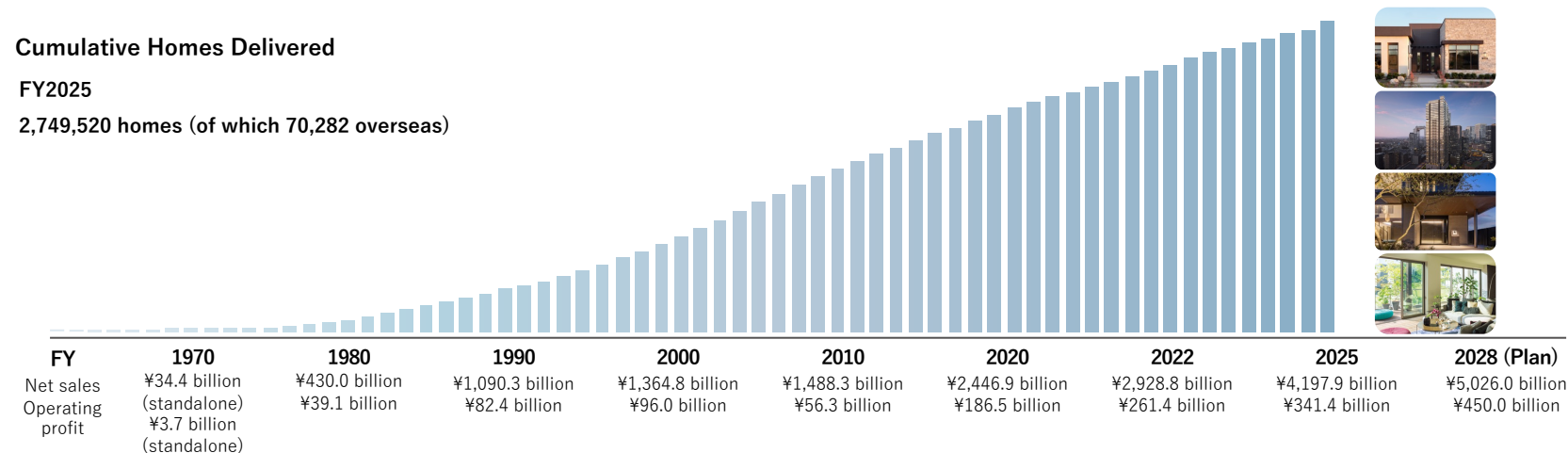
These efforts resulted in cumulative net sales of ¥11,637.3 billion and operating profit of ¥943.7 billion over the three years through FY2025, significantly exceeding the original targets of the Sixth Mid-Term Management Plan (FY2023–FY2025). In FY2025, the final year of the plan, we achieved record-high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

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

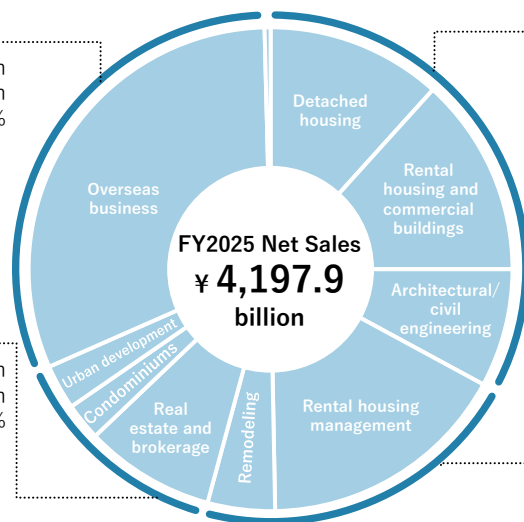
Overseas Business

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%



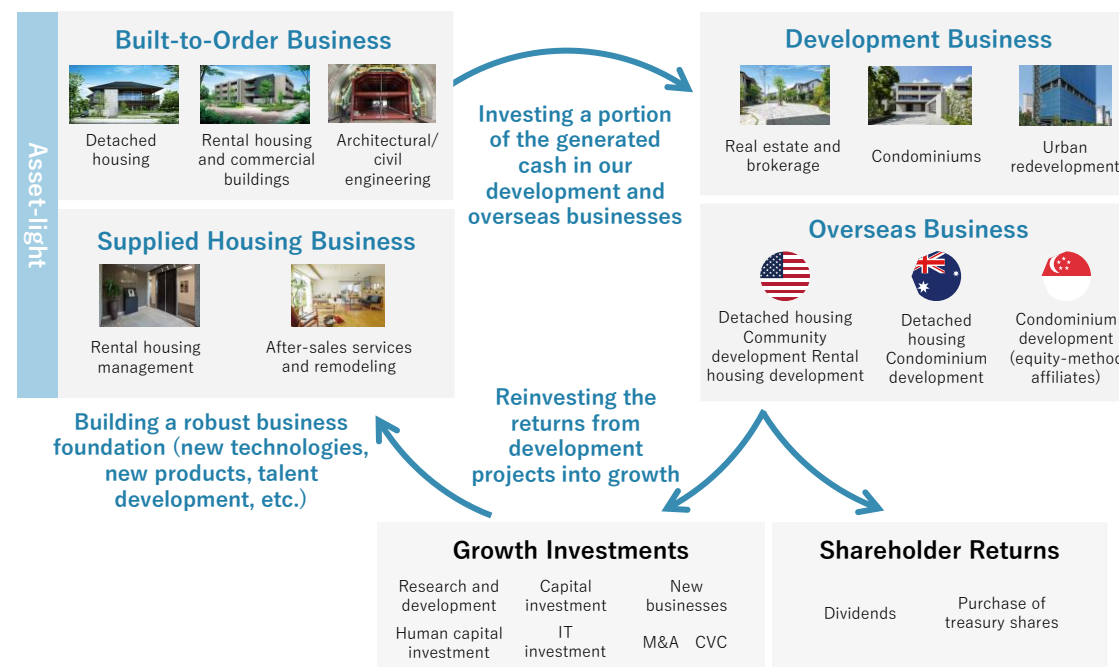
Supplied Housing Business

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

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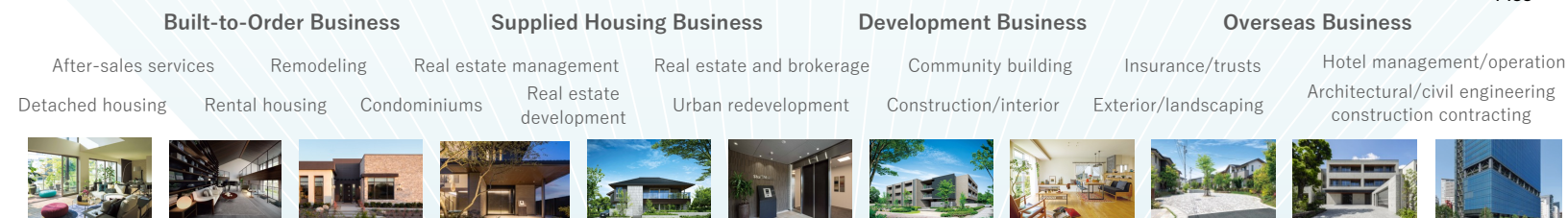
Our Promise for the Future

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Housing-Centered Business Activities

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Evolving Core Competencies

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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.