

Section 5

Management Foundation

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Message from the Chairperson of the Board of Directors

We intend to further evolve corporate governance to provide the value that modern society demands.

Guided by a global vision to make home the happiest place in the world, all Sekisui House Group companies have operated together seamlessly and proactively in a rapidly changing business environment. Customer support has increased further as a result, enabling record results for the Group in FY2021.

During FY2021, Sekisui House's Board of Directors consisted of 10 members, four of whom were outside directors. The Board proactively discussed an array of management issues so that Sekisui House could provide safe, secure and comfortable housing for beautiful townscapes.

The ongoing COVID-19 pandemic has increased customer requirements for comfortable living because most people are spending more time at home. We need to respond to changes in the business environment swiftly to generate sound, sustainable growth. We therefore require broadly based human resource development to support our businesses, and investment to develop innovative technologies is also key.

Committed to ongoing, sincere dialogue with stakeholders, the Board of Directors will further enhance governance with an emphasis on operating soundness and transparency and even more effective resource allocation and deployment to deliver the value that modern society demands.



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.

Corporate Governance

● Basic Concept

In accordance with our corporate philosophy of love of humanity, under which we pursue truth & trust, deliver the highest quality and technology and create enriching homes and environments, the Group considers corporate governance to be one of its major management challenges. The Sekisui House Group has improved the effectiveness of its corporate governance to increase corporate value while sustainably earning the trust of shareholders, investors and other all stakeholders, and has put in place a system that enables speedy management marked by integrity. The Company discloses to its stakeholders the Sekisui House, Ltd. Basic Policy on Corporate Governance, in which the fundamental concept and the framework of the Company's corporate governance is established. The Sekisui House Group positioned 2018 as the first year of governance reforms. We are steadily implementing each initiative to build a resilient management base for long-term, sustained growth in corporate value.

● Key Initiatives since 2019

Revised term of office for directors	<ul style="list-style-type: none"> We shortened the term of office for directors from two years to one year to clarify the management responsibilities of directors, increase opportunities for shareholders to take a vote of confidence, and build a management team that can respond quickly to changes in the business environment.
Abolished the executive advisor/advisor system	<ul style="list-style-type: none"> We abolished the executive advisor/advisor system to add transparency to our management team and clarify accountability, which in turn further strengthens corporate governance.
Fundamentally revised the remuneration system for officers	<ul style="list-style-type: none"> The General Meeting of Shareholders held in April 2019 introduced a restricted stock remuneration system and abolished the bonus system for outside directors. The General Meeting of Shareholders held in April 2020 clarified basic remuneration policy, revised the basis for proportional allocation of remuneration and determined appropriate remuneration levels. We introduced performance-related bonuses and a performance-related stock remuneration plan, revised the payment limits under the restricted stock remuneration plan, and clarified the key performance indicators (KPIs) for performance-related remuneration and the calculation method.
Introduced shareholding guidelines	<ul style="list-style-type: none"> To ensure that directors share value with shareholders in a long-term and sustainable manner, while in office directors (excluding outside directors) are encouraged to increase their holdings of the Company's shares up to the equivalent of a predetermined value (based on the market value of the shares), and after reaching the baseline, they are obligated to maintain ownership of at least the baseline monetary value of the Company's shares. The baseline monetary value is two times annual basic remuneration for representative directors and equal to annual basic remuneration for other eligible directors.
Established provisions for recovering stock remuneration (malus and clawback)	<ul style="list-style-type: none"> In order to minimize excessive risk taking by directors (excluding outside directors) and to ensure sound management, we formulated malus and clawback provisions that require officers to return their stock remuneration in full or in part before vesting if certain events occur.

Integrity—sincerity and high moral values—is central to our governance reforms. This concept resonates with our philosophy of love of humanity, and with our stance of truth and trust. We prioritize integrity in all corporate activities, from the actions of the Board of Directors to personnel evaluation, sales, production and construction, while implementing reforms as a leading company in ESG management.

* Details regarding the Basic Policy on Corporate Governance are available on our website.

 [Basic Policy on Corporate Governance](#)

Formulated criteria and procedures for appointing and dismissing senior management	<ul style="list-style-type: none"> The Personnel Affairs and Remuneration Committee regularly deliberates on basic policies and procedures for appointing internal directors and succession plans for representative directors and other officers.
Improved independence of the Board of Directors	<ul style="list-style-type: none"> We have increased the number of outside directors on the Board of Directors from four in FY2021 to five in FY2022 to further strengthen the management supervision function of the Board of Directors and the corporate governance system.

● Key Initiatives in 2021

Outside director appointed Chairperson of the Board of Directors	<ul style="list-style-type: none"> We selected the Chairperson of the Board of Directors from among outside directors to strengthen the effectiveness of the management supervision function of the Board of Directors.
Clarification of the Board of Directors skills matrix	<ul style="list-style-type: none"> We clarified the knowledge, experience and abilities expected of each candidate for director, and the reasons for choosing each skill category based on management strategies and plans.
Reform of the executive officer system	<ul style="list-style-type: none"> We strengthened development of management personnel in each division and construction of a sustainable leader pipeline through clarification of roles, personnel requirements, and the process of appointment and dismissal.
Strengthened disclosure of the officers' remuneration system	<ul style="list-style-type: none"> We disclosed of the items and targets of the ESG management indicators which are the KPIs of the Performance Share Units (PSU). We disclosed of individual remuneration of all internal directors.

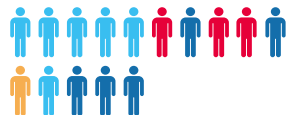
Corporate Governance

● Changes in Governance

		Composition of the Board of Directors and Audit and Supervisory Board	(Upper row) Directors of the Board (Lower row) Audit and Supervisory Board members	Ratio of outside directors of the Board	Ratio of outside officers (Directors of the Board and Audit and Supervisory Board members)
2002	Executive officer system introduced				
2003	Sekisui House Group Corporate Code of Conduct formulated				
2005	CSR Committee established				
2006	Retirement bonus system for directors abolished and stock remuneration-type stock option system introduced				
2008	One outside director appointed				
2009	Outside Audit and Supervisory Board members increased from two to three				
2012	Outside directors of the Board increased to two				
2016	Basic Policy on Corporate Governance formulated Personnel Affairs and Remuneration Committee and Risk Management Committee established as consultative bodies to the Board of Directors				
2018	First year of corporate governance reforms Increased the number of outside directors of the Board from two to three and the number of outside Audit and Supervisory Board members from three to four				
	1. Introduction of a mandatory retirement age of 70 for representative directors of the Board				
	2. Appointment of women as outside officers				
	3. Increase the transparency of and enliven meetings of the Board of Directors				
	4. Establishment of Management Meetings				
	5. Clarification of departments under the control of directors of the Board				
	6. Evaluation of the effectiveness of the Board of Directors				
	7. Ensuring the independence and strengthening the check-and-balance functions of the heads of general affairs of sales administration headquarters and branches				
	8. Increasing the integrity of heads of branches				
	9. Introduction of a restricted stock remuneration system (2019)				
	10. Abolition of the bonus system for outside directors of the Board (2019)				
2020	Revised the basis for proportional allocation of remuneration and determined appropriate remuneration levels Increased the number of outside directors of the Board from three to four Established the ESG Promotion Committee (reorganization of the CSR Committee)				
2021	Reform of the executive officer system Outside director of the Board appointed as Chairperson of the Board of Directors Disclosed individual remuneration of internal directors of the Board				
2022	Increased the number of outside directors of the Board from four to five				

Corporate Governance Highlights (As of April 27, 2022)

Composition of the Board of Directors and Audit and Supervisory Board



Ratio of outside directors of the Board

50.0% (5 of 10)

Ratio of outside Audit and Supervisory Board members

60.0% (3 of 5)

Ratio of outside officers

53.3% (8 of 15)*

* 5 of 10 directors of the Board and 3 of 5 Audit and Supervisory Board members

Ratio of female officers

26.7% (4 of 15)*

* 3 of 10 directors of the Board and 1 of 5 Audit and Supervisory Board members

Corporate Governance

● Direction of Governance Reforms under the Fifth Mid-Term Management Plan

Direction of Reforms and Evaluation of Governance to Date

The Sekisui House Group is conducting governance reforms that balance enhancing the effectiveness of governance with sustainable corporate growth. Achieving this balance requires active communication and the participation of every employee. Innovation and communication are therefore the watchwords of our initiatives.

We have steadily implemented 27 specific initiatives over the four years since the beginning of 2018, which we positioned as the first year of governance reforms. These initiatives include the introduction of a mandatory retirement

age of 70 for representative directors of the Board, establishment of Management Meetings, and clarification of departments under the control of directors of the Board.

To further enhance the effectiveness of corporate governance, we will promote more governance reforms for both senior management and business-level management.

1 Reforms at the Senior Management Level

1) Systemic corporate governance reforms and enhanced effectiveness

Aim for management innovation through collaborative creation with outside officers and by engendering fair and healthy tension.

(1) Review the overall design of the governance system.

- A. Review the Personnel Affairs and Remuneration Committee system (chairperson and composition) to strengthen its effectiveness.
- B. Review the role of Management Meetings in the business execution system.
- C. Reform the executive officer system and develop candidates for the senior management team.

(2) Implement a PDCA cycle that uses third-party reviews and draws on outside expertise.

- A. Have an external third-party evaluate the effectiveness of the Board of Directors on a regular basis.
- B. Improve adherence to the Corporate Governance Code and shareholder relations activities based on third-party and other reviews.

2) Enhance information disclosure and promote dialogue with stakeholders

Gain the trust of stakeholders through honest and fair information disclosure.

- A. Produce an *Integrated Report* to tell our corporate story.
- B. Further enhance opportunities for dialogue with institutional investors and individual shareholders.

Under the Fifth Mid-Term Management Plan, we are conducting systemic corporate governance reforms aimed at management innovation through collaborative creation and fair and healthy tension with outside directors of the Board.

We have been working to enhance effectiveness through a review of the structure of the Personnel Affairs and Remuneration Committee, which is the consultative body with regard to personnel and remuneration for directors of the Board and executive officers. We also worked to facilitate a moderate separation of the management supervisory and business execution functions through measures including enhancing the supervisory function by increasing the independence of the Board of Directors and promoting the delegation of authority through reforms to Management Meetings and the executive officer system.

In particular, we improved the transparency of the Personnel Affairs and Remuneration Committee by not only making the chairperson of the committee an outside director of the Board, but also by making the majority of committee members outside directors of the Board. Committee members not belonging to the Company participated in the nomination of director of the Board candidates from the stage of selecting skill matrix categories and were actively involved in the process of nominating the CEO, which stimulated discussions. These measures markedly improved the committee's effectiveness.

2 Reforms at the Business Management Level

1) Increase integrity among business managers

Achieve governance based on mutual trust through managers with a high level of integrity.

- (1) Clarify requirements of business managers and establish and strengthen systems for their development.
- (2) Broaden the scope of those subject to integrity management training (including head office employees in positions of responsibility and officers of Group companies).

2) Strengthen Group governance systems

Foster mutual trust among Group companies based on the corporate philosophy.

- (1) Establish a governance system that will maximize management synergies for the entire Group.
 - A. Clarify the authority and responsibilities of the parent company and subsidiaries and reflect these in the design of the organization.
 - B. Build a network linking the administrative headquarters of the parent company and subsidiaries, and establish lines of reporting.
- (2) Strengthen the development of human resources and allocate them appropriately.
 - A. Strengthen development of governance-related human resources. (Recruitment from outside the Group, exchange of human resources among Group companies) (Integrity + Experience and Knowledge + Ability to Act)
 - B. Allocate such human resources appropriately, including to overseas subsidiaries.
- (3) Promote cooperation among auditors at the parent company and at subsidiaries.

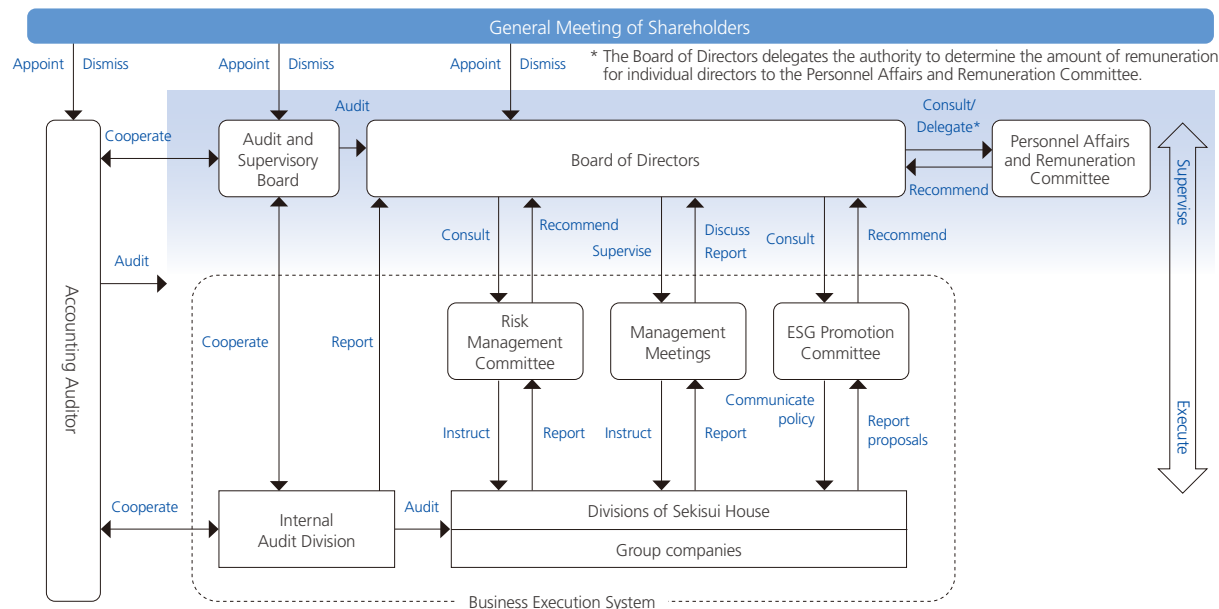
The Sekisui House Group's strengths are a function of the ability of its front-line organization, including the various sales administration headquarters, branches, factories, and Group companies in Japan and overseas. This is because our front-line organization is most aware of operational issues from the perspective of customers. Accordingly, we will implement governance reforms at the business management level to further enhance our front-line capabilities.

We have expanded the scope of integrity management training to include employees in positions of responsibility at the head office and factories and senior management in the Group companies in addition to executives at the various sales administration headquarters. We also worked for substantive improvement in integrity by enhancing management diagnostics (multi-rater assessment) and interviews with the directors in charge. Additional initiatives include establishing lines of reporting in a governance network for the heads of general affairs at offices with a focus on management departments such as the Auditing Department, Human Resources and General Affairs Department, and Legal Department. Concurrently, we will optimize the Group-wide allocation of governance-related human resources, including at overseas subsidiaries.

Corporate Governance

● Corporate Governance System

Corporate Governance System (As of April 27, 2022)



● Clarification of the Functions and Structure of the Board of Directors

- Formulation of medium-to-long-term management strategies and plans and management supervision are functions of the Board of Directors. Our objective is moderate separation of management supervisory and business execution functions through the delegation of authority for short-term and segment-level business execution.
- We have increased the ratio of outside directors of the Board to 50% to enhance transparency and independence to further strengthen their management supervisory function of the Board of Directors.
- Our goal in structuring the Board with a 1-to-1 ratio of internal to outside directors of the Board is fair and healthy tension among members that results in innovative management.
- We reviewed the role of Management Meetings, which were formerly for deliberation of matters by internal directors of the Board prior to their approval at Board of Directors meetings. We have promoted the delegation of authority for business execution by expanding the functions of Management Meetings to allow entrusted executive officers (managing officers and above) to make resolutions regarding business execution.

● Internal Control System

Based on the Companies Act and the Regulation for Enforcement of the Companies Act, the Company developed and manages an internal control system, with basic policies deliberated by the Board of Directors. The Auditing Department, a specialized internal audit division, conducts on-site audits to confirm whether internal controls and internal management are being conducted appropriately and properly based on laws and regulations and internal rules to ensure effective management, and when necessary suggests corrective actions. Results of these audits are reported to directors of the Board and Audit and Supervisory Board members as well as related departments, in addition to regular reports at meetings of the Board of Directors. Moreover, the Auditing Department and the accounting auditor cooperate to execute effective internal audits.

We dispatch directors of the Board and others to conduct internal control of Group companies, including those overseas, and receive reports on their management status and important work execution. In addition, the Company's internal audit division periodically audit important subsidiaries and have strengthened the audit system for overseas Group companies by setting up an International Auditing Office within the Auditing Department.

● Accounting Auditor

Our policy for deciding on the appointment and reappointment of the accounting auditor is to have the Audit and Supervisory Board set the selection criteria and comprehensively evaluate items including the quality control system, independence, expertise, audit plan, audit system and estimated audit remuneration of the accounting auditor.

Corporate Governance

Major Organizations/Committees and Their Roles

Board of Directors

The Board of Directors consists of ten directors of the Board (seven male and three female) including five outside directors of the Board and meets once per month in principle. To improve corporate value over the medium-to-long-term, the Board of Directors shall be responsible mainly for establishing management policies, strategies and plans, and making decisions on the execution of important operations, as well as for supervising and evaluating the execution of duties by directors of the Board and executive officers and for establishing systems, such as internal control and risk management, to ensure the soundness of management. In addition, to promote the constructive exchange of opinions, we decided not to combine the positions of Chairperson of the Board of Directors and the convener. Therefore, an outside director of the Board, Toshifumi Kitazawa, currently serves as the Chairperson of the Board of Directors, while Representative Director of the Board, President, Executive Officer (Yoshihiro Nakai) currently serves as the convener.

The Board of Directors shall have the number of members that is considered appropriate for substantive deliberations, and independent outside directors of the Board shall be selected so that the ratio of independent outside directors on the Board of Directors is one-third or more. Moreover, based on business strategies and management plans, the Board of Directors shall have a well-balanced composition of members selected using a skill matrix with full awareness of the skills required for the Board of Directors. Members shall include experts in finance, accounting, laws, compliance and other relevant areas, with consideration for knowledge, experiences, and ability, the number of years in office, and gender, ensuring both suitable diversity and proper headcount. In addition, we have established the Office of Directors

Board of Directors Composition (As of April 27, 2022)

Directors	Outside directors	Chairperson	Age		
			Under 50	50-59	60 and above
10 (7 men, 3 women)	5 (2 men, 3 women)	Toshifumi Kitazawa (Outside Director)	0	3	7

of the Board as an organization for assisting outside directors of the Board in their duties, and assigned several employees to it, including full-time staff.

Audit and Supervisory Board

The Audit and Supervisory Board has five members (four male and one female), of whom three are outside members. It formulates audit plans and based on those plans it conducts hearings regarding risks and other issues pertaining to the assigned duties of directors, executive officers, key office heads, the directors of subsidiaries and others. In addition, Audit and Supervisory Board members exchange opinions and work closely with the internal audit division, hold regular meetings with the accounting auditor and engage in mutual cooperation to ensure that all audit activities are carried out efficiently and effectively.

Furthermore, we established the Office of Audit and Supervisory Board Members as a dedicated organization to which several employees including full-time staff are assigned to assist in Audit and Supervisory Board operations. If said employees are concurrently assigned other duties, they must not be influenced by guidance or commands from the other division to which they are concurrently assigned and, with regard to human resource matters pertaining to these employees, the opinions of Audit and Supervisory Board members must be considered to ensure the independence of such employees with regard to Audit and Supervisory Board operations.

Audit and Supervisory Board Composition (As of April 27, 2022)

Audit and Supervisory Board members	Outside Audit and Supervisory Board members	Chairperson	Age		
			Under 50	50-59	60 and above
5 (4 men, 1 woman)	3 (3 men)	Ryuichi Tsuruta (Full-Time Outside Audit and Supervisory Board Member)	0	0	5

Personnel Affairs and Remuneration Committee, Management Meetings, ESG Promotion Committee and Risk Management Committee

	Personnel Affairs and Remuneration Committee	Management Meetings	ESG Promotion Committee	Risk Management Committee
Role	As a consultative body to the Board of Directors, the Personnel Affairs and Remuneration Committee provides opinions on matters relating to personnel affairs and remuneration of the directors and entrusted executive officers to ensure fairness and transparency. In addition, the committee, based on the delegation from the Board of Directors, determines the amount of remuneration for individual directors and entrusted executive officers.	The Company shares information among entrusted executive officers for the purposes of holding prior deliberations on important matters to be submitted to the Board of Directors, making decisions on the execution of certain operation matters based on management policies and strategies, and sharing information on business execution policies and issues. Entrusted executive officers are attendees at Management Meetings, and outside directors and Audit and Supervisory Board members may voluntarily attend the meetings as observers. In addition, depending on the topics of discussion, employed executive officers and operating officers may be requested to attend to engage in an active exchange of opinions.	The committee enhances the effectiveness of ESG efforts through means such as exchanging opinions on the progress of ESG management initiatives and issues. In addition, we have established the ESG Management Promotion Headquarters, which further promotes ESG management in cooperation with Group companies in Japan and overseas based on discussions at the ESG Promotion Committee.	As a consultative body to the Board of Directors, the Risk Management Committee gains an understanding of the risk management status of the entire Group by monitoring important topics and other measures and provides opinions to the Board of Directors as required with the aim of appropriately constructing a risk management system.
Chairperson	Yukiko Yoshimaru (Outside Director of the Board)	Yoshihiro Nakai (Representative Director of the Board, President, Executive Officer)	Yosuke Horiuchi (Representative Director of the Board, Vice Chairman, Executive Officer)	Satoshi Tanaka (Representative Director of the Board, Executive Vice President, Executive Officer)
Members	Internal directors of the Board: Yoshihiro Nakai, Satoshi Tanaka Outside directors of the Board: Yukiko Yoshimaru, Toshifumi Kitazawa, Keiko Takegawa	Entrusted executive officers: Yoshihiro Nakai, Yosuke Horiuchi, Satoshi Tanaka, Toshiharu Miura, Toru Ishii, Kohei Hirota, Osamu Minagawa, Haruhiko Toyoda, Kohei Joki, Keizo Yoshimoto, Hiroshi Shinozaki, Masaru Noma, Takehisa Yanagi Note: Outside directors of the Board and Audit and Supervisory Board members may attend voluntarily as observers.	Outside members: Katsuhiko Kokubu (Dean and Professor, Graduate School of Business Administration, Kobe University), Hidemi Tomita (Representative Director, LRQA Sustainability K.K.) Members: Yosuke Horiuchi, Haruhiko Toyoda, Toshiya Chikada, Miwa Yamada, Atsushi Yoshida, Kazu Nakayama, Naoki Kawamura, Ken Kishimoto	Vice Chairperson: Toshiharu Miura Members: Satoshi Tanaka, Toshiharu Miura, Kohei Hirota, Osamu Minagawa, Keizo Yoshimoto, Kazu Nakayama, Naoki Kawamura, Hiroyuki Kitamura, Takahiro Kishi, Nobuaki Okawa

The details of each meeting are reported to the Board of Directors.

Corporate Governance

● Initiatives of the Personnel Affairs and Remuneration Committee

Nomination Issues

A More Sophisticated CEO Selection Process

The Personnel Affairs and Remuneration Committee held a CEO evaluation meeting to clarify the focal points that are the criteria for evaluating the CEO in order to make the CEO evaluation and selection process more transparent.

February 2022: CEO evaluation meeting held

- Three outside directors of the Board held an evaluation meeting with the CEO based on the focal points for evaluation.
- The participants also exchanged opinions about the succession plan, identified issues for FY2023, the CEO's self-evaluation of his work, and discussed management vision and other current issues.

Focal Points for Evaluation at the CEO Evaluation Meeting

Personnel requirements	Focal points for evaluation
Qualification requirements	Implementing specific, broadly based initiatives to achieve the Group's vision based on its corporate philosophy
	Has an accurate understanding of social issues, a vision, and is incorporating them in the business model
Competence requirements	Properly delegating authority and encouraging a creative corporate culture that can address new markets
	Building and strengthening relationships with customers, employees, business partners, investors and other stakeholders
	Providing Group leadership for organizational evolution and development, including outside Japan
Motivation and health	Committed to caring for own health and fulfilling responsibilities as the Group's top manager

Process for Selecting New Outside Director of the Board Candidates

To further improve the objectivity and transparency of the selection of new candidates for outside directors of the Board, the Personnel Affairs and Remuneration Committee has nominated the candidates through the following process:

- Based on our global vision, review and reset the reasons for selecting skill items (skill matrix)
- Determine targets for selecting new candidates for outside director based on the skill matrix
- Scrutinize the candidate profiles based on the selection targets and deliberate to narrow down the number of candidates
- Have each member of the committee interview new candidates for outside director, and share the results among the committee members, and determine the candidate.

Remuneration Issues

Delegation by the Board of Directors of the Authority to Determine Amounts of Remuneration Paid to Individual Directors and Entrusted Executive Officers to the Personnel Affairs and Remuneration Committee

The revised Companies Act requires expanded disclosure of the policies for determining remuneration. To enhance the objectivity and transparency of the compensation decision-making process, the Board of Directors therefore resolved to delegate the authority to determine remuneration for individual directors of the Board and entrusted executive officers to the Personnel Affairs and Remuneration Committee to enhance the objectivity and transparency of the remuneration decision-making process.

Additional Remuneration System Upgrades and Discussion of Direction

We have identified issues with the current remuneration system and upgraded remuneration policies to improve the remuneration system in preparation for the Sixth Mid-Term Management Plan.

These deliberations will be the basis for discussions of the Personnel Affairs and Remuneration Committee during FY2022 with the objective of restructuring the remuneration system from FY2023 onward.

Deliberation on Evaluation, Determination and Use of ESG Management Indicators (KPI) for Performance-Related Stock Remuneration (Performance Share Units, or PSU)

We introduced PSU in 2020. Each year the committee reviews and evaluates progress of KPIs, which forms the basis of deliberation to decide KPIs for PSU starting in the following fiscal year. When KPIs overlap across evaluation periods, the committee earnestly discusses the setting of those KPIs and the appropriateness of evaluation ranges.

Corporate Governance

● Skill Matrix and Reasons for Selection of Each Skill Category

Name	<div> <div></div> Male <div></div> Female </div>	Number of years in office as director of the Board (at the close of the Ordinary General Meeting of Shareholders held on April 26, 2022)	Particular knowledge, experience and abilities expected					
			Corporate management Business strategy	Overseas business International knowledge	Financial strategy and accounting	Technology and quality Environment	Human resource development Diversity Improvement of social value	Governance Risk management Compliance
Yoshihiro Nakai	<div></div>	6	●		●		●	●
Yosuke Horiuchi	<div></div>	6	●		●	●	●	
Satoshi Tanaka	<div></div>	2	●	●		●	●	●
Toshiharu Miura	<div></div>	4	●			●		●
Toru Ishii	<div></div>	2	●	●			●	
Yukiko Yoshimaru	<div></div>	4	●	●			●	●
Toshifumi Kitazawa	<div></div>	2	●	●	●			●
Yoshimi Nakajima	<div></div>	1	●	●	●		●	
Keiko Takegawa	<div></div>	1				●	●	●
Shinichi Abe	<div></div>	—	●	●		●	●	

Note: The above table lists the particular knowledge, experience and abilities expected of each candidate, and is not an exhaustive list of the candidates' expertise.

Office of Directors of the Board

In light of the increase in the number of outside directors, the Company established the Office of Directors of the Board in August 2020 as an organization for assisting outside directors in their duties, and assigned several employees to it. The office enhances the provision of information to outside directors, including advance explanations of the agenda of Board of Directors meetings, business inspection tours and monthly issuance of the Sekisui House Report and other materials, which provides an overview of Company and industry trends. The office's other initiatives include creating opportunities for outside directors to communicate with the representative directors and Audit and Supervisory Board members. Outside officers have acknowledged that these initiatives contribute to lively discussions at Board of Directors meetings. The Company will enhance its efforts to further deploy the functions of its outside directors.

Skill category	Reason for selection
Corporate management Business strategy	We are a leading company in the housing industry and have constructed a cumulative total of exceeding 2.5 million dwellings. In order to formulate sustainable growth strategies in a drastically changing business environment, we need directors with management experience and a proven track record in housing, construction and urban redevelopment. In addition, in order to realize and promote proposals for happiness through the integration of technologies, lifestyle design and services, the Company needs directors of the Board with experience in different industries, especially management experience and a proven track record in the field of consumer services for health, connectedness and learning as well as knowledge and experience that contribute to the transformation of business models through the use of digital technology.
Overseas business International knowledge	In order to formulate growth strategies and provide management supervision for our overseas business, which is a growth segment, we need directors of the Board with extensive knowledge of and experience in overseas business management, living, culture and business environments.
Financial strategy and accounting	In order to formulate financial strategies that will not only ensure accurate financial reporting, but also build a strong financial foundation, promote growth investments including M&A to sustainably enhance corporate value, and strengthen shareholder returns, we need directors of the Board with solid knowledge and experience in finance and accounting.
Technology and quality Environment	In order to realize the supply of high-quality housing that combines safety, security and comfort with advanced technology, and to further advance and develop our advanced environmental technology and solid construction capabilities, the Company needs directors of the Board who have a track record of various innovations along with the knowledge and experience to enable proactive efforts to address global environmental issues from a corporate management perspective.
Human resource development Diversity Improvement of social value	In order to provide houses where customers can feel happier, we need to formulate human resource strategies that enable all employees to fully display their skills. To achieve this, we need directors of the Board with solid knowledge and experience in human resource development, including the promotion of diversity.
Governance Risk management Compliance	Establishing an appropriate governance system is fundamental for sustainably enhancing corporate value. In order to improve the effectiveness of management supervision by the Board of Directors, we need directors of the Board with solid knowledge and experience in corporate governance, risk management and compliance.

* The portions in bold blue lettering indicate revisions pursuant to re-examination of the rationale for skillset selection by the Personnel Affairs and Remuneration Committee.

Training for Directors of the Board and Audit and Supervisory Members

We regularly provide training for directors of the Board and Audit and Supervisory Board members to deepen knowledge of compliance and other issues that are necessary or useful for management. In addition, we schedule sufficient time to provide explanation to newly appointed outside directors of the Board and outside Audit and Supervisory Board members about the Sekisui House Group's businesses, management strategy, business strategy and financial status.

Corporate Governance

● Stance on and Procedures for Selection of Prospective Directors of the Board

The Company shall select prospective directors from among individuals with high integrity (individuals who are sincere, earnest and possessing high-minded morality), high management capabilities, a nature suited to practicing the Group's corporate philosophy, interest in the Group's business, deep insight, and a keen sense of contribution to creating corporate value and improving company performance.

The stance on the selection of prospective directors of the Board shall be discussed at the Personnel Affairs and Remuneration Committee, a consultative body to the Board of Directors chaired by an independent outside director of the Board and comprising a majority of independent outside directors of the Board, and determined by the Board of Directors based on the recommendations of the committee. Proposals on specific prospective directors of the Board shall be discussed at the Personnel Affairs and Remuneration Committee and determined by the Board of Directors based on the recommendations of the committee.

The selection of prospective internal directors of the Board shall be performed with consideration for the specified qualification requirements (i.e., individuals embodying the corporate philosophy and possessing broad perspective) and competence requirements (i.e., having the ability to conceive solutions to external problems, innovativeness for creating new markets, the ability to cooperate with various stakeholders, and the ability to develop organizations that enhance the Group's comprehensive power), and shall be discussed at the Personnel Affairs and Remuneration Committee based on requirements for human resources and a performance evaluation.

● Reasons for Appointing Directors of the Board

Name	Reasons for Selection
Yoshihiro Nakai	<p>Mr. Nakai exercised his outstanding conceptual ability in corporate management planning and has realized many innovative sales strategies and management policies involving sales offices nationwide in the housing and non-housing sectors alike. He plays a central role in formulating and implementing the Group's management strategies and plans.</p> <p>In particular, since assuming the post of President in the second year of the Fourth Mid-Term Management Plan, he has been focusing on aligning the Group's vectors with the corporate philosophy as a compass, strengthening the corporate governance system and aggressively promoting ESG management.</p> <p>Sekisui House reappointed him as a director to help complete the Fifth Mid-Term Management Plan and formulate the Sixth Mid-Term Management Plan to help achieve sustainable growth and increase the corporate value of the Sekisui House Group under his strong leadership.</p>
Yosuke Horiuchi	<p>Mr. Horiuchi was responsible for the business centered on Sha Maison rental housing in eastern Japan, and has contributed to the development of the three- and four-story rental housing market by leading the area-specific market strategy that is dedicated to responding to the local tenant market. He has promoted the expansion of the customer base through means such as strengthening the corporate real estate and public real estate businesses.</p> <p>He has been in charge of the Division of Finance and ESG and is working to enhance the Group's social value as the chairperson of the ESG Promotion Committee, which includes members from outside the Company.</p> <p>Sekisui House reappointed him as a director of the Board to help achieve sustainable growth and increase the corporate value of the Sekisui House Group, with particular emphasis on strongly promoting ESG management.</p>

Name	Reasons for Selection
Satoshi Tanaka	<p>Mr. Tanaka has held key positions in a major general trading company. He has domestic and international management experience, and knowledge and experience in the energy and consumer service sectors. He served as the executive vice president of a trading company from 2017 to 2019, and has experience as the officer responsible for the corporate staff divisions in positions including CAO, CIO, and CPO.</p> <p>He was also appointed as an outside director of the Board of the Company in 2020 and serves as a member of the Personnel Affairs and Remuneration Committee. Since assuming the position of Representative Director of the Board, Executive Vice President, Executive Officer in 2021, he has been promoting initiatives to ensure the effectiveness of the risk management system as the chairperson of the Risk Management Committee.</p> <p>Sekisui House reappointed him as a director of the Board to help achieve sustainable growth and increase the corporate value of the Sekisui House Group based on his extensive knowledge as a manager, with particular emphasis on strengthening the effectiveness of corporate governance and the risk management system and enhancing the Division of Administration and Human Resources.</p>
Toshiharu Miura	<p>Mr. Miura held technical positions at our sales offices for approximately 10 years after joining Sekisui House. He subsequently worked as a core member of the technical team in the Planning & Design Division and the Product Design & Development Division at the head office, where he has been instrumental in developing new products and establishing new technologies that meet market needs. Since 2016, he has been in charge of the Technology Division, where he has strengthened collaborative capabilities. In 2018, he was appointed as a director of the Board, and since 2020 he has been in charge of technology, production and procurement, promoting innovation in the technology area.</p> <p>Sekisui House reappointed him as a director of the Board to help achieve sustainable growth and increase the corporate value of the Sekisui House Group, with particular emphasis on the areas of technology, quality and the environment, and on strengthening the Company's supply chain management.</p>

Corporate Governance

● Reasons for Appointing Directors of the Board

Name	Reasons for Selection
Toru Ishii	<p>After joining Sekisui House, Mr. Ishii gained sales planning experience in the urban development business and was involved in developing new markets such as the hotel development business and the office development business. Since 2012, he has been in charge of the development business, and has focused on human resource development and exercising the comprehensive capabilities of the Group. He has overseen the overseas business since 2019 with an emphasis on balancing investment and return, while actively taking on the challenges such as M&A to develop new markets and providing strong leadership for the entire organization.</p> <p>Sekisui House reappointed him as a director of the Board to help achieve sustainable growth and increase the corporate value of the Sekisui House Group, with particular emphasis on strengthening our development business and overseas business, and on enhancing the diversity and strengthening the governance system of our overseas subsidiaries.</p>
Yukiko Yoshimaru	<p>Ms. Yoshimaru has greatly contributed to constructive discussions and strengthening of the effectiveness of the Board of Directors meetings by providing her opinions based on a wealth of knowledge and experience in human resources management and diversity, as well as management experience as a director of domestic and overseas companies. Since becoming the chairperson of the Personnel Affairs and Remuneration Committee in May 2020, she has been taking the lead in clarifying the process of selecting and dismissing directors of the Board, facilitating succession planning, and strengthening remuneration governance.</p> <p>Sekisui House reappointed her as an outside director of the Board to help achieve sustainable growth and increase the corporate value of the Sekisui House Group, with particular emphasis on the formulation of growth strategies from the perspectives of global business and diversity promotion, and on strengthening management supervision in areas including personnel affairs and remuneration.</p>

Name	Reasons for Selection
Toshifumi Kitazawa	<p>Mr. Kitazawa has held key positions at a major insurance company. He is an accomplished and experienced manager who has extensive knowledge and experience in areas including global business, M&A, risk management and compliance. Since becoming Chairperson of the Board of Directors in May 2021, he has been appropriately steering and leading constructive discussions to strengthen the effectiveness of the Board of Directors meetings. He has also been contributing to the enhancement of deliberations as a member of the Personnel Affairs and Remuneration Committee.</p> <p>Sekisui House reappointed him as an outside director of the Board to help achieve sustainable growth and increase the corporate value of the Sekisui House Group, with particular emphasis on formulating growth strategies from the perspective of global business, and on strengthening management supervision in areas including M&A and other financial strategies, risk management, and compliance.</p>
Yoshimi Nakajima	<p>Having held key positions in domestic and overseas companies, Ms. Nakajima has extensive experience in financial strategy, M&A, and other areas from serving as the head of Asian and Japanese subsidiaries of global financial institutions. In addition, she has gained experience on the front lines of corporate management in an environment where diversity in senior management is the norm, and she embodies diversity in corporate management. Since April 2021, she has been serving as outside director of the Board of the Company and has been contributing greatly to constructive discussions and strengthening of the effectiveness of the Board of Directors meetings by actively expressing frank opinions.</p> <p>Sekisui House appointed her as an outside director of the Board with the expectation that she will help the Company achieve sustainable growth and increase the corporate value of the Sekisui House Group, with particular emphasis on formulating growth strategies from the perspectives of global business and diversity promotion, and on strengthening management supervision in areas including M&A and other financial strategies.</p>

Name	Reasons for Selection
Keiko Takegawa	<p>Ms. Takegawa has held key positions in the Cabinet Office, where she was committed to implementing policies related to gender equality. She has extensive knowledge and experience in the fields of diversity and compliance. During her tenure at the Ministry of Land, Infrastructure, Transport and Tourism, she worked tirelessly across ministries and agencies to develop safe and secure infrastructure for the elderly and disabled. Since April 2021, she has been serving as outside director of the Board of the Company and has greatly contributed to constructive discussions and strengthening of the effectiveness of the Board of Directors meetings by providing useful advice from the perspective of ordinary citizens, while also contributing to enhancing deliberations as a member of the Personnel Affairs and Remuneration Committee since May 2021.</p> <p>Sekisui House appointed her as an outside director of the Board with the expectation that she will help achieve sustainable growth and increase the corporate value of the Sekisui House Group, with particular emphasis on formulating growth strategies from the perspective of diversity promotion, and on strengthening management supervision in areas including quality control, compliance, personnel affairs and remuneration.</p>
Shinichi Abe	<p>Having worked for an overseas consulting firm and software vendors, Mr. Abe was involved in the launch of Google's cloud business, during which he supervised its Asia-Pacific operations. As such, he has extensive experience in the global business environment in the IT and digital fields. In particular, when Google launched its cloud services business for Japanese companies, he gained the deep trust of many client companies, promoted digital innovation together, and consistently demonstrated strong leadership as an innovator in the organization he led. Currently, he serves as Representative Director, President and CEO of a venture company providing teleradiology (remote medical image diagnosis) services, a firm that he has had contact with since its foundation.</p> <p>Sekisui House newly appointed him as an outside director of the Board to help achieve sustainable growth and increase the corporate value of the Sekisui House Group, with particular emphasis on the formulation of growth strategies from the perspectives of global operations and digitally-driven business model transformation, and in strengthening the management supervision function, including supervision of the areas of innovation promotion and human resources development.</p>

Corporate Governance

● A More Sophisticated Executive Officer Selection Process

Selection of Entrusted Executive Officers: Launch of Senior Management Assessment

Senior Management Assessment

- Newly appointed candidates undergo performance evaluation, multi-rater evaluation, as well as Senior Management Assessment conducted by an external organization.
- A variety of information from sources including extended interviews and multiple psychological tests is used to comprehensively evaluate current and future potential.
- The Personnel Affairs and Remuneration Committee deliberates on appointments based on the external organization's report on assessment results.
- Assessment results are shared with candidates and used in formulating future training plans.

Selection of Employed Executive Officers: Succession Plan Council Meetings and Human Resource Promotion Council Meetings

Succession Plan Council

- We initiated meetings in 2021 to visualize successors for employed executive officers and operating officers, and to share succession information among officers (operating officers and higher).
- We enhance the management candidate pipeline with discussions about sharing successor information and training plans.

Human Resource Promotion Council

- Entrusted executive officers (managing officer and higher) recommend candidates for employed executive officer and operating officer.
- Directors of the Board who also serve as entrusted executive officers (senior managing officers and above) participate in Human Resource Promotion Council meetings, where each director of the Board discusses the selection of candidates, upon which the President, Executive Officer determines the appointment plan and submits it to the Board of Directors for approval.

Division	Personnel Affairs and Remuneration Committee supervises the selection and dismissal process.		Human Resource Promotion Council (largely composed of internal directors) deliberates on selection and dismissal, personnel allocation, and training.	
	Directors of the Board who also serve as entrusted executive officers (Senior managing officers and above)	Entrusted executive officers (Managing officers)	Employed executive officers	Operating officers
	Ensuring moderate separation of supervision and execution, supervise the divisions for which they are responsible to achieve the goals of the Mid-Term Management Plan while taking responsibility for those divisions' execution of operations.	As director of the Board candidates, responsible for key areas of their divisions and for those areas' execution of operations to achieve the goals of the Mid-Term Management Plan.	As entrusted executive officer candidates, responsible for business units and for those business units' execution of operations to achieve the Mid-Term Management Plan.	As employed executive officer candidates, responsible for business units and for those business units' execution of operations to achieve the goals of the Mid-Term Management Plan.
Division of Built-to-Order Business	Yoshihiro Nakai	Hiroshi Shinozaki	8	10
Division of Development Business	Toru Ishii	Takehisa Yanagi	3	1
Business Strategy Division	Yoshihiro Nakai	Kohei Hirota	3	3
Division of Finance and ESG	Yosuke Horiuchi	Haruhiko Toyoda	5 (1)	0
Division of Administration and Human Resources	Satoshi Tanaka	Osamu Minagawa Keizo Yoshimoto	2	1
Division of Technology and Production	Toshiharu Miura	Kohei Joki Masaru Noma	4 (1)	5

Note: Figures in parentheses are the number of female officers as of June 1, 2022.

Corporate Governance

● Officer Remuneration

Basic Remuneration Policies

- (1) To be fair to shareholders, investors, customers, employees and all other stakeholders in accordance with our philosophy of love of humanity, a high degree of governance shall be applied in deciding remuneration to ensure objectivity, transparency and full accountability.
- (2) In order to become a leading company in ESG management, we shall focus on social significance and make a clear commitment to consistently executing innovative growth strategies, and our remuneration system shall provide sound incentives for consistently increasing corporate value over the long term.
- (3) We shall emphasize the link between remuneration and the development and evaluation of the senior management team, motivate the next generation of managers to grow, and increase the organizational vitality of the Sekisui House Group over the long term.

Remuneration Governance

- To improve the objectivity and transparency of the remuneration determination 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 Personnel Affairs and Remuneration Committee.

Introduction of Shareholding Guidelines

We have established shareholding guidelines for eligible directors to ensure they consistently share value with our shareholders. As a rule, during their terms of office, of the Board are obligated to maintain ownership of Sekisui House shares equivalent to baseline monetary values derived from market price and according to their positions. The baseline monetary value is twice annual basic remuneration for representative directors of the Board and equal to annual basic remuneration for other eligible directors of the Board.

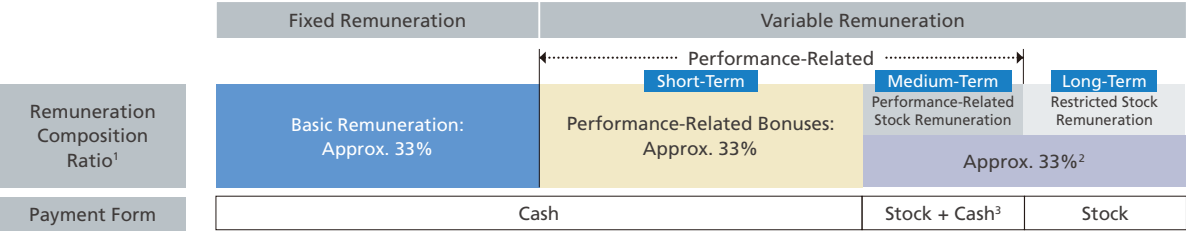
Prescription of Stock Remuneration Return (so-called Malus and Clawback Provisions)

In order to control excessive risk-taking by directors (excluding outside directors of the Board) and to ensure sound management, we established so-called malus and clawback provisions that require officers to return their stock remuneration in full or in part before vesting if certain events occur.

Remuneration and Incentive Remuneration Framework for Directors of the Board (Excluding Outside directors of the Board)

Type of remuneration		KPI	Outline and reasons for selection of indicators for performance-related remuneration
Fixed	Basic remuneration	—	The amount shall be determined according to criteria including representation rights and position, and shall be paid on a monthly basis.
Variable	Short-term	Performance-related bonuses	Consolidated ordinary income The amount to be paid shall be calculated by multiplying consolidated ordinary income, which is a key management indicator, by a predetermined bonus coefficient for the position of each director (excluding outside directors of the Board). The bonuses shall not be paid if profit attributable to owners of parent is less than ¥100 billion.
	Medium-term	Performance-related stock remuneration (PSU)	ROE, a key financial indicator for the medium term, and ESG management indicator, a non-financial indicator, are used as performance indicators. The Reference Number of Share Units corresponding to predetermined standards for each executive director position shall be granted. The number of units to be granted shall depend on the degree of achievement of ROE and ESG management indicators during a three fiscal-year evaluation period. At the end of the evaluation period, the number of units to be granted shall be determined within the range of 0% to 150%. Half of the units granted shall be issued as shares and half in cash for tax payment. ROE and ESG management indicators shall have an 80:20 weighting in the evaluation, and ESG management indicators will be rigorously reviewed by the Personnel Affairs and Remuneration Committee to enhance the objectivity and transparency of the process of goal setting and evaluation.
	Long-term	Restricted stock remuneration (RS)	— Shares of Sekisui House, Ltd. common stock (with transfer restrictions) shall be granted corresponding to the predetermined basic amount set by position for each director (excluding outside directors). The transfer restrictions shall be lifted in the event that a director of the Board or executive officer stops serving in his or her position.

Image of Remuneration Composition Ratio for Representative Directors of the Board at Base Performance



1. The remuneration composition ratio will vary depending on position, the Company's performance and the achievement of KPIs. The remuneration composition ratio for representative directors at base performance is presented.

2. The composition ratio of performance-related stock remuneration to restricted stock remuneration is approximately 1:1 (at base performance).

3. 50% of the performance-related stock remuneration will be paid in cash for the purpose of appropriation to funds for tax payments.

Corporate Governance

ESG Management KPI and Target Value for Performance-Related Stock Remuneration for the Fiscal Years Ending January 31, 2021 through January 31, 2023 (PSU1)

ESG Management Indicators		Numerical Target (January 31, 2023)	Weighting
Environment	Ratio of detached ZEH homes	90%	40%
	Number of Sha Maison ZEH units	2,500 per year	
Social	Number of female managers	260	30%
	Take-up rate for eligible male employee childcare leave	98%	
	Annual paid leave take-up rate	60%	
Governance	Reviewing the overall design of the governance system	Strengthen the effectiveness of the Personnel Affairs and Remuneration Committee, review the role of Management Meetings, reform the executive officer system	30%
	Enhancing response to the Corporate Governance Code	Improve disclosure through third-party reviews (comparison with TOPIX 100 companies)	
	Increasing integrity at business management level	Create an integrity management training system for all employees in positions of responsibility	

ESG Management KPI and Target Value for Performance-Related Stock Remuneration for the Fiscal Years Ending January 31, 2022 through January 31, 2024 (PSU2)

ESG Management Indicators		Numerical Target (January 31, 2024)	Weighting
Environment	Ratio of detached ZEH homes	90%	40%
	Number of Sha Maison ZEH units	4,000 per year	
Social	Number of female managers	280	30%
	Take-up rate for eligible male employee childcare leave	98%	
	Monthly average working hours	175 per month	
Governance	Enhancing response to the Corporate Governance Code	Improve disclosure through third-party reviews (comparison of TOPIX100 companies)	30%
	Strengthening Group governance	Group company administrative regulations and effectiveness of governance-related human resource measures	

Officer Remuneration for FY2021

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 Share Units (PSU)	Restricted Stock Remuneration	
Directors of the Board (Excluding Outside Directors of the Board)	1,009	327	302	235	143	9
Audit and Supervisory Board Members (Excluding Outside Audit and Supervisory Board Members)	75	75	—	—	—	3
Outside Officers	171	171	—	—	—	9

Note: In addition to the above remuneration, etc., the Company has paid ¥33 million of officers' retirement benefits to three retiring directors as the final payment of the severance payment associated with the abolishment of the officers' retirement benefit plan as resolved at the 55th Ordinary General Meeting of Shareholders held on April 27, 2006.

Total Consolidated Remuneration for Directors of the Board (Excluding Outside Directors of the Board)

(Millions of yen)

Name	Remuneration by Type				Total Remuneration
	Basic Remuneration	Performance-Related Bonuses	Performance Share Units (PSU)	Restricted Stock Remuneration	
Yoshihiro Nakai	66	70	52	33	222
Yosuke Horiuchi	50	58	32	23	164
Kunpei Nishida	45	51	30	21	148
Satoshi Tanaka	41	51	22	18	132
Toshiharu Miura	39	34	18	11	104
Toru Ishii	39	34	18	11	104

Note: Individuals receiving total consolidated remuneration of ¥100 million or more and officers who were directors of the Board (excluding outside directors of the Board) of Sekisui House as of January 31, 2022

Corporate Governance

● Cross-Shareholdings

Basic Stance for Cross-Shareholdings

The Company shall not enter into cross-shareholdings with business partners unless the Company determines that it will be helpful to medium-to-long-term increases in the corporate value through the stable maintenance and strengthening of relationships with those business partners. In addition, the Company shall comprehensively verify the economic rationality of transactions with parties of cross-shareholdings, to determine if it will continue these transactions. The Company shall analyze the appropriateness of cross-shareholdings at the meeting of the Board of Directors based on the minimum holdings required from a perspective of increasing capital and asset efficiency each year.

At the meeting of the Board of Directors, members shall comprehensively analyze the medium-to-long-term economic rationality of each individual stock based on holding purposes, risk and return. As a result, the Company shall sell any stock which is no longer meaningful to continue holding after considering the market environment.

Overview of the Verification with Regard to Cross-Shareholdings

At the meeting of the Board of Directors held in September 2021, the Company analyzed all listed stocks it holds as cross-shareholding (for 24 different companies, excluding Sekisui House Reit, Inc. and companies to which equity method of accounting is applied) in terms of overall significance of owning them based on the status of shareholding, risk and return (stock price divergence, dividend yields, ROE, credit rating, etc.) and importance of transactions. Furthermore, from the perspective of increasing capital efficiency, the Company has adopted a policy to reduce cross-shareholdings in phases and set specific targets, namely, to reduce the ratio* of cross-shareholdings to consolidated net assets to 5% or less during the period of the Fifth Mid-Term Management Plan (by January 31, 2023).

The Company intends to further reduce cross-shareholdings during the period of the Sixth Mid-Term Management Plan and beyond, considering the market environment and other factors.

* 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.

(Stocks sold during FY2021)

Of the 24 companies examined, the Company sold all shares of three companies and a portion of shares of two companies.

(Ratio of cross-shareholdings to consolidated net assets for FY2021)

The ratio on January 31, 2022 was 5.0%.

● Group Governance System

Enhanced Group Company Administrative Systems

The Group employs a two-tier administrative system. A department in each business segment has responsibility for supervising management administration for the business activities of Group companies. Concurrently, specialized departments at the head office of Sekisui House provide functional assistance and management leadership for particularly specialized operations.

Establishment of Sekisui House Real Estate Holdings, an Intermediate Holding Company

Sekisui House Real Estate Holdings Co., Ltd., a holding company for Sekisui House Real Estate companies, initiated operations in February 2022.

The head office of Sekisui House delegated authority to this intermediate holding company to maximize the value of the Sekisui House Real Estate Group and enhance the management of each operating company.

1. Formulate a growth strategy for the Sekisui House Group's real estate business
2. Control the direction of each operating company
3. Identify real estate and growth investments with a broad view of the real estate business
4. Improve services for Sha Maison tenants

Established Sekiwa Construction Business Headquarters

The Sekiwa Construction Business Headquarters was newly established in February 2021. This specialized organization provides comprehensive oversight for planning, business promotion and enhanced governance of Sekiwa Construction companies.

Enhanced Governance for Overseas Businesses

We have regularly held Global Governance Meetings since September 2021 to strengthen cooperation between the governance managers of each overseas subsidiary and each department of the head office.

Corporate Governance

● Evaluation of Effectiveness of the Board of Directors

Initiatives to Enhance the Effectiveness of the Board of Directors

Every year, we evaluate the effectiveness of the entire Board of Directors, including the status of the creation of support systems for directors of the Board and Audit and Supervisory Board members. In addition to confirming matters including the strengths and issues of the Board of Directors, the status of improvements to issues identified in the previous fiscal year's evaluation, and the direction to be taken going forward, we work to strengthen corporate governance by implementing specific measures to enhance the effectiveness of the Board of Directors based on the evaluation results.

Overview of Evaluation Results for FY2021

(1) Evaluation Method

As in FY2020, we used an independent third-party evaluation company to prepare the FY2021 questionnaire, which we administered to all directors of the Board and Audit and Supervisory Board members. Based on the results of the questionnaire, the 10 directors of the Board and 6 Audit and Supervisory Board members were interviewed.




The results were evaluated and examined by the third-party organization and summarized in a report. At the Board of Directors meeting held in March 2022, the evaluation company explained the details and the Board deliberated on the results.

Main Questionnaire Items

- Composition and structure of the Board of Directors
- Operation and duties of the Board of Directors
- Agenda items of the Board of Directors
- Supervisory functions of the Board of Directors
- Nomination and remuneration of directors of the Board
- Progress on issues identified in the FY2021

(2) Summary of Evaluation Results

The Board of Directors evaluated and confirmed that it had achieved high effectiveness by, for example, implementing various measures to address and make improvements regarding the issues identified in FY2021.

	Issues for FY2021	Initiatives and Issues Confirmed through the Board of Directors Evaluation of FY2021	Progress
1	Enhance discussions of medium-to-long-term management at Board of Directors meetings	Initiatives confirmed <ul style="list-style-type: none"> • Agendas for board meetings have been proposed based on repeated pre-discussions and the monitoring function has been strengthened more than ever before, through an outside director of the Board serving as the Chairperson of the Board of Directors. • Selection and concentration of discussions has been implemented by certain group of items being collectively deliberated, reported, and voted on. 	 Improved
2	Work to further deploy the functions of outside directors of the Board	Initiatives confirmed <ul style="list-style-type: none"> • The Office of Directors of the Board provides a forum for discussions with internal directors of the Board, which serves as an opportunity to promote more understanding of the corporate direction and its business. • Outside directors of the Board actively engage in dialogue with institutional shareholders (shareholder relations activities), and the strengths and issues from an institutional investor's perspective are reported to the Board of Directors. • Regularly providing information and updates on the Company and related industry trends is promoting understanding of the Company among outside directors of the Board and Audit and Supervisory Board members. 	 Notably Improved
3	Strengthen Group governance	Initiatives confirmed <ul style="list-style-type: none"> • To promote its business and strengthen the governance of Sekisui House Real Estate Group, organizational restructuring has been carried out and an intermediate holding company Sekisui House Real Estate Holdings, Ltd. was formed, which plays a central part in such structure. • Similarly, the subsidiaries in the United States have employed an organizational structure with the intermediate holding company Sekisui House US Holdings, LLC, at its center, to facilitate transparency and risk assessment in the Group's governance after each M&A in the future. • Successful deployment of general affairs personnel (governance-related human resources) to each company has led to accelerated dissemination of the Company's governance awareness and corporate philosophy. 	 Improved

(3) Issues to Address

Issues for FY2022	Initiatives Subject to Implementation Consideration
1. Enhancement of discussions from a long-term and medium-term perspective	<ul style="list-style-type: none"> • To enhance discussions from a long- and medium-term perspective in line with our business model. • To enhance discussions of financial strategies.
2. Strengthening risk management and Group governance	<ul style="list-style-type: none"> • To ensure the independence of governance-related human resources at Group Companies from business execution departments. • To ensure the independence of the internal audit division at Group Companies. • To ensure regular reporting by the internal audit division to the Board of Directors.

Two Outside Directors of the Board Share Their Views

Yoshimi Nakajima

Independent Outside Director of the Board

Positions held include Outside Director of AEON Financial Service Co., Ltd. and Specially-appointed Professor of The Graduate School of Project Design. She was appointed independent outside director of the Board of the Company in April 2021.



Keiko Takegawa

Independent Outside Director of the Board

Positions held include Outside Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION and Specially Appointed Professor of Faculty of Global Business of Showa Women's University. She was appointed independent outside director of the Board of the Company in April 2021.



Q. What are your impressions of Sekisui House's Board of Directors and corporate culture from your perspective as outside directors of the Board?

Takegawa: More than 20 years ago, I learned that Sekisui House had a female lead designer, which gave me the impression that it was a company where women play an active role. In 2017, the Company received an Award for Leading Companies Where Women Shine from the Cabinet Office Special Minister in Charge of Women's Empowerment, Minister of State for Gender Equality. At the time, I was a bit disappointed that Sekisui House had no female officers, although various contemporary data show that the Company was making progress. After that, the number of female officers increased with governance reforms, and when I became an outside director of the Board in 2021, that brought the total to three female directors of the Board and two female Audit and Supervisory Board members. Yet, even though the number of female managers is increasing, more needs to be done.

Sekisui House is speedily conducting management reforms and is increasing the ratio of outside officers to improve corporate governance. Outside officers are able to attend meetings including Management Meetings and meetings of the ESG Promotion Committee, as observers, so we can witness internal discussions, decision-making processes and other responses to issues before we attend Board of Directors meetings. Because the Company allows us to see things as the really are, I sense its strong determination to have us participate in decision-making.

Nakajima: I feel that preparations for Board of Directors meetings at Sekisui House are thorough, making those meetings a forum for holding very substantial discussions in a short time. In addition to gaining an understanding of circumstances by participating in Management Meetings and other meetings, we receive detailed explanations in

advance so we can participate in Board of Directors meetings with a clear picture of the points at issue. While matters that arise in executing business are the main topics at Management Meetings, the Board of Directors holds discussions of new matters from different angles and with various insights, based on a long-term perspective on governance. I think the ability of both inside and outside directors of the Board to speak up without hesitation at board meetings is due to the leadership of the chairperson and the thorough preparation by the Office of Directors of the Board, which is the board's secretariat. The office does a good job of coordination, not just with officers but also with the departments that make proposals and reports, and with Group companies, therefore everyone involved fully understands the significance of board and other meetings. As a result, if we request data or other materials at a briefing in advance of a board meeting, those materials are prepared for us. This improves efficiency at the meeting. Even when we use a web conferencing system to hold meetings remotely in Tokyo and Osaka due to COVID-19, there is no feeling of distance.

Takegawa: I get the impression from my visits to various construction and sales sites that the Company's philosophy and direction are being properly communicated to and adopted by junior employees. The other day, I attended the presentations of various innovations at the SHIP Collective Communication and Innovation Awards Program. Participants were energized and happy. Employees do not want to simply do as they are told by their supervisors; they want to deliver value to customers, for the good of the Company and society.

At the same time, I sense a strong determination to change the corporate culture. I think that management is thoroughly aware of the issues, imparts expertise to young employees, and is taking a data-based approach to improving the overall organizational strength through each group and team. Another candid view I have heard is that Sekisui House is striving to transform itself to address various issues in its past.

Two Outside Directors of the Board Share Their Views

Nakajima: Each employee has adopted the Company's global vision as their own: to make home the happiest place in the world. I think this corporate culture, which other companies lack, makes Sekisui House capable of even stronger growth. Until a few years ago, there seemed to be a strong hierarchy among Group companies, but now a culture of keeping in close touch with customers and an awareness of fulfilling social responsibilities as a unified entity have been cultivated throughout the Sekisui House Group.

In addition, employees at the front lines have a strong customer orientation. Various reforms are ongoing, but employees understand the reasons for them and are fully motivated, so I think it is time for these reforms to be put into practice. In addition to pursuing the value of happiness in Japan and overseas, I expect the Company to interweave various threads of reform to deepen communication and make governance effective.

Q. What is expected of you as an outside director of the Board and what are you focusing on to meet those expectations?

Nakajima: Outside directors of the Board are expected to maintain an external viewpoint. I think our most important role is to point it out when “common sense” inside the Company is viewed as nonsense outside the Company. Asking “why?” from an external viewpoint reveals where in-Company understanding is insufficient and explanations are insufficient. We must continue probing until we receive answers we believe are acceptable. Recently, when I toured one



of the Company's SUMUFUMU TERRACE locations, I asked sales representatives to clarify some points and offered my opinions. It is important for directors of the Board to do more than simply make remarks at board meetings.

Takegawa: I think I am expected to provide the perspective of a customer as well as that of a government official, because not only do I live in a Sekisui House home and use the Customer Service Center, as a civil servant I was involved in promoting the implementation of the Act on the Promotion of Female Participation and Career Advancement in the Workplace and the Act on the Promotion of Easy Mobility and Accessibility for the Elderly and Persons with Disabilities. I think what is most required of me is the sound common sense of someone outside the Company who does not fall into the groupthink that occurs in homogeneous groups. Groupthink gives rise to major business risks. A housing manufacturer must consistently provide society with high-quality products over many years, so I consider it my key role to contain the risk of groupthink.

One of the revised material issues the Sekisui House Group came up with this year is “diversity and inclusion.” Diversity and inclusion contributes to social value and is also important for the sustainable development of the Company. In terms of corporate development, having human resources from diverse backgrounds is thought to spur innovation. A homogenous group of people is unlikely to generate new ideas, so it is crucial to add diverse human resources, both employees and management. In terms of social value, as a forward-thinking ESG company Sekisui House must aim for a society in which each person is considered irreplaceable.

Two Outside Directors of the Board Share Their Views



Nakajima: During Japan's period of high economic growth, it was acceptable to follow a single strong leader, but in the great uncertainty of today's society we must consider what each occasion requires and act promptly. Even now, many Japanese companies are still waiting for some strong leader to emerge. However, Sekisui House has realized that a company cannot survive without innovation generated by going through a repeated cycle of discussion among diverse individuals with different personalities, ideas and characteristics to discover what each of them finds meaningful. I was told that Sekisui House's diversity began with promoting more active roles for women. Going forward, the Company must further broaden inclusivity to encompass differences in areas such as nationality, mindset and religion. Diversity and inclusion means accepting others as they are and letting people lead lifestyles compatible with their life stages, regardless of gender and other characteristics.

In that sense, Sekisui House has made considerable progress in diversity and inclusion, but a few unconscious biases remain. For example, when I was appointed as an outside director of the Board in 2021, I noticed an unconscious bias in having female employees in general administrative positions wear uniforms. Bringing this up at a Board of Directors meeting led to making uniforms optional.

Takegawa: Making uniforms optional has changed the way things look inside the Company, and employee perceptions. Even if it is just a matter of choosing the clothing you wear, being able to decide for yourself is very important. Inherent in the concept of gender equality is the idea of including women in deciding the kind of society we live in. Studies around the world have shown that women tend to hesitate when offered management or executive positions, but

accepting does not affect just those specific women. I think that as female outside directors of the Board we have a responsibility to take the next step forward for those who come after us, just as our predecessors have progressed bit by bit to make Japan a more livable society.

Q. What are your hopes for Sekisui House in the future?

Takegawa: Sekisui House's ongoing mission is to build homes that will last for generations while contributing to more beautiful townscapes, as well as to supply rental housing, condominiums and office buildings that will be used with pleasure for years to come. Japanese society has traditionally emphasized business over family life, and this is reflected in the appearance of this country's towns and cities. With magnificent office buildings juxtaposing poor-quality housing, Japan cannot yet claim to be a truly prosperous society. I expect the Company to focus on creating communities that will be resilient in the event of a disaster caused by an earthquake directly below the Tokyo metropolitan area. Housing that is resilient to earthquakes is a matter of great significance to Japanese society. I would also like to see Sekisui House pursue businesses with the admirable aim of resolving social issues while benefiting the Company, such as its project to revitalize local communities by opening hotels integrated with *Michi-no-Eki* stations.

Sekisui House is integrating its technologies, lifestyle design and services, so it ought to be able to look more closely at people's lifestyles to identify their needs and provide services that make their lives easier. Take people with relatives or family members who require nursing care, for example. It would reduce their burden by allowing them to continue



Two Outside Directors of the Board Share Their Views



working if they could receive notifications of a sudden change in the condition of a relative living elsewhere, or if they could remotely unlock their own front door when a caregiver visits a family member at home. I would like to see what can be achieved with a little more ingenuity.

Nakajima: Sekisui House must continue to provide houses with longer useful lives—houses that can be lived in for 50, or even 100 years. It may sound hyperbolic, but as the external environment changes in the future, so will the housing people live in, their lifestyles and their lifespans. Sekisui House has already conducted research on various topics and has commercialized products that are generating results. I would like the Company to look further into the future to promptly identify potential social needs, develop them into businesses and services, and communicate them to society so they are easy to understand. Through such activities, I hope that Sekisui House establishes a position where customers see it as an unrivaled manufacturer from the perspective of society.

In addition, the functions expected from housing and hotels will be different in the future. Employees will need to be reskilled—that is, trained in skills different from their current ones. For Sekisui House not simply to survive but to stay ahead of the curve, upfront investments are essential, especially in human resources. I would like Sekisui House to upgrade its in-house programs for training, talent discovery, and mid-career hiring. At present, the Company is facing a shortage of both IT staff and human resources who can handle overseas expansion so in addition to hiring external personnel it must be proactive in reskilling current employees. By IT, I do not mean staff with the skills to develop

software; rather, there is an urgent need to develop human resources with a mindset for digital transformation (DX). As an outside director of the Board, I will continue to make recommendations on investing in, securing and developing human resources for the Company's future, and will help to see that they are put into action.

Q. In closing, do you have a message for shareholders and investors?

Nakajima: Sekisui House is now in a period of great change as it takes on new challenges on a global scale. It has already started most of the initiatives it has been able to devise on its own. I believe that it will grow into an even better company by seeking feedback from and engaging in dialogue with a greater variety of stakeholders outside the Company, including communities and investors. Shareholders and investors can look forward to substantial growth and development from Sekisui House.

Takegawa: Sekisui House is making thoroughgoing efforts to seriously pursue social value inside the Company. In the area of the environment, for example, it recycles the waste materials it generates during construction. Even in the short term, its performance has improved, but the Company is also a suitable investment from the perspective of the recognition it earns for its growing ESG and social value. I hope that shareholders and investors will take a long-term perspective in their support for Sekisui House.



Measures Based on Receipt of Comprehensive Evaluation Report on Problems with the Purchase of Land for Condominiums

Disclosed on December 7, 2020

On December 7, 2020, Sekisui House received a Comprehensive Evaluation Report (hereafter, the “Report”) from its Comprehensive Evaluation Committee. At the request of the Board of Directors, this committee had conducted a comprehensive evaluation of the causes of an incident involving transactions for land for condominiums in Nishi Gotanda, Shinagawa-ku, Tokyo that occurred in 2017 (hereafter, the “Transaction Incident”), as well as measures to prevent recurrence and other matters. The Report was disclosed to the public on the same day.

In addition to details regarding the facts that had been determined, the Report verified and made recommendations regarding Sekisui House’s response and approach to information disclosure after the

discovery of the Transaction Incident. Topics included whether cases similar to the Transaction Incident have occurred, cause analysis (direct causes in the course of the transactions and cause analysis of internal environment and internal control system), recurrence prevention measures implemented and their dissemination and awareness promotion among employees and their effectiveness, the investigation by the 2017 committee and the content of the 2018 report.

Based on the content of the Report, we are implementing various measures to strengthen governance as per resolutions of the Board of Directors.



[Comprehensive Evaluation Report on Problems with the Purchase of Land for Condominiums](#)

Background of Preparation of the Report

By June 2020, first-instance convictions were handed down on all the criminal groups indicted in the Transaction Incident. In view of this fact, the Board of Directors decided in September 2020 to conduct a comprehensive evaluation of the Transaction Incident and other matters for the purpose of fulfilling its accountability to stakeholders, including its shareholders, customers, suppliers, officers and employees, by accurately disclosing the background of facts and other matters regarding the Transaction Incident. The Board of Directors then established the Comprehensive Evaluation Committee (hereinafter, the “Committee”) (Head of Committee: Shin Kikuchi of Gaiken Partners), which was entrusted to external experts to ensure independence.

From September to November 2020, the Committee examined materials related to transactions, materials related to the 2017 survey and other related materials such as the minutes of Board of Directors meetings. During that time, it also held interviews with related parties and conducted a digital forensic study of e-mails of related parties, among other activities, and prepared the Report that incorporates expert opinions.

Evaluation and Recommendations of the Report

The Report acknowledged Sekisui House’s response to the cause analysis in the measures to prevent recurrence it had implemented, and positively evaluated those measures to a certain extent, but suggested that because Sekisui House did not formulate comprehensive measures to prevent recurrence, it was desirable to conduct a serious re-examination of whether effective countermeasures to the problems indicated had been taken. The Report also suggested that in order to prevent similar negative impact, in-house training and education based on the Transaction Incident was necessary due to the extreme importance of raising the awareness of each individual who operates

systems, and that comprehensive reforms were needed to improve the corporate culture, including personnel rotation throughout the organization and personnel evaluations that emphasize integrity.

Initiatives in Response to Report Recommendations

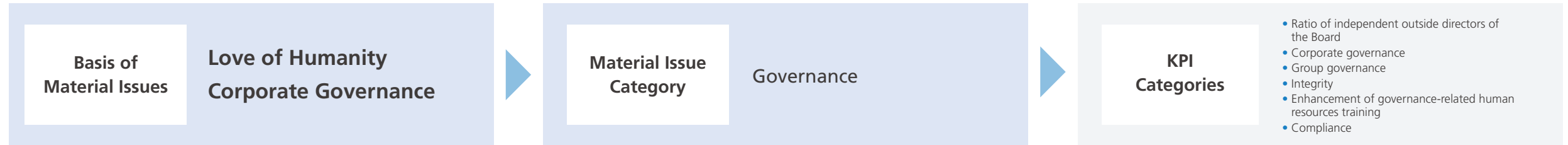
In response to the recommendations of the Report, the Board of Directors resolved to have the Risk Management Committee re-examine the effectiveness of the recurrence prevention measures implemented by Sekisui House from the perspective of their correspondence to the cause analysis indicated in the Report; to implement personnel rotation to help improve the corporate culture; and to conduct education and training using the Transaction Incident as a lesson in point.

Since 2019 we have been rotating personnel among the Condominium Headquarters, the Development Department, and the International Business Department, and have also rotated general managers and branch managers to new locations in connection with the reorganization of our sales administration headquarters.

The Report indicated an entrenched silo mentality within individual headquarters, weak check functions, and poor awareness of risk as training themes associated with the Transaction Incident for Sekisui House branch executives. We therefore specified the branch management issues we will address and conducted group discussions and studies. We also conducted training on these subjects for Sekisui House Group employees to raise their risk awareness. The status of training was reported at the Board of Directors meeting in March 2022.

We take the recommendations of the Report seriously and will maintain initiatives to improve the effectiveness of our governance, strengthen internal controls and raise awareness of risks.

Themes and KPIs of Core Initiatives for Material Issues



Material issue	Category	No.	Indicator	Officer remuneration indicators		Fifth Mid-Term Management Plan	President commendation ESG indicators	Unit	FY2020		FY2021		FY2022	Remarks
				PSU1	PSU2				Target	Result	Target	Result	Target	
Love of Humanity Corporate Governance	Governance	42.	Ratio of independent outside directors of the Board					%	—	33%	40%	40%	40% or higher	
		43.	Responding to Corporate Governance Code according to reviews by evaluation organizations and others	○		○		Points → Ranking	4.1 or higher	4.04 (12th place)	15th place or better	7th place	9th place or better	New standard from FY2021
		44.	Clearer separation between management supervision and business execution (Personnel Affairs and Remuneration Committee, Management Meetings, executive officer system reform)	○	Achieved	○		—	Regulatory revisions	○	Stabilized implementation	○	Improvement	
		45.	Strengthening the Group governance system (Group administrative regulations; development and appropriate assignment of governance-related human resources)		Achieved			—	—	—	Regulatory regime	Achieved	Regulatory implementation	
		46.	Increasing integrity at business management level (percentage of managers attending management integrity training)					—	Head office leads: Over 50% attendance	97.3%	Group officers and leads: Over 50% attendance	79.8%	Group officers and leads: 100% attendance	
		47.	Governance Strategy Sheet initiatives	○		Achieved		People → %		Involvement of general affairs leads of Sekisui House (134)	Involvement of general affairs acting leads of Group companies (228)	Involvement of general affairs managers of Group companies (228)	Percentage of Governance Strategy Sheet initiatives adopted: 90%	
		48.	Number of serious violations of laws and voluntary norms					Cases	—	0	0	0	0	

Directors of the Board and Audit and Supervisory Board Members (As of April 27, 2022)

Outside

Outside Director of the Board or Outside Audit and Supervisory Board Member

Independent Officer

Independent officer based on the rules of Tokyo Stock Exchange, Inc.

Directors of the Board

Representative Director of the Board
President, Executive Officer, CEO
In charge of Business Strategy
Division and Division of Built-to-
Order Business

**Yoshihiro
Nakai**



**Significant concurrent posts at
other companies**
None

**Number of years in office as director of
the Board**
6

Attendance at meetings (FY2021)
Board of Directors: 12/12 (100%)

Apr. 1988: Joined the Company
Apr. 2014: Executive Officer, assigned to the post of Chief Manager of Corporate
Management Planning Department
Apr. 2016: Managing Officer
In charge of Corporate Management Planning and Accounting & Finance
Apr. 2016: Director
Feb. 2018: President & Representative Director
Apr. 2021: Representative Director of the Board, President, Executive Officer, CEO
In charge of Business Strategy Division and Division of Built-to-Order
Business (current position)

Representative Director of the Board
Vice Chairman, Executive Officer
In charge of Division of Finance and
ESG and TKC Project, Head of ESG
Management Promotion
Headquarters

**Yosuke
Horiuchi**



**Significant concurrent posts at
other companies**

President & Representative Director of
Sekisui House Financial Services Co., Ltd.

**Number of years in office as director of
the Board**
6

Attendance at meetings (FY2021)
Board of Directors: 12/12 (100%)

Apr. 1980: Joined the Company
Apr. 2012: Executive Officer, assigned to the post of General Manager of Tokyo Sha
Maison Sales Administration Headquarters
Apr. 2014: Managing Officer
In charge of Sha Maison Sales (East Japan)
Apr. 2016: Director
Dec. 2017: Assigned to the post of General Manager of Tokyo Sha Maison Sales
Administration Headquarters and General Manager of Condominium
Headquarters
Apr. 2018: Senior Managing Officer
In charge of Transaction Promotion Division, assigned to the post of
General Manager of East Japan Building Sales Administration Headquarters
Aug. 2018: In charge of Transaction Promotion Division and East Japan Building
Sales Administration
Feb. 2020: In charge of Investor Relations Division and Transaction Promotion Division
Jun. 2020: In charge of ESG Management Promotion Division, Accounting &
Finance Division and Transaction Promotion Division
Feb. 2021: In charge of Division of Finance and ESG and TKC Project (current position)
Apr. 2021: Representative Director of the Board, Vice Chairman, Executive Officer
(current position)
Feb. 2022: Acting Head of ESG Management Promotion Headquarters
(current position)

Representative Director of the Board
Executive Vice President,
Executive Officer
In charge of Division of
Administration and Human
Resources

**Satoshi
Tanaka**



**Significant concurrent posts at
other companies**
Outside Director of Kuraray Co., Ltd.
Independent Director of IHH Healthcare
Berhad

**Number of years in office as director of
the Board**
2

Attendance at meetings (FY2021)
Board of Directors: 12/12 (100%)

Apr. 1981: Joined MITSUI & CO., LTD.
Apr. 2004: General Manager of Investor Relations Division of MITSUI & CO., LTD.
Apr. 2007: General Manager of Corporate Planning & Strategy Division of MITSUI & CO., LTD.
Jul. 2010: Deputy General Manager of Consumer Service Business Unit of MITSUI & CO., LTD.
Apr. 2011: Executive Officer, General Manager of Consumer Service Business Unit of
MITSUI & CO., LTD.
Apr. 2013: Executive Managing Officer, General Manager of Consumer Service
Business Unit of MITSUI & CO., LTD.
Apr. 2015: Senior Executive Managing Officer, COO of Asia Pacific Business Unit of
MITSUI & Co., LTD, and CEO of MITSUI & CO. (ASIA PACIFIC) PTE. LTD.
Apr. 2017: Executive Vice President; CAO (Chief Administrative Officer); CIO (Chief
Information Officer); CPO (Chief Privacy Officer) of MITSUI & CO., LTD.
Jun. 2017: Representative Director and Executive Vice President of MITSUI & CO., LTD.
Jun. 2019: Counselor of MITSUI & CO., LTD.
Mar. 2020: Outside Director of Kuraray Co., Ltd. (current position)
Apr. 2020: Outside Director of the Company
Jan. 2021: Independent Director of IHH Healthcare Berhad (current position)
Apr. 2021: Representative Director of the Board, Executive Vice President,
Executive Officer
In charge of Division of Administration and Human Resources
(current position)

Director of the Board
Senior Managing Officer
In charge of Division of
Technology and Production

**Toshiharu
Miura**



**Significant concurrent posts at
other companies**
None

**Number of years in office as director of
the Board**
4

Attendance at meetings (FY2021)
Board of Directors: 12/12 (100%)

Apr. 1979: Joined the Company
Apr. 2014: Executive Officer, assigned to the post of Chief Manager of Product
Design & Development Department
Apr. 2016: Managing Officer
Apr. 2016: Assigned to the post of General Manager of Technology Headquarters
and Chief Manager of Product Design & Development Department
Feb. 2018: Assigned to the post of General Manager of Technology Headquarters
Apr. 2018: In charge of Technology Division
Apr. 2018: Director of the Board (current position)
Feb. 2020: In charge of Technology Division and Production & Procurement Division
Apr. 2020: Senior Managing Officer (current position)
Feb. 2021: In charge of Division of Technology and Production (current position)

Director of the Board
Senior Managing Officer
In charge of Division of
Development Business

Toru Ishii



**Significant concurrent posts at
other companies**
None

**Number of years in office as director of
the Board**
2

Attendance at meetings (FY2021)
Board of Directors: 12/12 (100%)

Apr. 1990: Joined the Company
Apr. 2014: Executive Officer, assigned to the post of Chief Manager of Development
Department
Apr. 2016: Managing Officer
Feb. 2019: In charge of Development Business and assigned to the post of Chief
Manager of International Business Department
Feb. 2020: In charge of Development and Condominiums Business and assigned to
the post of Chief Manager of International Business Department
Apr. 2020: Senior Managing Officer (current position)
In charge of Development Business, Condominiums Business and
International Business
Apr. 2020: Director of the Board (current position)
Feb. 2021: In charge of Division of Development Business (current position)

Outside Director of the Board

**Yukiko
Yoshimaru**



Outside

Independent Officer

**Significant concurrent posts at
other companies**
Outside Director of Mitsui Chemicals, Inc.
Outside Director of Daiwabo Holdings
Co., Ltd.

**Number of years in office as director of
the Board**
4

Attendance at meetings (FY2021)
Board of Directors: 12/12 (100%)

Apr. 1982: Joined Oki Electric Industry Co., Ltd.
Apr. 1998: Director of Oki America Inc. Head of New York Office of Oki Electric
Industry Co., Ltd.
Oct. 2004: Chief Manager of Diversity Development Office of NISSAN MOTOR CO., LTD.
Apr. 2008: Joined Nifco Inc.
Jun. 2011: Executive Officer of Nifco Inc.
Apr. 2018: Outside Director of the Board of the Company (current position)
Jun. 2019: Outside Director of Mitsui Chemicals, Inc. (current position)
Jun. 2021: Outside Director of Daiwabo Holdings Co., Ltd. (current position)

Directors of the Board and Audit and Supervisory Board Members

Directors of the Board

Outside Director of the Board

**Toshifumi
Kitazawa**

Outside

Independent Officer



Significant concurrent posts at other companies

Counsellor of Tokio Marine & Nichido Fire Insurance Co., Ltd.
Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee) of MUFG Bank, Ltd.
Outside Director of Mitsubishi Logistics Corporation

Number of years in office as director of
the Board
2

Attendance at meetings (FY2021)
Board of Directors: 12/12 (100%)

Apr. 1977: Joined Tokio Marine & Fire Insurance Co., Ltd.
Jun. 2008: Managing Director of Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.
Jun. 2009: Senior Managing Director of Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.
Jun. 2010: President & CEO of Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.
Jun. 2010: Director of Tokio Marine Holdings, Inc.
Apr. 2014: Vice President & Director of Tokio Marine & Nichido Fire Insurance Co., Ltd.
Jun. 2014: Vice President Executive Officer of Tokio Marine Holdings, Inc.
Apr. 2016: President & Chief Executive Officer of Tokio Marine & Nichido Fire Insurance Co., Ltd.
Jun. 2016: Director of Tokio Marine Holdings, Inc.
Apr. 2019: Vice Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd.
Jun. 2019: Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee) of MUFG Bank, Ltd. (current position)
Jun. 2019: Outside Director of Mitsubishi Logistics Corporation (current position)
Apr. 2020: Outside Director of the Board of the Company (current position)
Apr. 2022: Counsellor of Tokio Marine & Nichido Fire Insurance Co., Ltd. (current position)

Outside Director of the Board

**Keiko
Takegawa**

Outside

Independent Officer



Significant concurrent posts at other companies

Outside Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION
Outside Director of MITSUI MINING & SMELTING CO., LTD.
Specially Appointed Professor of Faculty of Global Business of Showa Women's University

Number of years in office as director of
the Board
1

Attendance at meetings (FY2021)
Board of Directors: 9/9 (100%)

Apr. 1981: Joined the Prime Minister's Office (currently Cabinet Office)
Jul. 2006: Director of Policy Division for Universal Design, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism
Jul. 2008: Director-General for Policies on Cohesive Society and Minister's Secretariat of Cabinet Office
Jul. 2009: Director-General for Gender Equality Bureau of Cabinet Office
Dec. 2012: Director-General of the Public Relations Office of Cabinet Office
Jul. 2014: Director of the Gender Equality Bureau of Cabinet Office
Apr. 2019: Professor of Showa Women's University
Jun. 2019: Outside Member of the Board of NIPPON TELEGRAPH AND TELEPHONE CORPORATION (current position)
Jun. 2019: Outside Auditor of MITSUI MINING & SMELTING CO., LTD.
Apr. 2020: Dean of Faculty of Global Business of Showa Women's University
Apr. 2021: Specially Appointed Professor of Faculty of Global Business of Showa Women's University (current position)
Apr. 2021: Outside Director of the Board of the Company (current position)
Jun. 2021: Outside Director of MITSUI MINING & SMELTING CO., LTD. (current position)

Outside Director of the Board

**Yoshimi
Nakajima**

Outside

Independent Officer



Significant concurrent posts at other companies

Outside Director of AEON Financial Service Co., Ltd.
Outside Director of Japan Freight Railway Company
External Director of ULVAC, Inc.
Specially-appointed Professor, The Graduate School of Project Design

Number of years in office as director of
the Board
1

Attendance at meetings (FY2021)
Board of Directors: 9/9 (100%)

Apr. 1980: Joined The Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)
Feb. 1982: Joined AVON Product Co., LTD. (currently FMG & MISSION CO., LTD.)
May 1997: Vice President of Citibank, N.A.
Jun. 2000: Senior General Manager of Societe Generale Securities Ltd.
Apr. 2002: Vice President of American Express International, Inc. (Japan)
Aug. 2011: Country Manager (President) of American Express International, Inc. (Singapore)
Feb. 2014: Senior Vice President of American Express International, Inc. (Japan)
Apr. 2014: President and Representative Director of American Express Japan Co., Ltd.
Jun. 2017: Outside Director of Yamaha Corporation
Jun. 2017: Outside Director of AEON Financial Service Co., Ltd. (current position)
Jun. 2018: Outside Director of Japan Freight Railway Company (current position)
Sep. 2018: External Director of ULVAC, Inc. (current position)
Apr. 2021: Specially-appointed Professor, The Graduate School of Project Design (current position)
Apr. 2021: Outside Director of the Board of the Company (current position)

Outside Director of the Board

Shinichi Abe

Outside

Independent Officer



Significant concurrent posts at other companies

Representative Director, President and CEO of MNES Inc.

Number of years in office as director of
the Board
Newly appointed

Attendance at meetings (FY2021)
Board of Directors: —

May 1993: Joined Axiomatics Corporation
Nov. 1995: Joined Asahi Audit Corporation
Jan. 1998: Joined J.D. Edwards Japan K.K.
Nov. 2003: Joined PeopleSoft Japan K.K.
Apr. 2005: Director, International Business, Availys Corporation
Dec. 2005: Director, Applications Business Group, Oracle Information Systems Japan K.K.
Aug. 2006: Vice President in charge of Applications Business Headquarters and General Manager of Global Strategic Accounts of Oracle Corporation Japan
Feb. 2011: Managing Director, Enterprise Business, Google Japan, G.K.
Jan. 2017: Managing Director of Google Cloud Japan, G.K.
Apr. 2020: Representative Director, President and CEO of MNES Inc. (current position)
Apr. 2022: Outside Director of the Board of the Company (current position)

Directors of the Board and Audit and Supervisory Board Members

Audit and Supervisory Board Members

Standing Audit and Supervisory Board Member

Midori Ito



Significant concurrent posts at other companies
None

Number of years in office as Audit and Supervisory Board member
1

Attendance at meetings (FY2021)
Board of Directors: 9/9 (100%)
Audit and Supervisory Board: 10/10 (100%)

Apr. 1974: Joined the Company
Feb. 2014: Manager of Diversity and Inclusion Promotion Office of Corporate Management Planning Department
Apr. 2018: Executive Officer Assigned to the post of Chief Manager of Diversity and Inclusion Promotion Department
Feb. 2020: In charge of Diversity and Inclusion Promotion
Apr. 2021: Standing Audit and Supervisory Board Member (current position)

Standing Audit and Supervisory Board Member

Takashi Ogino



Significant concurrent posts at other companies
None

Number of years in office as Audit and Supervisory Board member
Newly appointed

Attendance at meetings (FY2021)
Board of Directors: —
Audit and Supervisory Board: —

Apr. 1982: Joined the Company
Feb. 2021: General Manager of Auditing Department
Apr. 2021: Operating Officer
Apr. 2022: Standing Audit and Supervisory Board Member (current position)

Full-Time Outside Audit and Supervisory Board Member

Ryuichi Tsuruta



Outside
Independent Officer

Significant concurrent posts at other companies
Representative of CG Consulting
Special Instructor of The Graduate School of Project Design

Number of years in office as Audit and Supervisory Board member
4

Attendance at meetings (FY2021)
Board of Directors: 12/12 (100%)
Audit and Supervisory Board: 15/15 (100%)

Apr. 1978: Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
Oct. 2000: Manager of IR Office of Corporate Finance & IR Group of Matsushita Electric Industrial Co., Ltd.
Apr. 2007: General Manager of Corporate International Affairs Group of Matsushita Electric Industrial Co., Ltd.
Jan. 2011: Chief Manager of Office of Audit and Supervisory Board Member of Panasonic Corporation
Nov. 2014: Corporate Advisor of Panasonic Corporation
May 2015: Outside Audit & Supervisory Board Member of ZUIKO CORPORATION
Apr. 2018: Outside Audit and Supervisory Board Member of the Company (current position)
Apr. 2018: Representative of CG Consulting (current position)
Jan. 2019: Special Instructor of The Graduate School of Project Design (current position)
Apr. 2022: Standing Audit and Supervisory Board Member of the Company (current position)

Outside Audit and Supervisory Board Member

Takashi Kobayashi

Outside
Independent Officer



Significant concurrent posts at other companies
Lawyer of Ono-Kobayashi Law Office
Outside Director of Sanyo Special Steel Co., Ltd.

Number of years in office as Audit and Supervisory Board member
5

Attendance at meetings (FY2021)
Board of Directors: 12/12 (100%)
Audit and Supervisory Board: 15/15 (100%)

Apr. 1976: Appointed as a public prosecutor
Jan. 2004: Chief Public Prosecutor of the Nara District Public Prosecutor's Office
Dec. 2004: Public Prosecutor of the Supreme Public Prosecutor's Office
Sep. 2005: Chief Public Prosecutor of the Maebashi District Public Prosecutor's Office
Jun. 2007: Deputy Chief Public Prosecutor of the Osaka High Public Prosecutor's Office
Jul. 2008: Public Safety Director of the Supreme Public Prosecutor's Office
Jan. 2010: Chief Public Prosecutor of the Osaka District Public Prosecutor's Office
Feb. 2011: Registered as lawyer (current position)
Apr. 2017: Outside Audit and Supervisory Board Member of the Company (current position)
Jun. 2017: Outside Director of Sanyo Special Steel Co., Ltd. (current position)

Outside Audit and Supervisory Board Member

Yoritomo Wada

Outside
Independent Officer



Significant concurrent posts at other companies
Certified Public Accountant, Wada CPA Accounting Firm
External Statutory Corporate Auditor of NIPPON SHOKUBAI CO., LTD.

Number of years in office as Audit and Supervisory Board member
2

Attendance at meetings (FY2021)
Board of Directors: 12/12 (100%)
Audit and Supervisory Board: 15/15 (100%)

Apr. 1978: Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)
Jun. 1996: Partner of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
Jun. 2019: External Statutory Corporate Auditor of NIPPON SHOKUBAI CO., LTD. (current position)
Apr. 2020: Outside Audit and Supervisory Board Member of the Company (current position)

Main External Evaluations and Awards

Note: Includes some awards received in FY2022.

Environmental

Fiscal 2021 Energy Conservation Grand Prize Energy Conservation Best Practices at Workplaces Category Prize of the Chairman of ECCJ

December 2021

Sponsor: The Energy Conservation Center, Japan



[News release](#) (Japanese only)



Selected for the CDP's Climate Change A-List, the highest assessment

December 2021

Sponsor: CDP



[News release](#) (Japanese only)



Gold Award, Third ESG Finance Awards Japan (Minister of the Environment's Award)

February 2022

Sponsor: Ministry of the Environment



[News release](#) (Japanese only)



Received Grand Prize in the 30th Global Environment Awards

March 2022

Sponsor: Fujisankei Communications Group



[News release](#) (Japanese only)



Social

FY2020 Nadeshiko Brand

March 2021

Sponsors: Ministry of Economy, Trade and Industry and Tokyo Stock Exchange, Inc.



[News release](#) (Japanese only)



Presented with the PRIDE Index 2021 Gold Award for the fourth consecutive year

November 2021

Sponsor: work with Pride volunteer organization



[News release](#) (Japanese only)



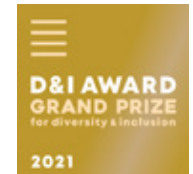
D&I Award 2021, D&I Grand Prize, Large Company Category

December 2021

Sponsor: JobRainbow Co., Ltd.



[News release](#) (Japanese only)



Selected for the 2022 Bloomberg Gender-Equality Index (second consecutive year)

January 2022

Sponsor: Bloomberg L.P.



[News release](#) (Japanese only)



Main External Evaluations and Awards

Consumer Affairs Agency Commissioner's Commendation Award for Good Practices of Consumer-Oriented Management (FY2021)



January 2022

Sponsor: Consumer Affairs Agency



[News release](#)

(Japanese only)

Certified Health and Productivity Management Outstanding Organization 2022, Large Enterprise Category (White 500) for the third consecutive year



March 2022

Sponsor: Ministry of Economy, Trade and Industry



[Sekisui House Happiness Health Management](#)

(Japanese only)

General ESG

2021 Award for Excellence in Corporate Disclosure, First Place in the Construction, Housing and Real Estate Category



October 2021

Sponsor: The Securities Analysis Association of Japan



[News release](#)

(Japanese only)

Institutional Investor magazine: Sekisui House Wins First Place in 2022 All-Japan Executive Team Ranking



April 2022



[News release](#)

Five-star rating in the Third Nikkei SDGs Management Survey

November 2021

Sponsors: Nikkei Inc., Nikkei Research Inc.



Award for Excellence, Nikkei Integrated Report Awards 2021

March 2022

Sponsor: Nikkei Inc.






[News release](#)

(Japanese only)



Sekisui House has also been included in all five ESG indices selected by Japan's Government Pension Investment Fund (GPIF) since their inception. GPIF holds one of the world's largest pools of pension assets.

	MSCI Japan ESG Select Leaders Index	MSCI Japan Empowering Women Index (WIN)	FTSE Blossom Japan Index	S&P/JPX Carbon Efficient Index	FTSE Blossom Japan Sector Relative Index
ESG indices selected by GPIF	2021 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX	2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	 FTSE Blossom Japan	 S&P/JPX Carbon Efficient Index	 FTSE Blossom Japan Sector Relative Index
Index category	ESG (overall)	Social	ESG (overall)	Environmental	ESG (overall)
Sekisui House selection	Since July 2017			Since September 2018	Since March 2022