(Securities Code: 1928)

Sekisui House, Ltd. **March 25, 2025**

Yoshihiro Nakai
Representative Director of the Board
Sekisui House, Ltd.
1-88, Oyodonaka 1-chome, Kita-ku, Osaka

NOTICE OF THE 74TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We express our deep appreciation to each of the shareholders for your extraordinary support.
The 74th Ordinary General Meeting of Shareholders of Sekisui House, Ltd. (the "Company" or "Sekisui House") is to be held as stated below.
Instead of attending the meeting in person, you may also review the "Reference Documents for General Meeting of Shareholders" and exercise your voting rights in writing or via the Internet by 6:00 p.m. on Tuesday, April 22, 2025. (Unless otherwise noted, all the times shown in this Notice are in Japan Standard Time.)

1. Date and Time:	10:00 a.m., Wednesday, April 23, 2025
2. Place of the Meeting:	Knowledge Capital Congrès Convention Center Second Basement, North Building, Grand Front Osaka, 3-1 Ofuka-cho, Kita-ku, Osaka
3. Agenda:	
Items for reporting:	1. Reports on the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 74th fiscal year (February 1, 2024 – January 31, 2025) 2. Report on the Results of Audit conducted by the Accounting Auditor and the Audit and Supervisory Board with respect to the Consolidated Financial Statements for the 74th fiscal year (February 1, 2024 – January 31, 2025)
Proposals to be tabled:	
Proposal No. 1	Appropriation of Surplus
Proposal No. 2	Election of 10 Directors of the Board
Proposal No. 3	Election of Two Audit and Supervisory Board Members

[**Translation**: Please note that this document purports to be a translation from the Japanese original Notice of the 74th Ordinary General Meeting of Shareholders of Sekisui House, Ltd. prepared for the convenience of non-Japanese readers. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please also be advised that certain statements regarding voting procedures for domestic shareholders are not applicable to the shareholders outside Japan.]

4. Matters Subject to Measures for Electronic Provision:

When convening this Ordinary General Meeting of Shareholders, the Company takes measures for electronic provision and posts the matters subject to the measures for electronic provision on the Company's website.

< The Company's website >
URL:
Japanese
https://www.sekisuihouse.co.jp/company/financial/holders/shotsu/
English
https://www.sekisuihouse.co.jp/english/company/financial/holders/meeting/

<Tokyo Stock Exchange website >
URL:
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

The matters subject to the measures for electronic provision are also posted on the Tokyo Stock Exchange website (Tokyo Stock Exchange Listed Company Search). Please perform a search by entering the "Sekisui House" on the "Issue name (company name)" or "1928" on the "Code," select "Basic information" and "Documents for public inspection/PR information," and view the information.

- In the event that it becomes necessary to revise any item in the matters subject to the measures for electronic provision, the revised items will be posted on each of the websites where such matters are posted.
- In accordance with the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Company, the paper copy sent to shareholders who have requested it does not include the "Outlines of Share Acquisition Rights" and the "System to Ensure the Due Execution of Duties and the Status of Its Implementation" in the Business Report, the "Consolidated Statements of Changes in Net Assets" and the "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements, and the "Non-Consolidated Statements of Changes in Net Assets" and the "Notes to Non-Consolidated Financial Statements" in the Non-Consolidated Financial Statements of the matters subject to the measures for electronic provision. Therefore, the paper copy is part of the documents audited by the Audit and Supervisory Board Members and the Accounting Auditor when preparing the audit report.
- "Reference Documents for General Meeting of Shareholders" are also sent to shareholders who have not requested the paper copy.

5. Guidelines of the Exercise of Voting Rights:

Please exercise your voting rights after reviewing the "Reference Documents for General Meeting of Shareholders."
In addition to attending the General Meeting of Shareholders in person, the following two methods are available for exercising your voting rights.

In writing	Via the Internet
Exercise deadline: Votes must be received by 6:00 p.m. on Tuesday, April 22, 2025 Please see page 3 for details.	Exercise deadline: The exercise of a voting right via the Internet, must be completed by 6:00 p.m. on Tuesday, April 22, 2025. Please see page 3 for details.

Handling of votes when voting rights are exercised more than once

(1) In case that a voting right is exercised both in writing and via the Internet, only the vote registered via the Internet will be recognized valid.
(2) In case that a voting right is exercised more than once via the Internet, only the last vote will be recognized valid.

* If attending the meeting in person, please submit the enclosed voting form to the receptionist at the meeting.
* The results of the resolution at the General Meeting of Shareholders will be posted on the Company's website.

Guidelines regarding the exercise of a voting right in writing:

Votes must be received by 6:00 p.m. on Tuesday, April 22, 2025

Please indicate on the enclosed voting form whether you approve or disapprove the proposals listed, and return it so that your vote is received by the exercise deadline above. If there is no indication of approval or disapproval for the proposal on the voting form, your vote for the proposal shall be counted as approval.

Please indicate your approval or disapproval of each proposal here.

For Proposal 1,
if you approve >> mark ○ in the 賛 column
if you disapprove >> mark ○ in the 否 column
For Proposals 2 and 3,
if you approve all candidates >> mark ○ in the 賛 column
if you disapprove all candidates >> mark ○ in the 否 column
if you disapprove some of the candidates >> mark ○ in the 賛 column and enter the candidate number of each candidate you disapprove of.

Guidelines regarding the exercise of a voting right via the Internet:

The exercise of a voting right via the Internet, must be completed by 6:00 p.m. on Tuesday, April 22, 2025

(1) Access the website for exercising votes using QR code:

i) By scanning the QR code shown on the voting form, you can log in to the website for exercising votes without the log-in ID and temporary password shown on the form.

*The "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

ii) Please indicate whether you approve or disapprove the items on the agenda by following the instructions on the display screen.

(2) Access the website for exercising votes using the log-in ID and temporary password:

i) Please access the website using the following URL.

https://evote.tr.mufg.jp/

ii) Log in using the log-in ID and temporary password which are shown on the voting form and press the login button.

iii) Please indicate whether you approve or disapprove the items on the agenda by following the instructions on the display screen.

Depending on the Internet connection of your computer or smart phone, the website for exercising votes may not be available.

(3) Inquiries regarding the exercise of a voting right via the Internet:

Mitsubishi UFJ Trust and Banking Corporation

Corporate Agency Service Support: 0120 (173) 027 *

Business Hours: from 9:00 a.m. to 9:00 p.m. (toll free; within Japan only)

(4) To institutional investors

Institutional investors are entitled to use the Electronic Voting Platform operated by ICJ to electronically exercise your voting rights for this General Meeting of Shareholders.

* The service is available in Japanese only.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1: Appropriation of Surplus

The Company proposes to appropriate surplus as stated below.

1. Matters related to year-end dividends:

In view of profit situation and dividend policy, the Company proposes that a year-end dividend of ¥71 per share be paid for the fiscal year under review. Since the Company paid an interim dividend of ¥64 per share on September 30, 2024, the annual dividend for the fiscal year under review totals ¥135 per share.

(1) Type of dividend property:

Cash

(2) Matters related to the appropriation of dividend property and total amount thereof:

¥71 per common share of the Company Total amount: ¥46,026,950,184

(3) Date on which dividends take effect:

April 24, 2025

2. Other matters related to the appropriation of surplus:

The Company plans to make the following changes to internal reserves to strengthen the management base in preparation for active business expansion in the future.

(1) Item of surplus to be increased and amount thereof:

General reserve: ¥83,000,000,000

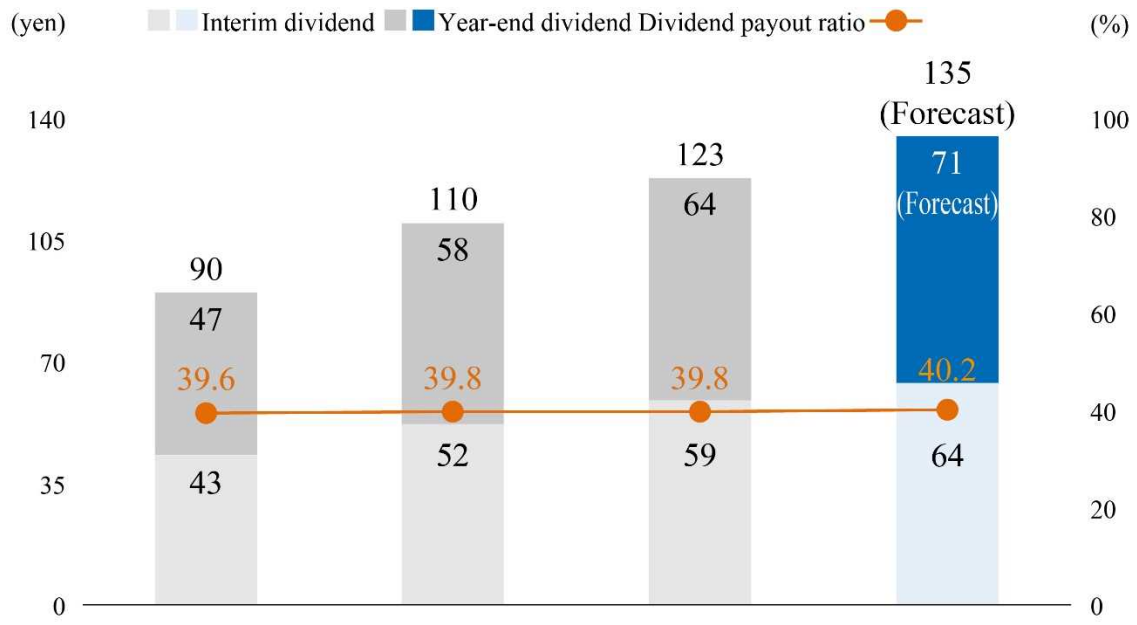
(2) Item of surplus to be decreased and amount thereof:

Retained earnings brought forward: ¥83,000,000,000

(Reference) Basic Policy on Profit Distribution (Fiscal Year Ended January 31, 2025)

The Company recognizes the maximization of shareholder value as one of the most important management issues. Accordingly, the Company will not only increase earnings per share through sustainable business growth, but also promote growth investments and enhance shareholder returns, comprehensively taking into account the status of profits and cash flows in each fiscal year and future business development, among other factors. The Company will also make efforts to increase shareholder value by targeting at least a 40% average dividend payout ratio over the medium-term and establishing a minimum for annual dividends of ¥110 per share (the result for FY2022) over the term of the Sixth Mid-Term Management Plan (FY2023–FY2025) to enhance the stability of shareholder returns, as well as by acquiring its treasury stock in a flexible manner.

Transition of dividends per share and dividend payout ratio (consolidated)



	FY2021	FY2022	FY2023	FY2024
Net sales (Millions of yen)	2,589,579	2,928,835	3,107,242	4,058,583
Operating profit (Millions of yen)	230,160	261,489	270,956	331,366
Ordinary profit (Millions of yen)	230,094	257,272	268,248	301,627
Profit attributable to owners of parent (Millions of yen)	153,905	184,520	202,325	217,705
Profit per share (Yen)	227.37	276.58	309.29	335.95
Dividends (Yen)	90.00	110.00	123.00	135.00
Dividend payout ratio (%)	39.6	39.8	39.8	40.2

Proposal No. 2: Election of 10 Directors of the Board

The terms of office of all 10 current Directors of the Board will expire at the close of this Ordinary General Meeting of Shareholders.

The Company proposes to elect 10 Directors of the Board, including 5 Outside Directors of the Board.

The candidates for Director of the Board are as follows:

No.	Name		Gender	Current post in the Company, etc.	Number of years in office as Director of the Board (at the close of this Meeting)	Attendance at the meetings of the Board of Directors (74th)
1	Reelection	Yoshihiro Nakai	Male	Representative Director of the Board President, Executive Officer, CEO Member, Personnel Affairs and Remuneration Committee	9 years	13/13 (100%)
2	Reelection	Satoshi Tanaka	Male	Representative Director of the Board Executive Vice President, Executive Officer Member, Personnel Affairs and Remuneration Committee	5 years	13/13 (100%)
3	Reelection	Toru Ishii	Male	Director of the Board Senior Managing Officer	5 years	13/13 (100%)
4	Reelection	Hiroshi Shinozaki	Male	Director of the Board Senior Managing Officer	2 years	13/13 (100%)
5	New Election	Yasushi Omura	Male	Managing Officer (Note)	–	–
6	Reelection Outside Independent Director	Yukiko Yoshimaru	Female	Outside Director of the Board Chairperson, Personnel Affairs and Remuneration Committee	7 years	13/13 (100%)
7	Reelection Outside Independent Director	Toshifumi Kitazawa	Male	Outside Director of the Board Chairperson, Board of Directors Member, Personnel Affairs and Remuneration Committee	5 years	12/13 (92%)
8	Reelection Outside Independent Director	Yoshimi Nakajima	Female	Outside Director of the Board	4 years	13/13 (100%)
9	Reelection Outside Independent Director	Shinichi Abe	Male	Outside Director of the Board	3 years	13/13 (100%)
10	New Election Outside Independent Director	Yukiko Kuroda	Female	–	–	–

Reelection: candidate for Director of the Board to be reelected

New Election: candidate for Director of the Board to be newly elected

Outside: candidate for Outside Director of the Board

Independent Director: candidate for Independent Director stipulated by the Tokyo Stock Exchange, Inc.

(Note) He is scheduled to assume the position of Senior Managing Officer as of April 1, 2025.

No.	Name	Knowledge, experiences and abilities particularly expected of each Director of the Board					
		Corporate management Business strategy	International business Overseas insight	Finance strategy and accounting	Technology and environment Innovation	Improvement in sociability Human resources development Diversity	Governance Risk management Compliance
1	Yoshihiro Nakai	●		●		●	●
2	Satoshi Tanaka	●	●	●		●	●
3	Toru Ishii	●	●			●	
4	Hiroshi Shinozaki	●			●		●
5	Yasushi Omura	●			●		●
6	Yukiko Yoshimaru	●	●			●	●
7	Toshifumi Kitazawa	●	●	●			●
8	Yoshimi Nakajima	●	●	●		●	
9	Shinichi Abe	●	●		●	●	
10	Yukiko Kuroda	●	●			●	●

* This chart indicates certain knowledge, experiences, and abilities which the Company particularly expects each candidate to have for his/her duties, not necessarily what each candidate currently has in fact.

Candidate No. 1	Number of years in office as Director of the Board (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2024)	Special interest with the Company
	9 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Yoshihiro Nakai

(April 30, 1965)
(59 years old)
Reelection
Number of the Company's Shares owned
138,180 shares

Knowledge, experiences and abilities particularly expected of each Director of the Board	
Corporate management / Business strategy	●
International business / Overseas insight	
Finance strategy and accounting	●
Technology and environment / Innovation	
Improvement in sociability / Human resources development / Diversity	●
Governance / Risk management / Compliance	●

Career summary, post and responsibility in the Company

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

Significant concurrent post of other companies

Vice Chairman of Japan Federation of Housing Organizations

Reason for election as Director of the Board

In the Corporate Management Planning Division, he exercised his outstanding conceptual ability and always played a central role in formulating and implementing the Group's management strategies and plans. Since assuming the post of President, he has been focusing on demonstrating the comprehensive capabilities of the Group with the Corporate Philosophy as a compass and strengthening the corporate governance structure and promoting ESG management aggressively.
Striving to develop human resources with integrity and autonomy under the slogan of Innovation & Communication and focusing on the whole Group' working together for the common goals, he has been promoting the basic policy of "stable growth in Japan and proactive growth overseas" set forth in the Sixth Mid-Term Management Plan through his strong leadership. To achieve sustainable growth and increase the corporate value of the Sekisui House Group, by accelerating the Group's challenges including the U.S. homebuilding business and firmly transforming into a global company that offers integrated proposals of technologies, lifestyle design, and services based on the residential domain, under the global vision of "Make home the happiest place in the world," the Company therefore proposes to reelect him as a Director of the Board.

Candidate No. 2	Number of years in office as Director of the Board (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2024)	Special interest with the Company
	5 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Satoshi Tanaka

(February 27, 1958)
(67 years old)
Reelection

Number of the Company's Shares owned
54,200 shares

Knowledge, experiences and abilities particularly expected of each Director of the Board	
Corporate management / Business strategy	●
International business / Overseas insight	●
Finance strategy and accounting	●
Technology and environment / Innovation	
Improvement in sociability / Human resources development / Diversity	●
Governance / Risk management / Compliance	●

Career summary, post and responsibility in the Company

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: Managing Officer; General Manager of Consumer Service Business Unit of MITSUI & CO., LTD.
Apr. 2015: Senior Managing Officer; President of Asia Pacific Business Unit of MITSUI & CO., LTD. and President of MITSUI & CO. (ASIA PACIFIC) PTE. LTD.
Apr. 2017: Vice President & Executive Officer; CAO (Chief Administrative Officer); CIO (Chief Information Officer); CPO (Chief Privacy Officer) of MITSUI & CO., LTD.
Jun. 2017: Representative Director; Vice President and Executive Officer 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 Board of the Company
Jan. 2021: Outside Director of IHH Healthcare Berhad (current position)
Apr. 2021: Representative Director of the Board, Executive Vice President, Executive Officer of the Company
In charge of Division of Administration and Human Resources (current position)
(See Note 1 below.)

Significant concurrent post of other companies

Outside Director of Kuraray Co., Ltd.
Outside Director of IHH Healthcare Berhad

Reason for election as Director of the Board

Having held key positions in a major general trading company, he has domestic and international management experience, as well as knowledge and experience in the energy and consumer service sectors. He served as the Representative Director of the Board, Vice President & Executive Officer of the trading company for two years from 2017, where he was the officer responsible for the corporate staff divisions, including the positions of CAO, CIO, and CPO.
He assumed the position of Outside Director of the Board of the Company in 2020. Since assuming the position of Representative Director of the Board, Executive Vice President, Executive Officer in 2021, he has been in charge of the Division of Administration and Human Resources, responsible for promoting human resource strategies such as supporting employees' self-directed career development and ensuring diversity among core human resources through initiatives such as mid-career recruitment. He has also made various efforts to strengthen the effectiveness of the risk management system as the Chairperson of the Risk Management Committee.
To achieve sustainable growth and increase the corporate value of the Sekisui House Group based on his extensive knowledge as a manager and efforts to strategically control growth investment and capital efficiency, practice human capital management with a focus on global expansion, and strengthen the effectiveness of corporate governance and risk management system, the Company proposes to reelect him as a Director of the Board.

Candidate No. 3	Number of years in office as Director of the Board (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2024)	Special interest with the Company
	5 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Toru Ishii

(November 3, 1966)
(58 years old)
Reelection
Number of the Company's Shares owned
44,966 shares

Knowledge, experiences and abilities particularly expected of each Director of the Board	
Corporate management / Business strategy	●
International business / Overseas insight	●
Finance strategy and accounting	
Technology and environment / Innovation	
Improvement in sociability / Human resources development / Diversity	●
Governance / Risk management / Compliance	

Career summary, post and responsibility in the Company

Apr. 1990: Joined the Company
May 2012: Head of Development Department of the Company
Apr. 2014: Executive Officer, Acting Head of Development Department of the Company
Apr. 2016: Managing Officer of the Company
Feb. 2019: In charge of Development Business, Acting Head of International Business Department
Feb. 2020: In charge of Development and Condominiums Businesses, Acting Head of International Business Department
Apr. 2020: Senior Managing Officer of the Company (current position)
In charge of Development, Condominiums, and International Businesses
Apr. 2020: Director of the Board of the Company (current position)
Feb. 2021: In charge of Division of Development Business (current position)
May 2024: Acting Head of International Business Headquarters (current position)

Reason for election as Director of the Board

Since joining the Company, he has experienced sales planning work in the urban development business and engaged 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, focusing on human resources development and demonstrating the comprehensive capabilities of the Group. In international business in particular, he has focused on achieving a balance between investment and return, while realizing M&As mainly in the U.S., which greatly contributed to the achievement of the Fifth Mid-Term Management Plan. He has been steadily promoting enhancement of the business foundation in new markets and development of the organizational structure.

He has strongly led "proactive growth overseas" through the creativity and courage he has demonstrated in pioneering new markets and accomplished making M.D.C Holdings, Inc., a leading homebuilder for the U.S. homebuilding business, a wholly owned subsidiary in April 2024. To achieve sustainable growth and increase the corporate value of the Sekisui House Group by enhancing the diversity of the international business areas, which have made significant progress, and further strengthening the governance structure through proper implementation of the integration process, the Company proposes to reelect him as a Director of the Board.

Candidate No. 4	Number of years in office as Director of the Board (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2024)	Special interest with the Company
	2 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Hiroshi Shinozaki

(April 12, 1963)
(61 years old)
Reelection
Number of the Company's Shares owned
20,763 shares

Knowledge, experiences and abilities particularly expected of each Director of the Board	
Corporate management / Business strategy	●
International business / Overseas insight	
Finance strategy and accounting	
Technology and environment / Innovation	●
Improvement in sociability / Human resources development / Diversity	
Governance / Risk management / Compliance	●

Career summary, post and responsibility in the Company

Apr. 1987: Joined the Company
Feb. 2010: Head of Tokyo-Tokken Building Projects Branch of the Company
Aug. 2018: Head of East Japan Building Sales Administration Headquarters of the Company
Apr. 2020: Executive Officer, Acting Head of East Japan Building Sales Administration Headquarters of the Company
Feb. 2021: In charge of Building Sales Administration
Apr. 2021: Managing Officer of the Company
Feb. 2023: In charge of Building Sales Administration and TKC Project
Executive Vice President, Director of the Board of Sekisui House Real Estate Holdings, Ltd.
Apr. 2023: Senior Managing Officer of the Company (current position)
Apr. 2023: Director of the Board of the Company (current position)
Apr. 2024: President, Representative Director of the Board of Sekisui House Real Estate Holdings, Ltd. (current position)
May 2024: Managing Building Sales Administration, in charge of TKC Project (current position)

Significant concurrent post of other companies

President, Representative Director of the Board of Sekisui House Real Estate Holdings, Ltd.

Reason for election as Director of the Board

He has served in several important positions in the building business field, centered on "Sha-Maison" rental housing. As a Managing Officer in charge of Building Sales Administration since 2021, he has promoted initiatives for increasing orders of three- and four-story rental houses, in addition to the improvement of sales of "Sha-Maison ZEH," zero-energy rental housing. As a Director of the Board of Sekisui House Real Estate Holdings, Ltd., he is strongly leading the growth of this business field by utilizing his leadership and strategic thinking ability such as building a stronger collaborative relationship between the Company and the Sekisui House Real Estate Group.

Since assuming the position of President, Representative Director of the Board of Sekisui House Real Estate Holdings, Ltd. in April 2024, he has been steadily implementing a large-scale reorganization of the Sekisui House Real Estate Group to strengthen the expertise of each group company based on their local connections and business characteristics. To achieve sustainable growth and increase the corporate value of the Sekisui House Group by realizing "stable growth in Japan" and strengthening the effectiveness of corporate governance and risk management system through further advancement of integrated business management for the Company and the Sekisui House Real Estate Group, the Company proposes to reelect him as a Director of the Board.

Candidate No. 5	Number of years in office as Director of the Board (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2024)	Special interest with the Company
	–	– (attendance at the meetings of the Board of Directors: –)	None

Yasushi Omura

(December 1, 1968)
(56 years old)
New Election
Number of the Company's Shares owned
16,030 shares

Knowledge, experiences and abilities particularly expected of each Director of the Board	
Corporate management / Business strategy	●
International business / Overseas insight	
Finance strategy and accounting	
Technology and environment / Innovation	●
Improvement in sociability / Human resources development / Diversity	
Governance / Risk management / Compliance	●

Career summary, post and responsibility in the Company

Apr. 1991: Joined the Company
Aug. 2008: Head of Tottori Branch of the Company
Aug. 2009: Head of Okayama SHAWOOD-Home Branch of the Company
Feb. 2014: Head of Okayama Branch of the Company
Apr. 2018: Head of East Shikoku Branch of the Company
Feb. 2019: Head of Kansai Daini Sales Administration Headquarters of the Company
Feb. 2021: Head of Sekiwa Construction Business Headquarters of the Company
Apr. 2021: Executive Officer, Acting Head of Sekiwa Construction Business Headquarters of the Company
Apr. 2023: Managing Officer of the Company (current position) (See Note 2 below.)
Acting Head of Sekisui House Construction Business Headquarters of the Company
Feb. 2024: President, Representative Director of the Board of Sekisui House Construction Holdings, Ltd. (current position)

Significant concurrent post of other companies

President, Representative Director of the Board of Sekisui House Construction Holdings, Ltd.

Reason for election as Director of the Board

He has held key positions in the built-to-order business area, including Head of the branch and Head of Sales Administration Headquarters, and in April 2021, he was appointed Head of Headquarters overseeing the Sekisui House Construction Group as an Executive Officer, where he steadily implemented initiatives such as organizational restructuring to rebuild the revenue base and strengthen the governance structure of each Sekisui House Construction company. After assuming the position of Managing Officer in April 2023, he led the initiatives to establish an intermediary holding company overseeing the Sekisui House Construction Group (Sekisui House Construction Holdings, Ltd.), and in February 2024, he was appointed Representative Director of the Board of that company. With a focus on expanding the business domain of the Sekisui House Construction Group through a consensus-based business management, which plays a key role on one of the Group's core competencies, "construction capabilities," he is working to achieve high-quality and safe construction while considering the local connections of each Sekisui House Construction company, update the performance evaluation system and other measures to enhance flexibility, and strengthen the corporate governance.

In growth strategies for the domestic construction market, which faces various challenges, the enhancement and expansion of the Group's "construction capabilities" is the most important theme. To achieve sustainable growth and increase the corporate value of the Sekisui House Group by realizing "stable growth in Japan" and strengthening the effectiveness of corporate governance and risk management systems through further advancement of integrated business management for the Company and the Sekisui House Construction Group, the Company proposes to newly elect him as a Director of the Board.

Candidate No. 6	Number of years in office as Outside Director of the Board (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2024)	Special interest with the Company
	7 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Yukiko Yoshimaru

(February 1, 1960)
(65 years old)
Reelection
Outside
Independent Director

Number of the Company's Shares owned

9,000 shares

Knowledge, experiences and abilities particularly expected of each Director of the Board	
Corporate management / Business strategy	●
International business / Overseas insight	●
Finance strategy and accounting	
Technology and environment / Innovation	
Improvement in sociability / Human resources development / Diversity	●
Governance / Risk management / Compliance	●

Career summary, post and responsibility in the Company

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.
Jun. 2021: Outside Director of Daiwabo Holdings Co., Ltd. (current position)
Jun. 2024: Outside Director of Nichirei Corporation (current position)

Significant concurrent post of other companies

Outside Director of Daiwabo Holdings Co., Ltd.
Outside Director of Nichirei Corporation

Reason for election as Outside Director of the Board and summary of expected roles, etc.

She has a wide range of global experience including management experience as a director of domestic and overseas companies and M&A experience at a U.S. subsidiary of the major Japanese company. In particular, she 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, diversity and corporate governance. In addition, since becoming the Chairperson of the Personnel Affairs and Remuneration Committee in May 2020, she has led the revision of officer remuneration related to the Sixth Mid-Term Management Plan and contributed to improving the effectiveness of the Personnel Affairs and Remuneration Committee by clarifying the process of selecting and dismissing Directors of the Board, strengthening remuneration governance, and organizing CEO succession planning meetings. She also engages in dialogue with institutional investors and other stakeholders.

She is promoting understanding of international business through proactive exchange of opinions with the senior management of overseas Group companies. To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspectives of global business and diversity promotion, and in strengthening the management supervision function in areas including personnel affairs and remuneration, the Company proposes to reelect her as an Outside Director of the Board.

Candidate No. 7	Number of years in office as Outside Director of the Board (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2024)	Special interest with the Company
	5 years	12/13 (attendance at the meetings of the Board of Directors: 92%)	None

Toshifumi Kitazawa

(November 18, 1953)
(71 years old)
Reelection
Outside
Independent Director
Number of the Company's Shares owned
3,200 shares

Knowledge, experiences and abilities particularly expected of each Director of the Board	
Corporate management / Business strategy	●
International business / Overseas insight	●
Finance strategy and accounting	●
Technology and environment / Innovation	
Improvement in sociability / Human resources development / Diversity	
Governance / Risk management / Compliance	●

Career summary, post and responsibility in the Company (See Notes 6 to 9 below.)

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 & Director 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 & Director 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: Advisor of Tokio Marine & Nichido Fire Insurance Co., Ltd. (current position)

Significant concurrent post of other companies

Advisor 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

Reason for election as Outside Director of the Board and summary of expected roles, etc.

Having held key positions at a major insurance company, he has extensive knowledge and experience in areas including global business, M&A, risk management and compliance, as well as abundant achievements and experience as a manager. Since becoming Chairperson of the Board of Directors in May 2021, he has been leading a steady improvement in the substance of constructive discussions and the effectiveness of the Board of Directors meetings by steering proceedings flexibly to further activate deliberations on medium- and long-term management issues, while also engaging in dialogue with institutional investors and other stakeholders. He has also been contributing to the enhancement of deliberations as a member of the Personnel Affairs and Remuneration Committee of the Company.
He is promoting understanding of international business through proactive exchange of opinions with the senior management of overseas Group companies. To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspective of global business, and in strengthening the management supervision function in areas including M&A and other financial strategies, risk management and compliance, the Company proposes to reelect him as an Outside Director of the Board.

Candidate No. 8	Number of years in office as Outside Director of the Board (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2024)	Special interest with the Company
	4 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Yoshimi Nakajima

(December 16, 1956)
(68 years old)
Reelection
Outside
Independent Director
Number of the Company's Shares owned
2,700 shares

Knowledge, experiences and abilities particularly expected of each Director of the Board	
Corporate management / Business strategy	●
International business / Overseas insight	●
Finance strategy and accounting	●
Technology and environment / Innovation	
Improvement in sociability / Human resources development / Diversity	●
Governance / Risk management / Compliance	

Career summary, post and responsibility in the Company (See Note 10 below.)

Apr. 1980: Joined The Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)
Feb. 1982: Joined AVON Products 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 of The Graduate School of Project Design (current position)
Outside Director of the Board of the Company (current position)

Significant concurrent post of 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 of The Graduate School of Project Design

Reason for election as Outside Director of the Board and summary of expected roles, etc.

Having held key positions in domestic and overseas companies, she has extensive experience in financial strategy, M&A, and other areas by serving as the head of Asian and Japanese subsidiaries of global financial institutions. She has embodied diversity in corporate management in an environment where diversity in senior management is considered to be natural.
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 actively expressing frank opinions that promote appropriate risk-taking and management reform, while also proactively sharing her insights through exchange of opinions with the Company's senior management.
She is promoting understanding of international business through proactive exchange of opinions with the senior management of overseas Group companies. To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of growth strategies from the perspectives of global business and diversity promotion, and in strengthening the management supervision function in areas including M&A and other financial strategies, the Company proposes to reelect her as an Outside Director of the Board.

Candidate No. 9	Number of years in office as Outside Director of the Board (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2024)	Special interest with the Company
	3 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Shinichi Abe

(August 7, 1968)
(56 years old)
Reelection
Outside
Independent Director
Number of the Company's Shares owned
1,300 shares

Knowledge, experiences and abilities particularly expected of each Director of the Board	
Corporate management / Business strategy	●
International business / Overseas insight	●
Finance strategy and accounting	
Technology and environment / Innovation	●
Improvement in sociability / Human resources development / Diversity	●
Governance / Risk management / Compliance	

Career summary, post and responsibility in the Company

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, Availvs 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)

Significant concurrent post of other companies

Representative Director, President and CEO of MNES Inc.

Reason for election as Outside Director of the Board and summary of expected roles, etc.

Having worked for an overseas consulting firm and software vendors, he was involved in the launch of Google's cloud business. At that business, 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 cloud services business for Japanese companies, he gained the deep trust of many client companies and promoted digital innovation together. 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.
Since April 2022, he 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 actively expressing frank opinions from the perspective of global operations and digitally-driven business model transformation and disseminating information to promote innovation, while also providing insightful views on innovation in direct dialogue with the Company's senior management.
He is promoting understanding of international business through proactive exchange of opinions with the senior management of overseas Group companies. To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the formulation of alliances and growth strategies in the Group-wide new service business fields, including the international business, and in strengthening the management supervision function, including supervision of the area of human resources development, the Company proposes to reelect him as an Outside Director of the Board.

Candidate No. 10	Number of years in office as Outside Director of the Board (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2024)	Special interest with the Company
	–	– (attendance at the meetings of the Board of Directors: –)	None

Yukiko Kuroda

(See Note 11 below.)
(September 24, 1963)
(61 years old)
New Election
Outside
Independent Director
Number of the Company's Shares owned
0 shares

Knowledge, experiences and abilities particularly expected of each Director of the Board	
Corporate management / Business strategy	●
International business / Overseas insight	●
Finance strategy and accounting	
Technology and environment / Innovation	
Improvement in sociability / Human resources development / Diversity	●
Governance / Risk management / Compliance	●

Career summary, post and responsibility in the Company

Apr. 1986: Joined Sony Corporation
Jan. 1991: Representative Director of People Focus Consulting Co., Ltd.
Jun. 2010: Outside Audit & Supervisory Board Member of Astellas Pharma Inc.
Mar. 2011: Outside Director of CAC Co., Ltd. (currently CAC Holdings Corporation)
Apr. 2012: Director and Founder of People Focus Consulting Co., Ltd.
Jun. 2013: Outside Director of Marubeni Corporation
Jun. 2015: Outside Director of Mitsui Chemicals, Inc.
Jun. 2018: Outside Director of Seven Bank, Ltd. (current position)
Jun. 2018: Independent Director of Terumo Corporation
Jun. 2022: Independent Director of Obayashi Corporation (current position)
Aug. 2022: Outside Director of ORACLE CORPORATION JAPAN (current position)
Apr. 2024: Advisor and Founder of People Focus Consulting Co., Ltd. (current position)

Significant concurrent post of other companies

Advisor and Founder of People Focus Consulting Co., Ltd.
Outside Director of Seven Bank, Ltd.
Independent Director of Obayashi Corporation
Outside Director of ORACLE CORPORATION JAPAN

Reason for election as Outside Director of the Board and summary of expected roles, etc.

After being engaged in overseas marketing operations of a company, she worked at a major U.S. management consulting firm and founded her own company to commercialize employee training for Japanese companies that have become affiliated with foreign companies. As a top executive, she has been involved in consulting businesses such as organizational development, global human resource development, and diversity promotion. During the company's founding period, she took significant efforts to gain the trust of clients and develop and improve services that met the clients' needs, while also focusing on developing the next generation of talent. In addition to her experience as a top executive since establishing her own company, she has also provided executive coaching for senior management and served as an outside director of several listed companies. She possesses knowledge of corporate management across a wide range of industries and business types.
To achieve sustainable growth and increase the corporate value of the Sekisui House Group, particularly to realize "proactive growth overseas" under the Global Vision, the Company expects her to make significant efforts to strengthen the management supervision function in areas such as human resources development, human capital management, and sustainability, as the Company aims to become a leading company in ESG management by contributing to the realization of a sustainable society and taking initiatives to promote diversity. Accordingly, the Company proposes to elect her as an Outside Director of the Board.

Notes:

1. Mr. Satoshi Tanaka's responsibility is scheduled to change from "In charge of Division of Administration and Human Resources" to "Managing Division of Finance, Human Resources and Auditing, In charge of Division of Administration" as of April 1, 2025.
2. Mr. Yasushi Omura is scheduled to be promoted from "Managing Officer" to "Senior Managing Officer and Managing Detached Housing Business" as of April 1, 2025.
3. The Company designated Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima, and Mr. Shinichi Abe as "Independent Directors" and submitted notification to that effect to the Tokyo Stock Exchange, Inc. In addition, the Company will designate Ms. Yukiko Kuroda as an "Independent Director" and submit notification to that effect to the Tokyo Stock Exchange, Inc.
4. The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.
   If the proposal is approved, each candidate will be included as the insured of the said insurance contract.
5. The Company entered into limited liability agreements with Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima, and Mr. Shinichi Abe that if they cause damages to the Company by neglect of the duty as an Outside Director of the Board, where their conduct is deemed to be made in good faith without gross negligence, their liability is without fail limited to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act. If those Outside Board Directors' reelection is approved, the Company will continue the above-mentioned limited liability agreements with them. In addition, the Company will enter into the said limited liability agreement with Ms. Yukiko Kuroda.
6. Although the Company has business relationships as a policyholder and nonlife insurance agent with Tokio Marine & Nichido Fire Insurance Co., Ltd. where Mr. Toshifumi Kitazawa serves as an Advisor, he meets the Criteria for Independence of Outside Officers established by the Company. The annual amount of business transactions between the companies is less than 1% of ordinary income of Tokio Marine & Nichido Fire Insurance Co., Ltd. and less than 1% of net sales of the Company.
7. MUFG Bank, Ltd., where Mr. Toshifumi Kitazawa serves as a Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee), is a major lender to the Company. However, because Mr. Kitazawa is not an executive of MUFG Bank, Ltd. or a former employee of MUFG Bank, Ltd., the Company deems that there is no risk of conflict of interest with general shareholders.
8. Tokio Marine & Nichido Fire Insurance Co., Ltd., where Mr. Toshifumi Kitazawa served as a Director from April 2014 to March 2022, received a business improvement order under the Insurance Business Act from the Japan Financial Services Agency, effective December 26, 2023, due to actions considered to contravene the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (the "Anti-monopoly Act"), inappropriate actions in view of the purpose of the aforementioned Act, and underlying systematic problems. Tokio Marine & Nichido Fire Insurance Co., Ltd. also received a cease and desist order and a surcharge payment order under the Anti-monopoly Act from the Japan Fair Trade Commission on November 1, 2024, for violating the said act (prohibition of unreasonable restraint of trade).
9. MUFG Bank, Ltd., where Mr. Toshifumi Kitazawa serves as a Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee), received a business improvement order from the Japan Financial Services Agency on June 24, 2024 for inappropriate sharing of customer information with a securities company and other companies of the MUFG Group, inadequate arrangements for managing corporate information, and the conduct of securities-related business that is not permitted for banks. Although Mr. Kitazawa was not aware of the situation until he was notified, he has spoken about the importance of compliance with laws and regulations at meetings of the Board of Directors and other occasions. Furthermore, after the situation became known, he has fulfilled his responsibilities, including monitoring the response to the issues raised at meetings of the board of directors.
10. Japan Freight Railway Company, where Ms. Yoshimi Nakajima serves as an Outside Director, received a business improvement order for transportation safety from the Ministry of Land, Infrastructure, Transport and Tourism on October 31, 2024 in relation to misconduct in wheelset assembly work that was discovered in September 2024. Although Ms. Nakajima was not aware of the facts of this case beforehand, she has regularly made recommendations at meetings of the Board of Directors and other occasions from the perspective of strengthening internal controls and compliance with laws and regulations. After she became aware of the facts for this case, she has fulfilled her responsibilities by providing recommendations regarding the implementation of the internal reporting system and the analysis of the root causes.
11. Ms. Yukiko Kuroda's name on the family register is Yukiko Matsumoto.

(Reference) Composition of the Board of Directors and Policy and Procedures for Candidates for Director of the Board

1. Composition of the Board of Directors

a. The Board of Directors shall have the number of members that is considered appropriate to substantial deliberations.

b. Independent Outside Directors of the Board shall be appointed so that the ratio of Independent Outside Directors of the Board in the Board of Directors shall be one-third or more.

c. The Board of Directors shall be joined by well-balanced members selected through the development of a skill matrix based on the business strategies and management plans, such as experts specializing in finance, accounting, laws, compliance and other relevant areas, with consideration for knowledge, experience, and ability, the number of years in office, and gender, ensuring both the compatibility with diversity and proper headcount.

2. Stance on and Procedures for Selection of Prospective Directors of the Board

The Company shall select prospective Directors of the Board from among those of high integrity (as a sincere and high-minded morality, and earnestness) and having high management ability, having nature suited to practicing the Group's Corporate Philosophy, interested in the Group's business and with a deep insight etc., and having high awareness for contributing 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, an advisory body to the Board of Directors which shall be chaired by an Independent Outside Director of the Board and a majority of whose members shall be Independent Outside Directors of the Board, and determined by the Board of Directors based on the recommendations of the Committee. A proposal 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., embodying the Corporate Philosophy and having a panoramic vision) and competence requirements (i.e., having a vision to resolve external problems, innovativeness for creating new markets, being able to cooperate with various stakeholders, and the capability 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 an evaluation of performance.

3. Process for Selection of New Candidates for Outside Director of the Board

In consideration of the objectivity and transparency of the selection of new candidates for Outside Director of the Board, the candidates shall be nominated through the following process by the Personnel Affairs and Remuneration Committee.

(i) Confirm and review as necessary the reasons for selecting skill items (skill matrix)

(ii) Determine targets for selecting new candidates for Outside Director of the Board based on the skill matrix

(iii) Scrutinize the candidate profiles based on the selection targets and narrow down candidates

(iv) Have each member of the Committee interview new candidates for Outside Director of the Board and share the results among the Committee members

[Reasons for selecting each item in the skill matrix]

Skill items	Reasons for selection
Corporate management Business strategy	The Company is a leading company in the housing industry with the cumulative number of homes built exceeding 2.60 million worldwide. In order to formulate a sustainable growth strategy amidst a drastically changing business environment, Directors of the Board with management experience and a proven track record in the housing, construction, and urban development fields are needed. In addition, in order to realize and promote the global vision of "Propose 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 in the field of consumer services such as health, connection, and learning as well as knowledge and experience that contribute to the transformation of business models through the use of digital technology.
International business Overseas insight	In order to formulate growth strategies and supervise the management of the international business, which is a growth area, it is necessary to have Directors of the Board who have experience in overseas business management and extensive knowledge and experience in overseas cultural life and business environment.
Finance strategy and accounting	Directors of the Board with solid knowledge and experience in the fields of finance and accounting are needed to formulate financial strategies that will not only ensure accurate financial reporting, but also build a solid financial foundation, promote growth investments (including M&A) for sustainable enhancement of corporate value, and enhance shareholder returns.
Technology and environment Innovation	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.
Improvement in sociability Human resources development Diversity	In order to provide homes that make our customers feel more content and address various social challenges through its business activities, the Company needs to develop human resource strategies that enable each employee to maximize their potential, and the Company needs Directors of the Board with solid knowledge and experience in the field of human resources development, including the promotion of diversity, equity and inclusion.
Governance Risk management Compliance	The establishment of an appropriate governance structure is the foundation for sustainable enhancement of corporate value, and in order to improve the effectiveness of management supervision by the Board of Directors, Directors of the Board with solid knowledge and experience in the fields of corporate governance, risk management, and compliance are needed.

Proposal No. 3: Election of Two Audit and Supervisory Board Members

The terms of office of Audit and Supervisory Board Members Ms. Midori Ito and Mr. Takashi Kobayashi will expire at the close of this Ordinary General Meeting of Shareholders. The Company proposes to elect two Audit and Supervisory Board Members.

This proposal has already received approval from the Audit and Supervisory Board.

The candidates for Audit and Supervisory Board Member are as follows:

Candidate No. 1	Number of years in office as Audit and Supervisory Board Member (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors and the Audit and Supervisory Board (FY2024)	Special interest with the Company
	–	– (attendance at the meetings of the Board of Directors: –) – (attendance at the meetings of the Audit and Supervisory Board: –)	None

Osamu Minagawa

(September 19, 1962)
(62 years old)
New Election
Number of the Company's Shares owned
36,100 shares

Career summary and post in the Company

Jan. 1991:	Joined the Company
Aug. 2004:	Head of Tokyo Minami Branch
Aug. 2009:	Head of Tokyo Sales Administration Headquarters
Apr. 2012:	Executive Officer, Acting Head of Tokyo Sales Administration Headquarters of the Company
Apr. 2018:	Managing Officer of the Company (current position)
Aug. 2019:	In charge of administrative control of subsidiary & affiliated companies, Acting Head of Auditing Department
Feb. 2021:	In charge of Auditing, Human Resources and Real Estate
Feb. 2022:	In charge of Auditing, Human Resources Development, Human Resources and General Affairs and Real Estate
Feb. 2025:	In charge of Auditing, Human Resources Development and Human Resources and General Affairs (current position) (See Note 1 below.)

Reason for election as Audit and Supervisory Board Member
Since joining the Company, he has held positions such as Sales Lead, Head of the branch, and Head of Sales Administration Headquarters, demonstrating his excellent management skills. He was appointed Executive Officer in 2012, Managing Officer in 2018, and Head of Auditing Department in 2019. Since 2021, his responsibilities have expanded to human resources and real estate, and he has made significant efforts to strengthen the Group's governance.
The Company proposes to newly elect him as an Audit and Supervisory Board Member, with the expectation that he will strengthen the Company's auditing system by leveraging his strong integrity, management track record in both sales and head office departments, and experience cultivated in internal audits and human resources development.

Notes:
1. Mr. Osamu Minagawa's post is scheduled to change from "In charge of Auditing, Human Resources Development and Human Resources and General Affairs" to "In charge of Division of Human Resources and Auditing" on April 1, 2025.
2. The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.
   If Mr. Osamu Minagawa's election is approved, he will be included as the insured of the said insurance contract.

Candidate No. 2	Number of years in office as Outside Audit and Supervisory Board Member (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors and the Audit and Supervisory Board (FY2024)	Special interest with the Company
	–	– (attendance at the meetings of the Board of Directors: –) – (attendance at the meetings of the Audit and Supervisory Board: –)	None

Yuko Tamai

(November 28, 1965)
(59 years old)
New Election
Outside
Independent Auditor
Number of the Company's Shares owned
0 shares

Career summary and post in the Company

Apr. 1994: Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
Sep. 2000: Worked at Covington & Burling LLP
May 2001: Returned to Nagashima Ohno & Tsunematsu
Jan. 2003: Partner of Nagashima Ohno & Tsunematsu (current position)
Jun. 2015: Outside Audit and Supervisory Board Member of Japan Bank for International Cooperation
Jun. 2017: External Director of Mitsui Sugar Co., Ltd. (currently Mitsui DM Sugar Holdings Co., Ltd.)
Jun. 2022: External Audit & Supervisory Board Member of MITSUI & CO., LTD. (current position)

Significant concurrent post of other companies

Partner of Nagashima Ohno & Tsunematsu
External Audit & Supervisory Board Member of MITSUI & CO., LTD.

Reason for election as Outside Audit and Supervisory Board Member

As a lawyer, she has been involved in domestic and international business integration and M&A projects, mainly for listed companies, for many years. She is well versed in corporate law, including the development of internal control and governance-related systems and crisis response. In addition, she has served as an outside officer of other companies and a member of government councils.
The Company proposes to newly elect her as an Audit and Supervisory Board Member, with expectation that she will contribute to strengthening the Company's management supervision function and building a better governance structure, by actively providing advice based on her extensive experience and knowledge.
Ms. Tamai has not engaged in managing a company other than serving as an outside director or outside audit and supervisory board member, but the Company expects that she will properly perform her duties as an Outside Audit and Supervisory Board Member because of the reason described above.

Notes:
1. The Company will designate Ms. Yuko Tamai as an "Independent Auditor" and submit notification to that effect to the Tokyo Stock Exchange, Inc.
2. The Company will enter into a limited liability agreement with Ms. Yuko Tamai that if she causes damages to the Company by neglect of the duty as an Outside Audit and Supervisory Board Member, where her conduct is deemed to be made in good faith without gross negligence, her liability is without fail limited to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.
3. The Company will enter into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act, and the contract is designed to cover damages that may arise from the insured directors and officers assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility.
   If Ms. Yuko Tamai's election is approved, she will be included as the insured of the said insurance contract.
4. Although the Company has a business relationship with Nagashima Ohno & Tsunematsu, where Ms. Yuko Tamai belongs, she meets the Criteria for Independence of Outside Officers established by the Company. The annual amount of business transactions between the companies is less than 1% of net sales of Nagashima Ohno & Tsunematsu and less than 1% of net sales of the Company.

(Reference) List of officers after the 74th Ordinary General Meeting of Shareholders (scheduled)

If Proposal No. 2 "Election of 10 Directors of the Board" and Proposal No. 3 "Election of Two Audit and Supervisory Board Members" are approved as originally proposed, the composition of the Board of Directors and the Audit and Supervisory Board after this Ordinary General Meeting of Shareholders will be as follows.

Name	Gender	Post and responsibility in the Company and Group companies (scheduled)
Yoshihiro Nakai	Male	Representative Director of the Board President, Executive Officer, CEO Member, Personnel Affairs and Remuneration Committee
Satoshi Tanaka	Male	Representative Director of the Board Executive Vice President, Executive Officer Managing Division of Finance, Human Resources and Auditing, In charge of Division of Administration Member, Personnel Affairs and Remuneration Committee
Toru Ishii	Male	Director of the Board Senior Managing Officer In charge of Division of Development Business, Head of International Business Headquarters
Hiroshi Shinozaki	Male	Director of the Board Senior Managing Officer Managing Building Sales Administration, In charge of TKC Project President, Representative Director of the Board of Sekisui House Real Estate Holdings, Ltd.
Yasushi Omura	Male	Director of the Board Senior Managing Officer Managing Detached Housing Business President, Representative Director of the Board of Sekisui House Construction Holdings, Ltd.
Yukiko Yoshimaru	Female	Outside Director of the Board Chairperson, Personnel Affairs and Remuneration Committee
Toshifumi Kitazawa	Male	Outside Director of the Board Chairperson, Board of Directors Member, Personnel Affairs and Remuneration Committee
Yoshimi Nakajima	Female	Outside Director of the Board
Shinichi Abe	Male	Outside Director of the Board
Yukiko Kuroda	Female	Outside Director of the Board Member, Personnel Affairs and Remuneration Committee
Takashi Ogino	Male	Standing Audit and Supervisory Board Member
Osamu Minagawa	Male	Standing Audit and Supervisory Board Member
Ryuichi Tsuruta	Male	Standing and Outside Audit and Supervisory Board Member Chairperson of the Audit and Supervisory Board
Yoritomo Wada	Male	Outside Audit and Supervisory Board Member
Yuko Tamai	Female	Outside Audit and Supervisory Board Member

The Business Report for the 74th fiscal year

(February 1, 2024 – January 31, 2025)

1. Business Conditions of the Corporate Group

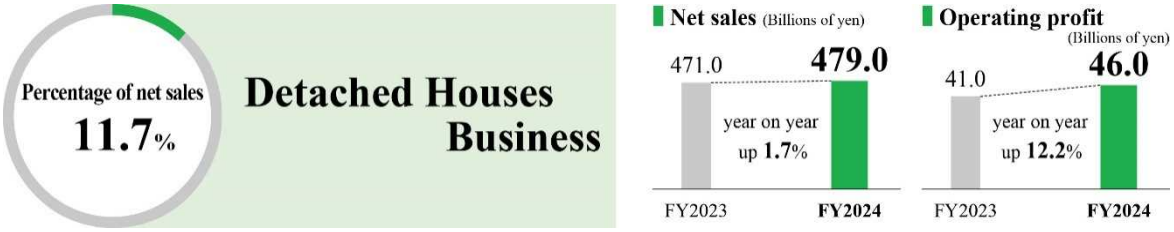
(1) Progress and Results of Sekisui House Group

During the fiscal year under review, the global economy remained generally steady, with the U.S. economy continuing to expand driven mainly by domestic demand, such as increased consumer spending and capital investment, although the situation continues to require close attention to the price situation against the backdrop of each country's monetary policy, developments in international financial and capital markets, and the impact of geopolitical risks. The Japanese economy has been moderately recovering, partly due to improvements in the employment and income environment amid continued improvement in overall business confidence among companies, while some weakness has been observed in personal consumption.

In the housing market, the number of new housing starts in Japan remains weak partly due to the impact of stubbornly high construction costs, but starts of owner-occupied houses and rental houses show signs of strength. On the other hand, in the United States, although housing starts are still in an adjustment phase and inventories of pre-owned homes continue to decline amid mortgage rates remaining at high level, there is strong latent demand for housing against the backdrop of a chronic shortage of housing supply for a growing population, and there are signs of a pickup in the housing market.

In such a business environment, to achieve the Group's Global Vision for 2050 of "Make home the happiest place in the world," we have actively promoted various high-value-added proposals and other initiatives that integrate technologies, lifestyle design and service, based on the Sixth Mid-Term Management Plan (FY2023–FY2025), which sets "stable growth in Japan and proactive growth overseas" as its fundamental policy. In the United States, we made M.D.C. Holdings, Inc. ("MDC"), a company that has supplied high-quality homes for over the past 50 years, a wholly-owned subsidiary in April 2024 to expand areas for our homebuilding business.

As a result, the Group recorded net sales of ¥4,058,583 million (up 30.6% year on year), operating profit of ¥331,366 million (up 22.3% year on year), ordinary profit of ¥301,627 million (up 12.4% year on year), and profit attributable to owners of parent of ¥217,705 million (up 7.6% year on year).



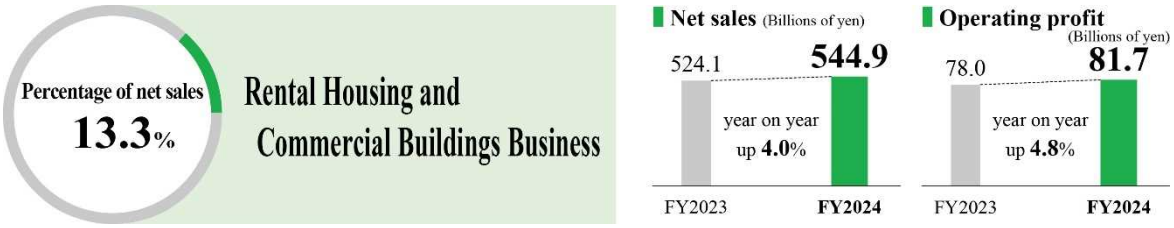
The Detached Houses Business recorded net sales of ¥479,091 million, up 1.7% year on year, and operating profit of ¥46,069 million, up 12.2% year on year, during the fiscal year under review.

In addition to the homebuilding that resonate with each customer's sense of beauty through "life knit design," a new system for proposing designs, which has been implemented nationwide since the previous fiscal year, we focused on expanding the sale of 2nd- and 3rd- range mid- to high-end products by promoting the branding, etc. of detached houses led by the DESIGN OFFICE team consisting of experts in each field. Proposals for high-value-added houses and services such as "Green First ZERO" net zero energy houses (ZEH), the Family Suite large living room, Next-generation Indoor Environment Control System "SMART-ECS," and "PLATFORM HOUSE" touch smart home service linked to floor plans were well received, and orders remained strong.

As for the SI* Business, a joint construction business to improve the seismic resistance of wooden houses, which was launched in the previous fiscal year, our network of partner companies is steadily expanding in each region. We are promoting the creation of high-quality housing stock in Japan as well as enhancing 1st range products, by making our safety and peace of mind technologies, including our unique seismic resistance technology,

the "direct joint construction method," open to the public and having the Sekisui House Construction Group companies undertake the construction of the foundations and structural frame-work of wooden houses built by partner companies.

*Skeleton and infill: A construction method involving clearly distinct building skeletons (building frames) and infill (interiors, room layouts, etc.)

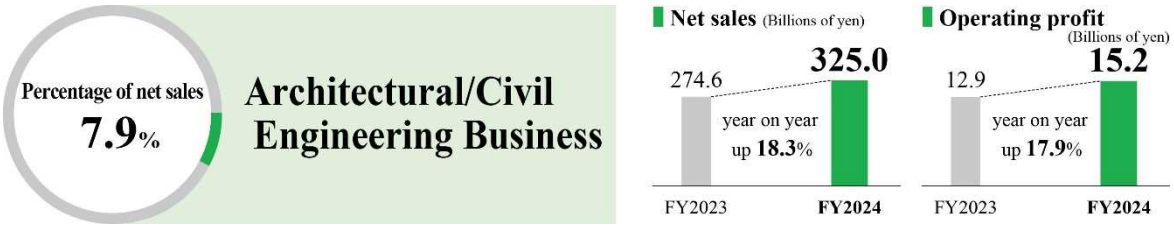


The Rental Housing and Commercial Buildings Business recorded net sales of ¥544,934 million, up 4.0% year on year, and operating profit of ¥81,796 million, up 4.8% year on year for the fiscal year under review.

We focused on expanding the sale of three- to four-story rental housing builds created using our original construction method and adoption of net zero energy rental housing Sha Maison ZEH by expanding business in urban areas (S and A areas) where occupancy demand is expected to increase over the long term, based on our unique area marketing. In addition, our price leader strategies to realize high occupancy rates and rental rate levels have been successful, leading to strong orders for rental housing. In particular, in Sha Maison ZEH, where photovoltaic panels are connected to each residential unit, the system of selling excess electricity by residents was well received, which takes into consideration the savings in utility costs that residents can realize the benefits of, as well as meets their ethical orientation. As a result, the proportion of orders for ZEH residential units across all of our rental housing orders reached 77%.

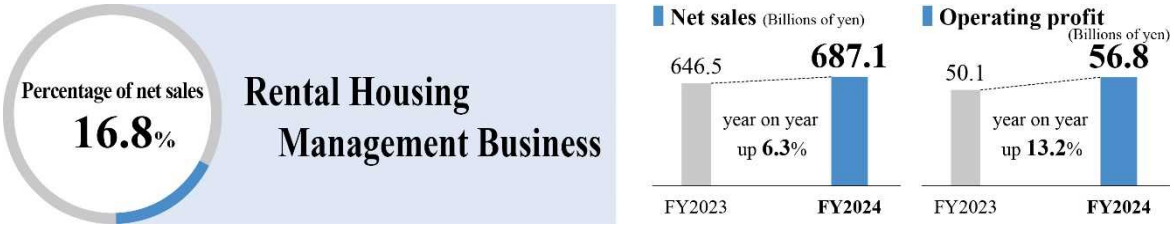
Orders in corporate and public real estate (CRE and PRE) businesses also remained strong due to acquisition of land for increasing income-producing real estate and strengthened proposals for ESG solutions.

We are promoting the enhancement of proposals in non-residential construction such as "Green First Office" zero energy building (ZEB), which leverage our expertise and technologies developed in the detached houses business for office spaces, etc.



The Architectural/Civil Engineering Business recorded net sales of ¥325,024 million, up 18.3% year on year, and operating profit of ¥15,218 million, up 17.9% year on year, during the fiscal year under review.

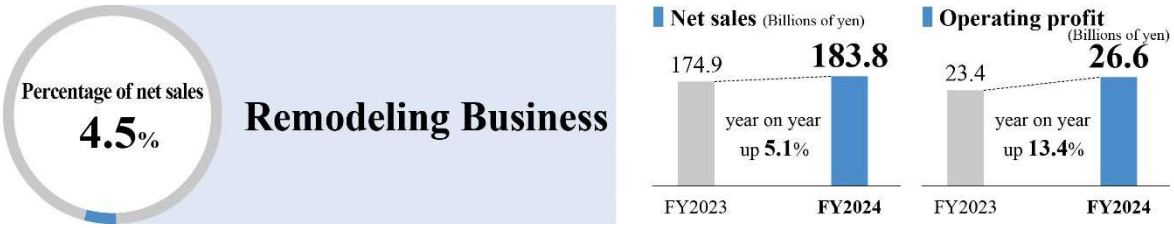
Although costs of construction work are on an upward trend, both architectural and civil engineering businesses saw a steady increase in construction work on hand against the backdrop of strong construction demand that has continued since the previous fiscal year and favorable progress in large-scale construction projects ordered from the previous fiscal year through the consolidated fiscal year under review, which contributed to an increase in earnings. In addition, we worked on improving proposal capabilities in competitive projects and other strategic initiatives, and orders remained strong.



The Rental Housing Management Business recorded net sales of ¥687,119 million, up 6.3% year on year, and operating profit of ¥56,804 million, up 13.2% year on year, during the fiscal year under review.

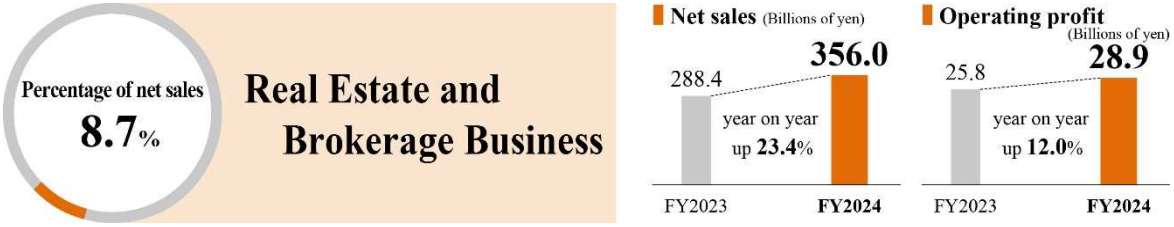
The number of housing units under management steadily increased due to continued orders for high-quality, high-performance Sha Maison rental

housing supplied in prime locations, mainly in the S and A areas, and improved communication with owners. For existing managed properties, we conduct strategic leasing and other activities aimed at increasing the rent at the time of tenant change and shortening the duration of vacancies. With the aim of ensuring a resident-first perspective, we expanded services that meet tenants' needs by promoting DX, including consolidating all pre- and post-move procedures and inquiries online through the tenant app, and one-stop handling of move-in and move-out procedures using blockchain technology. In this way, we enjoyed a high occupancy rate and rent level, which contributed to an increase in earnings.



The Remodeling Business recorded net sales of ¥183,868 million, up 5.1% year on year, and operating profit of ¥26,624 million, up 13.4% year on year for the fiscal year under review.

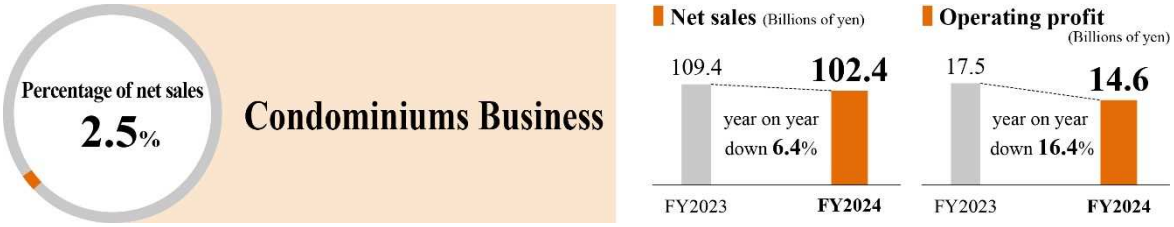
To increase the asset value and prolong longevity of the housing stock, the detached houses business focused on lifestyle proposal remodeling that meets changes in family structure and lifestyles as well as energy efficient remodels such as insulation renovations and introducing the latest energy-efficiency, energy-generation and energy-storing equipment. In particular, as for energy efficient remodels, we strengthened our proposal for Idocoro Dan-netsu thermal insulation upgrades, which are focused on areas of the home where customers spend the most time, as well as remodels improving insulation near doors and windows of properties with next-generation energy-saving standard specifications established in 1999. For rental housing, we focus on improving communication with owners and renovation proposals that capture residents' needs based on our market analysis. As a result of these efforts, orders remained strong.



The Real Estate and Brokerage Business recorded net sales of ¥356,060 million, up 23.4% year on year, and operating profit of ¥28,971 million, up 12.0% year on year, during the fiscal year under review.

In particular, Sekisui House Real Estate companies continued to expand and deepen channels for inquiries from business corporations, financial institutions, and other organizations and focused on stepping up purchases of high-quality real estate for sale and expanding sales channels. As a result, the sale of real estate for sale, particularly land for housing, progressed steadily.

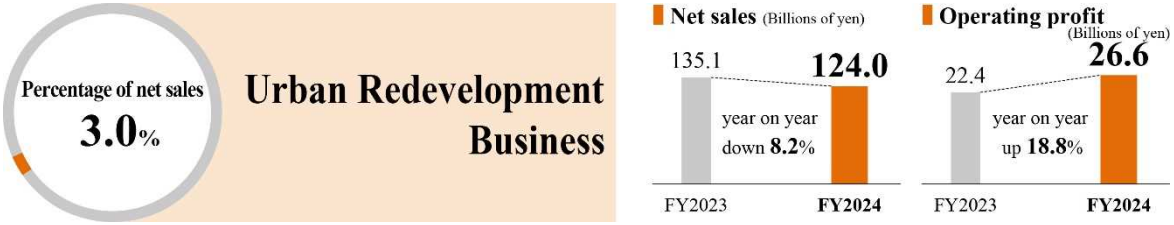
The brokerage business also remained steady through the use of the Group's nationwide network and diverse sales channel.



The Condominiums Business recorded net sales of ¥102,494 million, down 6.4% year on year, and operating profit of ¥14,648 million, down 16.4% year on year, for the fiscal year under review.

Despite a decrease in earnings partly due to the off-season for property delivery, the delivery of property sold progressed as planned, with the completion of delivery of Grande Maison Daikan-yama The Park (Shibuya-ku, Tokyo) and a smooth progress in the delivery of Grande Maison Kitahorie Residence (Nishi-ku, Osaka City).

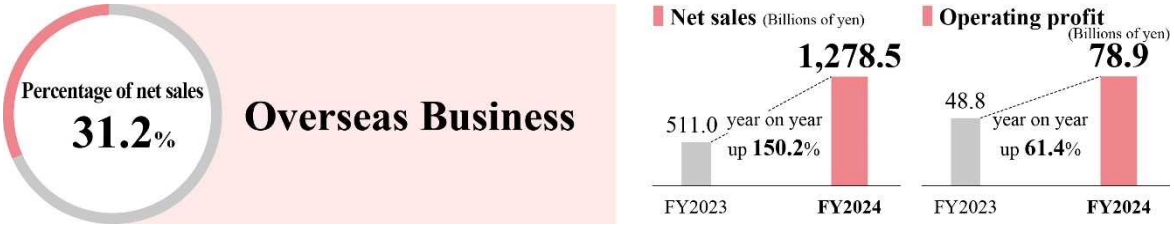
For the Grande Maison high-value-added condominiums, which are intensively developed in the central areas of Tokyo, Nagoya, Osaka, and Fukuoka as strategic areas, we have carefully selected lands for development to further enhance their brand value, and pursued design based on the lifelong housing concept, as well as actively adopted advanced environmentally friendly technologies including ZEH specifications for all units to contribute to the decarbonization of the residential sector. These efforts were highly valued and the sale of Grande Maison Musashi-kosugi no Mori (Nakahara-ku, Kawasaki City) and Grande Maison Fukuoka Kourokan (Chuo-ku, Fukuoka City) and other condominiums remained strong. In addition, GRAND GREEN OSAKA THE NORTH RESIDENCE (Kita-ku, Osaka City), a condominium under construction in GRAND GREEN OSAKA, a joint development project by nine JV companies, has also sold out.



The Urban Redevelopment Business reported net sales of ¥124,021 million, down 8.2% year on year, and operating profit of ¥26,665 million, up 18.8% year on year, during the fiscal year under review.

We sold nine Prime Maison rental condominiums including Prime Maison Yushima (Bunkyo-ku, Tokyo) to Sekisui House Reit, Inc. In addition, we aggressively proceeded with the sale of hotel properties, including an interest in W OSAKA hotel (Chuo-ku, Osaka City) on the back of investors' strong appetite for investment. As for the properties we continue to own, occupancy rate of Prime Maison and other properties remained steady.

Furthermore, AKASAKA GREEN CROSS (Minato-ku, Tokyo), a high-rise office building developed with Nippon Life Insurance Company as a joint venture project, was completed in May 2024, and GRAND GREEN OSAKA (Kita-ku, Osaka City), a large-scale mixed-use development project of approximately 9.1 hectares adjacent to JR Osaka Station that has been promoted by nine JV companies, had its preliminary opening in September 2024.



The Overseas Business earned net sales of ¥1,278,511 million, up 150.2% year on year, and operating profit of ¥78,945 million, up 61.4% year on year, during the fiscal year under review.

In the United States, for homebuilding business, orders and deliveries by existing builders remained strong as a result of increased demand for new housing caused by a shortage of pre-owned homes in inventory due to high mortgage rates. In addition, we made MDC a wholly-owned subsidiary in April 2024 to further expand areas for business development in the United States. As a result, earnings of homebuilding business increased. Our master-planned community business also performed well, resulting in increased earnings. In the multifamily business, we strengthened our exit strategy and completed the delivery of "The Ivey on Boren" (Seattle) and part of "City Ridge" (Washington, D.C.) to the SPCs formed by Sekisui House Reit, Inc. as a new purchaser, leading to increased earnings.

In Australia, while orders for detached houses continued to improve, and in the apartment & mixed-use developments business, the sale of a portion of the interest in Melrose Park, an apartment for sale near Sydney, was completed in September 2024, earnings fell due to the effect of delivering large-scale development projects in the previous fiscal year.

Other businesses generated net sales of ¥14,066 million, up 25.9% year on year, and operating profit of ¥2,466 million, up 51.3% year on year, during the fiscal year under review.

Note: Effective from the fiscal year under review, some segments of consolidated subsidiaries previously included in "Other Businesses" were recategorized into "Urban Redevelopment Business." Comparisons and analyses for the fiscal year under review are based on the revised business segment classifications.

(2) Issues to Be Addressed by Sekisui House Group

Declining inflation rates and gradual cuts in policy interest rates in various countries are expected to act as a boost to the global economy. However, it is likely to remain necessary to closely monitor the effects of economic policy trends in the United States, foreign exchange rate fluctuations, and geopolitical risks on energy and raw material prices and procurement costs.

In the Japanese housing market, demand is being pushed down by soaring construction costs due to the rise in materials prices and labor costs. However, demand is expected to rise for energy-saving residences and other high-quality housing that is not only safe and secure, but also comfortable and environmentally-friendly, in the context of increasingly diverse lifestyles and senses of value due to the advent of the era of the 100-year lifespan, as well as increasingly severe natural disasters associated with climate change, the revision of the certification system for long-term high-quality housing, and the reform of the Building Energy Conservation Act. The Company is required to address increasingly diverse customer needs.

In the US housing market, although housing starts are in an adjustment phase due to the impact of persistently high mortgage rates, there remains strong potential demand against the backdrop of the steadily growing population and a shortage in high-quality housing, and the Company needs to respond to the emergence of demand for newly-built housing, which is anticipated to recover as prices and interest rates stabilize.

Based on a recognition of business issues such as these, the Company will promote the Sixth Mid-Term Management Plan (FY2023–FY2025) established and announced in March 2023 with the basic policy of "stable growth in Japan and proactive growth overseas," aiming to achieve the Sekisui House Global Vision for 2050 of "Make home the happiest place in the world."

The Sekisui House Group will leverage its core competence, that is, "technical capabilities," "construction capabilities," and "customer base," and its proprietary value chain, through which the Group provides all processes associated with home-building, from product and technological development to sales, design, construction, and after-sales service, to strengthen and extend existing businesses.

The Group will transplant the Sekisui House technologies developed in Japan to expand its businesses overseas, while also responding to changes in society and the business environment and leveraging digital technologies to progressively pioneer and extend new businesses.

In Japan, to reinforce its detached house brands, the Group will enhance its three-brand strategy, launching a new skeleton and infill business and strengthening first range offerings. At the same time, it will enhance the Sha Maison brand based on a thoroughgoing area strategy and reinforce corporate and public real estate (CRE and PRE) businesses. By doing so, the Group seeks to expand its business domain and achieve stable growth in Japan. In addition, it will continue to develop new business by promoting the Platform House Concept of equipping houses with services supporting the health, connectedness and learning that will underpin new lifestyles (under which services were launched during the period of the Fifth Mid-Term Management Plan), as well as such initiatives as utilizing the Internet of Things (IoT). At the same time, it will incorporate new uses of digital transformation (DX) in services and management operations and leverage Sekisui House technologies in the overseas business to expand new businesses.

In February 2025, to strengthen the expertise of each business, the Company reorganized the group companies of Sekisui House Real Estate, a consolidated subsidiary, into Sekisui House Real Estate, Ltd., which specializes in the real estate and brokerage business, and Sekisui House

Sha Maison companies, which specialize in the rental business. Furthermore, the after-sale service business of the Company was spun off and taken over by Sekisui House Support Plus, Ltd., establishing a structure aimed at actively enhancing added value in after-sales services.

In this way, during the period of the Sixth Mid-Term Management Plan, the Group will practice ambidextrous management, both exploiting and exploring, while advancing growth strategies domestically and overseas to further enhance corporate value.

In addition, the Group will strive to further enhance the value of its human resources through initiatives to support employees' career autonomy, align their vectors, and promote diversity, equity, and inclusion, among other efforts, to accelerate growth as a global corporation.

From a financial standpoint, the Group recognizes the importance of maintaining a balance between promoting investment in growth with a consciousness of capital efficiency and ensuring financial soundness. On this basis, the Group aims to enhance corporate value by strengthening its capacity to generate cash returns to boost ROE and achieving synergies with the promotion of ESG management.

Regarding growth investments, the Group will aggressively pursue real estate investments in Japan and overseas and investments in the foundations for growth, such as human resources, IT, DX, research and development, and M&A. The Group will strive to achieve both its growth strategy and finance strategy, engaging in financial operations with a consciousness of financial soundness and credit ratings.

The acquisition of MDC, which completed in April 2024, far exceeded the three-year total investment limit of ¥200.0 billion for new businesses and M&A that was set in the Sixth Mid-Term Management Plan. Consequently, the Company's financial health is temporarily under strain. In an effort to make acquisition funds permanent, we issued publicly offered subordinated bonds in July 2024 with 50% of the proceeds recognized as capital by credit rating agencies. We will aim to manage finances with attention paid to credit ratings and further strengthen our financial base to support our growth strategy by utilizing the increased cash flow generating capabilities gained through the acquisition of MDC.

Regarding shareholder returns, in addition to the Group's existing policy of an average dividend payout ratio of at least 40% over the medium term, during the term of the Sixth Mid-Term Management Plan, the minimum dividend per share will be set at 110 yen per year (the result for the fiscal year ended January 31, 2023) to further increase the stability of shareholder returns, and the Group will seek to enhance shareholder value through the flexible acquisition of the Company's own stock.

We sincerely ask for our shareholders' further support, assistance and guidance.

(3) Breakdown of Orders Received and Net Sales of Sekisui House Group

Millions of yen

	Orders brought forward from the previous fiscal year	Orders for the fiscal year ended January 31, 2025	Net sales for the fiscal year ended January 31, 2025	Orders carried forward to the following fiscal year
Built-to-Order Business				
Detached Houses Business	229,996	479,113	479,091	230,018
Rental Housing and Commercial Buildings Business	516,450	592,370	544,934	563,887
Architectural/Civil Engineering Business	401,297	324,732	325,024	401,005
Supplied Housing Business				
Rental Housing Management Business	—	687,119	687,119	—
Remodeling Business	34,605	186,012	183,868	36,749
Development Business				
Real Estate and Brokerage Business	60,819	367,617	356,060	72,376
Condominiums Business	88,989	136,075	102,494	122,570
Urban Redevelopment Business	2,550	133,471	124,021	12,000
Overseas Business	236,143	1,172,423	1,278,511	338,070
Other Businesses	579	14,007	14,066	1,037
Eliminations and corporate	(19,408)	(40,340)	(36,610)	(23,138)
Total	1,552,023	4,052,604	4,058,583	1,754,577

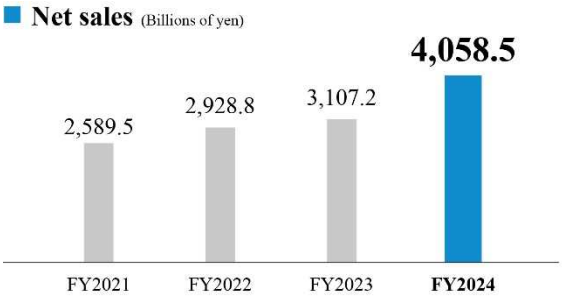
Notes:

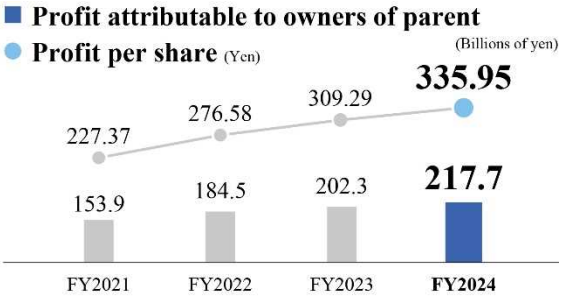
1. Each business division is set out in the section of (7) Major Businesses as of January 31, 2025.
2. Figures for M.D.C. Holdings, Inc. and its subsidiaries, which became the company's consolidated subsidiaries in the fiscal year under review, are included in each indicator of "Overseas Business." "Orders for the fiscal year ended January 31, 2025" and "Net sales for the fiscal year ended January 31, 2025" only include figures for these companies after the consolidation, while "Orders carried forward to the following fiscal year" include the orders received by these companies prior to the consolidation as well.
3. Figures for Ohtori Consultants Co., Ltd., which became the Company's consolidated subsidiary in the fiscal year under review, are included in each indicator of "Other Businesses." "Orders for the fiscal year ended January 31, 2025" and "Net sales for the fiscal year ended January 31, 2025" only include figures for Ohtori Consultants Co., Ltd. after the consolidation, while "Orders carried forward to the following fiscal year" include the orders received by the company prior to the consolidation as well.

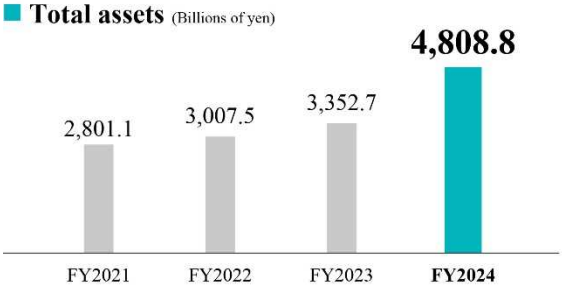
(4) Business Results and Financial Situation of Sekisui House Group

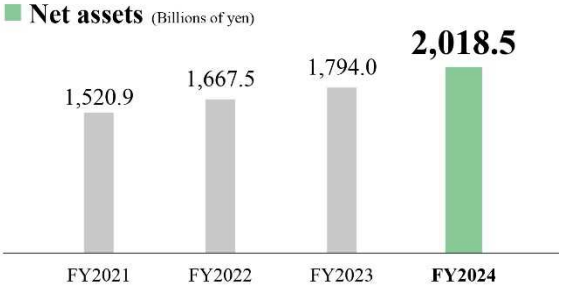
Millions of yen

	Fiscal year ended January 31, 2022	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024	Fiscal year ended January 31, 2025
Net sales	2,589,579	2,928,835	3,107,242	4,058,583
Profit attributable to owners of parent	153,905	184,520	202,325	217,705
Profit per share (*yen*)	227.37	276.58	309.29	335.95
Total assets	2,801,189	3,007,537	3,352,798	4,808,848
Net assets	1,520,959	1,667,546	1,794,052	2,018,599









(5) Capital Investment and Conditions of Financing

The aggregate amount of plant-and-equipment investments made by the Sekisui House Group during the fiscal year under review amounted to ¥99,891 million and the main component was acquisition of the real estate for investments.

The main funds procured during the fiscal year comprise the issuance of ¥200,000 million unsecured bonds with optional interest payment deferral and early redemption provisions (with a subordination provision), the issuance of ¥152,540 million USD-denominated unsecured bonds, and borrowings from financial institutions of ¥300,163 million.

(6) Status of Significant Corporate Restructuring, etc.

At the meeting of the Board of Directors held on January 18, 2024, the Company resolved to acquire all of the shares of M.D.C. Holdings, Inc. ("MDC"), which is engaged in homebuilding business in the United States, through SH Residential Holdings, LLC, a subsidiary of the Company's United States headquarters, Sekisui House US Holdings, LLC, and executed the relevant merger agreements on the acquisition of MDC on the same day. The merger was completed on April 19, 2024.

(7) Major Businesses as of January 31, 2025

The Company and the Sekisui House Group companies are involved in the Detached Houses Business, Rental Housing and Commercial Buildings Business, Architectural/Civil Engineering Business, Rental Housing Management Business, Remodeling Business, Real Estate and Brokerage Business, Condominiums Business, Urban Development Business, Overseas Business, and carry out related business activities. The position of each business within the Group is illustrated below.

Built-to-Order Business	
Detached Houses Business	Designing, construction contracting, and selling detached houses
Rental Housing and Commercial Buildings Business	Designing, construction contracting, and selling rental housing, commercial buildings, and other buildings
Architectural/Civil Engineering Business	Designing and construction contracting for architectural and civil engineering work for commercial and other buildings
Supplied Housing Business	
Rental Housing Management Business	Leasing and managing services for rental housing and other buildings
Remodeling Business	Remodeling detached houses, rental housing, and other buildings
Development Business	
Real Estate and Brokerage Business	Brokering and selling residential land, existing houses, income-generating real estate, and other buildings
Condominiums Business	Developing, selling, and managing condominiums for sale
Urban Redevelopment Business	Developing, managing, and maintaining office buildings, hotels, rental condominiums, and other buildings
Overseas Business	Selling detached houses, clearing, developing and selling residential land, and developing condominiums for sale, rental condominiums, and other buildings in overseas markets
Other Businesses	Real estate management services, nonlife insurance agency services, etc.

(8) Major Operations of Sekisui House Group as of January 31, 2025

(i) Location of major operations of the Company

Head office:	1-88, Oyodonaka 1-chome, Kita-ku, Osaka	
Sales and project headquarters:		City
International Business Department		Osaka
Development Department		Shibuya-ku, Tokyo
Condominium Headquarters		Osaka
East Japan Building Sales Administration Headquarters		Shibuya-ku, Tokyo
Tokyo Building Sales Administration Headquarters		Shibuya-ku, Tokyo
Chubu Building Sales Administration Headquarters		Nagoya
Kansai Building Sales Administration Headquarters		Osaka
Chugoku Kyushu Building Sales Administration Headquarters		Fukuoka
Tohoku Sales Administration Headquarters		Sendai
Tokyo Sales Administration Headquarters		Shinjuku-ku, Tokyo
Kanagawa Sales Administration Headquarters		Yokohama
Saitama Tochigi Sales Administration Headquarters		Saitama
Higashi Kanto Sales Administration Headquarters		Funabashi, Chiba
Joshinetsu Sales Administration Headquarters		Nagano
Chubu Daiichi Sales Administration Headquarters		Nagoya
Chubu Daini Sales Administration Headquarters		Shizuoka
Kansai Daiichi Sales Administration Headquarters		Osaka
Kansai Daini Sales Administration Headquarters		Kyoto
Chugoku Shikoku Sales Administration Headquarters		Hiroshima
Kyushu Sales Administration Headquarters		Fukuoka
Branches:	99 Branches	
Sales Offices:	2 Sales Offices	
Customer Service Centers:	28 Customer Service Centers	
Factories:		
Tohoku Factory	Shikama-cho, Kami-gun, Miyagi	
Kanto Factory	Koga, Ibaraki	
Shizuoka Factory	Kakegawa, Shizuoka	
Yamaguchi Factory	Yamaguchi, Yamaguchi	
Hyogo Factory	Kato, Hyogo	
R&D Institutes:		
Comprehensive Housing R&D Institute	Kizugawa, Kyoto	
SHIAWASE SUMAI Institute	Osaka	

(ii) Address of major operations of subsidiaries

Sekisui House Real Estate Holdings, Ltd.	Head office: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Real Estate Tohoku, Ltd.	Head office: 16-10, Honcho 2-chome, Aoba-ku, Sendai
Sekisui House Real Estate Tokyo, Ltd.	Head office: 1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo
Sekisui House Real Estate Chubu, Ltd.	Head office: 24-16, Meieki 4-chome, Nakamura-ku, Nagoya
Sekisui House Real Estate Kansai, Ltd.	Head office: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Real Estate Chugoku & Shikoku, Ltd.	Head office: 1-25, Komachi, Naka-ku, Hiroshima
Sekisui House Real Estate Kyushu, Ltd.	Head office: 26-29, Hakataekimae 3-chome, Hakata-ku, Fukuoka
Sekisui House Trust, Ltd.	Head office: 1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo
Sekisui House Construction Holdings, Ltd.	Head office: 1-88, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Construction Tohoku Co., Ltd.	Head office: 15-2 Akedori 3-chome, Izumi-ku, Sendai
Sekisui House Construction Tokyo Co., Ltd.	Head office: 1760-2 Ooaza Niizo, Toda, Saitama
Sekisui House Construction Kanto Co., Ltd.	Head office: 14-10 Higashiomiya 6-chome, Minuma-ku, Saitama
Sekisui House Construction Joshinetsu Co., Ltd.	Head office: 1276-3 Ooaza Yashiro, Chikuma, Nagano
Sekisui House Construction Chubu Co., Ltd.	Head office: 609 Shikenya 2-chome, Moriyama-ku, Nagoya
Sekisui House Construction Kansai Co., Ltd.	Head office: 5-15 Nishinakajima 5-chome, Yodogawa-ku, Osaka
Sekisui House Construction Chugokushikoku Co., Ltd.	Head office: 4-31 Tomominami 1-chome, Asaminami-ku, Hiroshima
Sekisui House Construction Kyushu Co., Ltd.	Head office: 10-13 Isoda 2-chome, Hakata-ku, Fukuoka
Sekisui House Remodeling, Ltd.	Head office: 1-90, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Financial Services Co., Ltd.	Head office: 1-90, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House noie Limited	Head office: 1-90, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Asset Management, Ltd.	Head office: 15-1, Akasaka 4-chome, Minato-ku, Tokyo
Konoike Construction Co., Ltd.	Head office: 6-1, Kitakyuhojimachi 3-chome, Chuo-ku, Osaka
SEKISUI HOUSE US HOLDINGS, LLC	Head office: California, U.S.A.
NORTH AMERICA SEKISUI HOUSE, LLC	Head office: California, U.S.A.
SH RESIDENTIAL HOLDINGS, LLC	Head office: California, U.S.A.
WOODSIDE HOMES COMPANY, LLC	Head office: Utah, U.S.A.
HOLT GROUP HOLDINGS, LLC	Head office: Washington, U.S.A.
CHESMAR HOLDINGS, LLC	Head office: Texas, U.S.A.
M.D.C. HOLDINGS, INC.	Head office: Colorado, U.S.A.
SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED	Head office: New South Wales, Australia

Note:

The addresses above which do not include the specific country name should be recognized as addresses in Japan.

(9) Outline of Main Subsidiaries as of January 31, 2025

Company name	Capital *Millions of yen*	Percentage owned	Main business
Sekisui House Real Estate Holdings, Ltd.	100	100.0%	Rental Housing Management Business, Real Estate and Brokerage Business
Sekisui House Real Estate Tohoku, Ltd.	200	100.0%*	Rental Housing Management Business, Real Estate and Brokerage Business
Sekisui House Real Estate Tokyo, Ltd.	2,238	100.0%*	Rental Housing Management Business, Real Estate and Brokerage Business
Sekisui House Real Estate Chubu, Ltd.	1,368	100.0%*	Rental Housing Management Business, Real Estate and Brokerage Business
Sekisui House Real Estate Kansai, Ltd.	5,829	100.0%*	Rental Housing Management Business, Real Estate and Brokerage Business
Sekisui House Real Estate Chugoku & Shikoku, Ltd.	379	100.0%*	Rental Housing Management Business, Real Estate and Brokerage Business
Sekisui House Real Estate Kyushu, Ltd.	263	100.0%*	Rental Housing Management Business, Real Estate and Brokerage Business
Sekisui House Trust, Ltd.	450	95.0%	Rental Housing Management Business
Sekisui House Construction Holdings, Ltd.	100	100.0%	Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Tohoku Co., Ltd	100	100.0%*	Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Tokyo Co., Ltd.	100	100.0%*	Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Kanto Co., Ltd.	100	100.0%*	Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Joshinetsu Co., Ltd.	100	100.0%*	Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Chubu Co., Ltd.	100	100.0%*	Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Kansai Co., Ltd.	100	100.0%*	Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Chugokushikoku Co., Ltd.	100	100.0%*	Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Kyushu Co., Ltd.	100	100.0%*	Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Remodeling, Ltd.	100	100.0%	Remodeling Business
Sekisui House Financial Services Co., Ltd.	100	100.0%	Other Businesses
Sekisui House noie Limited	100	100.0%	Detached Houses Business
Sekisui House Asset Management, Ltd.	400	100.0%	Urban Redevelopment Business
Konoike Construction Co., Ltd.	5,350	90.7%	Architectural/Civil Engineering Business
SEKISUI HOUSE US HOLDINGS, LLC	4,858 (Millions of USD)	100.0%	Overseas Business
NORTH AMERICA SEKISUI HOUSE, LLC	1,233 (Millions of USD)	100.0%*	Overseas Business
SH RESIDENTIAL HOLDINGS, LLC	4,148 (Millions of USD)	100.0%*	Overseas Business
WOODSIDE HOMES COMPANY, LLC	309 (Millions of USD)	100.0%*	Overseas Business
HOLT GROUP HOLDINGS, LLC	344 (Millions of USD)	100.0%*	Overseas Business
CHESMAR HOLDINGS, LLC	503 (Millions of USD)	100.0%*	Overseas Business
M.D.C. HOLDINGS, INC.	0 (Millions of USD)	100.0%*	Overseas Business
SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED	1,087 (Millions of AUD)	100.0%	Overseas Business

Notes:

1. There are 376 consolidated subsidiaries, and 36 companies to which the equity method of accounting is applied.
2. Ownership ratio of "Percentage owned" with "*" includes indirect ownership.
3. The residual assets of Sekisui House (Shenyang) Co., Ltd. were distributed on December 25, 2024, and the company is currently in the process of liquidation.
4. At the meeting of the Board of Directors held on January 18, 2024, the Company resolved to acquire all of the shares of M.D.C. Holdings, Inc. ("MDC"), which is engaged in homebuilding business in the United States, through SH Residential Holdings, LLC, a subsidiary of the Company's United States headquarters, Sekisui House US Holdings, LLC, and executed the relevant merger agreements on the acquisition of MDC on the same day. The merger was completed on April 19, 2024.
5. On February 1, 2025, the Real Estate and Brokerage Business of the six Sekisui House Real Estate companies (Tohoku, Tokyo, Chubu, Kansai, Chugoku & Shikoku, and Kyushu) was consolidated into Sekisui House Real Estate Kansai, Ltd. through an absorption-type company split, and the company's trade name was changed to Sekisui House Real Estate, Ltd. Furthermore, on the same day, the rental business of Sekisui House Real Estate Kansai, Ltd. was absorbed and split off into a newly established preparatory company (100% owned by Sekisui House Real Estate Holdings, Ltd.), and then spun off as Sekisui House Sha Maison PM Kansai, Ltd. Similarly, the five Sekisui House Real Estate companies (Tohoku, Tokyo, Chubu, Chugoku & Shikoku, and Kyushu) that specialize in the rental business changed each of their trade names to Sekisui House Sha Maison PM companies.
6. On February 1, 2025, the Company conducted an absorption-type split of the after-sales service business operated by its Customer Service Centers and spun it off as Sekisui House Support Plus, Ltd. (wholly owned by the Company).
7. Sekisui House noie Limited ceased operations and is scheduled to initiate liquidation procedures.

(10) Employees as of January 31, 2025

(i) Outline of Sekisui House Group

Number of employees	Change compared to the previous year
32,265	2,333 (increased)

(ii) Outline of Sekisui House, Ltd.

Number of employees	Change compared to the previous year	Average age	Average length of employment
16,916	289 (increased)	44.5 years old	17.2 years

Note: The number of employees stated above includes those dispatched to subsidiaries and the like.

(11) Principal Lenders as of January 31, 2025

Millions of yen

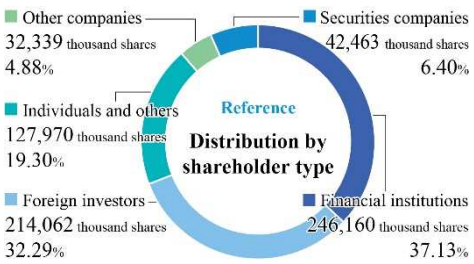
Name of lenders	Amount of loan
MUFG Bank, Ltd.	395,486
Sumitomo Mitsui Banking Corporation	264,667
Mizuho Bank, Ltd.	259,485
Sumitomo Mitsui Trust Bank, Limited	106,410

Note: The amount of loan denominated in foreign currency is converted using the term-end rate of exchange.

2. Present Conditions of the Company

(1) The Shares as of January 31, 2025

1	Total number of shares authorized to be issued	1,978,281,000 shares
2	Total number of shares issued (Including treasury stock)	662,996,866 shares (14,729,962 shares)
3	Share unit number	100
4	Total number of shareholders	208,318
5	Details of main shareholders are as follows:	



Note: "Individuals and others" includes 14,729 thousand shares of treasury stock.

Name	Number of shares held (thousands)	Ratio of shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	108,847	16.79
Custody Bank of Japan, Ltd. (Trust account)	49,529	7.64
Sekisui House Ikushikai	21,378	3.30
Sekisui Chemical Co., Ltd.	14,168	2.19
STATE STREET BANK WEST CLIENT – TREATY 505234	13,573	2.09
SMBC Nikko Securities Inc.	13,350	2.06
JPMorgan Securities Japan Co., Ltd.	10,943	1.69
THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS	10,270	1.58
JAPAN SECURITIES FINANCE CO., LTD.	8,477	1.31
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AG FUND 2024-09 (LIMITED OT FINANC IN RESALE RSTRCT)	8,403	1.30

Notes:

1. Sekisui House Ikushikai is the Company's employee stock holding association.
2. The Company holds 14,729,962 shares of treasury stock, but is excluded from the above list of main shareholders. The ratio of shareholding is calculated deducting shares of treasury stock from the total number of shares issued.
3. THE BANK OF NEW YORK MELLON AS DEPOSITARY BANK FOR DEPOSITARY RECEIPT HOLDERS is the nominal holder of shares deposited for the purpose of issuing American Depositary Receipts (ADRs).

6 Shares issued to Directors of the Board and Audit and Supervisory Board Members as remuneration for the execution of their duties during the fiscal year under review.

Position	Number of shares	Number of recipients
Directors of the Board (excluding Outside Directors of the Board. Including retired Directors of the Board)	76,600	7
Outside Directors of the Board	—	—
Audit and Supervisory Board Members	—	—

7 Other important matters concerning shares

Not applicable

(2) Outlines of Share Acquisition Rights

Outlines of share acquisition rights granted in consideration of the performance of duties as of January 31, 2025

・ Number of share acquisition rights

72 units

・ Type and number of shares to be issued upon exercise of share acquisition rights

72,000 common shares of the Company (1,000 shares per unit)

・ Current situation of share acquisition rights held by posts

Category (Exercise period)	Directors of the Board (Outside Directors of the Board)		Executive Officers		Audit and Supervisory Board Members		Others	
	Number of holders	Number of share acquisition rights	Number of holders	Number of share acquisition rights	Number of holders	Number of share acquisition rights	Number of holders	Number of share acquisition rights
No. 7 Share Acquisition Rights (Stock compensation-type stock option) (From June 14, 2012 to June 13, 2032)	1	3	1	3	–	–	–	–
No. 8 Share Acquisition Rights (Stock compensation-type stock option) (From June 14, 2013 to June 13, 2033)	1	1	1	1	–	–	1	1
No. 9 Share Acquisition Rights (Stock compensation-type stock option) (From June 14, 2014 to June 13, 2034)	3	6	1	2	–	–	1	3
No. 10 Share Acquisition Rights (Stock compensation-type stock option) (From June 13, 2015 to June 12, 2035)	3	4	1	1	–	–	2	3
No. 11 Share Acquisition Rights (Stock compensation-type stock option) (From June 15, 2016 to June 14, 2036)	3	5	1	1	–	–	4	6
No. 12 Share Acquisition Rights (Stock compensation-type stock option) (From June 15, 2017 to June 14, 2037)	3	6	1	1	–	–	4	5
No. 13 Share Acquisition Rights (Stock compensation-type stock option) (From June 15, 2018 to June 14, 2038)	4 (1)	11 (1)	4	5	1	1	1	3

Notes:

1. The number of Executive Officers stated in the above table does not include Executive Officers who concurrently hold the office of Director of the Board.
2. The exercise price of share acquisition rights above is ¥1 per share.

(3) Directors of the Board and Audit and Supervisory Board Members

(i) Names and posts of Directors of the Board and Audit and Supervisory Board Members as of January 31, 2025

Representative Directors of the Board:	
Yoshihiro Nakai	President, Executive Officer, CEO
Yosuke Horiuchi	Vice Chairman, Executive Officer, in charge of Division of Finance and ESG
Satoshi Tanaka	Executive Vice President, Executive Officer, in charge of Division of Administration and Human Resources
Directors of the Board:	
Toru Ishii	Senior Managing Officer, in charge of Division of Development Business, Head of International Business Headquarters
Hiroshi Shinozaki	Senior Managing Officer, Managing Building Sales Administration, in charge of TKC Project President, Representative Director of the Board of Sekisui House Real Estate Holdings, Ltd.
Yukiko Yoshimaru	
Toshifumi Kitazawa	
Yoshimi Nakajima	
Keiko Takegawa	
Shinichi Abe	
Standing Audit and Supervisory Board Members:	
Midori Ito	
Takashi Ogino	
Ryuichi Tsuruta	
Audit and Supervisory Board Members:	
Takashi Kobayashi	
Yoritomo Wada	

Notes:

1. Directors of the Board Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima, Ms. Keiko Takegawa and Mr. Shinichi Abe are Outside Directors of the Board as prescribed in Article 2, Item 15 of the Companies Act.
2. Audit and Supervisory Board Members Mr. Ryuichi Tsuruta, Mr. Takashi Kobayashi and Mr. Yoritomo Wada are Outside Audit and Supervisory Board Members as prescribed in Article 2, Item 16 of the Companies Act.
3. Audit and Supervisory Board Member Mr. Yoritomo Wada is a certified public accountant and is acquainted with knowledge and information on finance and accounting to the reasonable extent.
4. The Company designated each of Directors of the Board Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima, Ms. Keiko Takegawa and Mr. Shinichi Abe, Audit and Supervisory Board Members Mr. Ryuichi Tsuruta, Mr. Takashi Kobayashi and Mr. Yoritomo Wada as “Independent Directors/Auditors” and submitted notification to that effect to the Tokyo Stock Exchange, Inc. (as of March 2025).

5. Directors of the Board and Audit and Supervisory Board Members who concurrently hold the important post of other companies are stated below.

Directors of the Board:		
Name	Company in which Directors of the Board of the Company hold a concurrent post	Post
Yoshihiro Nakai	Japan Federation of Housing Organizations	Vice Chairman
Yosuke Horiuchi	Sekisui House Financial Services Co., Ltd.	President, Representative Director of the Board
Satoshi Tanaka	Kuraray Co., Ltd. IHH Healthcare Berhad	Outside Director Outside Director
Hiroshi Shinozaki	Sekisui House Real Estate Holdings, Ltd.	President, Representative Director of the Board
Yukiko Yoshimaru	Daiwabo Holdings Co., Ltd. Nichirei Corporation	Outside Director Outside Director
Toshifumi Kitazawa	Tokio Marine & Nichido Fire Insurance Co., Ltd. MUFG Bank, Ltd. Mitsubishi Logistics Corporation	Advisor Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee) Outside Director
Yoshimi Nakajima	AEON Financial Service Co., Ltd. Japan Freight Railway Company ULVAC, Inc. The Graduate School of Project Design	Outside Director Outside Director External Director Specially Appointed Professor
Keiko Takegawa	MITSUI MINING & SMELTING CO., LTD. Faculty of Global Business of Showa Women's University	Outside Director Specially Appointed Professor
Shinichi Abe	MNES Inc.	Representative Director, President and CEO
Audit and Supervisory Board Members:		
Name	Company in which Audit and Supervisory Board Members of the Company hold a concurrent post	Post
Ryuichi Tsuruta	CG Consulting The Graduate School of Project Design	Representative Special Instructor
Takashi Kobayashi	Ono-Kobayashi Law Office	Lawyer
Yoritomo Wada	Wada CPA Accounting Firm TRUSCO NAKAYAMA Corporation	Certified Public Accountant Outside Auditor

Notes:

1. Director of the Board Mr. Yoshihiro Nakai was appointed to Vice Chairman of Japan Federation of Housing Organizations on June 17, 2024.
2. Director of the Board Mr. Yosuke Horiuchi retired from Vice Chairman of Japan Federation of Housing Organizations on June 17, 2024.
3. Director of the Board Mr. Hiroshi Shinozaki was appointed to President and Representative Director of the Board of Sekisui House Real Estate Holdings, Ltd. on April 22, 2024.
4. Director of the Board Ms. Yukiko Yoshimaru retired from Outside Director of Mitsui Chemicals, Inc. on June 25, 2024 and was appointed to Outside Director of Nichirei Corporation on the same day.
5. Audit and Supervisory Board Member Mr. Yoritomo Wada resigned from External Statutory Corporate Auditor of NIPPON SHOKUBAI CO., LTD. on June 20, 2024.

(ii) Outline of Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance premiums are fully borne by the Company. The insurance policy covers damages that may arise from the insured Directors of the Board, Audit and Supervisory Board Members, Executive Officers, etc. (including those who retired) assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility. However, there are certain exemptions to ensure the appropriateness of the execution of duties by the insured parties; for example, damage caused as a result of any criminal act of the insured shall not be covered.

(iii) Remunerations paid for Directors of the Board and Audit and Supervisory Board Members

a. Matters related to the Policy for Determining Remuneration Amounts for Individual Directors of the Board or Calculation Methods Thereof

The remuneration of Directors of the Board is determined in accordance with the following basic policies.

Basic remuneration policies

(1) In accordance with the Corporate Philosophy espousing the underpinning philosophy of "Love of Humanity," the Company shall ensure the objectivity and transparency of and adequately fulfill its accountability for a remuneration system through high standards of remuneration governance, in order to be fair to all the stakeholders including shareholders, investors, customers and employees.

(2) Aiming to be a leading company in ESG management, the Company shall establish a remuneration system that works as a healthy incentive for a long-term and sustainable enhancement of the corporate value by focusing on social significance and clarifying its commitments to steadily executing innovative growth strategies.

(3) The Company shall deliver a long-term improvement in the Group-wide organizational vitality by placing an emphasis on alignment a remuneration system with development and evaluation of senior management and motivating the next generation of managerial human resources to grow.

(a) Method of determining policies, etc. and matters related to delegation of determining details of remuneration, etc. for individual officers

- The Company has established the Personnel Affairs and Remuneration Committee as a consultative body to the Board of Directors for the purpose of ensuring fairness and transparency in the decision making procedures on human resource matters such as the selection and dismissal of Directors of the Board and their remuneration.
- The Personnel Affairs and Remuneration Committee deliberates on basic policies regarding a remuneration system, remuneration structure, and other issues, and reports its findings to the Board of Directors. Based on the recommendations of the Committee, the Board of Directors, by its resolution, sets the amount of remuneration, etc. for each individual Director of the Board or the policy for determining such amount in the "Officer Remuneration Rules." The Board of Directors confirms that the remuneration, etc. of Directors of the Board for the fiscal year has been determined in accordance with the "Officer Remuneration Rules" to determine whether the amount of remuneration, etc. for individual Directors of the Board is in line with the policy for determining such remuneration.
- In order to improve the objectivity and independence 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. The Personnel Affairs and Remuneration Committee engages in deliberations with a full grasp of the recent environment and public trends related to management remuneration, utilizing collected information and advice from external expert agencies with global experience and insight, from the perspective of enhancing the effective performance of the functions delegated to it by the Board of Directors while ensuring the independence of decision-making.

Composition of the Personnel Affairs and Remuneration Committee

Composition	The majority of the Committee members shall be Independent Outside Directors of the Board and the Committee shall be chaired by an Independent Outside Director of the Board. Five members (including three Outside Directors of the Board) Chairperson: Yukiko Yoshimaru (Outside Director of the Board) Committee members: Outside Directors of the Board: Toshifumi Kitazawa and Keiko Takegawa Internal Directors of the Board: Yoshihiro Nakai, Representative Director of the Board, President, Executive Officer, CEO, and Satoshi Tanaka, Representative Director of the Board, Executive Vice President, Executive Officer
Authority	As a consultative body to the Board of Directors to ensure fairness and transparency, the Personnel Affairs and Remuneration Committee provides opinions on personnel matters relating to Directors of the Board and Executive Officers and their remuneration, and determines the amount of remuneration, etc. for each individual Director of the Board.
Activity status	The Personnel Affairs and Remuneration Committee met 10 times in the fiscal year ended January 31, 2025. The main items discussed are as follows. [Nomination] ・Implementation of a CEO evaluation meeting ・Preparation of proposals for the selection of candidates for Director of the Board based on the skill matrix ・Consideration of succession plans for Independent Outside Directors of the Board ・Convening of CEO succession planning meetings [Remuneration] ・Determination of the amounts of officer remuneration payable to each individual Director of the Board ・Confirmation of the appropriateness of the current officer remuneration system

(b) Overview of policy details

Remuneration level

The Company sets appropriate levels of remuneration for Directors of the Board (excluding Outside Directors of the Board) that are commensurate with the Group's corporate scale and performance scale, using objective market survey data on remuneration from external specialized agencies, after selecting a group of peer companies for remuneration benchmarking.

Remuneration and incentive remuneration framework

Remuneration for Directors of the Board (excluding Outside Directors of the Board) consists of basic remuneration (fixed remuneration) and incentive remuneration (variable remuneration). The incentive remuneration is a combination of three types of remuneration: performance-related bonuses (short-term performance), performance share units (medium-term performance), and restricted stock remuneration (long-term performance).

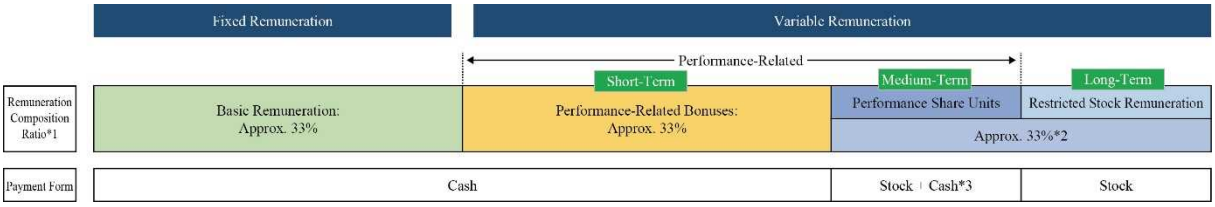
The remuneration composition shall be adequately determined according to the roles and responsibilities of each position and the Company shall make it work as a healthy incentive not only to achieve performance targets for a single fiscal year, but also to enhance the corporate value in a long-term and sustainable way. To this end, the Company has lowered the ratio of performance-related bonuses, and increased the ratio of stock remuneration to total remuneration. For Representative Directors of the Board, the remuneration composition ratio among basic remuneration, performance-related bonuses, and stock remuneration at the base performance is approximately 1:1:1.

Remuneration and incentive remuneration framework

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 profit	Consolidated ordinary profit, one of the key management indicators for each fiscal year, is used as a performance indicator, and the amount to be paid shall be calculated by multiplying consolidated ordinary profit by a predetermined bonus coefficient for the position of each Director of the Board (excluding Outside Directors of the Board). The bonuses shall not be paid if profit attributable to owners of parent is less than ¥120 billion.
Variable	Medium-term	Performance share units (PSU)	ROE and ESG management indicators	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 Director of the Board position shall be granted (except for Outside Directors of the Board). The number of units to be granted shall depend on the degree of achievement of ROE and ESG management indicators during the three-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.
Variable	Long-term	Restricted stock remuneration (RS)	—	Shares of the Company's common stock (with transfer restrictions) corresponding to the predetermined basic amount set for each Director of the Board position shall be granted (except for Outside Directors of the Board). The transfer restrictions shall be lifted in the event that the grantee loses both his or her position as Director of the Board and Executive Officer of the Company.

Note: "PSU" stands for Performance Share Units. "RS" stands for Restricted Stock.

Image of remuneration composition ratio for Representative Directors of the Board at the base performance



1. The remuneration composition ratio will vary depending on position, the Company's performance and the achievement of KPIs. The image shows a remuneration composition ratio for Representative Directors of the Board at the base performance.
2. The composition ratio of performance share units to restricted stock remuneration is approximately 1:1 (at the base performance).
3. 50% of the performance share units will be paid in cash for tax payment purposes.

b. Remuneration, etc. for Outside Directors of the Board

Remuneration, etc. for Outside Directors of the Board of the Company shall be composed of basic remuneration (fixed remuneration) and various allowances for positions including Chairperson of the Board of Directors, Chairperson or Member of the Personnel Affairs and Remuneration Committee, in light of the role to supervise the management of the Company from the objective and independent standpoint. The level of basic remuneration and allowances shall be set with reference to data such as objective remuneration market survey data from external specialized agencies.

c. Remuneration, etc. for Audit and Supervisory Board Members

Remuneration, etc. for Audit and Supervisory Board Members of the Company shall be only basic remuneration (fixed remuneration) in light of the role to supervise the management of the Company from the objective and independent standpoint. The level of basic remuneration shall be set in accordance with the duties and responsibilities of each Audit and Supervisory Board Member, with reference to data such as objective remuneration market survey data from external specialized agencies.

The basic policy of the remuneration system and remuneration structure for Audit and Supervisory Board Members, and the amount of remuneration paid to individual Audit and Supervisory Board Members, shall be determined through discussion among Audit and Supervisory Board Members within the limits established by resolution of the General Meeting of Shareholders.

d. Resolution of the General Meeting of Shareholders on remuneration, etc.

The upper limits of remuneration for the Company's Directors of the Board and Audit and Supervisory Board Members have been resolved as follows.

Type of remuneration, etc.	Internal Directors of the Board	Outside Directors of the Board	Audit and Supervisory Board Members
Basic remuneration	¥43 million or less per month (for 26 persons, resolved at the 43rd Ordinary General Meeting of Shareholders)		¥15 million or less per month (for 6 persons, resolved at the 67th Ordinary General Meeting of Shareholders)
Performance-related bonuses	Up to 0.18% of consolidated ordinary profit of each fiscal year (for 8 persons, resolved at the 69th Ordinary General Meeting of Shareholders)	—	—
Performance share units (PSU)	Up to the amount calculated by multiplying the upper limit total of the Fixed Reference Number of Share Units of 270,000 shares per annum by the share price at the time the shares are granted, and up to 135,000 shares per annum (for 8 persons, resolved at the 69th Ordinary General Meeting of Shareholders)	—	—
Restricted stock remuneration (RS)	Up to ¥180 million and 180,000 shares of common stock per annum (for 8 persons, resolved at the 69th Ordinary General Meeting of Shareholders)	—	—

Notes:

1. The 43rd, 67th, and 69th Ordinary General Meetings of Shareholders were held on April 27, 1994, April 26, 2018, and April 23, 2020, respectively.
2. The number in parentheses (persons) is the number of Directors of the Board and Audit and Supervisory Board Members eligible for the remuneration, etc. at the conclusion of the relevant general meeting of shareholders.

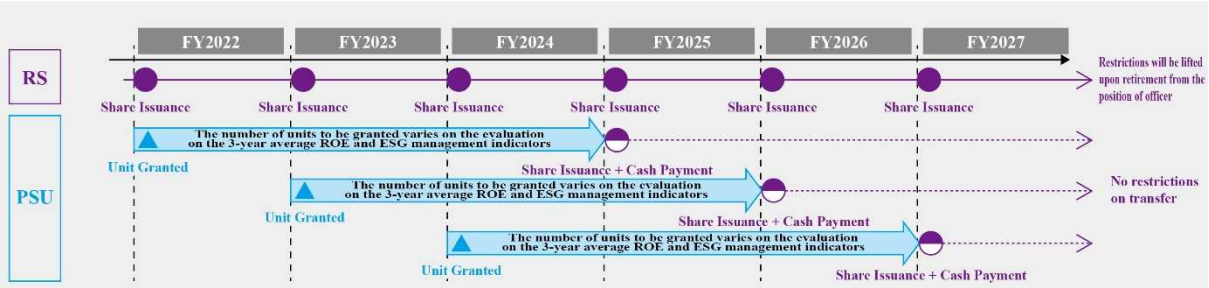
e. Remuneration paid for Internal and Outside Directors of the Board and Audit and Supervisory Board Members for the fiscal year under review

Position	Total amount of remuneration, etc. (*Millions of yen*)	Total amount of remuneration, etc. by type (*Millions of yen*)				Number of applicable officers
		Basic remuneration	Performance-related bonuses	Performance share units	Restricted stock remuneration	
Directors of the Board (Outside Directors of the Board)	995 (116)	388 (116)	285	196	125	12 (5)
Audit and Supervisory Board Members (Outside Audit and Supervisory Board Members)	165 (83)	165 (83)	—	—	—	5 (3)

Note: The amounts above include remuneration paid to one Director of the Board who retired as of the conclusion of the 71st Ordinary General Meeting of Shareholders held on April 26, 2022, and one Director of the Board who retired as of the conclusion of the 72nd Ordinary General Meeting of Shareholders held on April 25, 2023.

f. Performance indicator results

The amount of performance-related bonuses to be paid shall be calculated by multiplying consolidated ordinary profit of ¥301,627 million by a predetermined bonus coefficient for the position of each Director of the Board (excluding Outside Directors of the Board). The number of performance share units (PSU) to be granted shall depend on the degree of achievement of ROE and ESG management indicators during the evaluation period of three consecutive fiscal years. Since the payment of performance share units (PSU) will be made for the evaluation period of three consecutive fiscal years, the value of performance indicators will be determined after the evaluation period ends.



(iv) Matters Concerning Outside Officers

• The principal performance of Outside Directors of the Board and Audit and Supervisory Board Members during the fiscal year under review:

Post	Name	Principal performance
Director of the Board	Yukiko Yoshimaru	Ms. Yoshimaru attended all 13 meetings of the Board of Directors. She has contributed greatly to constructive discussion and strengthening of the effectiveness of the Board of Directors meetings by actively providing opinions and comments based on her abundant knowledge and experience in the fields of human resource management, diversity, and corporate governance. As the Chairperson of the Personnel Affairs and Remuneration Committee, she has also contributed to improving the effectiveness of the Personnel Affairs and Remuneration Committee by clarifying the process of selecting and dismissing Directors of the Board, strengthening remuneration governance, and organizing CEO succession planning meetings.
Director of the Board	Toshifumi Kitazawa	Mr. Kitazawa attended 12 meetings of the Board of Directors. Since his appointment as the Chairperson of the Board of Directors in May 2021, he has been leading the enhancement of constructive discussions and steady strengthening of the effectiveness of the Board of Directors meetings by flexibly steering the meetings to facilitate even more lively deliberations on medium- to long-term management issues. He has also contributed to the enhancement of deliberations as a member of the Personnel Affairs and Remuneration Committee.
Director of the Board	Yoshimi Nakajima	Ms. Nakajima attended all 13 meetings of the Board of Directors. She has contributed to constructive discussions and strengthening of the effectiveness of the Board of Directors meetings by actively expressing opinions to promote appropriate risk-taking and management reform.
Director of the Board	Keiko Takegawa	Ms. Takegawa attended 12 meetings of the Board of Directors. She has contributed greatly to constructive discussions and strengthening of the effectiveness of the Board of Directors meetings by providing useful advice from the perspective of an ordinary citizen and actively expressing opinions regarding environmental issues, diversity, human capital and other issues. She has also contributed to enhancing deliberations as a member of the Personnel Affairs and Remuneration Committee.
Director of the Board	Shinichi Abe	Mr. Abe attended all 13 meetings of the Board of Directors. He has contributed greatly to constructive discussions and strengthening of the effectiveness of the Board of Directors meetings by actively expressing opinions from the perspectives of global business and business model transformation through digital technology, as well as providing information to promote innovation.
Audit and Supervisory Board Member	Ryuichi Tsuruta	Mr. Tsuruta attended all 13 meetings of the Board of Directors and all 16 meetings of the Audit and Supervisory Board. He provided timely opinions based on his abundant knowledge and experience in finance, accounting, disclosure, audit, overseas business and other fields and his experience as an Audit and Supervisory Board Members in another company. Since his appointment as a Standing Audit and Supervisory Board Members in April 2022, he has served as the Chairperson of the Audit and Supervisory Board and greatly contributed to building good governance structure.
Audit and Supervisory Board Member	Takashi Kobayashi	Mr. Kobayashi attended 12 meetings of the Board of Directors and 15 meetings of the Audit and Supervisory Board. He provided timely opinions from a legal viewpoint based on his expert insight and abundant experience as a public prosecutor and a lawyer.
Audit and Supervisory Board Member	Yoritomo Wada	Mr. Wada attended all 13 meetings of the Board of Directors and all 16 meetings of the Audit and Supervisory Board. He provided timely opinions based on his professional knowledge of finance and accounting as a certified public accountant and his knowledge and experience as an outside officer of other companies.

• Outline of agreement to limit the liability of Outside Directors of the Board and Outside Audit and Supervisory Board Members:

The Company has entered into an agreement with all Outside Directors of the Board and all Outside Audit and Supervisory Board Members that if the Outside Director of the Board or Outside Audit and Supervisory Board Members causes damages to the Company by neglect of the duty of an Outside Director of the Board or Outside Audit and Supervisory Board Members, where his/her conduct is deemed to be made in good faith without gross negligence, his/her liability is without fail limited to the sum of the amount provided by Article 425, Paragraph 1 of the Companies Act.

• Relationship between companies in which Outside Officers hold significant concurrent position and the Company:

Director of the Board Mr. Toshifumi Kitazawa is an Outside Director, Member of the Audit & Supervisory Committee of MUFG Bank, Ltd. MUFG Bank, Ltd. is a principal lender of the Company. There is no special relationship between the companies in which Outside Officers hold significant concurrent position as described above in "(3) Directors of the Board and Audit and Supervisory Board Members, (i) Names and posts of Directors of the Board and Audit and Supervisory Board Members, Notes: 5" and the Company.

(4) Outline of Accounting Auditor

(i) Name Ernst & Young ShinNihon LLC

(ii) Amount of Remuneration

Category	Remuneration
The aggregate amount of remuneration payable to Accounting Auditor by the Company for the fiscal year under review	¥208 million
The aggregate amount of money and other economic benefits payable to Accounting Auditor by the Company and its consolidated companies	¥382 million

Notes:

1. The amount of remuneration for auditing made pursuant to the Companies Act and the amount of remuneration pursuant to the Financial Instrument and Exchange Act are not divided in the Auditing Agreement, which both the Company and the Accounting Auditor agreed to. Also, since it is impossible to state separately in practice, the amount represents the aggregate amount of the remuneration paid by the Company.
2. The Audit and Supervisory Board agreed on the amount of remuneration payable to the Accounting Auditor after receiving necessary materials and reports from Directors of the Board, relevant departments and the Accounting Auditor, and inspecting and discussing the appropriateness of the Accounting Auditor's audit plan, the status of execution of the accounting audit, and the grounds for estimation of the remuneration.
3. Among the Company's certain main subsidiaries, overseas subsidiaries were audited by other audit corporations.

(iii) Details of Non-Audit Service

The Company commissions the Accounting Auditor to provide advice on the promotion of ESG management, which is not any audit service specified in Article 2, Paragraph 1 of the Certified Public Accountants Act.

(iv) Dismissal or Non-Reappointment of Accounting Auditor

If Audit and Supervisory Board of the Company finds any problem about exercise of the functions of Accounting Auditor and deems that the Accounting Auditor should be changed, the Audit and Supervisory Board shall decide the content of a proposal to be submitted to the General Meeting of Shareholders for dismissal or non-reappointment of the Accounting Auditor.

If any of the dismissal causes provided by any one of the items of Article 340, Paragraph 1 of the Companies Act is applicable to the Accounting Auditor, the Audit and Supervisory Board shall dismiss the Accounting Auditor subject to the consent of all Audit and Supervisory Board Members. In such case, the Audit and Supervisory Board Members selected by the Audit and Supervisory Board will report the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders held after the dismissal.

(5) System to Ensure the Due Execution of Duties and the Status of Its Implementation

(i) System to ensure the due execution of duties as of January 31, 2025

1. System which ensures that execution of duties by the Directors of the Board, Executive Officers, and employees of the Company and its subsidiaries comply with laws and regulations and the Articles of Incorporation of the Company

(1) The Sekisui House Group (the Company and its consolidated subsidiaries) shall practice its Corporate Philosophy and Code of Conduct, which represent a public promise to take actions based on the Corporate Philosophy. The Group shall comply with laws and regulations, the Articles of Incorporation and other corporate ethics, and shall set forth specific compliance matters in its Corporate Ethics Guidelines. In addition to distributing booklets summarizing this information to all officers and employees (including through electronic means), the Group shall implement training to ensure thorough compliance with laws and regulations, the Articles of Incorporation and other corporate ethics. It shall also implement annual employee awareness surveys to ascertain the current situation. The Group shall evaluate the results of these surveys with an emphasis on the spread of the Corporate Philosophy and the Sekisui House Group Code of Conduct, etc.

(2) The Board of Directors of the Company shall formulate and revise basic policies for establishing internal control systems as stipulated by the Companies Act and supervise the status of implementation of these systems through various approaches such as leveraging the internal audit division.

(3) The Audit and Supervisory Board Members and the Audit and Supervisory Board of the Company shall audit the establishment and operation of internal control systems from an independent standpoint. To ensure the effectiveness of the above procedures, the Audit and Supervisory Board Members and the Audit and Supervisory Board shall make every effort to share information and cooperate with Outside Directors of the Board, the internal audit division, the Accounting Auditor, the Audit and Supervisory Board Members of the Company's subsidiaries, and others.

(4) Internal audit divisions of the Company and its subsidiaries shall regularly audit the operations of the Company and its subsidiaries.

(5) The Board of Directors of the Company shall supervise the execution of duties by Directors of the Board and Executive Officers, and decide on personnel matters, including appointment and dismissal, the remuneration system and other matters for Directors of the Board and Executive Officers, based on the recommendations of the Personnel Affairs and Remuneration Committee, the majority of members of which are Outside Directors of the Board. Decisions on the amounts of remuneration paid to individual Directors of the Board and Entrusted Executive Officers shall be made by the Personnel Affairs and Remuneration Committee, based on the delegation of authority by the Company's Board of Directors, to ensure the fairness and transparency of these decisions.

(6) The Board of Directors of the Company shall establish the ESG Promotion Committee, which includes outside experts, and promote ESG management with the aim of contributing to the building of a sustainable society.

(7) The Board of Directors of the Company shall establish an appropriate system for the whistleblowing system, shall receive reports on a regular basis, and appropriately oversee the management of the system.

2. System under which information regarding execution of duties by the Directors of the Board and Executive Officers shall be maintained and controlled

Directors of the Board and Executive Officers shall duly maintain and control the following documents (including electronic records; the same shall apply hereinafter) and relevant materials relating to the execution of duties upon condition that Directors of the Board and Audit and Supervisory Board Members may inspect the same whenever necessary.

i) Minutes of the general meeting of shareholders, meetings of the Board of Directors, Management Meetings, and other important meetings;

ii) Important documents by which Directors of the Board and Executive Officers decided the execution of duties (approval documents, etc.); and

iii) Other important documents relating to execution of duties by Directors of the Board and Executive Officers.

3. System regarding control of risk for loss of the Company and its subsidiaries

(1) The Board of Directors shall endeavor to supervise the establishment and effective operation of enterprise risk management systems, including through reports and recommendations by the Risk Management Committee, a consultative body, and reports by the internal audit division. The Risk Management Committee shall summarize and verify the status of implementation of risk management systems, including issues related to internal control associated with the compliance and financial reporting, before reporting on this status to the Board of Directors and providing advice on the establishment and operation of risk management systems.

(2) The Company shall prepare response manuals and make them known to officers and employees with regard to the risk control system to deal with natural disasters or any emergency which may cause the Company incurred material loss and damage.

(3) The Board of Directors of the Company shall establish an Information Security Policy and establish an appropriate information asset management system in order to safely protect and manage information assets and to fulfill the trust of the Group's customers and other stakeholders.

4. System to ensure the efficient execution of duties by the Directors of the Board of the Company or its subsidiaries

(1) Based on the understanding that its main role is establishing management policies, strategies and plans, the Board of Directors shall delegate decision-making on the execution of specific operations to Management Meetings, Directors of the Board and Executive Officers where possible.

(2) The Company shall establish Management Meetings composed of Entrusted Executive Officers to deliberate, make decisions, and share information on certain operation matters.

(3) The Board of Directors of the Company or its subsidiaries, before passing resolutions or collective decision-making, or Management Meetings of the Company shall actively exchange opinions on important matters to ensure appropriate decision-making.

(4) Rules shall be established and implemented for approvals through the collective decision-making system that maintain effective deliberation and swift decision-making functions.

(5) The Company and its subsidiaries shall set forth internal regulations for segregation of duties and thereby define duties and responsibilities.

5. System under which information regarding execution of duties by the Directors of the Board, etc. of the subsidiaries shall be reported to the Company

(1) The Company shall determine the section responsible for the business management of each subsidiary, which manages and supervises its business activities, based on the business segment. The Company shall establish and operate a dual management system where a specialized department with relevant expertise provides assistance and also leads the management of any highly specialized business operations.

(2) Subsidiaries shall report information regarding management status and execution of important duties to the Company as necessary or regularly, through the Directors of the Board or Audit and Supervisory Board Members dispatched from the Company.

(3) Subsidiaries shall report to the Company immediately in an emergency.

6. Matters related to employees who assist duties of Audit and Supervisory Board Members and matters related to the independence of these employees from Directors of the Board

(1) The Company shall set up the Office of Audit and Supervisory Board Members to support the duties of Audit and Supervisory Board Members and allocate several staff members including full-time one(s).

(2) Selection of employees, etc. for Office of Audit and Supervisory Board Members shall be determined upon respecting intention of Audit and Supervisory Board and mutual consultation.

(3) Employees assigned concurrently to the Office of Audit and Supervisory Board Members shall maintain their independence to ensure they are kept outside line of control or orders of their own departments in terms of their duties at the Office of Audit and Supervisory Board Members and personnel treatment of these employees shall respect the opinions of Audit and Supervisory Board Members.

7. System under which Directors of the Board and employees report to Audit and Supervisory Board Members

(1) The Directors of the Board and the Executive Officers shall from time to time report the status of execution of duties at the meeting of the Board of Directors and other important meeting which the Audit and Supervisory Board Members attend.

(2) The Directors of the Board, the Executive Officers and the employees shall immediately report to the Audit and Supervisory Board Members whenever finding any fact which might cause material loss and damage to the Company or its subsidiaries.

(3) The secretariat of the whistleblowing system shall immediately report to the Audit and Supervisory Board Members of the Company whenever receiving any report of the fact which might cause material loss and damage to the Company or its subsidiaries.

(4) Persons who report according to the preceding two paragraphs or whistleblowers shall not be treated disadvantageously due to such report by the Company and its subsidiaries.

(5) Approval documents, minutes of important meetings such as the Board of Directors meetings, audit report prepared by the internal audit division, and other important documents related to audit of Audit and Supervisory Board Members shall be forwarded to Audit and Supervisory Board Members.

8. Matters concerning policies for procedure for the expenses or liabilities incurred for the execution of duties by the Audit and Supervisory Board Members

The Company shall handle promptly when Audit and Supervisory Board Members demand prepayment or reimbursement of the expenses or liabilities incurred for the execution of duties excluding when the expenses or liabilities are proved to be unnecessary for the execution of duties.

9. Other system under which audit by Audit and Supervisory Board Members is ensured to efficiently to be performed

(1) Audit and Supervisory Board Members and the internal audit division shall keep close to each other through exchange of opinions and cooperate with each other so that audit by each body shall be conducted efficiently and effectively.

(2) Audit and Supervisory Board Members and Accounting Auditor shall have meetings regularly and cooperate with each other so that audit duties of each shall be conducted efficiently and effectively.

(ii) The status of the system to ensure the due execution of duties

(1) Initiatives for compliance and risk management

- Officers and employees of the Company and its subsidiaries have received training such as compliance training designed to build compliance awareness and human relations training to enhance knowledge and moral awareness related to human rights issues and improve workplace environments through dialogue.
- As whistleblowing systems, the Company has set up the Sekisui House Group Compliance Helpline for officers and employees of the Group and its regular trading partners, the Sekisui House Global Helpline for overseas subsidiaries, and the Sexual and Power Harassment Hotline as a contact point for sexual harassment, power harassment, and other human rights issues. The Legal Department Human Rights and Compliance Promotion Office (changed to the Human Rights and Compliance Promotion Department on February 1, 2025) provides integrated management of these systems and promotes their widespread awareness and utilization.
- During the fiscal year under review, the Risk Management Committee convened 11 times to monitor key risks at the Company and its subsidiaries and monitor the Quality Management Committee and Information Security Committee established under its umbrella. In addition, the Risk Management Committee conducted risk management training for senior management employees to improve their risk response capabilities, and reported the status of such activities to the Board of Directors.

(2) Initiatives for ensuring efficient execution of duties

- During the fiscal year under review, Management Meetings were held 13 times. Entrusted Executive Officers participated in these meetings, which were also attended by Outside Directors of the Board and Audit and Supervisory Board Members as observers on a voluntary basis. Executive Officers and others were also requested to attend based on the agenda items discussed. Participants actively exchanged opinions 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.

(3) Initiatives related to the management of Group companies

- Considering the importance of further clarifying the resolution and approval processes, the Company has established the new Rules on Resolution and Approval Authority to clearly state the general rules for resolutions and approvals and clarify a whole range of matters to be resolved or approved by the Board of Directors and each responsible member (excluded from making internal decisions).
- The Company convenes regular Sekisui House Group Audit and Supervisory Boards Cooperation Meetings for purposes such as exchanging information and sharing issues between the audit and supervisory board members of the Company's subsidiaries (including members concurrently serving as officers or employees of the Company).

Note:
Amounts in the Business Report are given in the stated units of the presentation by disregarding any amount less than the stated unit of the presentation.

(Reference) Basic Stance for Cross-shareholdings and Overview of Verification

<Basic Stance for Cross-shareholdings>

(i) The Company shall not enter into cross-shareholdings with business partners unless the Company determines that it will be helpful to medium- and 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.

(ii) 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- and long-term economic rationality of each individual stock based on holding purposes and 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. Even for stocks considered appropriate to hold, the Company may sell all or some shares after considering its capital policies and the market environment.

(iii) An overview of the analysis at the meeting of the Board of Directors regarding cross-shareholding shall be disclosed as appropriate in the reports related to corporate governance.

(iv) If other companies holding the Company stock as cross-shareholdings express an intention to sell such shares, the Company shall not prevent the sale in any way by, for example, insinuating a reduction in their business relationship.

<Overview of the verification with regard to cross-shareholdings>

At the meeting of the Board of Directors held in October 2024, the Company analyzed all listed stocks it holds as cross-shareholding (for 14 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 for the phased reduction of cross-shareholdings, and intends to reduce cross-shareholdings, targeting a ratio of cross-shareholdings to consolidated net assets of 3% or less during the period of the Sixth Mid-Term Management Plan (by January 31, 2026).

The ratio with "*" 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 the fiscal year ended January 31, 2025

Of the 14 companies examined, the Company sold a portion of shares of six companies.

The ratio of cross-shareholdings to consolidated net assets for the fiscal year ended January 31, 2025

The ratio at the end of the fiscal year under review was 3.0%.

(Reference) Evaluation of Effectiveness of the Board of Directors

<Overview of evaluation results for the fiscal year ended January 31, 2025>

1. Evaluation method

As in the fiscal year ended January 31, 2024, the Company hired a third-party independent evaluation company to implement an evaluation for the fiscal year ended January 31, 2025 using the method described below.

(1) Questionnaire-based survey of all Directors of the Board and Audit and Supervisory Board Members (the questionnaire was prepared, distributed, and collected by the third-party organization)

(2) Interviews of all Directors of the Board and Audit and Supervisory Board Members, carried out by the third-party organization (approximately one hour interview per interviewee)

(3) Examination of the materials and minutes of meetings of the Board of Directors

Questionnaire items

• Overall evaluation of the Board of Directors
• Composition of the Board of Directors
• Preparations for the meetings of the Board of Directors
• Management of the meetings of the Board of Directors
• Debate in the meetings of the Board of Directors
• Personnel Affairs and Remuneration Committee
• Supervision of business execution
• Importance of agenda items and the sufficiency of discussion

The third-party organization implemented an evaluation and compiled the results into a report. At a meeting of the Board of Directors held in February 2025, the content of the report was explained by the evaluation company and discussed among the attendees of the meeting.

2. Outline of the evaluation

(1) Conclusion

The Board of Directors evaluated and confirmed that a sufficiently high level of effectiveness has been achieved by the Board of Directors. Moreover, it confirmed that progress had been generally made on the issues indicated in the evaluation of effectiveness of the Board of Directors in the previous fiscal year.

	Issues for the Fiscal Year Ended January 31, 2025	Initiatives / Issues Confirmed Through the Board of Directors Evaluation	Progress
1	Even fuller strategic discussions	○ Through a large-scale overseas M&A and post-merger integration (PMI), there were more opportunities to hold discussions from the perspective of global-level group management and finances, and significant progress was confirmed. Discussions on digital transformation (DX), IT, and security also progressed. Main initiatives: ・While the acquisition of MDC, a strategic investment, required quick decision-making, decisions were made after thorough discussions through an extraordinary meeting attended by all Directors of the Board, with Independent Outside Directors of the Board leading the discussions. ・There were more opportunities to regularly discuss finances from the perspective of ROIC and balance sheets. ・Matters regarding DX, IT, and security were regularly reported to the Board of Directors, and Director of the Board Mr. Abe provided recommendations to the executive team. ○ While overall improvement is in progress, system reinforcement and further improvement in operations are expected in order to enhance strategic discussions in the future. ・For strategic decision-making, it is necessary to share information with all Directors of the Board at an early stage and hold meetings for discussion, to ensure that the knowledge of Outside Directors of the Board is utilized, and secure enough opportunities for thorough and productive discussions. ・With regard to finances, the Board of Directors needs to address agenda items for the Company-wide strategies, and the CFO function of overseeing business execution from a financial perspective needs to be strengthened. ・A CIO function to oversee the Group-wide IT needs to be established for DX, IT, and security matters.	Improving
2	Even stronger function for the Board of Directors Office	○ The function for the Board of Directors Office is generally working well and is highly praised by members of the Board of Directors. Sincere efforts were made to make improvements based on the issues raised in the previous fiscal year, and progress was confirmed. Main initiatives: ・By frequently sharing internal information with Outside Directors of the Board, their understanding of the Company's activities was fostered. ・Reflected the points that were raised during the prior explanation of the materials for the Board of Directors meetings. ○ While overall improvement is in progress, there is room for improvement in how to operate the Board of Directors meetings more effectively, given the increasing need to share information quickly from the executive team to the Board of Directors and ensure sufficient time for discussing important agenda items in response to an increase in the number of agenda items. ・Select important agenda items and create materials focusing on key points by collaborating with the Board of Directors Office. ・Share information even earlier so that members of the Board of Directors can come to discussions well prepared. ・Secure opportunities to systematically deepen the understanding of the industry and the Company's business among Outside Directors of the Board as they are replaced.	Improving

(2) Strengths supporting the effectiveness of the Board of Directors

Based on the evaluation made by the third-party organization, the Board of Directors confirmed that its effectiveness was supported by the "strengths" shown in items 1 to 3 below.

	Strengths	Details of Strengths (Observations by the Third-party Organization)
1	Presence of leaders to ensure effective governance	・Many Directors of the Board who play leadership roles, including President, Executive Vice President, and Chairperson, are able to balance supervision and business execution at a high level based on their own management experience.
2	Strong commitment of Independent Outside Directors of the Board	・Proactive recommendations on business execution based on the premise of "moderate separation of supervision and execution". ・A strong willingness to deeply understand not only individual agenda items but also the Company's culture and challenges, and a commitment to time.
3	Active involvement of the Board of Directors Office	・Proactive and prompt preparation and response by the Board of Directors Office. ・Sincere attitude towards feedback and improvement. ・Leadership of the officer in charge who makes the above possible.

(3) Issues for the further enhancement of effectiveness

Based on the findings and proposals made by the third-party organization, the Board of Directors confirmed that the items shown below are the issues and initiatives for consideration in the fiscal year ending January 31, 2026.

	Issues for the Fiscal Year Ending January 31, 2026	Details of Issues (Observations by the Third-party Organization)		Initiatives for Consideration
1	Further strengthening of governance from a group/global perspective	a. Further enhancement of discussions on global and financial strategies	・There is a need for the Board of Directors to further expand discussions on important themes, such as the acquisition of MDC and PMI, from the perspective of the Company-wide strategies and improving corporate value. ・By strengthening the CFO function centering on finance specialists, it is expected that discussions at the Board of Directors meetings will be expanded, and business execution will be overseen from the perspective of the Group-wide/global financial strategies (including the balance sheet).	・To increase opportunities for reporting and discussing the Company-wide strategies (e.g., setting the annual schedule for agenda items, camps for formulating strategies). ・To enhance the CFO function (e.g., team reinforcement, supervisory involvement in discussions). ・To share information early with all members of the Board of Directors (e.g., early delivery of materials, participation as an observer in the business investment council). ・To review criteria for submission of agenda items and utilize written resolutions.
		b. Ensuring sufficient opportunities for discussion on strategic themes	・During discussions regarding the acquisition of MDC, there was a delay in sharing sufficient information with some Directors of the Board, including Outside Directors of the Board, from the perspective of information management, so there is room for improvement in this regard. ・As the number of agenda items at the Board of Directors meetings increases, operations of the Board of Directors need to be improved and reviewed from a broad perspective, to ensure sufficient time for strategic themes.	
2	Enhancement of discussions on succession to ensure the continued high effectiveness of the Board of Directors	a. Deeper understanding of candidates	・The effectiveness of selecting the right candidate depends on members of the Personnel Affairs and Remuneration Committee (especially Outside Directors of the Board) deepening their understanding of the Company's internal human resources. ・It is expected that through future succession of internal and Outside Directors of the Board, the process will be further refined, leading to a more effective succession.	・To further increase direct contact between Outside Directors of the Board and talent candidate pool. ・To provide intensive onboarding support for new members of the Personnel Affairs and Remuneration Committee.
		b. Smooth transition of leadership roles	・It is important to further develop an environment in which newly appointed Directors of the Board can fully utilize their knowledge and experience while gaining a deep understanding of the characteristics of the Company's governance so that the effectiveness of the Company's governance, which is supported by leadership roles, will be inherited and developed.	

(Reference) Evaluation of Effectiveness of the Audit and Supervisory Board

<Overview of evaluation results for the fiscal year ended January 31, 2025>

1. Evaluation method

The Company hired a third-party organization to implement an evaluation for the fiscal year ended January 31, 2025, as it did in the fiscal year ended January 31, 2024, using the method described below.

(1) Questionnaire-based survey of all Audit and Supervisory Board Members (the questionnaire was prepared, distributed, and collected by the third-party organization)

(2) Interviews of all Audit and Supervisory Board Members, Chairperson of the Board of Directors (Outside Director of the Board), Director of the Board in charge of the Division of Administration and Human Resources, General Manager of the Auditing Department, International Auditing Office Lead, and the Accounting Auditor, carried out by the third-party organization (approximately one hour interview per interviewee)

*To gain new insights based on the opinions of collaborators and audit subjects, Chairperson of the Board of Directors (Outside Director of the Board) and Director of the Board in charge of the Division of Administration and Human Resources also became subject to the interview in the fiscal year ended January 31, 2025.

(3) Examination of the materials and minutes of meetings of the Audit and Supervisory Board

In addition, based on the results of the evaluation for the fiscal year ended January 31, 2024, Audit and Supervisory Board Members felt the need to discuss the direction of their audits for the medium to long term. Therefore, in the fiscal year ended January 31, 2025, the third-party organization was used to conduct a survey regarding the direction and set up a discussion among all Audit and Supervisory Board Members.

Major questionnaire items

- Audit policy and plans
- Recommendations for senior management and audits of the execution of duties
- Internal audit system
- Auditing systems at subsidiaries
- Fraud detection system
- Accounting audit system
- Cooperation through the three-pillar audit system
- Audits of the establishment and operation of the internal control system
- Operation of the Audit and Supervisory Board, etc.

The third-party organization implemented an evaluation and compiled the results into a report. The Audit and Supervisory Board was briefed on the content of the report by the third-party organization and deliberated on this content at a meeting held in February 2025.

2. Outline of the evaluation

(1) Conclusion

The Audit and Supervisory Board confirmed that a high level of effectiveness has been ensured for the auditing activities of the Audit and Supervisory Board and Audit and Supervisory Board Members, based on analysis of the results of the questionnaire and interviews and the recommendations of the third-party organization.

Moreover, the Audit and Supervisory Board confirmed that progress had been generally made not only on its normal auditing activities but also on the following issues raised in the previous fiscal year's evaluation of the effectiveness of the Audit and Supervisory Board.

	Issues for the Fiscal Year Ended January 31, 2025	Initiatives / Issues Confirmed Through the Evaluation of the Audit and Supervisory Board	Progress
1	Stronger Group-wide audit system	・It was confirmed that audits had been enhanced through cooperation between the Auditing Department and the Accounting Auditor through the three-pillar audit system. It was also confirmed that efforts were being made for the enhancement of the audit system for overseas businesses and cooperation with the U.S. subsidiaries.	Improving
2	Stronger cooperation with Outside Directors of the Board	・Although the focus of the discussion was about the agenda items for the Board of Directors meetings, sharing the issues was also conducted through exchanges of opinions on cross-organizational themes for the Group. It was also confirmed that cooperation had been further strengthened through efforts such as study sessions held for Outside Directors of the Board and Audit and Supervisory Board Members.	Improved

(2) Strengths supporting the effectiveness of the Audit and Supervisory Board

Based on the evaluation made by the third-party organization, the Audit and Supervisory Board confirmed that its effectiveness was supported by the "strengths" shown below.

	Strengths	Details of Strengths (Based on the Evaluation by the Third-party Organization)
1	Exchange of opinions with and recommendations to senior management	・The exchange of opinions and the provision of suggestions take place between senior management and the Audit and Supervisory Board Members, built on relationships of trust. ・Audit and Supervisory Board Members communicate with on-site employees to provide advice based on the actual situation. ・It was confirmed that Audit and Supervisory Board Members provide their questions and opinions with an appropriate level of distance, ensuring opportunities to raise awareness among senior management.
2	Cooperation with Outside Directors of the Board	・Shared understanding of the Group's issues is fostered through more opportunities for communication, such as meetings between Chairperson of the Board of Directors and Chairperson of the Audit and Supervisory Board as well as joint briefing sessions and study sessions between Outside Directors of the Board and Audit and Supervisory Board Members. ・Outside Directors of the Board and Audit and Supervisory Board Members discuss their own roles in improving corporate value. ・Outside Directors of the Board and Audit and Supervisory Board Members discuss ways to urge the executive team to address issues shared between them. ・In addition to study sessions and forums for exchanging opinions, Outside Directors of the Board and Audit and Supervisory Board Members also deepen their mutual understanding through interactions at internal events, building relationships that foster the sharing of honest opinions and contribute to further strengthening cooperation.
3	Cooperation with the internal audit divisions and the Accounting Auditor	・At the regular Three-pillar Audit System Cooperation Meetings, not only are issues concerning domestic subsidiaries discussed, but issues concerning overseas subsidiaries are also shared based on information provided by the International Auditing Office and local Accounting Auditors at overseas locations, with discussions becoming more in-depth with each meeting. ・In addition to the cooperation described above, the three parties also accompany each other on on-site audits of overseas subsidiaries and actively exchange opinions during these audits.

(3) Issues for the further enhancement of effectiveness

Based on the issues for consideration to further improve effectiveness indicated by the third-party organization, the Audit and Supervisory Board confirmed that the items shown below are key issues for consideration going forward.

	Issues for the Fiscal Year Ending January 31, 2026	Details of Issues	Initiatives for Consideration
1	Confirmation of the adequacy of controls in response to the expansion of the U.S. business	・Confirm the adequacy of the control level based on the scale of the U.S. homebuilding business, business practices in the U.S., and other factors as the U.S. business is expected to expand further in the future.	・To gain a deeper understanding of the business environment and other conditions, and to confirm whether a sufficient level of controls is in place, by interviewing the executive team, cooperating with the U.S. subsidiaries and gathering information on the U.S. homebuilding business.
2	Confirmation of the adequacy of system and information security controls	・Confirm the initiatives of the executive team regarding the issues related to system development and the development of personnel with information security capabilities (security personnel).	・To closely monitor the initiatives of the executive team to address the issue listed on the left. ・To confirm the executive team's response regarding the use of external experts and other measures to maintain the level of controls, as it takes time to develop security personnel.
3	Identification of the skills and experience expected for future members of the Audit and Supervisory Board	・Identify the necessary and optimal combination of skills and experience for future members of the Audit and Supervisory Board.	・To identify the optimal combination of skills and experience required for the Audit and Supervisory Board and use this to develop future candidates for Audit and Supervisory Board Members in consideration of the medium- to long-term business expansion of the Group, changes in the organizational structure, etc.

The Consolidated Financial Statements for the 74th Fiscal Year

CONSOLIDATED BALANCE SHEETS

As of January 31, 2025

Millions of yen

Assets	**4,808,848**	**Liabilities**	**2,790,249**
Current assets	**3,712,106**	**Current liabilities**	**1,555,648**
Cash and deposits	390,559	Notes payable, accounts payable for construction contracts	195,028
Notes receivable, accounts receivable from completed construction contracts and other	211,114	Electronically recorded obligations - operating	79,360
Costs on construction contracts in progress	14,127	Short-term bonds payable	40,000
Buildings for sale	1,068,926	Short-term borrowings	477,840
Land for sale in lots	1,374,237	Current portion of bonds payable	8
Undeveloped land for sale	396,123	Current portion of long-term borrowings	252,793
Other inventories	12,164	Income taxes payable	44,652
Other	245,867	Advances received on construction contracts in progress	220,645
Allowance for doubtful accounts	(1,013)	Provision for bonuses	39,706
		Provision for bonuses for directors (and other officers)	6,675
		Provision for warranties for completed construction	14,073
		Other	184,863
Non-current assets	**1,096,742**	**Non-current liabilities**	**1,234,601**
Property, plant and equipment	**534,240**	Bonds payable	620,121
Buildings and structures	176,209	Long-term borrowings	456,321
Machinery, equipment and vehicles	11,757	Long-term leasehold and guarantee deposits received	52,626
Tools, furniture and fixtures	14,845	Deferred tax liabilities	13,443
Land	258,559	Provision for retirement benefits for directors (and other officers)	862
Leased assets	21,224	Retirement benefit liability	31,632
Construction in progress	45,976	Other	59,593
Other	5,667		
Intangible assets	**221,873**	**Net assets**	**2,018,599**
Goodwill	134,217	**Shareholders' equity**	**1,689,420**
Industrial property	57,903	**Share capital**	**203,094**
Leasehold interests in land	2,986	**Capital surplus**	**260,297**
Software	25,198	**Retained earnings**	**1,266,985**
Right to use facilities	130	**Treasury shares**	**(40,957)**
Telephone subscription right	238	**Accumulated other comprehensive income**	**272,779**
Other	1,199	**Valuation difference on available-for-sale securities**	**35,610**
Investments and other assets	**340,628**		
Investment securities	205,632	**Deferred gains or losses on hedges**	**(123)**
Long-term loans receivable	13,656	**Foreign currency translation adjustment**	**215,217**
Retirement benefit asset	46,749	**Remeasurements of defined benefit plans**	**22,075**
Deferred tax assets	10,643	**Share acquisition rights**	**87**
Other	64,994		
Allowance for doubtful accounts	(1,047)	**Non-controlling interests**	**56,311**
Total assets	**4,808,848**	**Total liabilities and net assets**	**4,808,848**

CONSOLIDATED STATEMENTS OF INCOME	
From February 1, 2024 to January 31, 2025	
Millions of yen	
Net sales	**4,058,583**
Cost of sales	**3,272,590**
Gross profit	**785,993**
Selling, general and administrative expenses	**454,626**
Operating profit	**331,366**
Non-operating income	**17,869**
Interest and dividend income	11,451
Other	6,418
Non-operating expenses	**47,607**
Interest expenses	33,634
Share of loss of entities accounted for using equity method	3,085
Other	10,887
Ordinary profit	**301,627**
Extraordinary income	**24,309**
Gain on sale of investment securities	19,312
Gain on liquidation of subsidiaries and associates	3,456
Gain on sale of shares of subsidiaries and associates	1,540
Extraordinary losses	**20,351**
Acquisition related expenses	18,232
Loss on sale and retirement of non-current assets	1,584
Loss on sale of shares of subsidiaries and associates	386
Impairment losses	147
Profit before income taxes	**305,586**
Total income taxes	**84,328**
Income taxes - current	84,687
Income taxes - deferred	(358)
Profit	**221,257**
Profit attributable to non-controlling interests	3,552
Profit attributable to owners of parent	**217,705**

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS					
From February 1, 2024 to January 31, 2025					
Millions of yen					
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	**202,854**	**260,126**	**1,132,275**	**(40,979)**	**1,554,276**
Changes during period					
Issuance of new shares	239	239	–	–	479
Dividends of surplus	–	–	(82,968)	–	(82,968)
Profit attributable to owners of parent	–	–	217,705	–	217,705
Purchase of treasury shares	–	–	–	(18)	(18)
Disposal of treasury shares	–	–	(26)	38	12
Purchase of shares of consolidated subsidiaries	–	(68)	–	–	(68)
Change in treasury shares arising from change in equity in entities accounted for using equity method	–	–	–	1	1
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	239	171	134,710	21	135,143
Balance at end of period	**203,094**	**260,297**	**1,266,985**	**(40,957)**	**1,689,420**

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	**44,597**	**–**	**132,895**	**22,816**	**200,309**	**100**	**39,366**	**1,794,052**
Changes during period								
Issuance of new shares	–	–	–	–	–	–	–	479
Dividends of surplus	–	–	–	–	–	–	–	(82,968)
Profit attributable to owners of parent	–	–	–	–	–	–	–	217,705
Purchase of treasury shares	–	–	–	–	–	–	–	(18)
Disposal of treasury shares	–	–	–	–	–	–	–	12
Purchase of shares of consolidated subsidiaries	–	–	–	–	–	–	–	(68)
Change in treasury shares arising from change in equity in entities accounted for using equity method	–	–	–	–	–	–	–	1
Net changes in items other than shareholders' equity	(8,987)	(123)	82,322	(740)	72,470	(12)	16,945	89,403
Total changes during period	(8,987)	(123)	82,322	(740)	72,470	(12)	16,945	224,546
Balance at end of period	**35,610**	**(123)**	**215,217**	**22,075**	**272,779**	**87**	**56,311**	**2,018,599**

Note:
Amounts of the Consolidated Statements of Changes in Net Assets are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Notes to Significant Matters which are Basis for Preparation of Consolidated Financial Statements

(1) Scope of consolidation

(i) Status of consolidated subsidiaries

- The consolidated subsidiaries: 376, including Sekisui House Real Estate Tohoku, Ltd., Sekisui House Real Estate Tokyo, Ltd., Sekisui House Real Estate Chubu, Ltd., Sekisui House Real Estate Kansai, Ltd., Sekisui House Real Estate Chugoku & Shikoku, Ltd., Sekisui House Real Estate Kyushu, Ltd. and other companies.
- Changes in scope of consolidation:
  56 companies were newly added due to establishment or acquisition, etc. while 22 companies were excluded due to liquidation or sale, etc.

(ii) Status of non-consolidated subsidiaries

- The names of major non-consolidated subsidiaries: Otori Insurance Service Co., Ltd. and 5 other subsidiaries
- The reason for not consolidating these subsidiaries:
  As the non-consolidated subsidiaries are small in sizes and their total assets, net sales, profit and loss (the equity portion) and retained earnings (the equity portion), etc. do not have a significant impact on the Consolidated Financial Statements, they are excluded from the scope of consolidation.

(2) Application of equity method

(i) The non-consolidated subsidiaries and affiliates to which the equity method is applied

- The affiliates to which the equity method is applied: 36, including Almetax Manufacturing Co., Ltd. and other companies.
- Changes in scope of equity method:
  1 company was added due to application of the equity method to investments. In addition, 2 companies were excluded due to sale.

(ii) Status of the non-consolidated subsidiaries and affiliates to which the equity method is not applied

- The name of major companies, etc.: Otori Insurance Service Co., Ltd. and 6 other subsidiaries
- The reason for not applying the equity method:
  As profit and loss (the equity portion), retained earnings (the equity portion), etc. of the non-consolidated subsidiaries and affiliates do not have a significant impact on the Consolidated Financial Statements, they are not applied and excluded from the scope of equity method.

(iii) Status of non-affiliates of which the Company holds at least 20% and up to 50% of the voting rights on its own account

The name of these companies, etc.: Shiei community service co., ltd. and three other companies.
The reason for not regarding these companies as affiliates:
As the above companies have no material impact to the Company despite the Company's indirect possession of at least 20% and up to 50% of voting rights, they are excluded from the scope of affiliates.

(3) Term-ends of consolidated subsidiaries

For 3 consolidated subsidiaries whose fiscal year ends on March 31, the Company performs tentative annual closing as of January 31 and uses their financial statements to prepare the Consolidated Financial Statements.
For 1 consolidated subsidiary whose fiscal year ends on March 31, the Company performs tentative annual closing as of December 31, uses their financial statements, and implements the necessary adjustments for material transactions before the consolidated fiscal year-end to prepare the Consolidated Financial Statements.
For 5 consolidated subsidiaries whose fiscal year ends on November 30 and 334 consolidated subsidiaries whose fiscal year ends on December 31, the Company uses their financial statements as of their respective fiscal year-end and implements the necessary adjustments for material transactions before the consolidated fiscal year-end to prepare the Consolidated Financial Statements.
Furthermore, during the fiscal year under review, MARUHON INC. and one of its consolidated subsidiaries changed their fiscal year-end to January 31, which is the same as the consolidated fiscal year-end. The accounting period for the fiscal year under review is 13 months.

(4) Summary of significant accounting standards

(i) Basis and method of valuation of significant assets

a. Securities:

(a) Debt securities expected to be held to maturity:
Amortized cost (straight-line) method

(b) Other securities:

・ Securities apart from shares, etc. without market prices:
Market value method
(Valuation gains and losses resulting are calculated by the full net asset costing method; cost of disposal is calculated by the moving average method)

・ Shares, etc. without market prices:
At cost based on the moving average method

b. Derivatives: Market value method

c. Inventories:

(a) Costs on construction contracts in progress, buildings for sale, land for sale in lots, and undeveloped land for sale:
At cost based on individual cost method (The book value is written down to the net realizable value in cases where there has been a material decline in value)

(b) Other inventories:
At cost based on moving average method (The book value is written down to the net realizable value in cases where there has been a material decline in value)

(ii) Depreciation and amortization methods used for main depreciable and amortizable assets

Property, plant and equipment (excluding leased assets):

The Company applies the straight-line method to buildings (excluding attached structures) and facilities attached to buildings and structures acquired on and after April 1, 2016, and applies the declining-balance method for other property, plant and equipment.

Intangible assets (excluding leased assets):

The Company applies the straight-line method to intangible assets.

Leased assets:

With respect to leased assets for finance lease transactions other than those involving a transfer of ownership, the Company applies the straight-line method to such finance leases, where the useful lives of the assets are the terms of leases and the residual values of the assets are deemed zero.

(iii) Basis for accounting for significant allowances

Allowance for doubtful accounts:

To provide for losses on doubtful accounts, the Company makes provisions for general debtors based on actual historical collection rates and for specific debtors where collection is doubtful based on estimates of the amount collectible.

Provision for bonuses:

To prepare for bonus payments to employees, the Company provides for the estimated appropriate amount in the consolidated fiscal year.

Provision for bonuses for directors (and other officers):

To prepare for bonus payments to Directors of the Board, the Company provides for the estimated amount.

Provision for warranties for completed construction:

Provisions for losses and guarantee expenses due to post-completion defects are recorded based on historical repair and other costs arising from completed construction and buildings for sale.

Provision for retirement benefits for directors (and other officers):

To allow for retirement payments to Directors of the Board and Audit and Supervisory Board Members, the Company provides the required amounts at the end of the current term based on internal regulations.

(iv) Method of accounting for retirement benefit obligations

a. Method for reflecting the expected retirement benefit in the period:
In conjunction with the calculation of retirement benefit obligations, benefit formula attribution is adopted as the method for reflecting the expected retirement benefit in the period up until the end of the fiscal year under review.

b. Method of accounting for actuarial calculation differences and past service obligations:
In conjunction with actuarial calculation differences, pro rata amounts calculated from the 5-year to 14-year fixed amount method are to be reflected as expenses in the year following the consolidated fiscal year in which such expenses are accrued. As for past service obligations, pro

rata amounts calculated from the 5-year to 13-year fixed amount method are to be reflected as expenses in the consolidated fiscal year in which such expenses are accrued.

(v) Basis for accounting for significant income and expenses

a. Revenue from contracts with customers

The content of the main performance obligations and the time when these performance obligations are usually satisfied (the usual timing of revenue recognition) for the major businesses that generate revenue from contracts with customers of the Company and its consolidated subsidiaries are shown below.

(a) Build-to-order transactions:

For build-to-order transactions, the Company concludes construction contracts with customers. The Company's performance obligations based on these contracts include undertaking construction and delivering the completed buildings or other works to the customer. The Company considers that these performance obligations are satisfied over time, and recognizes revenue under these contracts based on the degree of progress towards satisfying these performance obligations. The input method is used to estimate the degree of progress, where the actual costs incurred are measured as a proportion of the total construction costs.

For construction contracts, etc. where the construction period is extremely short, the Company applies an alternative treatment whereby revenue is recognized when performance obligations have been fully satisfied.

(b) Real estate sales transactions

For real estate sales transactions, the Company concludes sales contracts with customers. The Company's performance obligations based on these contracts include delivering the property to the customer. The Company considers that these performance obligations are satisfied at the point in time when the property is delivered to the customer, and recognizes revenue under these contracts when the property is delivered to the customer.

b. Other revenue

For real estate lease transactions, the Company recognizes revenue over the term of the lease, based on "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13).

(vi) Method and period for amortization of goodwill

Goodwill is amortized over the estimated useful life based on a substantive analysis by the Company or over 5 or 10 years using the straight-line method beginning in the consolidated fiscal year in which it arises. Minor amounts are charged to income as they accrue.

(vii) Main hedge accounting methods

a. Hedge accounting methods:

The Company accounts for hedging activities under deferral hedge accounting. Furiate-shori (accounting method in which the current and forward rate difference is allocated by period length for the calculating at the accounting period) is applied to forward foreign exchange contracts and currency swap contracts which conform to the requirements of such hedge accounting. Special treatment is applied to interest-rate swap which conforms to the requirements of such hedge accounting.

b. Hedging instruments and targets:

The Company hedges foreign currency-denominated monetary claims and debts and forward transactions with exchange contracts and currency swap contracts.

The Company hedges loans with interest-rate swap.

c. Hedging policies:

The Company uses derivatives transactions with the aim of avoiding losses from fluctuations in exchange and interest rates. The use of exchange contracts does not exceed the amount of foreign currency transactions. The assumed principal balance subject to interest-rate swap transactions does not exceed the relevant interest-bearing debts outstanding.

d. Method of assessing hedge effectiveness:

The Company assesses if the percentage changes of hedge targets and hedge instruments approximately range from 80% to 125%, where hedging transactions are considered to be effective, while it does not assess the effectiveness of hedging transactions such as forward foreign exchange contracts that meet the requirements for Furiate-shori and interest-rate swap that meets the requirements for special treatment.

(viii) Accounting for consumption taxes

Consumption taxes not subject to non-current assets related deductions at consolidated subsidiaries whose main business is real estate for leasing are recorded in "Other" under the "Investments and other

assets" on the relevant balance sheets and are amortized on a straight-line basis over 5 years. Other consumption taxes not subject to deductions are expensed in the consolidated accounting period in which they arise.

(ix) Basis for converting significant foreign currency-denominated assets and liabilities into yen
For foreign currency-denominated monetary claims and debts, the Company converts into yen at the rates of exchange prevailing on the consolidated fiscal year-end. Translation differences are included in the statements of income. Assets and liabilities of overseas subsidiaries are converted into yen at the rates of exchange prevailing on the balance sheet date of the overseas subsidiaries, and the income and expenses of overseas subsidiaries are converted into yen at average exchange rates during the fiscal year under review. Exchange differences are included in foreign currency translation adjustment and non-controlling interests under net assets.

(x) Inclusion of interest expenses in acquisition cost
In conformity with the accounting standards of relevant countries, overseas consolidated subsidiaries include interest expenses with regard to borrowed funds for the real estate development business in acquisition cost. At the end of period, interest expenses of ¥38,076 million, ¥26,862 million and ¥1,969 million are included in "Buildings for sale," "Land for sale in lots" and "Undeveloped land for sale," respectively.

2. Notes to Accounting Estimates

(1) Valuation of real estate for sale

(i) Amount recorded in the consolidated financial statements for the fiscal year under review.

Millions of yen

	Amount
Buildings for sale	1,068,926
Land for sale in lots	1,374,237
Undeveloped land for sale	396,123
Amount of loss on valuation (Cost of sales)	17,520

(ii) Information on the nature of significant accounting estimates for identified items

a. Method of calculation of the amount recorded in the consolidated financial statements for the fiscal year under review
For real estate for sale, if the net selling price at the end of the fiscal year is less than the book value, the book value is reduced to the net selling price and the reduction is recognized as a valuation loss. The net selling price is estimated based on the selling price of each individual property, future business plans, etc.

b. Key assumptions
Key assumptions used in the calculation of the net selling price are future earnings and construction costs. These figures for the business plan are estimated based on the location, size, and merchantability of the property, transactions of similar properties, real estate market conditions, etc.

c. Effect on the consolidated financial statements for the next fiscal year ending January 31, 2026
If there are unexpected events such as deterioration in the economic environment and market conditions and any subsequent changes in key assumptions in the next fiscal year, the Group could report additional valuation losses.

(2) Valuation of non-current assets

(i) Amount recorded in the consolidated financial statements for the fiscal year under review.

Millions of yen

	Amount
Total property, plant and equipment	534,240
Total intangible assets	221,873
Impairment losses	147

(ii) Information on the nature of significant accounting estimates for identified items

a. Method of calculation of the amount recorded in the consolidated financial statements for the fiscal year under review

Real estate assets for investments are grouped by project, while other assets are grouped by operating unit, which allow the Group to manage gains and losses in a rational manner. Impairment is assessed for assets or groups of assets that show indications of impairment such as incurring consecutive operating losses or negative cash flows, a significant decline in market prices, or a change in use. When it is determined that an impairment loss should be recognized, the book value of the asset is reduced to its recoverable amount and the amount of the reduction is recognized as an impairment loss. The recoverable amount is the higher of the net selling price or the value in use. The net selling price for major real estate for investments is calculated by subtracting the estimated disposal cost from the appraised value obtained from a real estate appraiser. The net selling price of other assets is calculated by subtracting the estimated disposal cost from the appraised value calculated in accordance with the Real Estate Appraisal Standard or similar methods. The value in use is calculated by discounting the estimated future cash flows to the present value.

b. Key assumptions

Key assumptions used in estimating future cash flows and calculating recoverable amounts are rent, average daily rate (ADR), vacancy rate, occupancy rate, discount rate, and cap rate. Among them, rent, ADR, vacancy and occupancy rates are determined by comprehensively taking into account market trends, transactions of similar properties, past performance, etc. The discount rate is determined based on similar transactions, interest rate trends, etc. Cap rates for major real estate for investments are obtained from real estate appraisers.

c. Effect on the consolidated financial statements for the next fiscal year ending January 31, 2026

If there are any changes in key assumptions in the next fiscal year led by unexpected events such as deterioration in the economic environment and market conditions, the Group could report additional impairment losses.

3. Notes to the Consolidated Balance Sheets

(1) Collateralized assets and secured liabilities:

Millions of yen

Collateralized assets		Secured liabilities	
Type	Book value at the end of year	Details	Balance at the end of year
Investment securities Long-term loans receivable Others (Short-term loans receivable)	345	Liabilities of the subsidiary	—
Buildings for sale and land for sale in lots	68,973	Borrowing from financial institutions	39,872
		Deposits on contract with establishment of leasehold	22
Land	4,488	Borrowing from financial institutions	10,488
Buildings and structures	1,416	Deposits on contract with establishment of leasehold	427
		Long-term leasehold and guarantee deposits received	180
Total	75,223	Total	50,991

Note: In addition to those stated above, the Company deposited cash of ¥9,152 million in accordance with Act on Assurance of Performance of Specified Housing Defect Warranty and the like.

(2) Accumulated depreciation of property, plant and equipment ¥274,304 million

(3) Liabilities guaranteed:

(i) Liabilities guaranteed for repayment (for persons to have housing mortgage) ¥125,173 million

(ii) Liabilities guaranteed for repayment (for affiliated companies to borrow from the financial institutions) ¥53,315 million

(Additional information)

Changes in holding purpose of assets:

Real estate for sale of ¥4,187 million, that appeared under inventories as at the end of the previous consolidated fiscal year, has been reclassified under non-current assets. In addition, real estate for investments of ¥37,002 million, that appeared under non-current assets as at the end of the previous consolidated fiscal year, has been reclassified under inventories.

4. Notes to the Consolidated Statements of Changes in Net Assets

(1) Type and total number of shares issued at the end of the fiscal year under review:

Common shares 662,996,866 shares

(2) Matters related to dividends of surplus:

(i) Dividends paid to shareholders:

a. Matters related to the dividends paid pursuant to the resolution of the 73rd Ordinary General Meeting of Shareholders held on April 25, 2024:

Total amount of dividends:	¥41,479 million
Dividends per share:	¥64.00
Record date:	Jan. 31, 2024
Effective date:	Apr. 26, 2024

b. Matters related to the dividends (interim dividends) paid pursuant to the resolution of the meeting of the Board of Directors held on September 5, 2024:

Total amount of dividends:	¥41,488 million
Dividends per share:	¥64.00
Record date:	Jul. 31, 2024
Effective date:	Sep. 30, 2024

(ii) Dividends whose record date belongs to the fiscal year under review but whose effective date belongs to the next fiscal year:

The following proposal for dividends will be submitted to the 74th Ordinary General Meeting of Shareholders to be held on April 23, 2025:

Total amount of dividends:	¥46,026 million
Source of funds for dividends:	Retained earnings
Dividends per share:	¥71.00
Record date:	Jan. 31, 2025
Effective date:	Apr. 24, 2025

(3) Type and number of shares to be issued if all share acquisition rights are exercised at the end of the fiscal year under review:

Common shares 72,000 shares

5. Notes to Financial Instrument

(1) Matters related to the state of financial instruments

(i) Policy with regard to financial instruments activities:

The Company and its consolidated subsidiaries (the Group) cover the funds required for its business with its own funds as much as possible, while raising funds for any shortfall mainly through bank loans and issuance of corporate bonds and raising short-term working capital mainly through commercial paper. In addition, funds are managed using highly safe financial assets.

The Group raises funds in Japanese yen or in foreign currencies and at fixed interest rates or at variable interest rates. Redemption periods are determined by taking into consideration a comprehensive range of factors, including diversification of maturities and the financial environment.

Derivative transactions are used to avoid the risks described below, and the Group does not engage in speculative transactions.

(ii) Contents and risks of financial instruments:

Notes receivable, accounts receivable from completed construction contracts and other are exposed to the customers' credit risk. Securities and investment securities, primarily stock and investments in SPC and partnerships, are exposed to the risk associated with issuing entities' credit and market value fluctuations.

Notes payable, electronically recorded obligations - operating, accounts payable for construction contracts and the like are due within one year.

Borrowings with variable interest rates, borrowings denominated in foreign currencies, and bonds denominated in foreign currencies are exposed to the risk of fluctuations in interest rates and exchange rates.

Derivative transactions include forward foreign exchange contracts and currency swap for foreign currency-denominated monetary claims and debts of export and import transactions, and investment and lending for overseas subsidiaries, as well as interest-rate swap aimed at hedging

the risk of fluctuations in interest rates paid on borrowings and corporate bonds. Hedge instruments, targets, policies and methods of assessing hedge effectiveness are stated in *1. Notes to Significant Matters which are Basis for Preparation of Consolidated Financial Statements, (4) Summary of significant accounting standards, (vii) Main hedge accounting methods*.

(iii) Content of financial risk management systems:

a. Management of credit risk (risk related to counterparties' default, etc.)
The Accounting Department and the Finance Department of the Company, responsible divisions of each subsidiary and management division of each branch manage settlement date and amount due for each counterparty to monitor condition of debt collection to mitigate and grasp the default possibilities because of deterioration of financial condition.

b. Management of market risk (risk of fluctuations in stock prices, exchange rates, and interest rates)
With regard to securities and investment securities, the Group periodically examines market prices and financial condition of the issuing entities (business counterparties) and continually reviews its holdings.
With regard to the risk of fluctuations in exchange rates and interest rates, the Company aims to match assets to financing, and in some cases, uses derivative transactions such as currency swap contracts, interest-rate swap, and forward foreign exchange contracts as hedging instruments for individual contract.
The Group executes and manages derivative transactions within the limits of established internal rules and regulations, and reduces credit risk by limiting counterparties to highly creditworthy financial institutions.

c. Management of financing liquidity risk (the risk of not being able to pay the debt on due date)
The Finance Department of the Company and responsible divisions of each subsidiary make and renew financing plan timely based on reports from each branch and manage liquidity risk to maintain short-term liquidity. In addition, the Group secures several steady financing means by setting commitment lines and overdrafts. The Group establishes systems to supply funds to consolidated subsidiaries expeditiously by using cash management system and the like.

d. Supplemental information on the fair value of financial instruments
The fair value of financial instruments includes values based on market prices, as well as reasonably estimated values when no market price is available. The Group's estimates of the fair value of financial instruments include variable factors, and are subject to fluctuation due to changes in the underlying assumptions.

(2) Matters related to the fair value of financial instruments

Amounts stated in consolidated balance sheets, fair value and their differences as of January 31, 2025 are as follows. Shares, etc. without market prices are not included in the table below (see Note 1). Moreover, cash and deposits, notes receivable, accounts receivable from completed construction contracts and other, notes payable, accounts payable for construction contracts, electronically recorded obligations - operating, short-term bonds payable, and short-term borrowings have been omitted, as these are cash-based and market value approximates book value as settlements occur within a short period of time.

Millions of yen

	Amount stated in consolidated balance sheets	Fair value	Difference
Securities and investment securities			
Debt securities expected to be held to maturity	120	120	–
Securities of subsidiaries and affiliates	3,127	2,230	(897)
Other securities	87,011	87,011	–
Total assets	90,259	89,362	(897)
Bonds payable	620,129	610,995	(9,133)
Long-term borrowings	709,115	706,445	(2,669)
Total liabilities	1,329,244	1,317,441	(11,803)
Derivatives*	(3,386)	(3,386)	–

*The net balance of payables and receivables is shown, with parentheses indicating a net balance of payables.

Notes:

1. Shares, etc. without market prices

Millions of yen

Category	Amount stated in consolidated balance sheets
Unlisted shares	95,387
Investment to SPC, etc.	19,985

Shares, etc. without market prices are not included in "securities and investment securities" under assets. Equity investments in special purpose companies are accounted for based on Paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021, Accounting Standards Board of Japan), and are not subject to fair valuation disclosure.

2. Current portion of bonds payable and current portion of long-term borrowings are included in the amount stated in consolidated balance sheets for bonds payable and long-term borrowings and fair value.

(3) Breakdown of financial instruments by level of fair value

The fair value of financial instruments is classified into the following three levels based on the observability and significance of the inputs used to calculate fair value.

Level 1 fair value: Fair value calculated using (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 fair value: Fair value calculated using directly or indirectly observable inputs other than those in Level 1 fair value

Level 3 fair value: Fair value calculated using significant unobservable inputs

When multiple inputs that may have a material impact on the calculation of fair value are used, the calculated fair value is classified at the lowest level of the inputs used.

(i) Financial instruments carried on the consolidated balance sheets at fair value

Millions of yen

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Other securities				
Shares	87,011	–	–	87,011
Total assets	87,011	–	–	87,011
Derivatives				
Currency-related	–	3,386	–	3,386
Total liabilities	–	3,386	–	3,386

(ii) Financial instruments not carried on the consolidated balance sheets at fair value

Millions of yen

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Debt securities expected to be held to maturity				
Bonds	–	120	–	120
Securities of subsidiaries and affiliates	2,230	–	–	2,230
Total assets	2,230	120	–	2,350
Bonds payable	–	610,995	–	610,995
Long-term borrowings	–	706,445	–	706,445
Total liabilities	–	1,317,441	–	1,317,441

Note: Explanation of the valuation techniques and inputs used to calculate fair value

Securities and investment securities

The fair value of securities for which market prices in active markets are available is classified as Level 1. The fair value of debt securities expected to be held to maturity is calculated as the present value of the sum of principal and interest amounts, discounted using an interest rate that reflects the remaining term of the debt security and credit risk, and is classified as Level 2 fair value.

Derivatives

The fair value of derivatives is measured based on prices provided by counterparty financial institutions, and classified as Level 2 fair value.

Bonds payable

The fair value of bonds payable is measured based on information such as prices and yields published by industry bodies and others, and classified as Level 2 fair value. The fair value of bonds payable with a fixed interest rate is calculated based on the present value obtained by discounting the sum of principal and interest amounts using an interest rate corresponding to the remaining term of the bonds payable, and is classified as Level 2 fair value.

Long-term borrowings

Out of long-term borrowings, since the current market price of long-term borrowings with floating rate interest is deemed equivalent to the book value, it is evaluated by the book value. The current market value of long-term borrowings with fixed interest rate is evaluated by the present value thereof calculated by discounting a total of the principal and accumulated interest by an interest rate based on the term of the loan.

6. Notes to Leasehold Properties and Other Types of Real Estate

(1) Matters related to the state of leasehold properties and other types of real estate

The Company and some subsidiaries own houses and office buildings, etc. for leasing in Tokyo and other areas.

(2) Matters related to fair value of leasehold properties and other types of real estate

Millions of yen

Amount stated in consolidated balance sheets	Fair value
394,436	480,298

Notes:

1. The above amount stated in consolidated balance sheets is calculated by deducting the accumulated depreciation from the acquisition cost.
2. Amounts based on real estate appraisal by independent real estate appraiser are adopted as the market value of major properties. Other properties adopted the value which the Company estimated based on Real Estate Appraisal Standard as the market value.

7. Notes to Revenue Recognition

(1) Disaggregation of revenue from contracts with customers

Millions of yen

	Business segment					
	Detached Houses Business	Rental Housing and Commercial Buildings Business	Architectural/ Civil Engineering Business	Rental Housing Management Business	Remodeling Business	Development Business
Contracting and sales	478,994	536,984	322,426	–	182,369	509,364
Real estate management and other	4	0	29	680,651	–	57,781
Net sales to external customers	478,998	536,984	322,456	680,651	182,369	567,145
Other revenue (Note)	4	0	29	595,305	–	63,969
Revenue from contracts with customers	478,994	536,984	322,426	85,345	182,369	503,175

	Business segment	Other Businesses	Total
	Overseas Business		
Contracting and sales	1,257,750	1,953	3,289,844
Real estate management and other	20,761	9,510	768,739
Net sales to external customers	1,278,511	11,464	4,058,583
Other revenue (Note)	18,531	1,502	679,343
Revenue from contracts with customers	1,259,979	9,962	3,379,239

Note:

Other revenue includes lease income based on the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, March 30, 2007) and the transfer of real estate (including real estate trust beneficiary rights) subject to "Practical Guidelines for Accounting Treatment of Real Estate Securitization Using Special Purpose Entities by Transferors" (Accounting System Committee Report No. 15, November 4, 2014).

(2) Information fundamental to an understanding of revenue from contracts with customers

The payment of considerations for transactions in the Company's main businesses is generally received within one year after the Company satisfies its performance obligations, and do not include any material element of finance. There are no material considerations for which the amount of the consideration may vary.

(i) Contracting and sales

For build-to-order transactions, the Company concludes construction contracts with customers. The Company's performance obligations based on these contracts include undertaking construction and delivering the completed buildings or other works to the customers. The Company considers that these performance obligations are satisfied over time, and recognizes revenue under these contracts based on the degree of progress towards satisfying these performance obligations. The input method is used to estimate the degree of progress, where the actual costs incurred are measured as a proportion of the total construction costs.

For construction contracts, etc. where the construction period is extremely short, the Company applies an alternative treatment whereby revenue is recognized when performance obligations have been fully satisfied.

For real estate sales transactions, the Company concludes sales contracts with customers. The Company's performance obligations based on these contracts include delivering the property to the customer. The Company considers that these performance obligations are satisfied at the point in time when the property is delivered to the customer, and recognizes revenue under these contracts when the property is delivered to the customer.

(ii) Real estate management and other

For real estate lease transactions, which are the main form of real estate management, the Company recognizes revenue over the term of the lease, based on "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13). This revenue is included in "other revenue."

For real estate management transactions, the Company concludes management service contracts with customers. The Company's performance obligations based on these contracts include providing building management services to the customer. Revenue from these contracts is recognized as performance obligations are satisfied, either at a point in time or over time, in accordance with the content of the performance obligations.

(3) Information to enable an understanding of the amount of revenue for the fiscal year under review and the next fiscal year onward

(i) Balance of contract assets and contract liabilities

Millions of yen

	Fiscal year ended January 31, 2025
Receivables from contracts with customers (at the start of the fiscal year)	33,071
Receivables from contracts with customers (at the end of the fiscal year)	33,482
Contract assets (at the start of the fiscal year)	142,138
Contract assets (at the end of the fiscal year)	176,262
Contract liabilities (at the start of the fiscal year)	159,309
Contract liabilities (at the end of the fiscal year)	167,770

Contract assets relate to the rights held by the Company and its consolidated subsidiaries to receive consideration under construction contracts with customers for which revenue has been recognized due to progress in satisfying performance obligations but not yet invoiced as of the end of the fiscal year. Contract assets are transferred to receivables from contracts with customers at the time when the rights held by the Company and its consolidated subsidiaries to receive consideration become unconditional. Consideration under these construction contracts is invoiced and received based on the payment terms set forth in each contract.

Contract liabilities relate to advances received on uncompleted construction contracts, which are received from customers based on construction contracts, and deposits and similar payments received from customers based on real estate sales contracts. Contract liabilities are reversed as revenue is recognized.

Of the revenue recognized in the fiscal year under review, ¥155,115 million was included in contract liabilities at the start of the fiscal year.

(ii) Transaction price allocated to remaining performance obligations

The total transaction amount allocated to remaining performance obligations as of the end of the fiscal year under review was ¥1,754,577 million. The Company expects to recognize revenue for this amount within a maximum of 11 years.

The Company has applied practical expediency and omitted notes for amounts for which the initially expected contract term is one year or less.

8. Notes to the Information per Share

(1)	**Net assets per share**	¥3,027.64
(2)	**Profit per share**	¥335.95

9. Other Notes

(Business combinations)

Business combinations through acquisition

(1) Overview of business combination

(i) Name and business description of acquired company

Name of acquired company: M.D.C. Holdings, Inc. and 33 other companies

Business description: Operating homebuilding businesses and other related businesses

(ii) Main reason for business combination

To achieve the Group's target of delivering 10,000 homes annually in overseas markets by FY2025 and further expand the Group's business area in the United States, the Company made M.D.C. Holdings, Inc., a listed homebuilder operating in 16 states, a wholly owned subsidiary.

(iii) Date of business combination

April 19, 2024

(iv) Legal form of business combination

SH Residential Holdings, LLC, a consolidated subsidiary of the Company, acquired all shares of M.D.C. Holdings, Inc. for cash consideration through a scheme in which M.D.C. Holdings, Inc. (the surviving company after the merger) merged with Clear Line, Inc., a wholly owned subsidiary of SH Residential Holdings, LLC.

(v) Company name after business combination

The company name remains the same.

(vi) Percentage of voting rights acquired

100%

(vii) Main basis for determining the acquired company

SH Residential Holdings, LLC, a consolidated subsidiary of the Company, acquired the shares for cash consideration.

(2) Period of the acquired company's financial results included in the consolidated financial statements

From April 20, 2024 to December 31, 2024

(3) Breakdown of acquisition cost and type of consideration for the acquired company

Consideration for acquisition	Cash	¥653,635 million
Acquisition cost		¥653,635 million

(4) Breakdown and amount of main acquisition-related expenses

Advisory fees, etc.: ¥4,719 million

(5) Amount of goodwill generated, reason for generation, amortization method and period

(i) Amount of goodwill generated

¥125,389 million

(ii) Reason for generation

The acquisition cost exceeded the fair value of net assets at the time of the business combination.

(iii) Amortization method and period

Amortization over 10 years using the straight-line method

(6) Amount and breakdown of assets acquired and liabilities assumed on the date of business combination

Current assets	¥766,774 million
Non-current assets	¥78,203 million
Total assets	¥844,978 million
Current liabilities	¥64,850 million
Non-current liabilities	¥251,881 million
Total liabilities	¥316,732 million

Note: Amounts of the Consolidated Financial Statements are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

The Non-Consolidated Financial Statements for the 74th Fiscal Year

NON-CONSOLIDATED BALANCE SHEETS

(As of January 31, 2025)

Millions of yen

Assets	**2,340,322**	**Liabilities**	**1,316,329**
Current assets	**809,261**	**Current liabilities**	**685,721**
Cash and deposits	57,391	Notes payable - trade	3,623
Notes receivable - trade	171	Electronically recorded obligations - operating	42,120
Electronically recorded monetary claims - operating	5	Accounts payable - trade	21,641
Accounts receivable from completed construction contracts	44,870	Accounts payable for construction contracts	45,958
		Short-term bonds payable	40,000
Accounts receivable - real estate business	2,702	Short-term borrowings	140,227
Costs on construction contracts in progress	2,345	Current portion of long-term borrowings	25,000
Buildings for sale	61,867	Lease liabilities	263
Land for sale in lots	312,017	Accounts payable - other	18,620
Undeveloped land for sale	48,079	Accrued expenses	15,424
Semi-finished goods and work in process	4,887	Income taxes payable	16,019
Raw materials and supplies	3,553	Accrued consumption taxes	11,394
Advance payments to suppliers	662	Advances received on construction contracts in progress	115,490
Prepaid expenses	9,074	Advances received	16,380
Short-term loans receivable	239,519	Deposits received	145,066
Accounts receivable - other	14,739	Provision for bonuses	24,815
Other	8,160	Provision for bonuses for directors (and other officers)	286
Allowance for doubtful accounts	(787)	Provision for warranties for completed construction	2,765
		Asset retirement obligations	624
Non-current assets	**1,531,060**	**Non-current liabilities**	**630,607**
Property, plant and equipment	**351,445**	Bonds payable	404,187
Buildings	95,329	Long-term borrowings	189,936
Structures	4,297	Lease liabilities	1,469
Machinery and equipment	9,472	Long-term leasehold and guarantee deposits received	8,238
Vehicles	29		
Tools, furniture and fixtures	4,710	Provision for retirement benefits	21,190
Land	194,241	Asset retirement obligations	842
Leased assets	1,561	Other	4,742
Construction in progress	41,803		
Intangible assets	**24,941**	**Net assets**	**1,023,993**
Industrial property	17	**Shareholders' equity**	**988,900**
Leasehold interests in land	2,517	**Share capital**	**203,094**
Software	22,278	**Capital surplus**	**258,847**
Right to use facilities	17	Legal capital surplus	258,847
Telephone subscription right	111	**Retained earnings**	**567,746**
		Legal retained earnings	23,128
Investments and other assets	**1,154,674**	Other retained earnings	544,617
Investment securities	77,342	Reserve for dividends	18,000
Shares of subsidiaries and associates	881,424	General reserve	345,800
Investments in other securities of subsidiaries and associates	25,589	Retained earnings brought forward	180,817
Long-term loans receivable	135,055	**Treasury shares**	**(40,788)**
Leasehold and guarantee deposits	12,937	**Valuation and translation adjustments**	**35,005**
Long-term prepaid expenses	1,451		
Prepaid pension costs	10,779	**Valuation difference on available-for-sale securities**	**35,005**
Deferred tax assets	4,341		
Other	8,394	**Share acquisition rights**	**87**
Allowance for doubtful accounts	(2,641)		
Total assets	**2,340,322**	**Total liabilities and net assets**	**2,340,322**

NON-CONSOLIDATED STATEMENTS OF INCOME	
From February 1, 2024 to January 31, 2025	
Millions of yen	
Net sales	**1,312,172**
Net sales of completed construction contracts	1,016,650
Sales in real estate business	295,522
Cost of sales	**1,025,626**
Cost of sales of completed construction contracts	790,414
Cost of sales in real estate business	235,211
Gross profit	**286,545**
Gross profit on completed construction contracts	226,235
Gross profit - real estate business	60,310
Selling, general and administrative expenses	**184,364**
Operating profit	**102,181**
Non-operating income	**103,364**
Interest and dividend income	97,189
Other	6,174
Non-operating expenses	**21,774**
Interest expenses	9,810
Interest expenses on bonds	4,609
Bond issuance costs	2,196
Other	5,157
Ordinary profit	**183,771**
Extraordinary income	**23,460**
Gain on sale of investment securities	19,312
Gain on sale of shares of subsidiaries and associates	2,583
Gain on liquidation of subsidiaries and associates	1,564
Extraordinary losses	**2,064**
Loss on valuation of shares of subsidiaries and associates	921
Loss on sale and retirement of non-current assets	894
Loss on liquidation of subsidiaries and associates	220
Impairment losses	28
Profit before income taxes	**205,166**
Total income taxes	**27,819**
Income taxes - current	24,969
Income taxes - deferred	2,850
Profit	**177,347**

NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS								
From February 1, 2024 to January 31, 2025								
Millions of yen								
	Shareholders' equity							
		Capital surplus		Retained earnings				
					Other retained earnings			
	Share capital	Legal capital surplus	Total capital surplus	Legal retained earnings	Reserve for dividends	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	**202,854**	**258,608**	**258,608**	**23,128**	**18,000**	**295,800**	**136,464**	**473,393**
Changes during period								
Issuance of new shares	239	239	239	–	–	–	–	–
Dividends of surplus	–	–	–	–	–	–	(82,968)	(82,968)
Profit	–	–	–	–	–	–	177,347	177,347
Purchase of treasury shares	–	–	–	–	–	–	–	–
Disposal of treasury shares	–	–	–	–	–	–	(26)	(26)
Provision of general reserve	–	–	–	–	–	50,000	(50,000)	–
Net changes in items other than shareholders' equity	–	–	–	–	–	–	–	–
Total changes during period	239	239	239	–	–	50,000	44,353	94,353
Balance at end of period	**203,094**	**258,847**	**258,847**	**23,128**	**18,000**	**345,800**	**180,817**	**567,746**

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	**(40,808)**	**894,046**	**44,288**	**44,288**	**100**	**938,436**
Changes during period						
Issuance of new shares	–	479	–	–	–	479
Dividends of surplus	–	(82,968)	–	–	–	(82,968)
Profit	–	177,347	–	–	–	177,347
Purchase of treasury shares	(18)	(18)	–	–	–	(18)
Disposal of treasury shares	38	12	–	–	–	12
Provision of general reserve	–	–	–	–	–	–
Net changes in items other than shareholders' equity	–	–	(9,283)	(9,283)	(12)	(9,295)
Total changes during period	20	94,853	(9,283)	(9,283)	(12)	85,557
Balance at end of period	**(40,788)**	**988,900**	**35,005**	**35,005**	**87**	**1,023,993**

Note: Amounts of the Non-Consolidated Financial Statements are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

(1) Basis and method of valuation of assets:

(i) Securities:

a. Debt securities expected to be held to maturity:
Amortized cost (straight-line) method

b. Shares held in subsidiaries or affiliated companies:
At cost based on the moving average method

c. Other securities:

- Securities apart from shares, etc. without market prices:
Market value method
(Valuation gains and losses resulting are calculated by the full net assets costing method; cost of disposal is calculated by the moving average method)
- Shares, etc. without market prices:
At cost based on the moving average method

(ii) Derivatives: Market value method

(iii) Inventories:

- Costs on construction contracts in progress, buildings for sale, land for sale in lots, and undeveloped land for sale:
At cost based on individual cost method (The book value is written down to the net realizable value in cases where there has been a material decline in value)
- Semi-finished goods and work in process, raw materials and supplies:
At cost based on moving average method (The book value is written down to the net realizable value in cases where there has been a material decline in value)

(2) Depreciation of non-current assets:

Property, plant and equipment (excluding leased assets):

The Company applies the straight-line method to buildings (excluding attached structures) and facilities attached to buildings and structures acquired on and after April 1, 2016, and applies the declining-balance method to other property, plant and equipment. Expected life of assets is calculated to standards in accordance with corporate tax regulations.

Intangible assets (excluding leased assets):

The Company applies the straight-line method to intangible assets. Expected life of assets is calculated to standards in accordance with corporate tax regulations, except for company-use software, which is straight-line depreciated over its expected useful life of 5 years.

Leased assets:

With respect to leased assets for finance lease transactions other than those involving a transfer of ownership, the Company applies the straight-line method to such finance leases, where the useful lives of the assets are the terms of leases and the residual values of the assets are deemed zero.

(3) Basis for accounting for allowances:

Allowance for doubtful accounts:

To provide for losses on doubtful accounts, the Company makes provisions for general debtors based on actual historical collection rates and for specific debtors where collection is doubtful based on estimates of the amount collectible.

Provision for bonuses:

To prepare for bonus payments to employees, the Company provides for the estimated appropriate amount in the relevant fiscal year.

Provision for bonuses for directors (and other officers):

To prepare for bonus payments to Directors of the Board, the Company provides for the estimated amount.

Provision for warranties for completed construction:

Provisions for losses and guarantee expenses due to post-completion defects are recorded based on historical repair and other costs arising from completed construction and buildings for sale.

Provision for retirement benefits:

To prepare for future retirement payments to employees, the Company makes provisions in the amount accrued at the end of the fiscal year under review based on the estimated total retirement obligations and pension assets. Method for reflecting the expected retirement benefit in the period and method of accounting for actuarial calculation differences and past service obligations are stated below.

(i) Method for reflecting the expected retirement benefit in the period:
In conjunction with the calculation of retirement benefit obligations, benefit formula attribution is adopted as the method for reflecting the expected retirement benefit in the period up until the end of the fiscal year under review.

(ii) Method of accounting for actuarial calculation differences and past service obligations
In conjunction with actuarial calculation differences and past service obligations, pro rata amounts calculated from the 5-year fixed amount method are to be reflected as expenses in the year following the fiscal year in which such expenses are accrued. As for past service obligations, pro rata amounts calculated from the 5-year fixed amount method are to be reflected as expenses in the consolidated fiscal year in which such expenses are accrued.

(4) Basis for accounting for income and expenses:

(i) Revenue from contracts with customers
The content of the main performance obligations and the time when these performance obligations are usually satisfied (the usual timing of revenue recognition) for the major businesses that generate revenue from contracts with customers of the Company are shown below.

a. Build-to-order transactions:
For build-to-order transactions, the Company concludes construction contracts with customers. The Company's performance obligations based on these contracts include undertaking construction and delivering the completed buildings or other works to the customer. The Company considers that these performance obligations are satisfied over time, and recognizes revenue under these contracts based on the degree of progress towards satisfying these performance obligations. The input method is used to estimate the degree of progress, where the actual costs incurred are measured as a proportion of the total construction costs.
For construction contracts, etc. where the construction period is extremely short, the Company applies an alternative treatment whereby revenue is recognized when performance obligations have been fully satisfied.

b. Real estate sales transactions
For real estate sales transactions, the Company concludes sales contracts with customers. The Company's performance obligations based on these contracts include delivering the property to the customer. The Company considers that these performance obligations are satisfied at the point in time when the property is delivered to the customer, and recognizes revenue under these contracts when the property is delivered to the customer.

(ii) Other revenue
For real estate lease transactions, the Company recognizes revenue over the term of the lease, based on "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13).

(5) Hedge accounting methods:

(i) Hedge accounting methods:
The Company accounts for hedging activities under deferral hedge accounting. Furiate-shori (accounting method in which the current and forward rate difference is allocated by period length for the calculation at the accounting period) is applied to forward foreign exchanges contracts and currency swap contracts which conform to the requirements of such hedge accounting. Special treatment is applied to interest-rate swap which conforms to the requirements of such hedge accounting.

(ii) Hedging instruments and targets:
The Company hedges foreign currency cash debts and forward transactions with exchange forward contracts and currency swap contracts.
The Company hedges loans with interest-rate swap.

(iii) Hedging policies:
The Company uses derivatives transactions with the aim of avoiding losses from fluctuations in exchange rates and interest rates.
The use of exchange forward contracts does not exceed the amount of foreign currency transactions. The assumed principal balance subject to interest-swap transactions does not exceed the relevant interest-bearing debts outstanding.

(iv) Methods of assessing hedge effectiveness:
The Company omits to assess the effectiveness of hedging because the main conditions match with regard to the relevant transactions and hedge targets, and the cash flow is fixed.

(6) Accounting for consumption taxes

The amount in excess of consumption taxes not subject to deductions are expensed in the fiscal year in which they arise.

(7) Basis for translating foreign currency-denominated assets and liabilities into yen:

For foreign currency-denominated monetary claims and debts, the Company translates into yen at the rates of exchange prevailing on the non-consolidated balance sheets date. Translation differences are stated in the statements of income.

2. Notes to Accounting Estimates

(1) Valuation of real estate for sale

(i) Amount recorded in the non-consolidated financial statements for the fiscal year under review.

Millions of yen

	Amount
Buildings for sale	61,867
Land for sale in lots	312,017
Undeveloped land for sale	48,079
Amount of loss on valuation (Cost of sales)	1,171

(ii) Information on the nature of significant accounting estimates for identified items

a. Method of calculation of the amount recorded in the non-consolidated financial statements for the fiscal year under review

For real estate for sale, if the net selling price at the end of the fiscal year is less than the book value, the book value is reduced to the net selling price and the reduction is recognized as a valuation loss. The net selling price is estimated based on the selling price of each individual property, future business plans, etc.

b. Key assumptions

Key assumptions used in the calculation of the net selling price are future earnings and construction costs. These figures for the business plan are estimated based on the location, size, and merchantability of the property, transactions of similar properties, real estate market conditions, etc.

c. Effect on the non-consolidated financial statements for the next fiscal year ending January 31, 2026

If there are unexpected events such as deterioration in the economic environment and market conditions and any subsequent changes in key assumptions in the next fiscal year, the Company could report additional valuation losses.

(2) Valuation of non-current assets

(i) Amount recorded in the non-consolidated financial statements for the fiscal year under review.

Millions of yen

	Amount
Total property, plant and equipment	351,445
Total intangible assets	24,941
Impairment losses	28

(ii) Information on the nature of significant accounting estimates for identified items

a. Method of calculation of the amount recorded in the non-consolidated financial statements for the fiscal year under review

Real estate assets for investments are grouped by project, while other assets are grouped by operating unit, which allow the Group to manage gains and losses in a rational manner. Impairment is assessed for assets or groups of assets that show indications of impairment such as incurring consecutive operating losses or negative cash flows, a significant decline in market prices, or a change in use. When it is determined that an impairment loss should be recognized, the book value of the asset is reduced to its recoverable amount and the amount of the reduction is recognized as an impairment loss. The recoverable amount is the higher of the net selling price or the value in use. The net selling price for major real estate for investments is calculated by subtracting the estimated disposal cost from the appraised value obtained from a real estate appraiser. The net selling price of other assets is calculated by subtracting the estimated disposal cost from the appraised value calculated in accordance with the Real Estate Appraisal Standard or similar methods. The value in use is calculated by discounting the estimated future cash flows to the present value.

b. Key assumptions

Key assumptions used in estimating future cash flows and calculating recoverable amounts are rent, average daily rate (ADR), vacancy rate, occupancy rate, discount rate, and cap rate. Among them, rent, ADR, vacancy and occupancy rates are determined by comprehensively taking into account market trends, transactions of similar properties, past performance, etc. The discount rate is determined based on similar transactions, interest rate trends, etc. Cap rates for major real estate for investments are obtained from real estate appraisers.

c. Effect on the non-consolidated financial statements for the next fiscal year ending January 31, 2026

If there are any changes in key assumptions in the next fiscal year led by unexpected events such as deterioration in the economic environment and market conditions, the Company could report additional impairment losses.

2. Notes to the Non-Consolidated Balance Sheets

(1) Collateralized assets and secured liabilities

Millions of yen

Collateralized assets		Secured liabilities	
Type	Book value at the end of year	Details	Balance at the end of year
Investment securities	321	Liabilities of the subsidiary	—
Land	1,120	Deposits on contract with establishment of leasehold	427
Total	1,441	Total	427

Note: Apart from that stated above, the Company deposited cash of ¥7,070 million in accordance with Act on Assurance of Performance of Specified Housing Defect Warranty and the like.

(2) Accumulated depreciation of property, plant and equipment ¥196,602 million

(3) Liabilities guaranteed

Liabilities guaranteed for repayment (for persons to have housing mortgage)	¥125,173 million
Liabilities guaranteed for repayment (for affiliated companies to borrow from the financial institutions)	¥531,283 million

(4) Pecuniary claims and debts to affiliated companies

Short-term pecuniary claims to subsidiaries	¥246,172 million
Long-term pecuniary claims to subsidiaries	¥133,247 million
Short-term pecuniary debts to subsidiaries	¥147,257 million

(Additional information)

Changes in holding purpose of assets:

Real estate for investments of ¥10,102 million, that appeared under non-current assets as at the end of the previous fiscal year, has been reclassified under inventories.

3. Notes to the Non-Consolidated Statements of Income

Transactions with subsidiaries

Sales to subsidiaries	¥18,007 million
Purchases from subsidiaries	¥236,247 million
Non-operating transactions	¥95,538 million

4. Notes to the Non-Consolidated Statements of Change in Net Assets

Type and numbers of treasury shares

Type of shares	Common shares
Number of treasury shares (non-consolidated) as of Jan. 31, 2024	14,738,819 shares
Number of shares increased	5,143 shares
Number of shares decreased	14,000 shares
Number of treasury shares (non-consolidated) as of Jan. 31, 2025	14,729,962 shares

Notes:

1. Breakdown of the number of increased shares held in treasury
   Increase due to repurchases of fractional shares: 5,143 shares
2. Breakdown of the number of decreased shares held in treasury
   Decrease due to exercise of stock options: 14,000 shares

5. Notes to Revenue Recognition

Information fundamental to an understanding of revenue from contracts with customers

As presented in the Notes to the Consolidated Financial Statements.

6. Notes to Tax Effect Accounting

Significant components of deferred tax assets and liabilities

Millions of yen

Deferred tax assets	
Provision for bonuses	7,568
Provision for retirement benefits	6,624
Loss on valuation of real estate for sale	3,273
Accumulated impairment losses	3,031
Accrued social insurance premium	1,127
Allowance for doubtful accounts	1,045
Accrued enterprise taxes	882
Loss on valuation of investment securities	502
Other	4,034
Subtotal deferred tax assets	28,090
Valuation allowance	(5,557)
Total deferred tax assets	22,532

Deferred tax liabilities	
Valuation difference on available-for-sale securities	(14,642)
Other	(3,548)
Total deferred tax liabilities	(18,191)
Net deferred tax assets and net deferred tax liabilities	4,341

Note: The main valuation allowances are loss on valuation of shares of subsidiaries and accumulated impairment losses that were judged non-deferrable.

7. Notes to Transaction with Related Parties

(1) Subsidiaries and affiliated companies, etc.

Type	Company name	Percentage of owning (owned) voting rights	Business relationship	Description of transaction	Transaction amount (million yen)	Account	Balance at January 31, 2025 (million yen)
Subsidiary	Sekisui House Remodeling, Ltd.	(owning) Directly 100%	Remodeling of houses built by the Company	Deposits through cash management systems	(Note 1) 1,529	Deposits received	43,850
Subsidiary	SEKISUI HOUSE US HOLDINGS, LLC	(owning) Directly 100%	Loan to the company	Loan of funds	(Note 2) 1,856	Long-term loans receivable	(Note 2) 59,139
			Subscription to an increase of capital by the company	Subscription to an increase of capital	(Note 3) 415,227	–	–
Subsidiary	SH RESIDENTIAL HOLDINGS, LLC	(owning) Indirectly 100%	Loan to the company	Loan of funds	(Note 2) 239,366	Short-term loans receivable	(Note 2) 239,366
Subsidiary	NORTH AMERICA SEKISUI HOUSE, LLC	(owning) Indirectly 100%	Loan to the company	Loan of funds	(Note 2) 43,756	Long-term loans receivable	(Note 2) 43,756
Subsidiary	NASH FINANCING, LLC	(owning) Indirectly 100%	Guarantee of the loan liabilities by the company	Guarantee of the loan liabilities	327,115	–	–
Subsidiary	SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED	(owning) Directly 100%	Guarantee of the loan liabilities by the company	Guarantee of the loan liabilities	66,311	–	–
Subsidiary	WOODSIDE HOMES COMPANY, LLC	(owning) Indirectly 100%	Guarantee of the loan liabilities by the company	Guarantee of the loan liabilities	50,961	–	–

Notes:
1. The figure indicates a net increase or decrease during the period. Interest rates are reasonably determined in consideration of market interest rates.
2. The transaction amount does not include foreign exchange gains or losses, but the balance at January 31, 2025 includes foreign exchange gains or losses.
3. The subscription to an increase of capital refers to the subscription to the entire amount of the capital increase by the subsidiary.

(2) Directors of the Board, Audit and Supervisory Board Members, major individual shareholders, etc.

Type	Name	Percentage of owning (owned) voting rights	Relationship with the related party	Description of transaction	Transaction amount (million yen)	Account	Balance at January 31, 2025 (million yen)
Director of the Board	Yoshihiro Nakai	(owned) Directly 0.02%	Representative Director of the Board of the Company	In-kind contribution of monetary remuneration claims	(Note 1) 79	–	–
Director of the Board	Yosuke Horiuchi	(owned) Directly 0.01%	Representative Director of the Board of the Company	In-kind contribution of monetary remuneration claims	(Note 1) 58	–	–
				Sale of condominiums	(Note 2) 197	–	–
Director of the Board	Satoshi Tanaka	(owned) Directly 0.00%	Representative Director of the Board of the Company	In-kind contribution of monetary remuneration claims	(Note 1) 52	–	–
Director of the Board	Toru Ishii	(owned) Directly 0.00%	Director of the Board of the Company	In-kind contribution of monetary remuneration claims	(Note 1) 25	–	–
Director of the Board	Hiroshi Shinozaki	(owned) Directly 0.00%	Director of the Board of the Company	In-kind contribution of monetary remuneration claims	(Note 1) 18	–	–

Notes: 1. In-kind contribution of monetary remuneration claims under the restricted stock (RS) remuneration plan and performance share units (PSU).
2. The prices for the sale of condominiums are determined in the same manner as the terms and conditions for general transactions.

8. Notes to the Information per Share

(1) Net assets per share ¥1,579.45

(2) Profit per share ¥273.60

Note:
Amounts of the Non-Consolidated Financial Statements are given in the stated unit of the presentation, by disregarding any amount less than the stated unit of the presentation.

Accounting Auditor's Report on Consolidated Financial Statements

REPORT OF INDEPENDENT AUDITOR

March 14, 2025

The Board of Directors
Sekisui House, Ltd.

From: Ernst & Young ShinNihon LLC
Osaka office
Shin Ichinose
Designated and Engagement Partner
Certified Public Accountant
Yusaku Iriyama
Designated and Engagement Partner
Certified Public Accountant
Masashi Kobayashi
Designated and Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying Consolidated Financial Statements, which comprise the Consolidated Balance Sheets, the Consolidated Statements of Income, the Consolidated Statements of Changes in Net Assets and the Notes to the Consolidated Financial Statements of Sekisui House, Ltd. (the "Company") applicable to the fiscal year from February 1, 2024 through January 31, 2025.

In our opinion, the Consolidated Financial Statements referred to above present fairly in all material respects, the financial position and results of operations of the Sekisui House Group, which consists of the Company and its consolidated subsidiaries in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "*Auditor's Responsibility for the Audit of the Consolidated Financial Statements*." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

Other information comprises the Business Report and the related supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing the execution of duties by Directors of the Board related to designing and operating the reporting process for other information.

Our audit opinion on the Consolidated Financial Statements does not cover the other information, and we express no opinion upon it.

Our responsibility for the audit of the Consolidated Financial Statements is to review the other information and, in this process, to consider whether any material inconsistencies exist between the other information and the Consolidated Financial Statements or the knowledge that we have obtained in the audit process; also, to remain alert for any indications of other material misstatements in the other information apart from such material inconsistencies.

We are required to report any matter that we consider constitutes a material misstatement in other information, based on the work we have undertaken.

We have nothing to report in this regard.

Responsibilities of Management, Audit and Supervisory Board Members and the Audit and Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for evaluating whether it is appropriate to prepare the Consolidated Financial Statements in accordance with the assumption of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for supervising execution of duties by Directors of the Board related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the Consolidated Financial Statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users made on the basis of the Consolidated Financial Statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for our audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the Consolidated Financial Statements on the assumption of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the assumption of a going concern, the auditor is required to call attention to the Notes to the Consolidated Financial Statements in the audit report, or if the Notes to the Consolidated Financial Statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the Consolidated Financial Statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides evaluating whether the presentation of and notes to the Consolidated Financial Statements are in accordance with accounting principles generally accepted in Japan, evaluate the presentation, structure, and content of the Consolidated Financial Statements including related notes, and whether the Consolidated Financial Statements fairly present the transactions and accounting events on which they are based.
- Plan and implement the audit of the Consolidated Financial Statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries, which provides a basis for our audit opinion on the Consolidated Financial Statements. The auditor is responsible for instructing, supervising, and reviewing the audit of the Consolidated Financial Statements, and is solely responsible for the audit opinion.

The auditor reports to Audit and Supervisory Board Members and the Audit and Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit and Supervisory Board Members and the Audit and Supervisory Board regarding the observance of the independence provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, any countermeasures that are in place to eliminate obstacles, and any safeguards that are applied to reduce obstacles to an acceptable level.

Conflicts of Interest

We have no interest in the Company or its consolidated subsidiaries which should be disclosed in compliance with the Certified Public Accountants Act.

- End -

Accounting Auditor's Report on Non-Consolidated Financial Statements

REPORT OF INDEPENDENT AUDITOR

March 14, 2025

The Board of Directors
Sekisui House, Ltd.

From: Ernst & Young ShinNihon LLC
Osaka office
Shin Ichinose
Designated and Engagement Partner
Certified Public Accountant
Yusaku Iriyama
Designated and Engagement Partner
Certified Public Accountant
Masashi Kobayashi
Designated and Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying Non-Consolidated Financial Statements, which comprise the Non-Consolidated Balance Sheets, the Non-Consolidated Statements of Income, the Non-Consolidated Statement of Changes in Net Assets, the Notes to the Non-Consolidated Financial Statements and the related supplementary schedules (the "Non-Consolidated Financial Statements, etc.") of Sekisui House, Ltd. (the "Company") applicable to the 74th fiscal year from February 1, 2024 through January 31, 2025.

In our opinion, the Non-Consolidated Financial Statements, etc. referred to above present fairly in all material respects, the financial position and results of operations of the Company in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "*Auditor's Responsibility for the Audit of the Non-Consolidated Financial Statements, etc.*" We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

Other information comprises the Business Report and the related supplementary schedules. Management is responsible for the preparation and disclosure of the other information. In addition, the Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for overseeing the execution of duties by Directors of the Board related to designing and operating the reporting process for other information.

Our audit opinion on the Non-Consolidated Financial Statements, etc. does not cover the other information, and we express no opinion upon it.

Our responsibility for the audit of the Non-Consolidated Financial Statements, etc. is to review the other information and, in this process, to consider whether any material inconsistencies exist between the other information and the Non-Consolidated Financial Statements, etc. or the knowledge that we have obtained in the audit process; also, to remain alert for any indications of other material misstatements in the other information apart from such material inconsistencies.

We are required to report any matter that we consider constitutes a material misstatement in other information, based on the work we have undertaken.

We have nothing to report in this regard.

Responsibilities of Management, Audit and Supervisory Board Members and the Audit and Supervisory Board for the Non-Consolidated Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the Non-Consolidated Financial Statements, etc. in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the Non-Consolidated Financial Statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the Non-Consolidated Financial Statements, etc., management is responsible for evaluating whether it is appropriate to prepare the Non-Consolidated Financial Statements, etc. in accordance with the assumption of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit and Supervisory Board Members and the Audit and Supervisory Board are responsible for supervising execution of duties by Directors of the Board related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Non-Consolidated Financial Statements, etc.

Our responsibility is to obtain reasonable assurance about whether the Non-Consolidated Financial Statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the Non-Consolidated Financial Statements, etc. from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users made on the basis of the Non-Consolidated Financial Statements, etc.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for our audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the Non-Consolidated Financial Statements, etc. on the assumption of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the assumption of a going concern, the auditor is required to call attention to the Notes to the Non-Consolidated Financial Statements, etc. in the audit report, or if the Notes to the Non-Consolidated Financial Statements, etc. pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the Non-Consolidated Financial Statements, etc. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides evaluating whether the presentation of and notes to the Non-Consolidated Financial Statements, etc. are in accordance with accounting principles generally accepted in Japan, evaluate the presentation, structure, and content of the Non-Consolidated Financial Statements, etc. including related notes, and whether the Non-Consolidated Financial Statements, etc. fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit and Supervisory Board Members and the Audit and Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit and Supervisory Board Members and the Audit and Supervisory Board regarding the observance of the independence provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, any countermeasures that are in place to eliminate obstacles, and any safeguards that are applied to reduce obstacles to an acceptable level.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

- End -

Report of Audit and Supervisory Board

AUDIT REPORT

The Audit and Supervisory Board prepared this audit report based on audit reports prepared by each Audit and Supervisory Board Member upon deliberation with respect to execution of duties by Directors of the Board for the 74th fiscal year (February 1, 2024 to January 31, 2025) and report as follows:

1. Method and Contents of Audit by Audit and Supervisory Board Members and the Audit and Supervisory Board

(1) The Audit and Supervisory Board determined the audit policy and duties assigned to each Audit and Supervisory Board Member, received reports and explanations on the audit and result of audit from each Audit and Supervisory Board Member, received reports on the execution of duties of Directors of the Board and Accounting Auditor and requested additional explanations as necessary.

(2) Each Audit and Supervisory Board Member, in conformity with standards of audit determined by the Audit and Supervisory Board, in accordance with the audit policy and the duties assigned by the Audit and Supervisory Board Member, and made efforts to communicate with Directors of the Board, Executive Officers, Audit Department and other employees, collect information and prepare and arrange for circumstances for audit and audited in the following method.

i) We attended meetings of the Board of Directors and other meetings as deemed important, received reports from the Directors of the Board and Executive Officers, etc. on their performance of duties, requested additional explanation as necessary, examined important approval documents and inspected the business and financial conditions at the head office and the principal offices. With respect to subsidiaries, we communicated and exchanged information with the Directors of the Board and Audit and Supervisory Board Members of the subsidiaries and received reports as necessary.

ii) With respect to the resolutions of the Board of Directors relating to establishment of the system that ensures the performance of duties by Directors of the Board described in the Business Report is in conformity with laws and regulations, and the Articles of Incorporation and other systems that ensure appropriate business of the Corporate Group made of the Company and its subsidiaries as required under Article 100, Paragraphs 1 and 3 of the Regulation for Enforcement of the Companies Act, as well as the system established under such resolutions (internal control system), we received reports from the Directors of the Board and Executive Officers, etc. the conditions of construction and management of them, and requested additional explanation as necessary and gave opinions.

iii) We supervised and examined that the Accounting Auditor maintained their independent position and performed due audit, received reports from the Accounting Auditor on the execution of their duties, and requested additional explanation as necessary. We received a notice from the Accounting Auditor that they have prepared the "System to ensure due execution of audit" (matters prescribed in each item of Article 131 of the Regulation on Corporate Accounting) in accordance with, among other things, the "Quality Control Standard for Audit" (Business Accounting Council) and requested additional explanation as necessary.

In accordance with the method stated above, the Audit and Supervisory Board examined the Business Report and the related supplementary schedules, the Non-Consolidated Financial Statements (the Non-Consolidated Balance Sheets, the Non-Consolidated Statement of Income, the Statement of Change in Net Assets and the Notes to Non-Consolidated Financial Statements) and the related supplementary schedules, and the Consolidated Financial Statements (the Consolidated Balance Sheets, the Consolidated Statements of Income, the Consolidated Statements of Changes in Net Assets and the Notes to Consolidated Financial Statements) for the fiscal year under review.

2. Results of Audit

(1) Results of audit of Business Report, etc.:

i) We confirmed that the Business Report and the related supplementary schedules fairly show the position of the Company, in conformity with the relevant laws and regulations and the Articles of Incorporation.

ii) We do not find any unlawful acts to have been carried out by the Directors of the Board in the performance of their duties, nor do we find any material matters that are either unlawful or contrary to the Articles of Incorporation.

iii) We confirmed that the resolutions of the Board of Directors relating to the internal control system are fair. We do not find any aspects to be pointed out for the contents in the Business Report and the performance of duties by the Directors of the Board relating to the internal control system.

(2) Results of audit of the Non-Consolidated Financial Statements and the related supplementary schedules:

We confirmed that the method and the result of the audit carried out by Ernst & Young ShinNihon LLC, Accounting Auditor, are fair.

(3) Results of audit of the Consolidated Financial Statements:

We confirmed that the method and the result of the audit carried out by Ernst & Young ShinNihon LLC, Accounting Auditor, are fair.

March 21, 2025

Audit and Supervisory Board of Sekisui House, Ltd.

Standing Audit and Supervisory Board Member	Midori Ito
Standing Audit and Supervisory Board Member	Takashi Ogino
Standing Audit and Supervisory Board Member	Ryuichi Tsuruta
Audit and Supervisory Board Member	Takashi Kobayashi
Audit and Supervisory Board Member	Yoritomo Wada

- End -