(Securities Code: 1928)

Sekisui House, Ltd. **March 25, 2026**

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

NOTICE OF THE 75TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We express our deep appreciation to each of the shareholders for your extraordinary support.
The 75th 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 Wednesday, April 22, 2026. (Unless otherwise noted, all the times shown in this Notice are in Japan Standard Time.)

1. Date and Time:	10:00 a.m., Thursday, April 23, 2026
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 75th fiscal year (February 1, 2025 – January 31, 2026) 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 75th fiscal year (February 1, 2025 – January 31, 2026)
Proposals to be tabled:	
Proposal No. 1	Appropriation of Surplus
Proposal No. 2	Partial Amendments to the Articles of Incorporation
Proposal No. 3	Election of 10 Directors of the Board
Proposal No. 4	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 75th 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 "Sekisui House" in the "Issue name (company name)" or "1928" in 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 Wednesday, April 22, 2026 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 Wednesday, April 22, 2026. 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 Wednesday, April 22, 2026

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 Proposals 1 and 2,
if you approve >> mark ○ in the 賛 column
if you disapprove >> mark ○ in the 否 column
For Proposals 3 and 4,
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 Wednesday, April 22, 2026

(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.

Dear Shareholders,

I would like to express my sincere appreciation for your continued support.

On the occasion of presenting the Notice of the 75th Ordinary General Meeting of Shareholders, I would like to extend my greetings.

During the fiscal year under review, which marked the final year of the Sixth Mid-Term Management Plan (FY2023–FY2025), the business environment in the United States remained challenging due to persistently high interest rates and uncertainty surrounding the economic outlook. Nevertheless, driven by the strong growth of each domestic business, we achieved record highs in both net sales and profits. We also plan to increase dividends per share for the 14th consecutive year. Over these three years, under the basic policy of "Stable Growth in Japan and Proactive Growth Overseas," we not only achieved the business performance we had committed to but also laid various foundations for future growth.

Specifically, in Japan, we implemented an organizational restructuring centered on our "Customer Base," which is one of our core competencies, to strengthen the expertise of each Group company and deepen collaboration, thereby establishing a system to provide enhanced services. In the U.S. homebuilding business, we completed a large-scale M&A and advanced the integration of four Group builders, launching a "One Company" structure under the new entity "SEKISUI HOUSE U.S., Inc." starting in January 2026.

In the Seventh Mid-Term Management Plan (FY2026–FY2028), newly launched in FY2026, we have adopted as our fundamental policy "Cultivating the Sekisui House Economic Sphere through Group-wide Capabilities" in Japan and "Building a Growth Platform to Drive a Game-changing Transformation" overseas.

In Japan, we will pursue sustainable growth by fully leveraging the Group-wide capabilities to deliver one-stop, housing-based solutions to homeowners and residents through strengthened customer touchpoints. Overseas, in pursuit of transformative growth in the U.S. homebuilding business, we will accelerate the transfer of Sekisui House technologies developed in Japan and strengthen our brand under the "One Company" structure.

Guided by our Corporate Philosophy of "Love of Humanity," the Sekisui House Group will continue to create and nurture happiness that begins in our homes while pursuing sustained growth.

I sincerely ask for the continued understanding and support of our shareholders.

Yours sincerely,

Yoshihiro Nakai

Representative Director of the Board, CEO

President, Executive Officer

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 ¥72 per share be paid for the fiscal year under review. Since the Company paid an interim dividend of ¥72 per share on September 30, 2025, the annual dividend for the fiscal year under review totals ¥144 per share.

(1) Type of dividend property:

Cash

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

¥72 per common share of the Company Total amount: ¥46,685,496,672

(3) Date on which dividends take effect:

April 24, 2026

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.

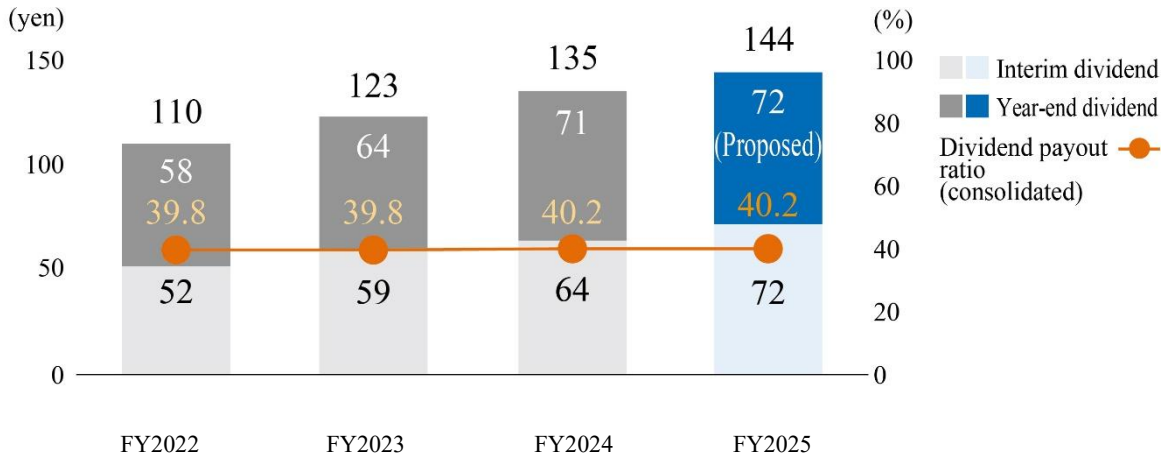
(1) Item of surplus to be increased and amount thereof:

General reserve: ¥47,000,000,000

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

Retained earnings brought forward: ¥47,000,000,000

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



Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

In order to support recruitment operations with a view to strengthening recruitment at the Group companies, the Company proposes to add a business purpose to Article 2 (Purpose) of the current Articles of Incorporation so as to enable the Company to engage in a fee-charging employment placement business pursuant to the Employment Security Act (Act No. 141 of 1947).

2. Details of the amendments

(Amended portions are underlined.)

Current Articles of Incorporation	Proposed amendments
(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: 1. to 20. (Omitted) 21. Holding, sale, purchase and asset management of marketable securities; 22. Advertising agent business, non-life insurance agent business and business concerning canvassing for life insurance; (Newly established) 23. Administration of facilities for career development; 24. to 25. (Omitted)	(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses: 1. to 20. (Unchanged) 21. (Unchanged) 22. (Unchanged) 23. Fee-charging employment placement business 24. (Unchanged) 25. to 26. (Unchanged)

Proposal No. 3: 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 (75th)
1	Reelection	Yoshihiro Nakai	Male	Representative Director of the Board, CEO President, Executive Officer Member, Personnel Affairs and Remuneration Committee	10 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	6 years	13/13 (100%)
3	Reelection	Toru Ishii	Male	Director of the Board Senior Managing Officer	6 years	13/13 (100%)
4	Reelection	Yasushi Omura	Male	Director of the Board Senior Managing Officer	1 year	9/9 (100%)
5	New Election	Masaru Noma	Male	Senior Managing Officer	–	–
6	Reelection Outside Independent Director	Yukiko Yoshimaru	Female	Outside Director of the Board Chairperson, Personnel Affairs and Remuneration Committee	8 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	6 years	13/13 (100%)
8	Reelection Outside Independent Director	Yoshimi Nakajima	Female	Outside Director of the Board	5 years	13/13 (100%)
9	Reelection Outside Independent Director	Shinichi Abe	Male	Outside Director of the Board	4 years	13/13 (100%)
10	Reelection Outside Independent Director	Yukiko Kuroda	Female	Outside Director of the Board Member, Personnel Affairs and Remuneration Committee	1 year	9/9 (100%)

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.

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	Yasushi Omura	●			●		●
5	Masaru Noma	●			●		●
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 (FY2025)	Special interest with the Company
	10 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Yoshihiro Nakai

(April 30, 1965)
(60 years old)
Reelection
Number of the Company's Shares owned
164,080 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
In charge of Business Strategy Division and Division of Built-to-Order Business

Apr. 2025: Representative Director of the Board, CEO, President, Executive Officer of the Company (current position)

Significant concurrent post of other companies

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 CEO, he has demonstrated the comprehensive capabilities of the Group with the Corporate Philosophy as a compass, and has vigorously promoted the strengthening of the corporate governance structure as well as the practice of ESG management.

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 strongly 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 accumulating appropriate management decisions in order to become a "game changer" in the U.S. homebuilding market and aiming to transform into a global company 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 (FY2025)	Special interest with the Company
	6 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Satoshi Tanaka

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

Number of the Company's Shares owned
70,800 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 (current position)
In charge of Division of Administration and Human Resources
Apr. 2025: Managing Finance Division, Human Resources Division and Auditing, in charge of Administration Division of the Company (current position)

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 in anticipation of global expansion. He has also made various efforts to strengthen the effectiveness of the risk management system as the Chairperson of the Risk Management Committee.
As an Executive Officer managing the Finance Division, he has leveraged the extensive knowledge he has cultivated as a manager and has been focusing on strategically balancing "execution of growth strategies," "restoration of financial soundness," and "appropriate shareholder returns." To achieve sustainable growth and increase the corporate value of the Sekisui House Group, by strengthening the effectiveness of corporate governance and the 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 (FY2025)	Special interest with the Company
	6 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Toru Ishii

(November 3, 1966)
(59 years old)
Reelection
Number of the Company's Shares owned
52,466 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)

Significant concurrent post of other companies

Chairman of SEKISUI HOUSE U.S., Inc.

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. He has been steadily promoting enhancement of the business foundation in new markets and development of the organizational structure.

Leveraging the creativity and courage he has demonstrated in pioneering new markets, he worked on making four U.S. group builders into "One Company" in order to establish a solid foundation for growth in the U.S. homebuilding business, and strongly led "proactive growth overseas." 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, and maximizing business synergies in the development business, 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 (FY2025)	Special interest with the Company
	1 year	9/9 (attendance at the meetings of the Board of Directors: 100%)	None

Yasushi Omura

(December 1, 1968)
(57 years old)
Reelection
Number of the Company's Shares owned
20,630 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 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.
Apr. 2025:	Senior Managing Officer of the Company (current position) Managing Detached Housing Business (current position)
Apr. 2025:	Director of the Board of the Company (current position)
Feb. 2026:	In charge of Remodeling Business (current position)

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. Since assuming the position of Managing Officer in April 2023, he led the initiatives to establish Sekisui House Construction Holdings, Ltd., and in February 2024, he was appointed President, 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 worked 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.

After assuming the position of Director of the Board in April 2025, he has further advanced the integrated business management between the Company and the Sekisui House Construction Group. As Managing Detached Housing Business, he has led the expansion of sales of high-value-added houses and the creation of high-quality housing stock, leveraging its enhanced "construction capabilities" and "design capabilities." To achieve sustainable growth and increase the corporate value of the Sekisui House Group by demonstrating his consensus-based business management capabilities and enhancing the effectiveness of the governance and risk management systems in the Detached Houses Business, 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 (FY2025)	Special interest with the Company
	– years	– (attendance at the meetings of the Board of Directors: –)	None

Masaru Noma

(September 13, 1963)
(62 years old)
New Election
Number of the Company's Shares owned
14,013 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
Nov. 2019: Head of Comprehensive Housing R&D Institute of the Company
Apr. 2021: Executive Officer, Acting Head of Comprehensive Housing R&D Institute of the Company
Oct. 2021: Acting Head of Research & Development Headquarters
Apr. 2022: Managing Officer of the Company
Sep. 2023: In charge of Production and Procurement, Acting Head of Research & Development Headquarters
Apr. 2024: Senior Managing Officer of the Company (current position)
In charge of Division of Technology and Production, Acting Head of Research & Development Headquarters
Feb. 2025: In charge of Division of Technology and Production
Feb. 2026: Managing Division of Technology and Production (current position)

Reason for election as Director of the Board

Since joining the Company, he has consistently accumulated extensive experience in technological areas, including research and development, component design, production technology, and product planning, and has served as Head of Comprehensive Housing R&D Institute. In April 2021, he was appointed Executive Officer, and from October of the same year, he served as Head of Research & Development Headquarters. He steadily promoted the development of a foundation supporting the advancement and evolution of "technical expertise," one of the Group's core competencies, while actively working to strengthen the governance structure in the technological area. Since assuming the position of Managing Officer in April 2022, he has concurrently been in charge of Production and Procurement, and upon his appointment as Senior Managing Officer in April 2024, he has broadly overseen the Division of Technology and Production. With high integrity and a strong enthusiasm for human resources development, he has promoted the strengthening of organizational capabilities toward the realization of our goal to "deliver the highest quality and technology" as set forth in the Corporate Philosophy.

To achieve sustainable growth and increase the corporate value of the Sekisui House Group by strongly promoting the advancement of comprehensive capabilities in the technological area through collaboration among domestic group companies, as well as accelerating "the transfer of Sekisui House technologies," which is essential for building a growth foundation for the overseas business, 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 (FY2025)	Special interest with the Company
	8 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Yukiko Yoshimaru

(February 1, 1960)
(66 years old)
Reelection
Outside
Independent Director
Number of the Company's Shares owned
10,300 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

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, she has led the revision of officer remuneration related to the Seventh 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.

In addition, in order to establish a foundation for growth in the U.S. homebuilding business, she has sought to understand the business environment and key issues through direct dialogue with the senior management of local subsidiaries and has provided advice aimed at growth-oriented management from a medium- to long-term perspective.

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 human capital management, 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 (FY2025)	Special interest with the Company
	6 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Toshifumi Kitazawa

(November 18, 1953)
(72 years old)
Reelection
Outside
Independent Director
Number of the Company's Shares owned
4,300 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 (See Notes 4 to 7 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.
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.
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 by providing advice based on his experience as a top executive.

In addition, in order to establish a foundation for growth in the U.S. homebuilding business, he has sought to understand the business environment and key issues through direct dialogue with the senior management of local subsidiaries and has provided advice aimed at growth-oriented management from a medium- to long-term perspective.

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 (FY2025)	Special interest with the Company
	5 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Yoshimi Nakajima

(December 16, 1956)
(69 years old)
Reelection
Outside
Independent Director
Number of the Company's Shares owned
3,600 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 8 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.

In addition, in order to establish a foundation for growth in the U.S. homebuilding business, she has sought to understand the business environment and key issues through direct dialogue with the senior management of local subsidiaries and has provided advice aimed at growth-oriented management from a medium- to long-term perspective.

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 (FY2025)	Special interest with the Company
	4 years	13/13 (attendance at the meetings of the Board of Directors: 100%)	None

Shinichi Abe

(August 7, 1968)
(57 years old)
Reelection
Outside
Independent Director
Number of the Company's Shares owned
1,900 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)
Jun. 2025: Outside Director of MACNICA HOLDINGS, INC. (current position)

Significant concurrent post of other companies

Representative Director, President and CEO of MNES Inc.
Outside Director of MACNICA HOLDINGS, 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 at meetings for the exchange of opinions with the Company's senior management.
In addition, in order to establish a foundation for growth in the U.S. homebuilding business, he has sought to understand the business environment and key issues through direct dialogue with the senior management of local subsidiaries and has provided advice aimed at growth-oriented management from a medium- to long-term perspective.
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 (FY2025)	Special interest with the Company
	1 year	9/9 (attendance at the meetings of the Board of Directors: 100%)	None

Yukiko Kuroda

(See Note 9 below.)
(September 24, 1963)
(62 years old)
Reelection
Outside
Independent Director
Number of the Company's Shares owned
100 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.
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)
Mar. 2024:	Advisor and Founder of People Focus Consulting Co., Ltd. (current position)
Apr. 2025:	Outside Director of the Board of the Company (current position)
Jun. 2025:	Outside Director of Santen Pharmaceutical Co., Ltd. (current position)

Significant concurrent post of other companies

Advisor and Founder of People Focus Consulting Co., Ltd.

Independent Director of Obayashi Corporation

Outside Director of ORACLE CORPORATION JAPAN

Outside Director of Santen Pharmaceutical Co., Ltd.

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

In January 1991, she 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. In addition to her management 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.

Since assuming the position of Outside Director of the Board of the Company in April 2025, she has greatly contributed to constructive discussions and strengthening of the effectiveness of the Board of Directors by actively expressing frank opinions based on her own experience, particularly regarding management issues in the fields of human resource management, governance, and compliance. She has also been contributing to the enhancement of deliberations as a member of the Personnel Affairs and Remuneration Committee of the Company by providing advice based on her experience and knowledge.

In addition, in order to establish a foundation for growth in the U.S. homebuilding business, she has sought to understand the business environment and key issues through direct dialogue with the senior management of local subsidiaries and has provided advice aimed at growth-oriented management from a medium- to long-term perspective.

To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the Company which aims to become a leading company in ESG management by contributing to the realization of a sustainable society and taking initiatives to promote diversity under the Global Vision, the Company expects her to make significant efforts to strengthen the management supervision function in areas including human resources development, human capital management, and sustainability. Accordingly, the Company proposes to reelect her as an Outside Director of the Board.

Notes:

1. The Company designated Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima, Mr. Shinichi Abe, and Ms. Yukiko Kuroda as "Independent Directors" and submitted notification to that effect to the Tokyo Stock Exchange, Inc.
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 the proposal is approved, each candidate will be included as the insured of the said insurance contract.
3. The Company entered into limited liability agreements with Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima, Mr. Shinichi Abe, and Ms. Yukiko Kuroda 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.
4. 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.
5. MUFG Bank, Ltd., where Mr. Toshifumi Kitazawa served 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 was 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.
6. 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). Furthermore, the company received a business improvement order under the Insurance Business Act from the Japan Financial Services Agency, effective March 24, 2025, due to actions considered likely to contravene the Act on the Protection of Personal Information and inappropriate actions in view of the purpose of the aforementioned Act, actions considered likely to contravene the Unfair Competition Prevention Act and inappropriate actions in view of the purpose of the aforementioned Act, and underlying systematic problems.
7. MUFG Bank, Ltd., where Mr. Toshifumi Kitazawa served 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 had 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 fulfilled his responsibilities, including monitoring the response to the issues raised at meetings of the board of directors.
8. 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 whistleblowing system and the analysis of the root causes.
9. Ms. Yukiko Kuroda's name on the family register is Yukiko Matsumoto.

(Reference) 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 2.70 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 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. 4: Election of Two Audit and Supervisory Board Members

The terms of office of Audit and Supervisory Board Members Mr. Takashi Ogino and Mr. Ryuichi Tsuruta 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 (FY2025)	Special interest with the Company
	4 years	13/13 (attendance at the meetings of the Board of Directors: 100%) 18/18 (attendance at the meetings of the Audit and Supervisory Board: 100%)	None

Takashi Ogino

(November 25, 1959)
(66 years old)
Reelection
Number of the Company's Shares owned
6,117 shares

Knowledge, experiences and abilities particularly expected of each Audit and Supervisory Board Member	
Corporate management	●
International business / Overseas insight	
Quality and technology / Business process	●
Finance and accounting / Disclosure	
Legal affairs	
Governance / Risk management / Compliance	●

Career summary and post in the Company

Apr. 1982:	Joined the Company
Aug. 2014:	Head of Utsunomiya Branch of the Company
Feb. 2020:	Head of Auditing Department of the Company
Feb. 2021:	Head of Auditing Department of the Company
Apr. 2021:	Operating Officer of the Company
Apr. 2022:	Standing Audit and Supervisory Board Member of the Company (current position)

Reason for election as Audit and Supervisory Board Member

Since joining the Company, he has served in its sales operations for approximately 35 years as a housing sales representative, sales lead of sales offices, a member of the Sales Administration Headquarters, and Head of a branch. In 2017, he was transferred to the Auditing Department. In 2020, he was appointed Head of the Auditing Department, and in 2021, he was appointed Operating Officer and Head of the Auditing Department, where he promoted the strengthening of the internal audit division and the building of a network among governance personnel. Since assuming the position of Standing Audit and Supervisory Board Member of the Company in April 2022, he has made significant contributions to improving the effectiveness of the Board of Directors and the Audit and Supervisory Board by expressing frank opinions from the perspective of frontline operations, leveraging his broad information network within the Sekisui House Group.

To strengthen the audit system of the Company with his high integrity and management experience in the field of sales as well as his capability to gather information cultivated in the internal audit division, the Company proposes to reelect him as an Audit and Supervisory Board Member.

Note:

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.

Mr. Takashi Ogino 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 (FY2025)	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

Nobuo Hanada

(April 8, 1960)
(65 years old)
New Election
Outside
Independent Auditor
Number of the Company's Shares owned
– shares

Knowledge, experiences and abilities particularly expected of each Audit and Supervisory Board Member	
Corporate management	
International business / Overseas insight	●
Quality and technology / Business process	
Finance and accounting / Disclosure	●
Legal affairs	
Governance / Risk management / Compliance	●

Career summary and post in the Company

Apr. 1983: Joined Fuji Photo Film Co., Ltd. (currently FUJIFILM Holdings Corporation)
Oct. 2006: Senior Operations Manager, Accounting and Finance Division of FUJIFILM Corporation
Nov. 2012: Senior Operations Manager, Accounting Group, Corporate Planning Division of FUJIFILM Holdings Corporation
Jun. 2013: General Manager, Audit Division of FUJIFILM Holdings Corporation
General Manager, Audit Division of FUJIFILM Corporation
Sep. 2017: General Manager, Global Audit Division of FUJIFILM Holdings Corporation
Jun. 2020: Full-time Audit & Supervisory Board Member of FUJIFILM Holdings Corporation (retired in June 2024)
Full-time Audit & Supervisory Board Member of FUJIFILM Corporation (retired in June 2024)

Reason for election as Outside Audit and Supervisory Board Member

He has extensive business experience in areas including accounting and financial reporting, corporate management planning, and global auditing at a specialty chemicals manufacturer operating globally. From June 2020, he served as a full-time Standing Audit and Supervisory Board Member of the company. At the company, he experienced a crisis of losing its core business and a major transformation of its business model, while making significant efforts to enhance its global auditing system.
The Company proposes to newly elect him as an Outside Audit and Supervisory Board Member, with expectation that he will contribute to strengthening the Company's management supervision function and building a better governance structure though timely and accurate opinions based on his deep insight and unique perspective grounded in practical experience.

Notes:
1. The Company will designate Mr. Nobuo Hanada 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 Mr. Nobuo Hanada that if he causes damages to the Company by neglect of the duty as an Outside Audit and Supervisory Board Member, where his conduct is deemed to be made in good faith without gross negligence, his 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 Mr. Nobuo Hanada's election is approved, he will be included as the insured of the said insurance contract.

(Reference) List of Audit and Supervisory Board Members after this Ordinary General Meeting of Shareholders (scheduled) and knowledge, experiences and abilities expected of each Audit and Supervisory Board Member (including candidates)

Name	Corporate management	International business Overseas insight	Quality and technology Business process	Finance and accounting Disclosure	Legal affairs	Governance Risk management Compliance
Takashi Ogino	●		●			●
Osamu Minagawa	●		●			●
Yoritomo Wada		●		●		●
Yuko Tamai		●		●	●	●
Nobuo Hanada		●		●		●

* This chart indicates certain knowledge, experiences, and abilities which the Company particularly expects each Audit and Supervisory Board Member (including the candidates) to have for his/her duties, not necessarily what each Audit and Supervisory Board Member (including the candidates) currently has in fact.

[Reasons for selecting each item in the skill matrix]

Skill items	Reasons for selection
Corporate management	In order to ensure an appropriate audit system through exchange of opinions with senior management, the Company needs Audit and Supervisory Board Members who have management experience in the housing, construction, and urban development fields and who have acquired a sufficient understanding of the Company's corporate culture and values through their experience.
International business Overseas insight	Amidst the expansion of international business, the Company needs Audit and Supervisory Board Members who possess abundant knowledge and experience that contribute to audits of overseas business, such as coordinating with internal audit divisions and Accounting Auditors of overseas subsidiaries.
Quality and technology Business process	The Company needs Audit and Supervisory Board Members who have a sufficient understanding of the Company's technical expertise and construction expertise for supplying high-quality housing, etc. that is safe, secure, and comfortable, as well as its business processes (including internal control).
Finance and accounting Disclosure	The Company needs Audit and Supervisory Board Members who possess sufficient knowledge regarding financial accounting necessary for auditing financial reporting and coordinating with the Accounting Auditor, as well as abundant knowledge and experience in the disclosure field such as domestic and overseas disclosure regulations.
Legal affairs	In order to strengthen the Company's audit system, including the one for international business which is a growth area, the Company needs Audit and Supervisory Board Members who have solid knowledge and experience regarding trends in domestic and overseas laws and regulations.
Governance Risk management Compliance	As an independent body responsible for corporate governance, this is a base skill necessary for all Audit and Supervisory Board Members to strive to monitor and verify the establishment and operation of the internal control system and contribute to the sound and sustainable growth of the Company.

(Reference) List of officers after this Ordinary General Meeting of Shareholders (scheduled)

If Proposal No. 3 "Election of 10 Directors of the Board" and Proposal No. 4 "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, CEO President, Executive Officer 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
Yasushi Omura	Male	Director of the Board Senior Managing Officer Managing Detached Housing Business In charge of Remodeling Business
Masaru Noma	Male	Director of the Board Senior Managing Officer Managing Division of Technology and Production
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
Yoritomo Wada	Male	Outside Audit and Supervisory Board Member
Yuko Tamai	Female	Outside Audit and Supervisory Board Member
Nobuo Hanada	Male	Outside Audit and Supervisory Board Member

The Business Report for the 75th fiscal year

(February 1, 2025 – January 31, 2026)

1. Business Conditions of the Corporate Group

(1) Progress and Results of Sekisui House Group

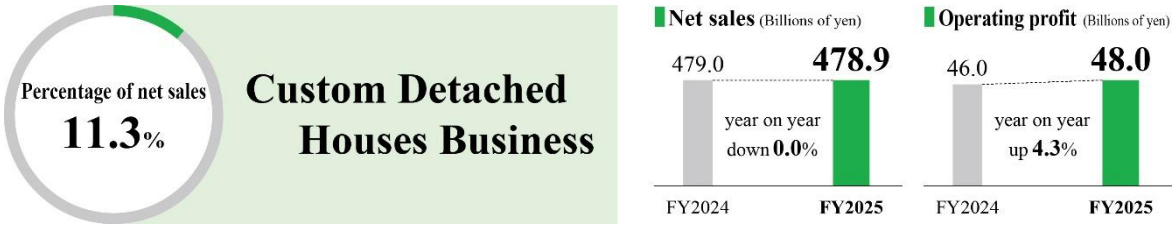
During the fiscal year under review, the outlook for the global economy became increasingly uncertain due to factors including developments surrounding the tariff policies of the United States. This, together with persistent geopolitical risks, made it necessary to continue to closely monitor the price situation, as influenced by the monetary and trade policies of various countries, as well as fluctuations in international financial and capital markets. In Japan, while it was necessary to keep in mind the risk of a downturn in business conditions due to factors such as the impact of the tariff policies of the United States, and although an impact on consumer sentiment was seen due to price hikes and other factors, the Japanese economy showed signs of a pickup in personal consumption, supported by ongoing improvements in the employment and income environment.

In Japan's housing market, despite indications of a rush in demand in anticipation of the revision of the Building Energy Efficiency Act, the number of new housing starts of owner-occupied houses and rental houses weakened, partly due to a pullback from the rush in demand and the impact of soaring construction costs. On the other hand, in the United States, although there remains strong latent demand for new housing against the backdrop of a chronic shortage of housing supply, new housing starts lacked confidence due to rising construction costs and other factors in addition to a slowdown in demand caused by customers continuing to take a wait-and-see attitude because of the uncertain outlook from factors such as falling mortgage rates and tariff policies.

In such a business environment, to achieve the Group's Global Vision for 2050 "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 to FY2025), which sets "Stable Growth in Japan and Proactive Growth Overseas" as its fundamental policy.

In the consolidated fiscal year under review, which is the final year of the Sixth Mid-Term Management Plan (FY2023 to FY2025), net sales were ¥4,197,922 million (up 3.4% year on year), operating profit was ¥341,402 million (up 3.0% year on year), ordinary profit was ¥327,800 million (up 8.7% year on year), and profit attributable to owners of parent was ¥232,095 million (up 6.6% year on year).

In addition, results over the three years of the Sixth Mid-Term Management Plan exceeded the plan formulated at the time of its establishment.



The Custom Detached Houses Business recorded net sales of ¥478,952 million, down 0.0% year on year, and operating profit of ¥48,035 million, up 4.3% year on year, during the fiscal year under review.

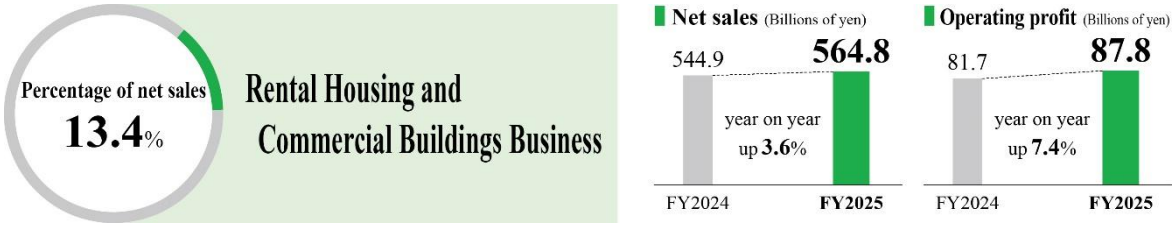
We worked on initiatives such as utilizing "life knit design," a system for proposing designs that reflect each customer's sense of beauty in housing, enhancing proposal capabilities through Group cooperation, and strengthening our production system on a house-by-house basis that extends from production to shipment. Our efforts were also boosted by Japanese government measures such as the Green Housing for Child-rearing Support Project. As a result, orders remained steady.

As part of our strategy by price range, we focused on expanding the sale of mid- to high-end products, including integrated proposals combining land and 2nd-range products, as well as branding initiatives for 3rd-range products led by our DESIGN OFFICE team. In 1st-range products, we have contributed to the creation of high-quality housing stock in Japan by actively promoting the SI[*1] Business, a joint construction business where the Group companies undertake the construction of the foundations and structural frame-work of wooden houses built by partner companies.

Through proposals for high-value-added houses and services such as "Green First ZERO" net zero energy houses (ZEH), which achieved a record-high 96% ratio of detached ZEH homes[*2] in FY2024, the Family Suite large living room, "PLATFORM HOUSE touch" smart home service linked to floor plans, and furniture and interior design, we promoted the enhancement of the custom detached housing brand.

*1 SI: "S" refers to skeleton or structural frame-work and "I" refers to infill or exterior and interior.

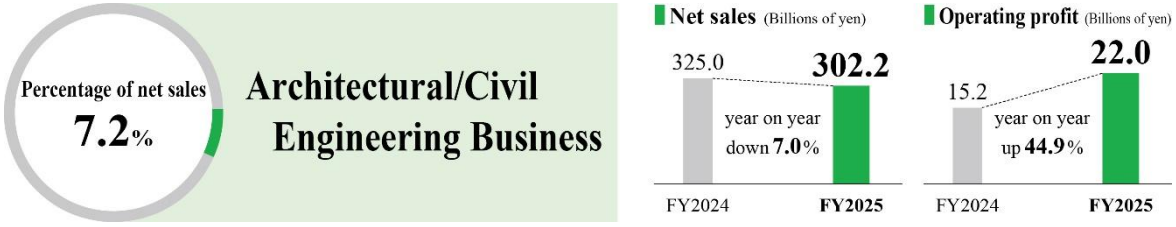
*2 Ratio of detached homes ZEH: This indicator shows the portion of custom detached houses (excluding contracted and for-sale housing in Hokkaido) that the Company built during the fiscal year that were ZEH (Net Zero Energy House). Period was from April 1, 2024 to March 31, 2025.



The Rental Housing and Commercial Buildings Business recorded net sales of ¥564,813 million, up 3.6% year on year, and operating profit of ¥87,826 million, up 7.4% year on year for the fiscal year under review.

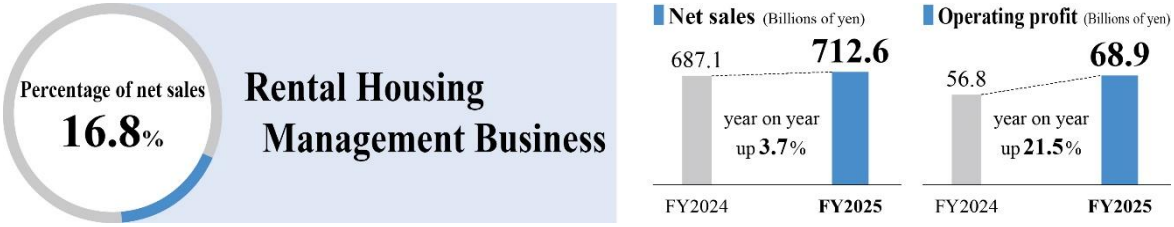
We promoted business expansion in strategically chosen urban areas (S and A areas) where occupancy demand is expected to increase over the long term, and within these areas, especially in highly convenient areas proximate to stations (S areas), we focused on expanding the sale of three- to four-story rental housing builds created using our original construction method and adoption of net zero energy rental housing Sha Maison ZEH. Through our price leader strategies based on these area marketing initiatives and proposals for long-term stable management backed by high occupancy rates and rent levels, orders for rental housing remained solid. In particular, in Sha Maison ZEH, residents appreciate being able to realize the benefits of savings in utility costs thanks to systems in which photovoltaic panels are connected to each unit so that residents can sell their own electricity individually. This has led to high occupancy rates. 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 the enhancement of proposals for ESG solutions and strengthened efforts to address corporate business succession needs. We promoted the enhancement of proposals in non-residential construction such as "Green First Office" zero energy building (ZEB), which leverages our expertise and technologies developed in the custom detached houses business for office spaces, etc.



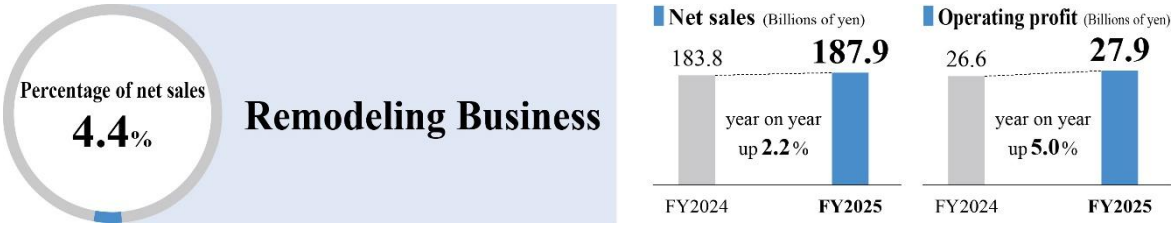
The Architectural/Civil Engineering Business recorded net sales of ¥302,293 million, down 7.0% year on year, and operating profit of ¥22,049 million, up 44.9% year on year, during the fiscal year under review.

Both architectural and civil engineering businesses saw improved profitability due to solid progress in large-scale construction projects and the acquisition of additional and modified projects, etc. In the architectural business, especially, profitability improved for large-scale government buildings, in addition to the progress in passing on soaring materials costs and rising personnel expenses in order prices. The environment for order volumes also remained favorable and orders were strong for large-scale government buildings in the architectural business and private-sector projects in the civil engineering business.



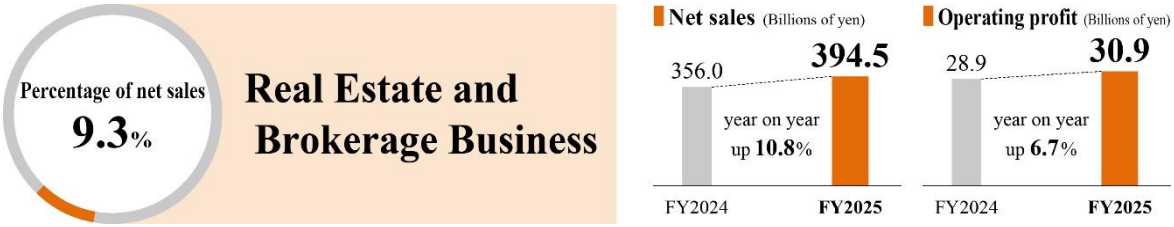
The Rental Housing Management Business recorded net sales of ¥712,621 million, up 3.7% year on year, and operating profit of ¥68,996 million, up 21.5% year on year, during the fiscal year under review.

The number of housing units under management increased due to continued orders for Sha Maison rental housing supplied in prime locations, mainly in the S and A areas, as well as progress in establishing systems to enable the provision of more detailed services to owners and residents by Sekisui House Sha Maison PM companies, which began offering its services this fiscal year as group companies specializing in the rental business. For existing managed properties, we are maintaining a high occupancy rate through strategic leasing activities aimed at shortening the duration of vacancies, such as the time required for restoration work after move-outs and the period between new applications and actual move-ins. At the same time, we are focusing on increasing the rent by implementing value-enhancing renovations and other measures at the time of tenant change. We also worked to enhance customer satisfaction and the "Sha Maison" brand value by promoting DX, including one-stop handling of move-in and move-out procedures using apps and blockchain technology, as well as expanding post-move-in troubleshooting services, etc.



The Remodeling Business recorded net sales of ¥187,958 million, up 2.2% year on year, and operating profit of ¥27,966 million, up 5.0% year on year for the fiscal year under review.

In the custom detached houses business, Sekisui House Support Plus, Ltd., which is responsible for the Group's after-sale service business, began offering its services this fiscal year. This has further strengthened collaboration within the Group and improved communication with owners. In particular, we strengthened our large-scale renovation proposals incorporating the "life knit design" concept in lifestyle proposal remodeling that meets changes in family structure and lifestyles. We also strengthened our proposals for environment friendly remodeling, such as insulation renovations and the introduction of the latest energy-saving, energy-generating, and energy-storing equipment, by utilizing government and other subsidies. These efforts focused on Idocoro Dan-netsu thermal insulation upgrades, which target the areas of the home where customers spend the most time, as well as insulation improvements around doors and windows. For rental housing, we focus on conducting market analysis by area, layout, and building age, and on providing proposals for full renovations, such as layout alterations, which contribute to enhancing owners' asset value. As a result of these efforts, overall orders in our remodeling business remained strong.

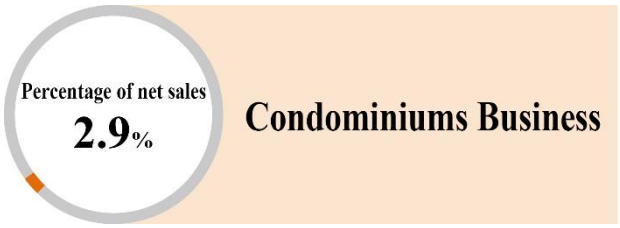


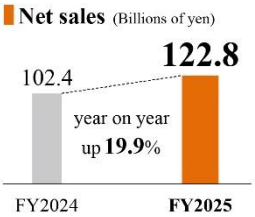
The Real Estate and Brokerage Business recorded net sales of ¥394,509 million, up 10.8% year on year, and operating profit of ¥30,915 million, up 6.7% year on year, during the fiscal year under review.

In particular, at Sekisui House Real Estate, Ltd., which began offering its services this fiscal year as a group company specializing in the real estate and brokerage business, the integration of the business, aiming to become "the top regional real estate company specializing in housing," which had

been divided among six companies until the previous fiscal year, into a single entity led to the development of an enhanced organizational structure that enabled faster sharing of information and issues necessary to strengthen the purchase of high-quality real estate for sale and the development of sales channels. In the real estate business, the sale of real estate for sale, particularly land for housing, progressed solidly as a result of efforts to expand and deepen channels for inquiries from business corporations, financial institutions, and other organizations.

The brokerage business also remained steady through the use of the Group's nationwide network and diverse sales channels, in addition to collaboration within the Group.

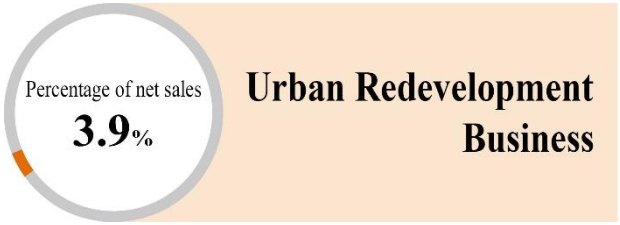


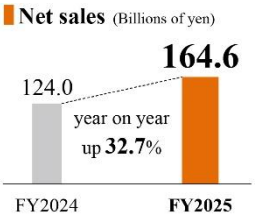


The Condominiums Business recorded net sales of ¥122,844 million, up 19.9% year on year, and operating profit of ¥18,062 million, up 23.3% year on year, for the fiscal year under review.

The delivery of properties sold progressed as planned, with smooth progress in the delivery of Grande Maison Musashi-kosugi no Mori (Nakahara-ku, Kawasaki City) and Grande Maison Fukuoka The Central Luxe (Chuo-ku, Fukuoka City).

For the Grande Maison condominiums, stable demand has continued, supported by our focus on and intensive development in the central areas of Tokyo, Nagoya, Osaka, and Fukuoka. In addition, we adopted ZEH specifications for all units to contribute to the decarbonization of the residential sector, and steadily accumulated achievements in obtaining "Long-Life Quality Housing" certifications, as part of our efforts to prolong the longevity of buildings. Furthermore, we formulated plans that make the most of the attractiveness of each rental housing property, and sequentially opened GM BASE as information hubs rooted in each strategic area. Through these efforts, the presence of Grande Maison has been steadily advancing. These efforts proved effective, and the sale of Grande Maison One Ohori Park (Chuo-ku, Fukuoka City) and Grande Maison THE Shirokanedai (Minato-ku, Tokyo), among others, remained strong.

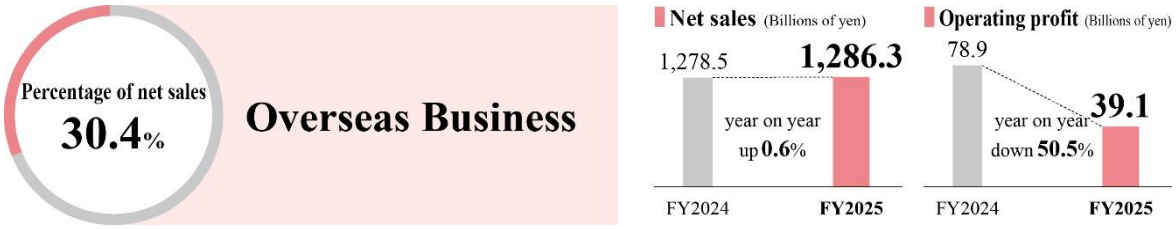




The Urban Redevelopment Business reported net sales of ¥164,634 million, up 32.7% year on year, and operating profit of ¥45,992 million, up 72.5% year on year, during the fiscal year under review.

As our strategy of focusing on the central areas of Tokyo, Nagoya, Osaka, and Fukuoka as areas for urban development proved effective, and under the resulting favorable sales environment, the sale of several properties, including our ownership interest in large-scale properties, progressed beyond the plan. Furthermore, the occupancy rate remained steady for Prime Maison and other properties that we continue to own.

In addition, special purpose companies in which we have a partial equity interest completed delivery of real estate holdings, from which we recorded a share of profit of entities accounted for using equity method.



The Overseas Business earned net sales of ¥1,286,358 million, up 0.6% year on year, and operating profit of ¥39,102 million, down 50.5% year on year, during the fiscal year under review.

In our U.S. homebuilding business, although the performance of M.D.C. Holdings, Inc.*, which we acquired in April 2024, contributed from the beginning of the current fiscal year, we increased incentives as customers continued to take a wait-and-see attitude due to uncertainty over the outlook for the U.S. economy, and our profit decreased together with the recording of a loss on valuation of inventory assets, etc., resulting in decreased operating profit. In our U.S. master-planned community business, newly acquired properties contributed to earnings, and performed steadily. In our U.S. multifamily business, we completed the additional sale of "City Ridge" (Washington D.C.) to SPCs organized by Sekisui House Reit, Inc., as well as the delivery of the "San Diego Court House Middle Wing" (San Diego). In Australia, deliveries of the "Orchards Lumia Wing," "Sanctuary Laguna Wing and Glade Wing," "Melrose Park Village Wing" in Sydney, and the "West Village Allere Wing" in Brisbane progressed.

* In September 2025, the business name of "M.D.C. Holdings, Inc." was changed to "SEKISUI HOUSE U.S., Inc."

Other businesses generated net sales of ¥16,451 million, up 17.0% year on year, and operating profit of ¥3,203 million, up 29.9% year on year, during the fiscal year under review.

(2) Issues to Be Addressed by Sekisui House Group

The global economy is expected to remain in a situation requiring close monitoring of price trends and fluctuations in international financial and capital markets on the back of monetary and trade policies in various countries, amid increased uncertainty over the outlook due to U.S. tariff increases and persistent geopolitical risks.

In the domestic housing market, the diversification of lifestyles and values associated with the advent of the era of the 100-year lifespan, the increasing severity of natural disasters due to climate change, and revisions to the Building Energy Efficiency Act (including the mandatory compliance with energy efficiency standards for all newly constructed houses) and the Long-life Quality Housing Certification System have further heightened the need to respond to increasingly diverse customer needs.

In the U.S. housing market, the situation requires close monitoring of the impact of tariff policies, inflation, and interest rate trends. On the other hand, latent demand remains strong against the backdrop of a shortage of supply of high-quality housing, and demand is expected to recover in line with the stabilization of the economic environment and falling mortgage rates. In preparation for the materialization of such demand, it is necessary to establish a system capable of stably supplying high-quality housing.

In such a business environment, to achieve the Group's Global Vision "Make Home the Happiest Place in the World," we formulated the Seventh Mid-Term Management Plan (FY2026 to FY2028), with the fundamental policies of "Cultivating the Sekisui House Economic Sphere through Group-wide Capabilities" in Japan and "Building a Growth Platform to Drive a Game-changing Transformation" overseas.

In Japan, we will pursue sustainable growth by fully leveraging the Group-wide capabilities to deliver one-stop, housing-based solutions to homeowners and residents through strengthened customer touchpoints. Overseas, in pursuit of transformative growth in the U.S. homebuilding

business, we will accelerate the transfer of Sekisui House technologies developed in Japan and brand building under "Sekisui House U.S., Inc.," which launched in January 2026 under a "One Company" structure through the integration of four Group builders.

Under our financial strategy, we will pursue further enhancement of corporate value by maximizing opportunities for business expansion while balancing "execution of growth strategies," "restoration of financial soundness," and "appropriate shareholder returns." We target ROE in the high 12% range in FY2028, the final year of the plan. Looking at shareholder returns, we will maintain our conventional dividend policy of a medium-term average dividend payout ratio of 40% or higher and aim to increase dividends through profit growth. At the same time, the minimum annual dividend per share during the period of the Seventh Mid-Term Management Plan has been set at 145 yen, which exceeds the result for the fiscal year ended January 31, 2026 (144 yen). In addition, with respect to share buybacks of Company stock, we intend to implement them flexibly, taking into account cash allocation and the status of financial soundness recovery.

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, 2026	Net sales for the fiscal year ended January 31, 2026	Orders carried forward to the following fiscal year
Built-to-Order Business				
Custom Detached Houses Business	230,018	481,599	478,952	232,665
Rental Housing and Commercial Buildings Business	563,887	608,715	564,813	607,789
Architectural/Civil Engineering Business	401,005	318,248	302,293	416,960
Supplied Housing Business				
Rental Housing Management Business	—	712,621	712,621	—
Remodeling Business	36,749	193,137	187,958	41,929
Development Business				
Real Estate and Brokerage Business	72,376	411,127	394,509	88,994
Condominiums Business	122,570	116,136	122,844	115,863
Urban Redevelopment Business	12,000	176,597	164,634	23,963
Overseas Business	338,070	1,243,387	1,286,358	295,099
Other Businesses	1,037	16,444	16,451	1,030
Eliminations and corporate	(23,138)	(30,255)	(33,516)	(19,878)
Total	1,754,577	4,247,762	4,197,922	1,804,417

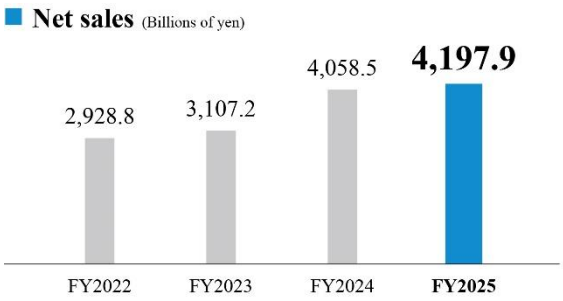
Note:

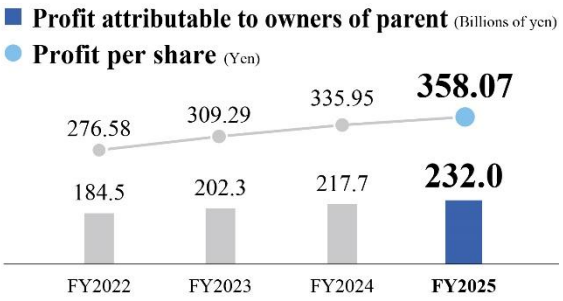
Each business division is set out in the section of (6) Major Businesses as of January 31, 2026.

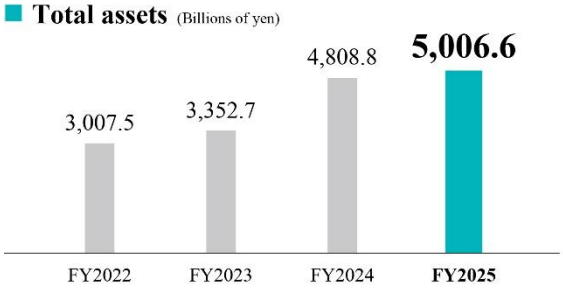
(4) Business Results and Financial Situation of Sekisui House Group

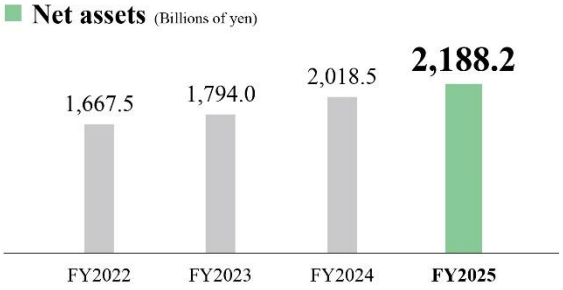
Millions of yen

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024	Fiscal year ended January 31, 2025	Fiscal year ended January 31, 2026
Net sales	2,928,835	3,107,242	4,058,583	4,197,922
Profit attributable to owners of parent	184,520	202,325	217,705	232,095
Profit per share (*yen*)	276.58	309.29	335.95	358.07
Total assets	3,007,537	3,352,798	4,808,848	5,006,637
Net assets	1,667,546	1,794,052	2,018,599	2,188,237









(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 ¥99,696 million and the main component was acquisition of the real estate for investments.

The main funds procured during the fiscal year comprise the issuance by the Company of ¥140,000 million unsecured straight bonds and borrowings from financial institutions of ¥50,000 million.

(6) Major Businesses as of January 31, 2026

The Company and the Sekisui House Group companies are involved in the Custom 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	
Custom 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.

(7) Major Operations of Sekisui House Group as of January 31, 2026

(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:	97 Branches	
Sales Offices:	2 Sales Offices	
Factories:		
Tohoku Factory	Shikama-cho, Kami-gun, Miyagi	
Kanto Factory	Koga, Ibaraki	
Shizuoka Factory	Kakegawa, Shizuoka	
Yamaguchi Factory	Yamaguchi	
Hyogo Factory	Kato, Hyogo	
R&D Institutes:		
Comprehensive Housing R&D Institute	Kizugawa, Kyoto	
SHIAWASE SUMAI Institute	Minato-ku, Tokyo	

Note:

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).

(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, Ltd.	Head office: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Sha Maison PM Tohoku, Ltd.	Head office: 16-10, Honcho 2-chome, Aoba-ku, Sendai
Sekisui House Sha Maison PM Tokyo, Ltd.	Head office: 1-1, Yoyogi 2-chome, Shibuya-ku, Tokyo
Sekisui House Sha Maison PM Chubu, Ltd.	Head office: 24-16, Meieki 4-chome, Nakamura-ku, Nagoya
Sekisui House Sha Maison PM Kansai, Ltd.	Head office: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Sha Maison PM Chugoku & Shikoku, Ltd.	Head office: 1-25, Komachi, Naka-ku, Hiroshima
Sekisui House Sha Maison PM 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, Ltd.	Head office: 15-2 Akedori 3-chome, Izumi-ku, Sendai
Sekisui House Construction Tokyo, Ltd.	Head office: 1760-2 Ooaza Niizo, Toda, Saitama
Sekisui House Construction Kanto, Ltd.	Head office: 14-10 Higashiomiya 6-chome, Minuma-ku, Saitama
Sekisui House Construction Joshinetsu, Ltd.	Head office: 1276-3 Ooaza Yashiro, Chikuma, Nagano
Sekisui House Construction Chubu, Ltd.	Head office: 609 Shikenya 2-chome, Moriyama-ku, Nagoya
Sekisui House Construction Kansai, Ltd.	Head office: 5-15 Nishinakajima 5-chome, Yodogawa-ku, Osaka
Sekisui House Construction Chugoku, Shikoku, Ltd.	Head office: 4-31 Tomominami 1-chome, Asaminami-ku, Hiroshima
Sekisui House Construction Kyusyu, 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 Support Plus, Ltd.	Head office: 1-88, Oyodonaka 1-chome, Kita-ku, Osaka
Sekisui House Financial Services Co., Ltd.	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.
SEKISUI HOUSE U.S., Inc.	Head office: Colorado, U.S.A.
SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED	Head office: New South Wales, Australia

Notes:

1. The addresses above which do not include the specific country name should be recognized as addresses in Japan.
2. On February 1, 2026, the head office of Sekisui House Construction Tokyo, Ltd. was relocated to 33-11, Honcho 5-chome, Nakano-ku, Tokyo.

(8) Outline of Main Subsidiaries as of January 31, 2026

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, Ltd.	5,829	100.0%*	Real Estate and Brokerage Business
Sekisui House Sha Maison PM Tohoku, Ltd.	200	100.0%*	Rental Housing Management Business
Sekisui House Sha Maison PM Tokyo, Ltd.	200	100.0%*	Rental Housing Management Business
Sekisui House Sha Maison PM Chubu, Ltd.	200	100.0%*	Rental Housing Management Business
Sekisui House Sha Maison PM Kansai, Ltd.	200	100.0%*	Rental Housing Management Business
Sekisui House Sha Maison PM Chugoku & Shikoku, Ltd.	200	100.0%*	Rental Housing Management Business
Sekisui House Sha Maison PM Kyushu, Ltd.	200	100.0%*	Rental Housing Management Business
Sekisui House Trust, Ltd.	450	95.0%	Rental Housing Management Business
Sekisui House Construction Holdings, Ltd.	100	100.0%	Custom Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Tohoku, Ltd	100	100.0%*	Custom Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Tokyo, Ltd.	100	100.0%*	Custom Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Kanto, Ltd.	100	100.0%*	Custom Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Joshinetsu, Ltd.	100	100.0%*	Custom Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Chubu, Ltd.	100	100.0%*	Custom Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Kansai, Ltd.	100	100.0%*	Custom Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Chugoku, Shikoku, Ltd.	100	100.0%*	Custom Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Construction Kyusyu, Ltd.	100	100.0%*	Custom Detached Houses Business, Rental Housing and Commercial Buildings Business
Sekisui House Remodeling, Ltd.	100	100.0%	Remodeling Business
Sekisui House Support Plus, Ltd.	100	100.0%	Remodeling Business
Sekisui House Financial Services Co., Ltd.	100	100.0%	Other Businesses
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
SEKISUI HOUSE U.S., 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 301 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. 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.

4. 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).
5. Sekisui House noie Limited was liquidated on December 10, 2025.
6. Sekisui House (Shenyang) Co., Ltd. was liquidated on December 22, 2025.
7. The Company implemented an organizational restructuring of its consolidated subsidiaries in the U.S. homebuilding business. As a result, Woodside Homes Company, LLC, Holt Group Holdings, LLC, and Chesmar Holdings, LLC were dissolved through absorption-type mergers, and M.D.C. Holdings, Inc. changed its trade name to SEKISUI HOUSE U.S., Inc. and commenced operations in January 2026 as the de facto company overseeing the U.S. homebuilding business.

(9) Employees as of January 31, 2026

(i) Outline of Sekisui House Group

Number of employees	Change compared to the previous year
32,186	79 (decreased)

(ii) Outline of Sekisui House, Ltd.

Number of employees	Change compared to the previous year	Average age	Average length of employment
14,178	1,486 (decreased)	43.5 years old	16.2 years

Notes:

1. The number of employees and the number of employees as of the end of the previous fiscal year (15,664) do not include those dispatched to subsidiaries and the like.
2. The significant decrease in the number of employees compared with the end of the previous fiscal year is mainly due to the dispatch of employees engaged in the after-sales service business to Sekisui House Support Plus, Ltd. following the spin-off of the business on February 1, 2025.

(10) Principal Lenders as of January 31, 2026

Millions of yen

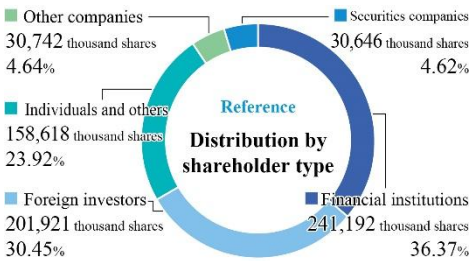
Name of lenders	Amount of loan
MUFG Bank, Ltd.	326,291
Mizuho Bank, Ltd.	295,770
Sumitomo Mitsui Banking Corporation	212,310
Sumitomo Mitsui Trust Bank, Limited	103,845

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, 2026

1	Total number of shares authorized to be issued	1,978,281,000 shares
2	Total number of shares issued (Including treasury stock)	663,122,166 shares (14,712,490 shares)
3	Share unit number	100
4	Total number of shareholders	328,965



Note: "Individuals and others" includes 14,712 thousand shares of treasury stock.

5 Details of main shareholders are as follows:

Name	Number of shares held (thousands)	Ratio of shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	108,393	16.72
Custody Bank of Japan, Ltd. (Trust account)	48,906	7.54
Sekisui House Ikushikai	22,146	3.42
Sekisui Chemical Co., Ltd.	14,168	2.19
SMBC Nikko Securities Inc.	10,246	1.58
JP MORGAN CHASE BANK 385781	8,903	1.37
JPMorgan Securities Japan Co., Ltd.	8,313	1.28
STATE STREET BANK AND TRUST COMPANY 505001	7,909	1.22
JAPAN SECURITIES FINANCE CO., LTD.	7,689	1.19
The Dai-ichi Life Insurance Company, Limited	7,508	1.16

Notes:

1. Sekisui House Ikushikai is the Company's employee stock holding association.
2. The Company holds 14,712,490 shares of treasury stock, but is excluded from the above list of main shareholders. The ratio of shareholding is calculated by deducting shares of treasury stock from the total number of shares issued.

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)	64,600	7
Outside Directors of the Board	—	—
Audit and Supervisory Board Members	1,600	1

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, 2026

・ Number of share acquisition rights

48 units

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

48,000 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	–	–
No. 8 Share Acquisition Rights (Stock compensation-type stock option) (From June 14, 2013 to June 13, 2033)	–	–	–	–	1	1	–	–
No. 9 Share Acquisition Rights (Stock compensation-type stock option) (From June 14, 2014 to June 13, 2034)	2	4	–	–	1	2	1	3
No. 10 Share Acquisition Rights (Stock compensation-type stock option) (From June 13, 2015 to June 12, 2035)	2	2	–	–	1	1	1	2
No. 11 Share Acquisition Rights (Stock compensation-type stock option) (From June 15, 2016 to June 14, 2036)	2	3	–	–	1	1	2	2
No. 12 Share Acquisition Rights (Stock compensation-type stock option) (From June 15, 2017 to June 14, 2037)	2	4	–	–	1	1	2	3
No. 13 Share Acquisition Rights (Stock compensation-type stock option) (From June 15, 2018 to June 14, 2038)	3 (1)	9 (1)	2	2	1	2	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, 2026

Representative Directors of the Board:	
Yoshihiro Nakai	CEO, President, Executive Officer
Satoshi Tanaka	Executive Vice President, Executive Officer, Managing Division of Finance, Human Resources and Auditing, in charge of Administration Division
Toru Ishii	Senior Managing Officer, In charge of Division of Development Business, Head of International Business Headquarters
Directors of the Board:	
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.
Yasushi Omura	Senior Managing Officer, Managing Detached Housing Business President, Representative Director of the Board of Sekisui House Construction Holdings, Ltd.
Yukiko Yoshimaru	
Toshifumi Kitazawa	
Yoshimi Nakajima	
Shinichi Abe	
Yukiko Kuroda	
Standing Audit and Supervisory Board Members:	
Takashi Ogino	
Osamu Minagawa	
Ryuichi Tsuruta	
Audit and Supervisory Board Members:	
Yoritomo Wada	
Yuko Tamai	

Notes:

1. The names of the Directors of the Board and Audit and Supervisory Board Members who retired during the fiscal year under review, and their positions and responsibilities at the time of retirement, are as follows:

Vice Chairman, Representative Director of the Board, Executive Officer	Yosuke Horiuchi	Retired on April 23, 2025
Director of the Board	Keiko Takegawa	Retired on April 23, 2025
Standing Audit and Supervisory Board Member	Midori Ito	Retired on April 23, 2025
Audit and Supervisory Board Member	Takashi Kobayashi	Retired on April 23, 2025

2. Directors of the Board Mr. Yasushi Omura and Ms. Yukiko Kuroda, and Audit and Supervisory Board Members Mr. Osamu Minagawa and Ms. Yuko Tamai were newly elected and assumed their positions at the 74th Ordinary General Meeting of Shareholders held on April 23, 2025.
3. Directors of the Board Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima, Mr. Shinichi Abe, and Ms. Yukiko Kuroda are Outside Directors of the Board as prescribed in Article 2, Item 15 of the Companies Act.
4. Audit and Supervisory Board Members Mr. Ryuichi Tsuruta, Mr. Yoritomo Wada, and Ms. Yuko Tamai are Outside Audit and Supervisory Board Members as prescribed in Article 2, Item 16 of the Companies Act.
5. 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 a reasonable extent.
6. The Company designated each of Directors of the Board Ms. Yukiko Yoshimaru, Mr. Toshifumi Kitazawa, Ms. Yoshimi Nakajima, Mr. Shinichi Abe, and Ms. Yukiko Kuroda, and Audit and Supervisory Board Members Mr. Ryuichi Tsuruta, Mr. Yoritomo Wada, and Mr. Yuko Tamai as "Independent Directors/Auditors" and submitted notification to that effect to the Tokyo Stock Exchange, Inc. (as of March 2026).
7. Effective February 1, 2026, there were changes in the responsibilities of the Directors of the Board as follows:

Director of the Board	Hiroshi Shinozaki	Senior Managing Officer, President, Representative Director of the Board of Sekisui House Real Estate Holdings, Ltd.
Director of the Board	Yasushi Omura	Senior Managing Officer, Managing Detached Housing Business, In charge of Remodeling Business

8. 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	Chairman
Satoshi Tanaka	Kuraray Co., Ltd. IHH Healthcare Berhad	Outside Director Outside Director
Toru Ishii	SEKISUI HOUSE U.S., Inc.	Chairman
Hiroshi Shinozaki	Sekisui House Real Estate Holdings, Ltd.	President, Representative Director of the Board
Yasushi Omura	Sekisui House Construction 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. Mitsubishi Logistics Corporation	Advisor 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
Shinichi Abe	MNES Inc. MACNICA HOLDINGS, INC.	Representative Director, President and CEO Outside Director
Yukiko Kuroda	People Focus Consulting Co., Ltd. Obayashi Corporation ORACLE CORPORATION JAPAN Santen Pharmaceutical Co., Ltd.	Advisor and Founder Independent Director Outside Director Outside Director
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
Yoritomo Wada	Wada CPA Accounting Firm TRUSCO NAKAYAMA Corporation	Certified Public Accountant Outside Auditor
Yuko Tamai	Nagashima Ohno & Tsunematsu MITSUI & CO., LTD.	Partner External Audit & Supervisory Board Member

Notes:

1. Director of the Board Mr. Yoshihiro Nakai was appointed to Chairman of Japan Federation of Housing Organizations on June 19, 2025.
2. Director of the Board Mr. Toru Ishii was appointed to Chairman of SEKISUI HOUSE U.S., Inc. on January 1, 2026.
3. Director of the Board Mr. Toshifumi Kitazawa retired from Member of the Board of Directors (Outside) (Member of the Audit & Supervisory Committee) of MUFG Bank, Ltd. on June 26, 2025.
4. Director of the Board Mr. Shinichi Abe was appointed to Outside Director of MACNICA HOLDINGS, INC. on June 25, 2025.
5. Director of the Board Ms. Yukiko Kuroda retired from Outside Director of Seven Bank, Ltd. on June 23, 2025 and was appointed to Outside Director of Santen Pharmaceutical Co., Ltd. on June 24, 2025.

(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 Yukiko Kuroda Internal Directors of the Board: Yoshihiro Nakai, Representative Director of the Board, CEO, President, Executive Officer, 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 11 times in the fiscal year ended January 31, 2026. 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] ・Consideration of the executive compensation system during the period of the Seventh Mid-Term Management Plan (applicable from FY2026)

(b) Overview of policy details (as of January 31, 2026)

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 amount) and incentive remuneration (variable remuneration). The incentive remuneration is a combination of three types of remuneration: performance-based bonus (short-term performance), performance-based stock compensation (medium-term performance), and restricted stock compensation (long-term performance).

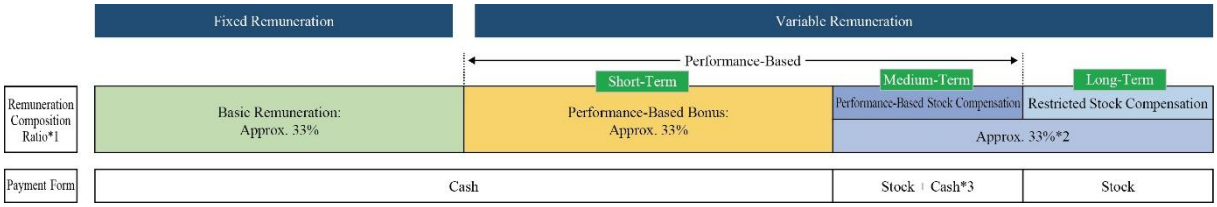
The remuneration composition shall be adequately determined according to the roles and responsibilities of each position and the Company shall make it work as a healthy incentive not only to achieve performance targets for a single fiscal year, but also to enhance the corporate value in a long-term and sustainable way. To this end, the Company has lowered the ratio of performance-based bonus, and increased the ratio of stock remuneration to total remuneration. For Representative Directors of the Board, the remuneration composition ratio among basic remuneration, performance-based bonus, 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-based 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-based bonus	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.
	Medium-term	Performance-based stock compensation (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.
	Long-term	Restricted stock compensation (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-based stock compensation to restricted stock compensation is approximately 1:1 (at the base performance).
3. 50% of the performance-based stock compensation 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 amount) 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 amount) 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-based bonus	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-based stock compensation (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 compensation (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

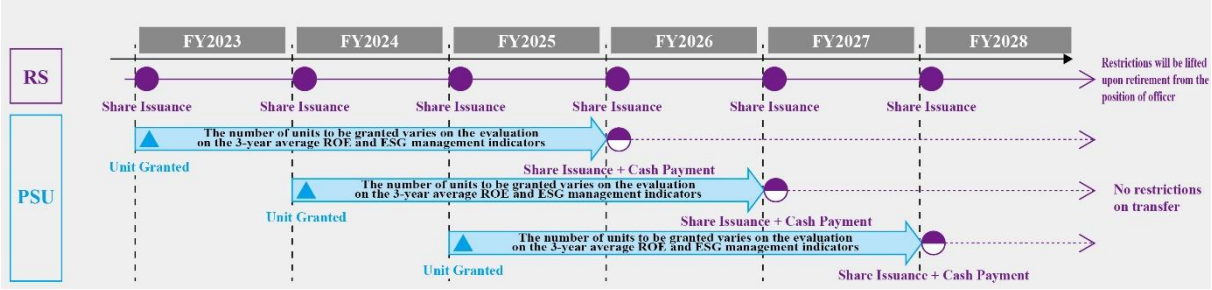
Position	Total amount of remuneration, etc. (*Millions of yen*)	Total amount of remuneration, etc. by type (*Millions of yen*)				Number of applicable officers
		Basic remuneration	Performance-based bonus	Performance-based stock compensation	Restricted stock compensation	
Directors of the Board (Outside Directors of the Board)	861 (116)	384 (116)	282	89	105	13 (6)
Audit and Supervisory Board Members (Outside Audit and Supervisory Board Members)	169 (81)	169 (81)	—	—	—	7 (4)

Note: The amounts above include remuneration paid to one Director of the Board who retired as of the conclusion of the 72nd Ordinary General Meeting of Shareholders held on April 25, 2023, and one Director of the Board, one Outside Director of the Board, one Audit and Supervisory Board Member, and one Outside Audit and Supervisory Board Member who retired as of the conclusion of the 74th Ordinary General Meeting of Shareholders held on April 23, 2025.

f. Performance indicator results

The amount of performance-based bonus to be paid shall be calculated by multiplying consolidated ordinary profit of ¥327,800 million by a predetermined bonus coefficient for the position of each Director of the Board (excluding Outside Directors of the Board).

The amount of performance-based stock compensation (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-based stock compensation (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 all 13 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	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.
Director of the Board	Yukiko Kuroda	Ms. Kuroda attended all 9 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 expressing frank opinions based on her experience regarding management issues in the fields of human resources management, governance, and compliance. She has also contributed to the enhancement of deliberations as a member of the Personnel Affairs and Remuneration Committee.
Audit and Supervisory Board Member	Ryuichi Tsuruta	Mr. Tsuruta attended all 13 meetings of the Board of Directors and all 18 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	Yoritomo Wada	Mr. Wada attended all 13 meetings of the Board of Directors and all 18 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.
Audit and Supervisory Board Member	Yuko Tamai	Ms. Tamai attended all 9 meetings of the Board of Directors and all 10 meetings of the Audit and Supervisory Board. She provided timely opinions based on her extensive experience and knowledge as a lawyer, an outside officer of other companies, and a member of government councils.

• 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 concurrently served as an Outside Director, Member of the Audit & Supervisory Committee of MUFG Bank, Ltd. until June 26, 2025. MUFG Bank, Ltd. is a principal lender of the Company. He retired from Outside Director, Member of the Audit & Supervisory Committee of MUFG Bank, Ltd. on the same day. 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: 8" 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	¥213 million
The aggregate amount of money and other economic benefits payable to Accounting Auditor by the Company and its consolidated companies	¥399 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 services such as the preparation of comfort letters related to the issuance of corporate bonds, 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, 2026

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

- The Company formulated the Sekisui House Group Integrity Code, replacing the previous Corporate Code of Conduct and Corporate Ethics Guidelines, to set forth specific actions based on the Corporate Philosophy of "Love of Humanity" and "Truth & Trust," following the solicitation of opinions from, and dialogue with, Group officers and employees (effective February 1, 2026).
- The Company conducts Human Rights and Compliance Training for all employees of the Group with the aim of building compliance awareness, enhancing knowledge and moral awareness related to human rights issues, and improving 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 officers and employees of overseas subsidiaries, and the Sexual and Power Harassment Hotline as a contact point for sexual harassment, power harassment, and other human rights issues. In accordance with the Whistleblower Protection Act, the Human Rights and Compliance Promotion Department receives consultations and reports on relevant matters. The Board of Directors of the Company receives periodic reports on the operation of these systems and appropriately supervises their implementation.
- 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 11 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

- In order to strengthen the Group's internal control through the development of regulations at each Group company, the Company revised the Group Administrative Regulations (which stipulate the Company's responsibilities and authority with respect to Group companies and the management structure) by resolution of the Board of Directors, with the aim of clarifying the key regulations to be introduced by each company and the departments responsible for their implementation.
- 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 2025, 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, 2026

Of the 14 companies examined, the Company sold all shares of two companies and a portion of shares of two companies.

The ratio of cross-shareholdings to consolidated net assets for the fiscal year ended January 31, 2026

The ratio at the end of the fiscal year under review was 2.4%.

(Reference) Evaluation of Effectiveness of the Board of Directors

<Overview of evaluation results for the fiscal year ended January 31, 2026>

1. Evaluation method

As in the fiscal year ended January 31, 2025, the Company hired a third-party independent evaluation company to implement an evaluation for the fiscal year ended January 31, 2026 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 2026, 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, 2026	Initiatives / Issues Confirmed Through the Board of Directors Evaluation	Progress
1	Further strengthening of governance from a group/global perspective	○ Through PMI in the United States, opportunities have increased for substantive discussions on group management from the perspective of improving corporate value (including on-site inspections and discussions in the United States, as well as observation reports prepared by Outside Directors of the Board). ○ The CFO function, centered on finance specialists, has also been strengthened, and opportunities for discussion were expanded by holding a meeting of the business investment council in December 2025 to discuss investments and finances. ○ Regarding timely and sufficient sharing of information with Directors of the Board, no particular issues were raised. ○ On the other hand, as the number of agenda items at the Board of Directors meetings has increased, there were continued requests for improvements in Board operations to ensure sufficient time for strategic themes.	Improving
2	Enhancement of discussions on succession to ensure the continued high effectiveness of the Board of Directors	○ Regarding board succession, the onboarding of newly appointed Directors of the Board who took office this fiscal year is underway, but it remains an important issue to continue efforts, including the search for candidates with a view to the transition of "leadership roles" in the Company's governance. ○ Regarding CEO succession, the Personnel Affairs and Remuneration Committee has made progress in initiatives such as establishing opportunities for engagement with internal succession candidates, but initiatives remain ongoing and further efforts are required.	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 the Chairperson (as well as newly appointed members), are able to balance supervision and business execution at a high level.
2	Strong commitment of Independent Outside Directors of the Board and Audit & Supervisory Board Members	・ Proactive recommendations on business execution based on the premise of "moderate separation of supervision and execution." ・ Guided by the belief that "seeing is believing," a strong willingness to gain a deep understanding of operations by engaging with Management Meetings and business sites, together with a strong time commitment.
3	Further enhanced system to support the Board of Directors Office	・ Proactive and prompt preparation and response by the Board of Directors Office and its commitment to further strengthening its functions.

(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, 2027.

	Issues for the Fiscal Year Ending January 31, 2027		Details of Issues (Observations by the Third-party Organization)	Initiatives for Consideration
1	Further strengthening of the monitoring function		・As the reinforcement of our executive team progresses and the scope of management to be covered has expanded both domestically and internationally, conditions are in place to further delegate authority to the executive team and strengthen the monitoring function. ・Among Directors of the Board and Audit and Supervisory Board Members, there has been an increasing view that the "moderate separation of supervision and execution" should be further promoted to strengthen the monitoring function.	・To consider the direction and options for the future, with reference to practices at other companies.
2	Prioritization of agenda items to enable focused discussions of strategically important themes	a. Securing opportunities to discuss important themes	・There were calls to expand opportunities to discuss important themes from the perspective of improving corporate value (e.g., governance of overseas business and long-term vision). ・Regarding individual agenda items, there were also requests for a deeper understanding of the strategic positioning and management's intent from an execution standpoint.	・To discuss and agree on the selection of important themes. ・To reflect them in the annual discussion schedule. ・To establish forums outside the Board of Directors meetings.
		b. Creating time by making the operations of the Board of Directors more efficient	・As the number of agenda items at the Board of Directors meetings has increased, concerns were expressed that time constraints may affect the depth of discussions. ・Although efforts have been made to improve the setting of agenda items and the efficiency of Board operations, there were views that further improvements remain possible.	・To utilize written resolutions. ・To further review criteria for submission of agenda items. ・To prioritize the allocation of time.
3	Strengthening initiatives regarding succession	a. Succession and integration of Outside Directors of the Board	・Steps are underway toward the replacement of Outside Directors of the Board who have played leading roles in the Company's governance. ・Regarding succession, including the integration of newly appointed Outside Directors of the Board, careful consideration is required to ensure that the high level of commitment by Outside Directors of the Board, which is a characteristic of the Company's governance, is inherited and further evolved.	・To hold off-site meetings for Outside Directors of the Board aimed at the inheritance and evolution of governance.
		b. Succession of the executive team	・As the Company continues to pursue new challenges both domestically and internationally, the succession of the executive team, which has led reforms across both execution and governance, is important.	・To reconfirm the succession plan within the Personnel Affairs and Remuneration Committee. ・To enhance reporting to the Board of Directors.

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

<Overview of evaluation results for the fiscal year ended January 31, 2026>

1. Evaluation method

The Company hired a third-party organization to implement an evaluation for the fiscal year ended January 31, 2026, as it did in the fiscal year ended January 31, 2025, 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; Director of the Board managing the Division of Finance, Human Resources and Auditing, in charge of the Division of Administration; Director of the Board managing the Building Sales Administration, in charge of TKC Project; Head of the Corporate Administration Headquarters; Head of the Auditing Department; International Auditing Office Lead; and the Accounting Auditor, carried out by the third-party organization (approximately one hour interview per interviewee)

*To gain new insights based on the opinions of collaborators and audit subjects, the interviewees were partially changed in the fiscal year ended January 31, 2026, and Director of the Board managing the Building Sales Administration, in charge of TKC Project, and Head of Corporate Administration Headquarters became new subjects to the interview.

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

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 the meetings held in January and February 2026.

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, in addition to its normal auditing activities, the issues raised in the previous fiscal year's evaluation of the effectiveness of the Audit and Supervisory Board had been generally improved or progress had been made toward improvement.

	Issues for the Fiscal Year Ended January 31, 2026	Initiatives / Issues Confirmed Through the Evaluation of the Audit and Supervisory Board	Progress
1	Confirmation of the adequacy of controls in response to the expansion of the U.S. business	During on-site audits and visits to the U.S. subsidiaries, Audit and Supervisory Board Members (including Outside Audit and Supervisory Board Members) conducted interviews with local senior management regarding the outlook for the U.S. homebuilding business, the status of PMI following the acquisition of MDC, and progress toward becoming "One Company." They also conducted interviews with the Audit Committee and Internal Audit of the U.S. subsidiaries, and discussed the level of controls in light of business practices in the U.S. Based on this, in cooperation with the executive team (International Business Headquarters, Accounting Department, Auditing Department, and International Auditing Office) and the Accounting Auditor (in Japan and the U.S.), Audit and Supervisory Board Members and the Audit and Supervisory Board confirmed the progress of the executive team's initiatives regarding priority audit items.	Improved
2	Confirmation of the adequacy of system and information security controls	・Q&A sessions regarding reports from the Information Security Committee were conducted at Audit and Supervisory Board meetings, and ongoing discussions were held between the Standing Audit and Supervisory Board Members and the secretariat of the Information Security Committee. The progress of the executive team's initiatives (including the development of information security personnel) to ensure the adequacy of controls related to information security across the Group, and the implementation of an information security assessment by a third-party organization were confirmed, and a certain degree of improvement was made regarding the issues pointed out by the Audit and Supervisory Board. ・On the other hand, given the increasing information security threats in the external environment, the Audit and Supervisory Board will continue to closely monitor the adequacy of information security controls.	Improving
3	Identification of the skills and experience expected for future members of the Audit and Supervisory Board	Through repeated deliberations at the Audit and Supervisory Board meetings, the optimal combination of skills and experience required for the Audit and Supervisory Board, considering the medium- to long-term business expansion of the Group, was organized, and it was confirmed that this would be utilized when considering future candidates for Audit and Supervisory Board Members.	Improved

(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
1	Exchange of opinions with and recommendations to senior management	・In exchanging opinions with senior management, Audit and Supervisory Board Members maintain an appropriate distance from the executive team. Rather than merely communicating concerns, they provide findings and recommendations based on a sufficient understanding of operations through on-site audits and interviews. ・As a result, a relationship of trust between senior management and Audit and Supervisory Board Members has been built, allowing for frank exchanges of opinions and recommendations. An organizational culture has also taken root in which senior management positively accepts and responds to matters pointed out by Audit and Supervisory Board Members.
2	Cooperation with the internal audit divisions and the Accounting Auditor	・The presence of the General Manager of the Auditing Department and the Accounting Auditor at interviews with the executive team conducted by Audit and Supervisory Board Members has increased opportunities for information sharing and cooperation, leading to further enhancement of the three-pillar audit system. ・At the Three-pillar Audit System Cooperation Meetings, which started in the fiscal year ended January 31, 2024, discussions and information sharing reflecting the respective perspectives of Audit and Supervisory Board Members, the Auditing Department, and the Accounting Auditor are conducted, serving not merely as a forum for reporting but as an opportunity to further strengthen the substantive value of cooperation.
3	Appropriateness of the audit plan	・Through exchanges of opinions with senior management and discussions with the Auditing Department and the Accounting Auditor, audit plans are formulated by considering internal and external environmental changes and taking into account the impact of risk factors on the auditing environment. ・Based on the issues identified in the annual analysis and evaluation of the effectiveness of the Audit and Supervisory Board, priority audit items are identified and reflected in the audit plans. ・Audit and Supervisory Board Members share the annual audit policy (including matters discussed at the Audit and Supervisory Board meetings) with senior management and confirm the progress in addressing audit findings from previous fiscal years. As this enables senior management to reconfirm the Audit and Supervisory Board's recognition of issues, exchanges of opinions with Audit and Supervisory Board Members are regarded as a meaningful opportunity.

(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, 2027	Details of Issues	Initiatives for Consideration
1	Further confirmation of the adequacy of controls in response to the organizational restructuring of the U.S. business	Continue to confirm the adequacy of controls at each stage, given that the U.S. business is in a transitional phase of organizational restructuring, including the move toward "One Company."	To continue conducting audits by the Audit Committee and Internal Audit of the U.S. subsidiaries and to cooperate with relevant departments, and to continue confirming the progress of the executive team's initiatives regarding risk assessment at each stage and the adequacy of controls in response to changes in the business environment.
2	Confirmation of the adequacy of system and information security controls	Continue to confirm the adequacy of controls related to information security, in light of the organizational restructuring regarding information security management (including the separation of the second and third lines).	To confirm in greater detail the executive team's initiatives to ensure the adequacy of controls through monitoring the activities of the Information Security Committee and conducting interviews with information security departments (including those of domestic and overseas subsidiaries).

The Consolidated Financial Statements for the 75th Fiscal Year

CONSOLIDATED BALANCE SHEETS			
As of January 31, 2026			
Millions of yen			
Assets	**5,006,637**	**Liabilities**	**2,818,400**
Current assets	**3,907,449**	**Current liabilities**	**1,398,171**
Cash and deposits	435,177	Notes payable, accounts payable for construction contracts	162,376
Notes receivable, accounts receivable from completed construction contracts and other	203,890	Electronically recorded obligations - operating	67,638
Costs on construction contracts in progress	13,405	Short-term borrowings	414,332
Buildings for sale	1,093,574	Current portion of bonds payable	20,000
Land for sale in lots	1,507,781	Current portion of long-term borrowings	161,032
Undeveloped land for sale	433,304	Income taxes payable	67,868
Other inventories	11,930	Advances received on construction contracts in progress	236,744
Other	209,387	Provision for bonuses	46,734
Allowance for doubtful accounts	(1,000)	Provision for bonuses for directors (and other officers)	4,901
		Provision for warranties for completed construction	15,575
		Other	200,968
Non-current assets	**1,099,188**	**Non-current liabilities**	**1,420,228**
Property, plant and equipment	**466,146**	Bonds payable	738,811
Buildings and structures	178,186	Long-term borrowings	514,714
Machinery, equipment and vehicles	16,436	Long-term leasehold and guarantee deposits received	44,785
Tools, furniture and fixtures	19,493	Deferred tax liabilities	24,634
Land	214,036	Provision for retirement benefits for directors (and other officers)	823
Leased assets	22,451	Retirement benefit liability	27,517
Construction in progress	12,168	Other	68,941
Other	3,373	**Net assets**	**2,188,237**
Intangible assets	**215,174**	**Shareholders' equity**	**1,829,156**
Goodwill	114,581	**Share capital**	**203,300**
Industrial property	50,478	**Capital surplus**	**259,595**
Leasehold interests in land	3,003	**Retained earnings**	**1,407,164**
Software	45,677	**Treasury shares**	**(40,905)**
Right to use facilities	108	**Accumulated other comprehensive income**	**310,399**
Telephone subscription right	237	**Valuation difference on available-for-sale securities**	**36,079**
Other	1,087	**Deferred gains or losses on hedges**	**(442)**
Investments and other assets	**417,867**	**Foreign currency translation adjustment**	**213,570**
Investment securities	202,295	**Remeasurements of defined benefit plans**	**61,192**
Long-term loans receivable	23,266	**Share acquisition rights**	**58**
Retirement benefit asset	112,861	**Non-controlling interests**	**48,622**
Deferred tax assets	18,934		
Other	60,823		
Allowance for doubtful accounts	(313)		
Total assets	**5,006,637**	**Total liabilities and net assets**	**5,006,637**

CONSOLIDATED STATEMENTS OF INCOME	
From February 1, 2025 to January 31, 2026	
Millions of yen	
Net sales	**4,197,922**
Cost of sales	**3,358,103**
Gross profit	**839,819**
Selling, general and administrative expenses	**498,416**
Operating profit	**341,402**
Non-operating income	**39,503**
Interest and dividend income	8,150
Share of profit of entities accounted for using equity method	26,105
Other	5,247
Non-operating expenses	**53,105**
Interest expenses	39,183
Other	13,921
Ordinary profit	**327,800**
Extraordinary income	**12,409**
Gain on sale of investment securities	12,409
Extraordinary losses	**1,473**
Loss on sale and retirement of non-current assets	1,473
Profit before income taxes	**338,737**
Total income taxes	**102,157**
Income taxes - current	117,412
Income taxes - deferred	(15,254)
Profit	**236,579**
Profit attributable to non-controlling interests	4,484
Profit attributable to owners of parent	**232,095**

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS					
From February 1, 2025 to January 31, 2026					
Millions of yen					
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	**203,094**	**260,297**	**1,266,985**	**(40,957)**	**1,689,420**
Cumulative effects of changes in accounting policies	–	–	833	–	833
Restated balance	**203,094**	**260,297**	**1,267,819**	**(40,957)**	**1,690,253**
Changes during period					
Issuance of new shares	206	206	–	–	412
Dividends of surplus	–	–	(92,712)	–	(92,712)
Profit attributable to owners of parent	–	–	232,095	–	232,095
Purchase of treasury shares	–	–	–	(14)	(14)
Disposal of treasury shares	–	–	(37)	66	29
Purchase of shares of consolidated subsidiaries	–	(908)	–	–	(908)
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	206	(701)	139,345	52	138,902
Balance at end of period	**203,300**	**259,595**	**1,407,164**	**(40,905)**	**1,829,156**

	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	**35,610**	**(123)**	**215,217**	**22,075**	**272,779**	**87**	**56,311**	**2,018,599**
Cumulative effects of changes in accounting policies	(833)	–	–	–	(833)	–	–	–
Restated balance	**34,776**	**(123)**	**215,217**	**22,075**	**271,945**	**87**	**56,311**	**2,018,599**
Changes during period								
Issuance of new shares	–	–	–	–	–	–	–	412
Dividends of surplus	–	–	–	–	–	–	–	(92,712)
Profit attributable to owners of parent	–	–	–	–	–	–	–	232,095
Purchase of treasury shares	–	–	–	–	–	–	–	(14)
Disposal of treasury shares	–	–	–	–	–	–	–	29
Purchase of shares of consolidated subsidiaries	–	–	–	–	–	–	–	(908)
Net changes in items other than shareholders' equity	1,302	(318)	(1,646)	39,116	38,453	(29)	(7,689)	30,735
Total changes during period	1,302	(318)	(1,646)	39,116	38,453	(29)	(7,689)	169,637
Balance at end of period	**36,079**	**(442)**	**213,570**	**61,192**	**310,399**	**58**	**48,622**	**2,188,237**

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: 301, including Sekisui House Real Estate, Ltd., Sekisui House Sha Maison PM Tohoku, Ltd., Sekisui House Sha Maison PM Tokyo, Ltd., Sekisui House Sha Maison PM Chubu, Ltd., Sekisui House Sha Maison PM Kansai, Ltd., Sekisui House Sha Maison PM Chugoku & Shikoku, Ltd., Sekisui House Sha Maison PM Kyushu, Ltd., SEKISUI HOUSE U.S., Inc. and other companies.
- Changes in scope of consolidation:
  1 company was newly added due to establishment, while 76 companies were excluded due to merger or liquidation, 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:
  3 companies were added due to application of the equity method to investments, etc., while 3 companies were excluded due to merger or liquidation, etc.

(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.: Kabusiki Kaisya Sazanami no Mori and 2 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 263 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.

(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 ¥40,862 million, ¥37,890 million and ¥2,877 million are included in "Buildings for sale," "Land for sale in lots" and "Undeveloped land for sale," respectively.

2. Notes to Changes in Accounting Policies

Adoption of the "Accounting Standard for Current Income Taxes" and other standards

The Company has adopted the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter "Accounting Standard Revised in 2022") and other standards from the beginning of the fiscal year under review. With regard to the revision to classification to record income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to Paragraph 20-3 of the Accounting Standard Revised in 2022 and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter "Guidance Revised in 2022"). During the fiscal year under review, the impact on the consolidated financial statements is immaterial.
With regard to the revision associated with the review of treatment in the consolidated financial statements in case that gain or loss on sale of shares of a subsidiary, etc. among consolidated companies is deferred for tax purpose, the Guidance Revised in 2022 has been applied from the beginning of the fiscal year under review. This change has not been retroactively applied because the impact is immaterial.

3. 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	1,093,574
Land for sale in lots	1,507,781
Undeveloped land for sale	433,304
Amount of loss on valuation (Cost of sales)	19,775

(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, 2027

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	466,146
Total intangible assets	215,174
Impairment losses	—

(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, 2027

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 impairment losses.

4. 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)	357	Liabilities of the subsidiary	—
Buildings for sale and land for sale in lots	31,035	Borrowing from financial institutions	13,718
		Deposits on contract with establishment of leasehold	22
Land Buildings and structures	1,536 482	Borrowing from financial institutions	310
		Deposits on contract with establishment of leasehold	393
		Long-term leasehold and guarantee deposits received	180
Total	33,411	Total	14,625

Note: In addition to those stated above, the Company deposited cash of ¥9,224 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 ¥292,588 million

(3) Liabilities guaranteed

(i) Liabilities guaranteed for repayment (for persons to have housing mortgage) ¥109,706 million

(ii) Liabilities guaranteed for repayment
(for affiliated companies to borrow from the financial institutions) ¥16,578 million

(Additional information)

Changes in holding purpose of assets:

Real estate for sale of ¥2,079 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 ¥107,255 million, that appeared under non-current assets as at the end of the previous consolidated fiscal year, has been reclassified under inventories.

5. 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 663,122,166 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 74th Ordinary General Meeting of Shareholders held on April 23, 2025:

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

b. Matters related to the dividends (interim dividends) paid pursuant to the resolution of the meeting of the Board of Directors held on September 4, 2025:

Total amount of dividends:	¥46,685 million
Dividends per share:	¥72.00
Record date:	Jul. 31, 2025
Effective date:	Sep. 30, 2025

(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 75th Ordinary General Meeting of Shareholders to be held on April 23, 2026:

Total amount of dividends:	¥46,685 million
Source of funds for dividends:	Retained earnings
Dividends per share:	¥72.00
Record date:	Jan. 31, 2026
Effective date:	Apr. 24, 2026

(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 48,000 shares

6. 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, 2026 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, 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	3,300	2,214	(1,086)
Other securities	88,672	88,672	–
Total assets	92,092	91,006	(1,086)
Bonds payable	758,811	733,600	(25,210)
Long-term borrowings	675,746	665,959	(9,787)
Total liabilities	1,434,558	1,399,560	(34,998)
Derivatives*	(3,824)	(3,824)	–

*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	94,620
Investment to SPC, etc.	15,582

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	88,672	–	–	88,672
Total assets	88,672	–	–	88,672
Derivatives				
Currency-related	–	3,824	–	3,824
Total liabilities	–	3,824	–	3,824

(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	2,214	–	–	2,214
Total assets	2,214	120	–	2,334
Bonds payable	–	733,600	–	733,600
Long-term borrowings	–	665,959	–	665,959
Total liabilities	–	1,399,560	–	1,399,560

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. In addition, since interest-rate swaps subject to special treatment are accounted for together with the long-term borrowings that are the hedged items, their fair value is included in the fair value of the relevant long-term borrowings.

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, and is classified as Level 2 fair value. Furthermore, the fair value of long-term borrowings subject to special treatment for interest-rate swaps is calculated using the sum of principal and interest amounts accounted for together with the related interest-rate swaps, and is classified as Level 2 fair value.

7. 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
316,557	410,518

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 in accordance with Real Estate Appraisal Standard as the market value.

8. Notes to Revenue Recognition

(1) Disaggregation of revenue from contracts with customers

Millions of yen

	Business segment					
	Custom Detached Houses Business	Rental Housing and Commercial Buildings Business	Architectural/ Civil Engineering Business	Rental Housing Management Business	Remodeling Business	Development Business
Contracting and sales	478,799	558,081	298,311	–	186,719	614,863
Real estate management and other	–	0	33	707,428	–	55,377
Net sales to external customers	478,799	558,082	298,344	707,428	186,719	670,240
Other revenue (Note)	0	0	33	612,581	–	102,493
Revenue from contracts with customers	478,799	558,081	298,311	94,846	186,719	567,746

	Business segment	Other Businesses	Total
	Overseas Business		
Contracting and sales	1,259,926	1,848	3,398,550
Real estate management and other	26,431	10,100	799,372
Net sales to external customers	1,286,358	11,949	4,197,922
Other revenue (Note)	23,943	1,657	740,710
Revenue from contracts with customers	1,262,414	10,291	3,457,211

Note: Other revenue includes lease income based on the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) 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" (Transferred Guidance No. 10).

(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, 2026
Receivables from contracts with customers (at the start of the fiscal year)	33,482
Receivables from contracts with customers (at the end of the fiscal year)	54,748
Contract assets (at the start of the fiscal year)	176,262
Contract assets (at the end of the fiscal year)	147,727
Contract liabilities (at the start of the fiscal year)	167,770
Contract liabilities (at the end of the fiscal year)	182,711

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, ¥160,381 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 ¥1,804,417 million. The Company expects to recognize revenue for this amount within a maximum of 10 years.

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

9. Notes to the Information per Share

(1) Net assets per share	¥3,300.57
(2) Profit per share	¥358.07

10. Notes to Significant Subsequent Events

Cancellation of treasury shares

At the Board of Directors meeting held on March 5, 2026, the Company resolved to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act.

(i) Reason for the cancellation of treasury shares

To enhance the shareholder value through the reduction in the total number of shares issued

(ii) Method of cancellation

Reduction in retained earnings

(iii) Class of shares to be cancelled

Common shares of the Company

(iv) Total number of shares to be cancelled

11,700,000 shares (1.76% of the total number of shares issued prior to the cancellation)

(v) Scheduled date of cancellation

April 24, 2026

(vi) Total number of shares issued after cancellation

651,422,166 shares

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 75th Fiscal Year

NON-CONSOLIDATED BALANCE SHEETS

(As of January 31, 2026)

Millions of yen

Assets	2,417,460	Liabilities	1,314,277
Current assets	**701,180**	**Current liabilities**	**525,586**
Cash and deposits	151,053	Notes payable - trade	880
Electronically recorded monetary claims -operating	9	Electronically recorded obligations - operating	41,730
Accounts receivable from completed construction contracts	51,859	Accounts payable - trade	21,882
		Accounts payable for construction contracts	43,860
Accounts receivable - real estate business	2,918	Current portion of bonds payable	20,000
Costs on construction contracts in progress	2,390	Current portion of long-term borrowings	10,000
Buildings for sale	69,488	Lease liabilities	290
Land for sale in lots	332,891	Accounts payable - other	2,507
Undeveloped land for sale	46,338	Accrued expenses	17,739
Semi-finished goods and work in process	4,534	Income taxes payable	33,074
Raw materials and supplies	3,402	Accrued consumption taxes	13,022
Advance payments to suppliers	1,104	Advances received on construction contracts in progress	114,017
Prepaid expenses	10,811		
Short-term loans receivable	153	Advances received	21,184
Accounts receivable - other	18,520	Deposits received	153,248
Other	6,411	Provision for bonuses	28,545
Allowance for doubtful accounts	(708)	Provision for bonuses for directors (and other officers)	282
Non-current assets	**1,716,279**		
Property, plant and equipment	**276,110**	Provision for warranties for completed construction	2,674
Buildings	93,575	Asset retirement obligations	645
Structures	3,987	**Non-current liabilities**	**788,691**
Machinery and equipment	14,138	Bonds payable	523,447
Vehicles	56	Long-term borrowings	229,513
Tools, furniture and fixtures	6,091	Lease liabilities	1,514
Land	149,935	Long-term leasehold and guarantee deposits received	5,435
Leased assets	1,626	Provision for retirement benefits	21,116
Construction in progress	6,698	Asset retirement obligations	825
Intangible assets	**45,333**	Other	6,840
Industrial property	27		
Leasehold interests in land	2,524	**Net assets**	**1,103,182**
Software	42,671	**Shareholders' equity**	**1,069,895**
Right to use facilities	11	**Share capital**	**203,300**
Telephone subscription right	98	**Capital surplus**	**259,054**
Investments and other assets	**1,394,835**	Legal capital surplus	259,054
Investment securities	71,608	**Retained earnings**	**648,276**
Shares of subsidiaries and associates	882,866	Legal retained earnings	23,128
Investments in other securities of subsidiaries and associates	13,058	Other retained earnings	625,147
		Reserve for dividends	18,000
Long-term loans receivable	387,225	General reserve	428,800
Leasehold and guarantee deposits	10,286	Retained earnings brought forward	178,347
Long-term prepaid expenses	1,086	**Treasury shares**	**(40,736)**
Prepaid pension costs	21,851	**Valuation and translation adjustments**	**33,228**
Deferred tax assets	2,341	**Valuation difference on available-for-sale securities**	**33,228**
Other	8,414		
Allowance for doubtful accounts	(3,903)	**Share acquisition rights**	**58**
Total assets	**2,417,460**	**Total liabilities and net assets**	**2,417,460**

NON-CONSOLIDATED STATEMENTS OF INCOME	
From February 1, 2025 to January 31, 2026	
Millions of yen	
Net sales	**1,397,221**
Net sales of completed construction contracts	1,027,880
Sales in real estate business	369,341
Cost of sales	**1,076,749**
Cost of sales of completed construction contracts	791,086
Cost of sales in real estate business	285,663
Gross profit	**320,471**
Gross profit on completed construction contracts	236,793
Gross profit - real estate business	83,677
Selling, general and administrative expenses	**193,996**
Operating profit	**126,474**
Non-operating income	**102,307**
Interest and dividend income	98,987
Other	3,320
Non-operating expenses	**23,132**
Interest expenses	6,017
Interest expenses on bonds	13,545
Bond issuance costs	436
Other	3,133
Ordinary profit	**205,648**
Extraordinary income	**14,564**
Gain on sale of investment securities	12,409
Gain on liquidation of subsidiaries and associates	2,154
Extraordinary losses	**621**
Loss on sale and retirement of non-current assets	621
Profit before income taxes	**219,591**
Total income taxes	**46,312**
Income taxes - current	44,476
Income taxes - deferred	1,836
Profit	**173,279**

NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS								
From February 1, 2025 to January 31, 2026								
Millions of yen								
	Shareholders' equity							
	Share capital	Capital surplus		Retained earnings				
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for dividends	General reserve	Retained earnings brought forward	
Balance at beginning of period	**203,094**	**258,847**	**258,847**	**23,128**	**18,000**	**345,800**	**180,817**	**567,746**
Changes during period								
Issuance of new shares	206	206	206	–	–	–	–	–
Dividends of surplus	–	–	–	–	–	–	(92,712)	(92,712)
Profit	–	–	–	–	–	–	173,279	173,279
Purchase of treasury shares	–	–	–	–	–	–	–	–
Disposal of treasury shares	–	–	–	–	–	–	(37)	(37)
Provision of general reserve	–	–	–	–	–	83,000	(83,000)	–
Net changes in items other than shareholders' equity	–	–	–	–	–	–	–	–
Total changes during period	206	206	206	–	–	83,000	(2,470)	80,529
Balance at end of period	**203,300**	**259,054**	**259,054**	**23,128**	**18,000**	**428,800**	**178,347**	**648,276**

	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	**(40,788)**	**988,900**	**35,005**	**35,005**	**87**	**1,023,993**
Changes during period						
Issuance of new shares	–	412	–	–	–	412
Dividends of surplus	–	(92,712)	–	–	–	(92,712)
Profit	–	173,279	–	–	–	173,279
Purchase of treasury shares	(14)	(14)	–	–	–	(14)
Disposal of treasury shares	66	29	–	–	–	29
Provision of general reserve	–	–	–	–	–	–
Net changes in items other than shareholders' equity	–	–	(1,776)	(1,776)	(29)	(1,805)
Total changes during period	52	80,995	(1,776)	(1,776)	(29)	79,189
Balance at end of period	**(40,736)**	**1,069,895**	**33,228**	**33,228**	**58**	**1,103,182**

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 Changes in Accounting Policies

Adoption of the "Accounting Standard for Current Income Taxes" and other standards

The Company has adopted the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter "Accounting Standard Revised in 2022") and other standards from the beginning of the fiscal year under review. With regard to the revision to classification to record income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to Paragraph 20-3 of the Accounting Standard Revised in 2022 and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022). During the fiscal year under review, the impact on the non-consolidated financial statements is immaterial.

3. 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	69,488
Land for sale in lots	332,891
Undeveloped land for sale	46,338
Amount of loss on valuation (Cost of sales)	690

(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, 2027

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	276,110
Total intangible assets	45,333
Impairment losses	—

(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, 2027

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 impairment losses.

4. 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	1,045	Deposits on contract with establishment of leasehold	393
Total	1,366	Total	393

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 ¥199,656 million

(3) Liabilities guaranteed

Liabilities guaranteed for repayment (for persons to have housing mortgage)	¥109,706 million
Liabilities guaranteed for repayment (for affiliated companies to borrow from the financial institutions)	¥577,408 million

(4) Pecuniary claims and debts to affiliated companies

Short-term pecuniary claims to subsidiaries	¥7,989 million
Long-term pecuniary claims to subsidiaries	¥385,574 million
Short-term pecuniary debts to subsidiaries	¥155,309 million

(Additional information)

Changes in holding purpose of assets:

Real estate for investments of ¥92,594 million, that appeared under non-current assets as at the end of the previous fiscal year, has been reclassified under inventories.

5. Notes to the Non-Consolidated Statements of Income

Transactions with subsidiaries

Sales to subsidiaries	¥15,001 million
Purchases from subsidiaries	¥253,817 million
Non-operating transactions	¥98,003 million

6. 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, 2025	14,729,962 shares
Number of shares increased	6,558 shares
Number of shares decreased	24,030 shares
Number of treasury shares (non-consolidated) as of Jan. 31, 2026	14,712,490 shares

Notes:

1. Breakdown of the number of increased shares held in treasury

Increase due to repurchases of fractional shares:	4,258 shares
Increase due to acquisition of restricted stock:	2,300 shares

2. Breakdown of the number of decreased shares held in treasury

Decrease due to sales of fractional shares:	30 shares
Decrease due to exercise of stock options:	24,000 shares

7. 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.

8. Notes to Tax Effect Accounting

(1) Significant components of deferred tax assets and liabilities

Millions of yen

Deferred tax assets	
Provision for bonuses	8,706
Provision for retirement benefits	6,750
Loss on valuation of real estate for sale	3,015
Accumulated impairment losses	2,913
Accrued enterprise taxes	2,028
Allowance for doubtful accounts	1,444
Accrued social insurance premium	1,073
Loss on valuation of investment securities	279
Other	3,473
Subtotal deferred tax assets	29,686
Valuation allowance	(5,367)
Total deferred tax assets	24,318

Deferred tax liabilities	
Valuation difference on available-for-sale securities	(14,806)
Other	(7,170)
Total deferred tax liabilities	(21,976)
Net deferred tax assets and net deferred tax liabilities	2,341

Note: The main valuation allowances are accumulated impairment losses that were judged non-deferrable.

(2) Impact of changes in corporate tax rates, etc.

The "Act on Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) was officially issued on March 31, 2025, and corporate tax rates, etc. will be raised from fiscal years beginning on or after April 1, 2026. Accordingly, the statutory effective tax rate used in the calculation of deferred tax assets and deferred tax liabilities will be changed from the previous 30.5% to 31.4% for temporary differences expected to be reversed after the fiscal year beginning on February 1, 2027.

The impact of this change in tax rates is immaterial.

9. 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, 2026 (million yen)
Subsidiary	Sekisui House Remodeling, Ltd.	(owning) Directly 100%	Remodeling of houses built by the Company	Deposits through cash management systems	(Note 1) 392	Deposits received	44,242
Subsidiary	Sekisui House Real Estate Holdings, Ltd.	(owning) Directly 100%	Real estate leasing, property management, and purchase and sale of real estate for the Company's customers	Deposits through cash management systems	(Note 1) 5,661	Deposits received	25,721
Subsidiary	SEKISUI HOUSE US HOLDINGS, LLC	(owning) Directly 100%	Loan to the company	Loan of funds	(Note 2) –	Long-term loans receivable	(Note 2) 58,931
Subsidiary	SH RESIDENTIAL HOLDINGS, LLC	(owning) Indirectly 100%	Loan to the company	Loan of funds	(Note 2) –	Long-term loans receivable	(Note 2) 238,173
			Guarantee of the loan liabilities by the company	Guarantee of the loan liabilities	66,073	–	–
Subsidiary	NORTH AMERICA SEKISUI HOUSE, LLC	(owning) Indirectly 100%	Loan to the company	Loan of funds	(Note 2) 4,368	Long-term loans receivable	(Note 2) 48,335
Subsidiary	NASH FINANCING, LLC	(owning) Indirectly 100%	Guarantee of the loan liabilities by the company	Guarantee of the loan liabilities	366,205	–	–
Subsidiary	SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED	(owning) Directly 100%	Guarantee of the loan liabilities by the company	Guarantee of the loan liabilities	128,550	–	–

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, 2026 includes foreign exchange gains or losses. Interest rates are reasonably determined in consideration of market interest rates.

(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, 2026 (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) 73	–	–
Director of the Board	Satoshi Tanaka	(owned) Directly 0.01%	Representative Director of the Board of the Company	In-kind contribution of monetary remuneration claims	(Note 1) 47	–	–
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) 23	–	–
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) 17	–	–
Director of the Board	Yasushi Omura	(owned) Directly 0.00%	Director of the Board of the Company	In-kind contribution of monetary remuneration claims	(Note 1) 11	–	–
Director of the Board and their close relatives	Keiko Takegawa and her close relatives (Note 2)	(owned) Directly 0.00%	Outside Director of the Board of the Company	Contracting for built-to-order construction	(Note 3) 90	–	–

Notes: 1. In-kind contribution of monetary remuneration claims under the restricted stock (RS) remuneration plan and performance share units (PSU).
2. Ms. Keiko Takegawa retired as Outside Director of the Board on April 23, 2025, and the above indicates the transactions during her term of office.
3. The prices for the contracting for built-to-order construction are determined in the same manner as the terms and conditions for general transactions.

10. Notes to the Information per Share

(1) Net assets per share ¥1,701.28

(2) Profit per share ¥267.26

11. Notes to Significant Subsequent Events

Cancellation of treasury shares

At the Board of Directors meeting held on March 5, 2026, the Company resolved to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act.

(i) Reason for the cancellation of treasury shares
To enhance the shareholder value through the reduction in the total number of shares issued

(ii) Method of cancellation
Reduction in retained earnings

(iii) Class of shares to be cancelled
Common shares of the Company

(iv) Total number of shares to be cancelled
11,700,000 shares (1.76% of the total number of shares issued prior to the cancellation)

(v) Scheduled date of cancellation
April 24, 2026

(vi) Total number of shares issued after cancellation
651,422,166 shares

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 16, 2026

The Board of Directors
Sekisui House, Ltd.

From: Ernst & Young ShinNihon LLC
Osaka office
Yusaku Iriyama
Designated and Engagement Partner
Certified Public Accountant
Masashi Kobayashi
Designated and Engagement Partner
Certified Public Accountant
Naoki Nakazawa
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, 2025 through January 31, 2026.

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 (including those applicable to audits of financial statements of entities of significant public interest), 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 16, 2026

The Board of Directors
Sekisui House, Ltd.

From: Ernst & Young ShinNihon LLC
Osaka office
Yusaku Iriyama
Designated and Engagement Partner
Certified Public Accountant
Masashi Kobayashi
Designated and Engagement Partner
Certified Public Accountant
Naoki Nakazawa
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 75th fiscal year from February 1, 2025 through January 31, 2026.

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 (including those applicable to audits of financial statements of entities of significant public interest), 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 75th fiscal year (February 1, 2025 to January 31, 2026) 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 23, 2026

Audit and Supervisory Board of Sekisui House, Ltd.

Standing Audit and Supervisory Board Member	Takashi Ogino
Standing Audit and Supervisory Board Member	Osamu Minagawa
Standing Audit and Supervisory Board Member	Ryuichi Tsuruta
Audit and Supervisory Board Member	Yoritomo Wada
Audit and Supervisory Board Member	Yuko Tamai

- End -