



Sekisui House Group

Company Presentation for FY2024 2Q

September 5, 2024

The Sekisui House Global Vision

Make home the happiest place in the world

Propose happiness through the integration of technologies, lifestyle design and services

- ✓ Introducing the “life knit design” concept that interweaves lifestyles
- ✓ Creating value through data-driven DX
- ✓ Offering PLATFORM HOUSE, health services, and lifestyle services

Become a leading company in ESG management

- ✓ Helping solve environmental issues through residences
- ✓ Making employee autonomy a growth driver
- ✓ Innovation and communication

Make Sekisui House technologies the global de facto standard

- ✓ Entering the southeastern United States
- ✓ Expanding the sale of our SHAWOOD products, which leverages safety, comfort, and design
- ✓ Engraining such lifestyle design as our lifestyle proposal capabilities, customer engagement, and brands

Stable Growth in Japan and Proactive Growth Overseas

Utilizing Management Resources and Enhancing Value



Human capital



DX and data



Products and services



Growth investments

Our core competencies

Technical capabilities

Construction capabilities

Customer base

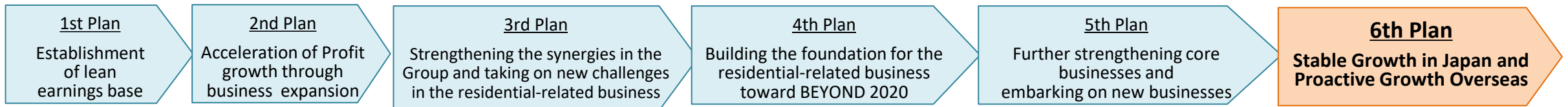
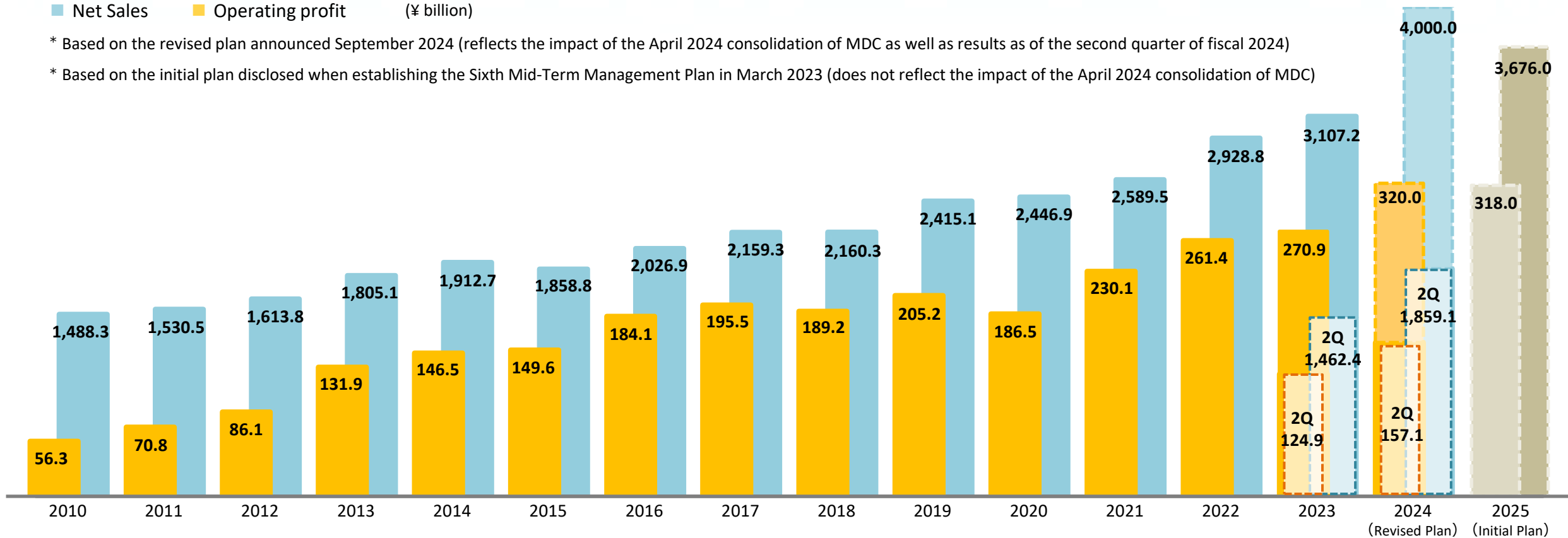
Progress in Sixth Mid-Term Management Plan

Net sales and operating profit in the second quarter of fiscal 2024 reached record highs, fueled by domestic and overseas business expansion, as well as the consolidation of M.D.C. Holdings, Inc. (MDC) in April. FY2024 plan revised upward based on steady progress.

■ Net Sales ■ Operating profit (¥ billion)

* Based on the revised plan announced September 2024 (reflects the impact of the April 2024 consolidation of MDC as well as results as of the second quarter of fiscal 2024)

* Based on the initial plan disclosed when establishing the Sixth Mid-Term Management Plan in March 2023 (does not reflect the impact of the April 2024 consolidation of MDC)



FY2024 Business Outlook (1) : September 2024 Revised Plan

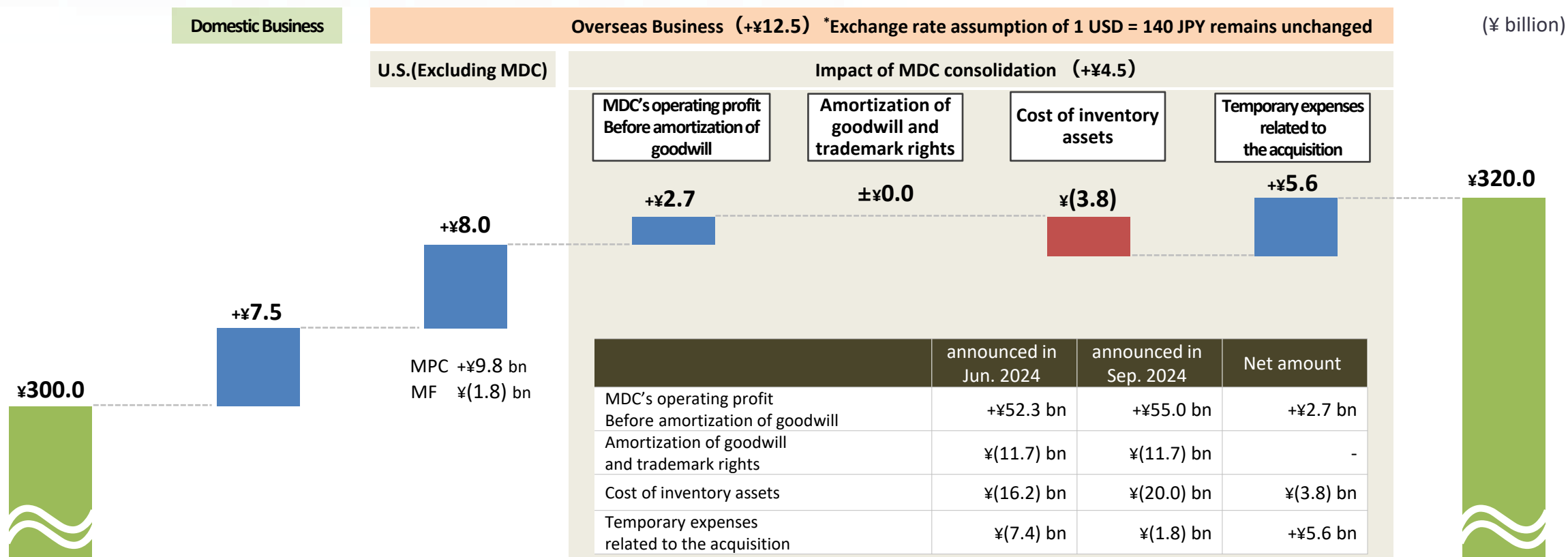
We have upwardly revised the fiscal 2024 plan based on the strong performance of the U.S. homebuilding business and the steady progress in the urban redevelopment business. Net sales are expected to reach ¥4 trillion for the first time. Although the Purchase Price Allocation (PPA) is not yet determined, the acquisition of MDC is expected to incur a temporary increase in costs (extraordinary losses). Thus, profit and dividends will remain unchanged.

	FY2024 Initial Plan [announced in March 2024]	FY2024 Revised Plan [announced in June 2024]	FY2024 Revised Plan [announced in September 2024]	
				Compared to the revised plan announced in June
Net Sales	¥3,342.0 bn	¥3,875.0 bn	¥4,000.0 bn	+¥125.0 bn
Gross profit	¥661.0 bn	¥750.0 bn	¥776.0 bn	+¥26.0 bn
Operating Profit	¥280.0 bn	¥300.0 bn	¥320.0 bn	+¥20.0 bn
Ordinary Profit	¥262.0 bn	¥273.0 bn	¥288.0 bn	+¥15.0 bn
Profit attributable to owners of parent	¥203.0 bn	¥209.0 bn	¥209.0 bn	-
EPS	¥313.30	¥322.56	¥322.56	-
ROA	8.2%	7.7%	8.2%	+0.5p
ROE	11.3%	11.7%	11.7%	-
Cash dividends per share	¥125	¥129	¥129	-
Dividend payout ratio	39.9%	40.0%	40.0%	-

Updates from the revised plan announced in June		
Net Sales		
Segment	YoY	
Domestic Business	Architectural/civil engineering	+¥7.0 bn
	Condominiums	+¥5.5 bn
	Urban redevelopment	+¥13.0 bn
	Sub Total	+¥25.5 bn
Overseas Business	+¥96.0 bn	
Eliminations and back office	+¥3.5 bn	
Operating Profit		
Segment	YoY	
Domestic Business	Detached houses	+¥1.0 bn
	Rental housing and commercial buildings	+¥1.0 bn
	Condominiums	+¥0.5 bn
	Urban redevelopment	+¥5.0 bn
Sub Total	+¥7.5 bn	
Overseas Business	+¥12.5 bn	

FY2024 Business Outlook (2) : September 2024 Revised Plan

■ FY2024 Operating profit (based on changes from the revised plan announced in June)



■ Revised plan to reflect the impact of MDC consolidation

- The Purchase Price Allocation (PPA) remains undetermined and the accounting and full-year forecast for FY2024 will be adjusted based on 2Q progress.
- Based on the progress of the MDC plan, operating profit before the amortization of goodwill has been revised upward.
- Based on the PPA outlook for real estate for sale and MDC's steady sales results, we are increasing the expected cost of inventory assets.
- Roughly ¥14 billion of the costs related to acquisition are expected to be recorded as extraordinary losses (¥3.3 billion accounted for in FY2024 2Q).

Costs related to PPA for the next fiscal year and beyond are expected to be less than original estimates.

Progress in the FY2024 Earnings Plan by Segment

		FY2023 2Q Results					FY2024 2Q Results					YoY					Progress to Full-year Plan (Compared to plan announced in Sep.)		
		Net sales	Operating profit	Operating profit margin	Orders	Order backlog	Net sales	Operating profit	Operating profit margin	Orders	Order backlog	Net sales	Operating profit	Operating profit margin	Orders	Order backlog	Net sales	Operating profit	Orders
Built-to-Order Business	Detached houses	231.4	18.8	8.1%	229.0	232.9	230.6	20.7	9.0%	239.0	238.3	(0.8)	1.9	0.9p	9.9	5.4	48.8%	47.8%	49.3%
	Rental housing and commercial buildings	263.7	39.5	15.0%	272.5	499.1	262.3	37.8	14.4%	290.8	544.8	(1.3)	(1.7)	(0.6)p	18.2	45.7	47.7%	45.6%	50.1%
	Architectural/civil engineering	123.6	6.7	5.4%	144.1	396.1	154.9	7.8	5.0%	198.6	445.0	31.3	1.0	(0.4)p	54.5	48.9	48.4%	52.0%	63.5%
	Subtotal	618.8	65.1	10.5%	645.7	1,128.2	647.9	66.4	10.3%	728.4	1,228.2	29.1	1.3	(0.2)p	82.7	100.0	48.2%	46.9%	52.9%
Supplied Housing Business	Rental housing management	321.1	26.2	8.2%	321.1	-	341.6	28.2	8.3%	341.6	-	20.5	2.0	0.1p	20.5	-	50.8%	53.4%	50.8%
	Remodeling	88.2	12.1	13.7%	88.9	37.2	94.0	13.7	14.6%	96.5	37.0	5.8	1.6	0.9p	7.5	(0.1)	50.7%	55.0%	52.1%
	Subtotal	409.4	38.3	9.4%	410.1	37.2	435.7	42.0	9.6%	438.2	37.0	26.3	3.7	0.2p	28.1	(0.1)	50.8%	53.9%	51.1%
Development Business	Real estate and brokerage	130.2	12.4	9.6%	155.2	67.4	175.1	15.5	8.9%	183.4	69.1	44.9	3.0	(0.7)p	28.2	1.6	49.1%	50.1%	51.4%
	Condominiums	49.9	8.3	16.7%	51.7	79.2	54.2	8.0	14.9%	71.1	105.8	4.3	(0.2)	(1.8)p	19.3	26.5	53.2%	67.5%	59.8%
	Urban redevelopment*	69.3	13.4	19.4%	80.6	11.3	73.1	16.1	22.1%	98.1	27.5	3.8	2.7	2.7p	17.5	16.2	73.9%	92.3%	88.4%
	Subtotal	249.5	34.3	13.8%	287.6	157.9	302.6	39.7	13.1%	352.7	202.4	53.1	5.4	(0.7)p	65.0	44.4	54.2%	65.8%	60.1%
Overseas Business		201.7	12.4	6.2%	266.1	292.0	484.6	30.2	6.2%	576.9	527.8	282.9	17.7	0.0p	310.7	235.8	38.3%	34.4%	46.7%
Other Businesses*		5.3	0.7	14.3%	5.4	0.4	6.9	1.3	19.0%	7.2	1.4	1.5	0.5	4.7p	1.8	0.9	53.2%	65.5%	55.7%
Eliminations and back office		(22.4)	(26.0)	-	(21.1)	(21.4)	(18.8)	(22.6)	-	(18.9)	(19.5)	3.5	3.4	-	2.2	1.8	-	-	-
Total		1,462.4	124.9	8.5%	1,593.9	1,594.5	1,859.1	157.1	8.5%	2,084.7	1,977.6	396.6	32.2	0.0P	490.7	383.1	46.5%	49.1%	51.7%

* Some segments of consolidated subsidiaries previously included in "Other Businesses" have been moved to the Urban Redevelopment Business. Therefore, year year-on-year figures are shown post post-reclassification.

FY2024 Earnings Plan by Segment : September 2024 Revised Plan

(¥ billion)

		Net sales			Operating Profit			Operating Profit margin			Orders			Updates from the revised plan announced in June		
		FY2023 Results	FY2024		FY2023 Results	FY2024		FY2023 Results	FY2024		FY2023 Results	FY2024		Net sales	Operating profit	Operating profit margin
			Revised Plan	YoY		Revised Plan	YoY		Revised Plan	YoY		Revised Plan	YoY			
Built-to-Order Business	Detached houses	471.0	473.0	1.9	41.0	43.5	2.4	8.7%	9.2%	0.5p	465.6	485.0	19.3	-	1.0	0.2p
	Rental housing and commercial buildings	524.1	550.0	25.8	78.0	83.0	4.9	14.9%	15.1%	0.2p	550.2	580.0	29.7	-	1.0	0.2p
	Architectural/civil engineering	274.6	320.0	45.3	12.9	15.0	2.0	4.7%	4.7%	0.0p	300.3	313.0	12.6	7.0	-	(0.1)p
	Subtotal	1,269.8	1,343.0	73.1	131.9	141.5	9.5	10.4%	10.5%	0.1p	1,316.2	1,378.0	61.7	7.0	2.0	0.1p
Supplied Housing Business	Rental housing management	646.5	672.5	25.9	50.1	53.0	2.8	7.8%	7.9%	0.1p	646.5	672.5	25.9	-	-	-
	Remodeling	174.9	185.5	10.5	23.4	25.0	1.5	13.4%	13.5%	0.1p	173.0	185.5	12.4	-	-	-
	Subtotal	821.5	858.0	36.4	73.6	78.0	4.3	9.0%	9.1%	0.1p	819.6	858.0	38.3	-	-	-
Development Business	Real estate and brokerage	288.4	357.0	68.5	25.8	31.0	5.1	9.0%	8.7%	(0.3)p	306.8	357.0	50.1	-	-	-
	Condominiums	109.4	102.0	(7.4)	17.5	12.0	(5.5)	16.0%	11.8%	(4.2)p	121.0	119.0	(2.0)	5.5	0.5	(0.1)p
	Urban Redevelopment*	133.0	99.0	(34.0)	21.4	17.5	(3.9)	16.1%	17.7%	1.6p	135.6	111.0	(24.6)	13.0	5.0	3.2p
	Subtotal	530.9	558.0	27.0	64.8	60.5	(4.3)	12.2%	10.8%	(1.4)p	563.5	587.0	23.4	18.5	5.5	0.6p
Overseas Business	511.0	1,267.0	755.9	48.8	88.0	39.1	9.6%	6.9%	(2.7)p	520.0	1,236.0	715.9	96.0	12.5	0.5p	
Other Businesses*	13.2	13.0	(0.2)	2.6	2.0	(0.6)	20.1%	15.4%	(4.7)p	13.1	13.0	(0.1)	-	-	-	
Eliminations and back office	(39.4)	(39.0)	0.4	(51.0)	(50.0)	1.0	-	-	-	(36.1)	(42.0)	(5.8)	3.5	-	-	
Total	3,107.2	4,000.0	892.7	270.9	320.0	49.0	8.7%	8.0%	(0.7)p	3,196.4	4,030.0	833.5	125.0	20.0	0.3p	

* Some segments of consolidated subsidiaries previously included in "Other Businesses" have been moved to the Urban Redevelopment Business. Therefore, year year-on-year figures are shown post post-reclassification.

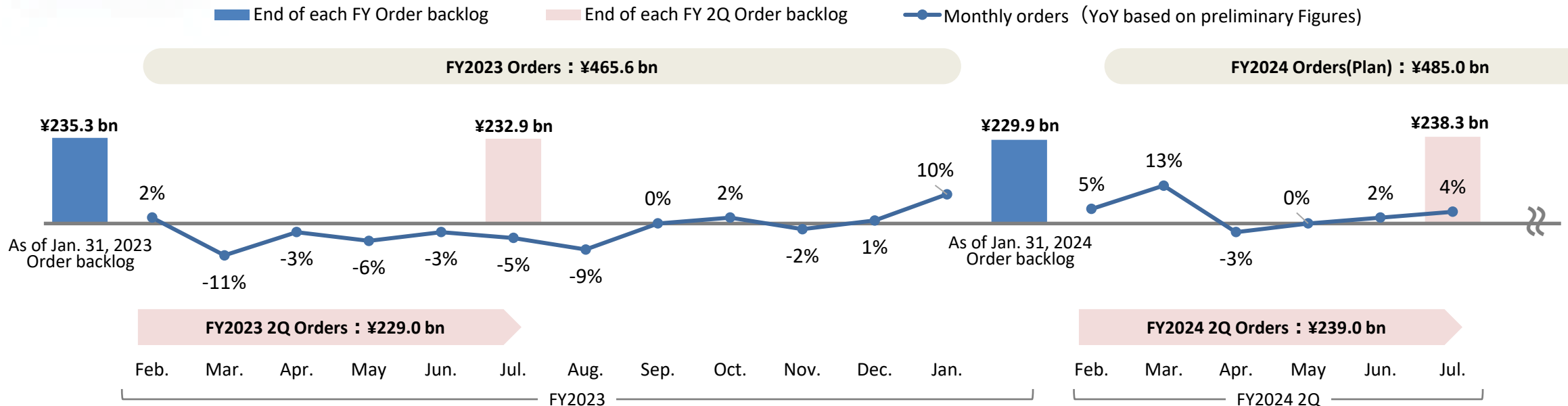


Progress in Key measures by business

Despite a weak detached housing market, orders have remained steady since the start of fiscal 2024, thanks to the success of our customer-first initiatives, high-value added proposals and land-inclusive proposals facilitated by Group -wide cooperation. The order backlog has also steadily increased.

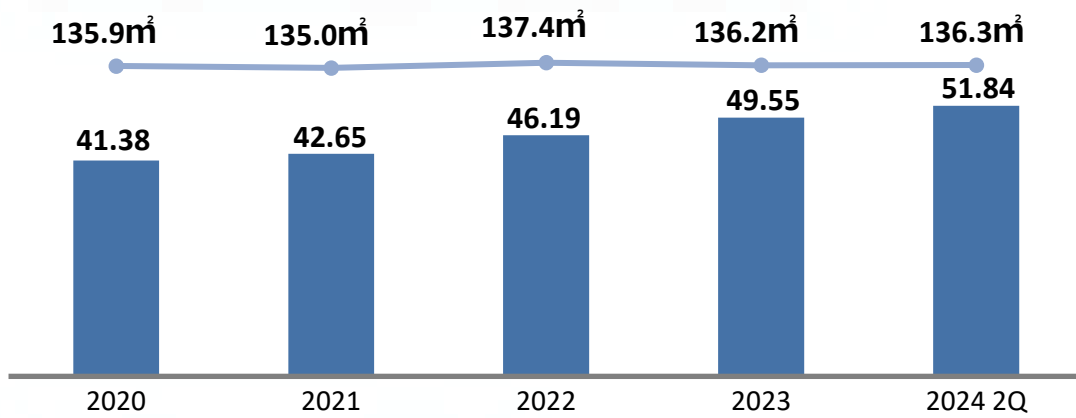
Key Measures of the Sixth Mid-Term Management Plan	FY2024 Earnings Plan (September Revised Plan/Figures in parentheses indicate year-on-year of change)			
<ul style="list-style-type: none"> ● Enhancing our three-brand strategy ● Promoting CRM strategy ● Integrating our technologies, lifestyle design and services 	Net Sales	Operating profit	Gross profit margin	Operating profit margin
	¥473.0 bn (+0.4%)	¥43.5 bn (+5.9%)	23.8% (+0.5p)	9.2% (+0.5p)
	2Q Results			
	¥230.6 bn ((0.4)%)	¥20.7 bn (+10.3%)	23.8% (+0.8p)	9.0% (+0.9p)

Monthly orders

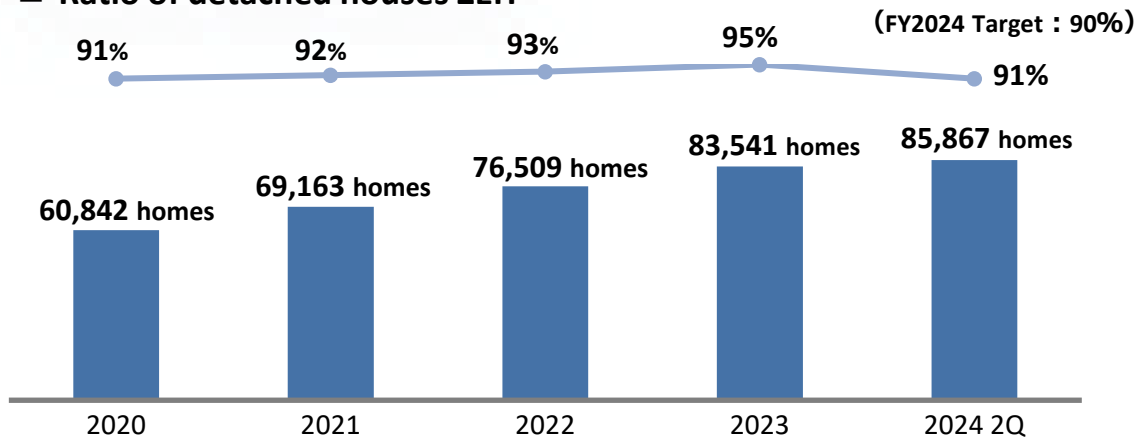


High-value added proposals unique to custom detached houses have been well received. We will continue to strengthen product, design and proposal capabilities by promoting our new “life knit design” concept and the branding of the DESIGN OFFICE team of highly-skilled specialists. Orders for the 3rd range have grown and the unit price per building has continued to rise.

■ Unit price per building and floor area per building



■ Ratio of detached houses ZEH



■ Percentage of orders by sales price range (based on the number of buildings)

		FY2022	FY2023	FY2024 2Q
1 st range	Less than 30.00 million yen	5%	3%	2%
2 nd range	30.00 million yen – 50.00 million yen	67%	65%	63%
3 rd range	50.00 million yen or more	28%	32%	35%

■ Adoption rate for each proposal

	FY2022	FY2023	FY2024 2Q
SMART-ECS	81%	81%	78%
Family Suite	65%	68%	66%
PLATFORM HOUSE-touch	23%	25%	30%

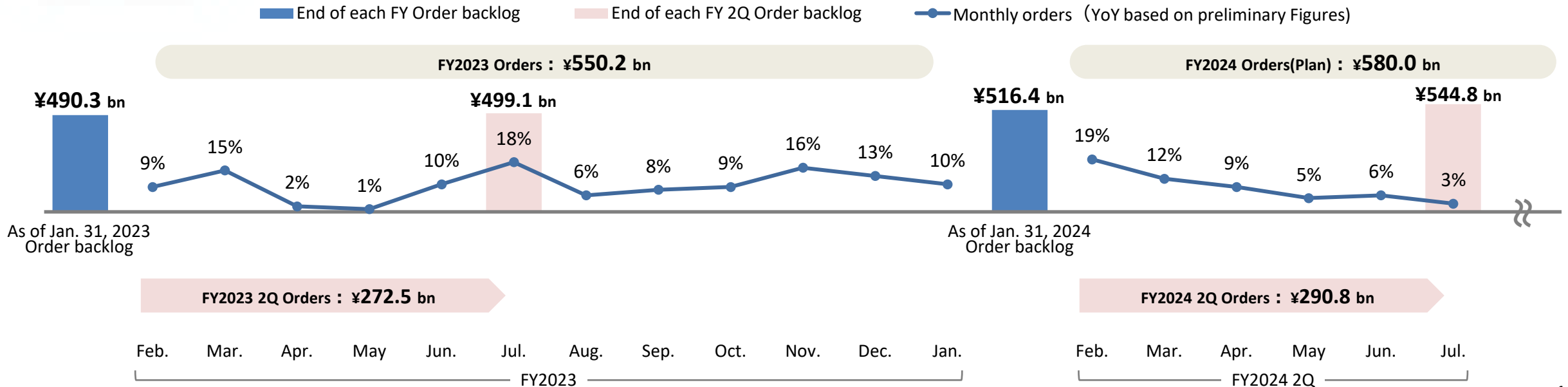
* The adoption rate of PLATFORM HOUSE touch is now calculated based on the shipment date instead of the contract signing date.

■ Cumulative Sekisui House ZEH homes ● Ratio of detached house ZEH
 * For figures related to ZEH detached houses, calculations are based on a 12-month period from April of each year through the following March. (Excluding the FY2024 2Q period, which spanned the 4-month period from April 2024 to July 2024.)

Orders remained strong due to the success of our comprehensive area strategies, along with product and sales strategies such as strengthening the high-value added Sha Maison business and the Corporate Real Estate (CRE) business. To handle the higher order volume, we are taking such steps as enhancing our production capabilities and standardizing our shipment process.

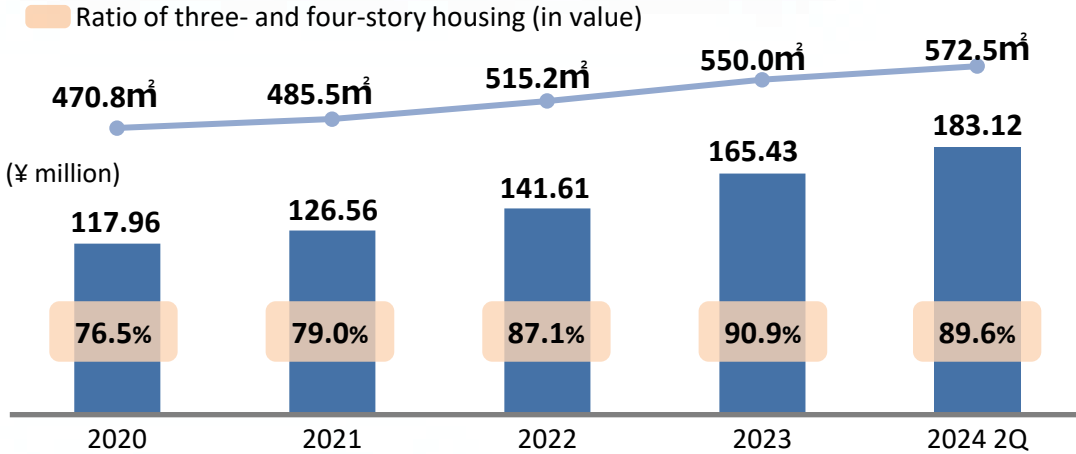
Key Measures of the Sixth Mid-Term Management Plan	FY2024 Earnings Plan (September Revised Plan/Figures in parentheses indicate year-on-year of change)			
<ul style="list-style-type: none"> ● Strengthening area marketing ● Provide of High value-added Sha Maison ● Strengthening CRE and PRE businesses 	Net Sales	Operating profit	Gross profit margin	Operating profit margin
	¥550.0 bn (+4.9%)	¥83.0 bn (+6.4%)	24.3% (+0.2p)	15.1% (+0.2p)
	2Q Results			
	¥262.3 bn ((0.5)%)	¥37.8 bn ((4.3)%)	23.8% ((0.3)p)	14.4% ((0.6)p)

Monthly orders

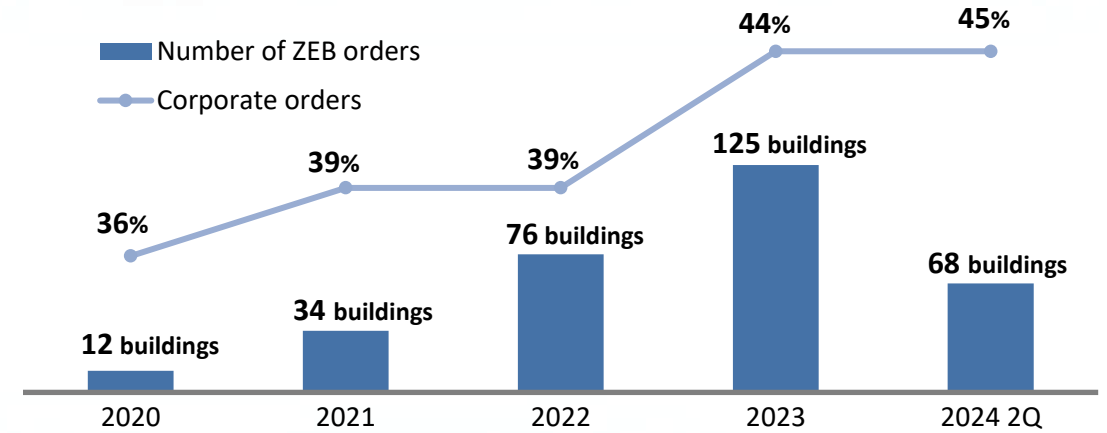


Various performance metrics improved thanks in part to Sha Maison ZEH, which has a system that allows residents to sell electricity, providing benefits to both residents and owners. Additionally, our efforts to promote and strengthen ESG solution proposals in our CRE business.

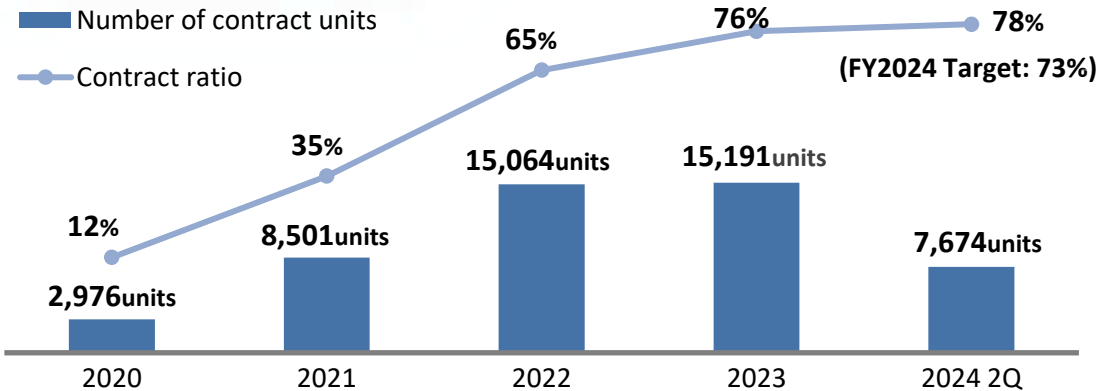
Unit price per building and floor area per building



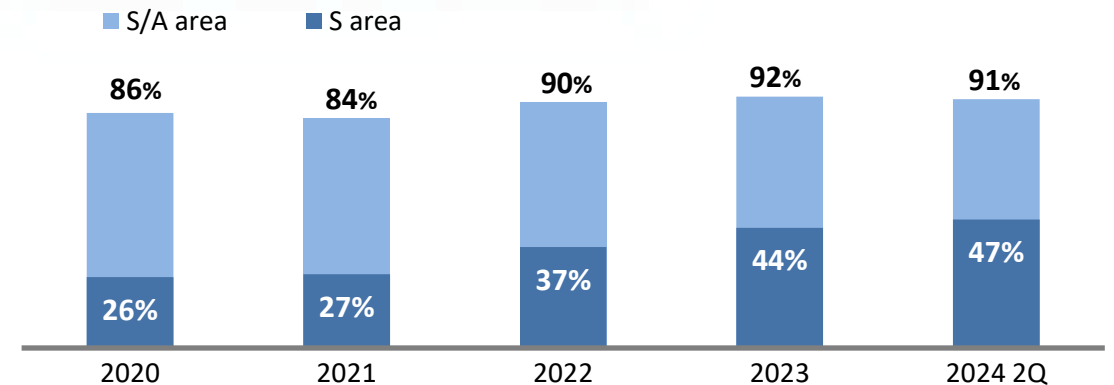
Percentage (in value) of corporate orders and number of ZEB orders



Ratio of Sha Maison ZEH



Ratio of Rental housing order in S/A area



* The calculation period for each numerical value related to Sha Maison ZEH is from February of each year to January of the following year. (Excluding the FY2024 2Q period, which spanned the 6-month period from February 2024 to July 2024.)

* S/A area: The area within around 10-minute walking distance of train stations based on the Company's own marketing standards. Among these areas, key strategic areas are defined as S areas.

Both the architectural construction and civil engineering businesses saw increased orders, primarily due to the acquisition of large-scale projects from government agencies and an overall rise in the number of projects.

With capital investment in the private sector continuing to recover, we remain committed to cost-focused management.

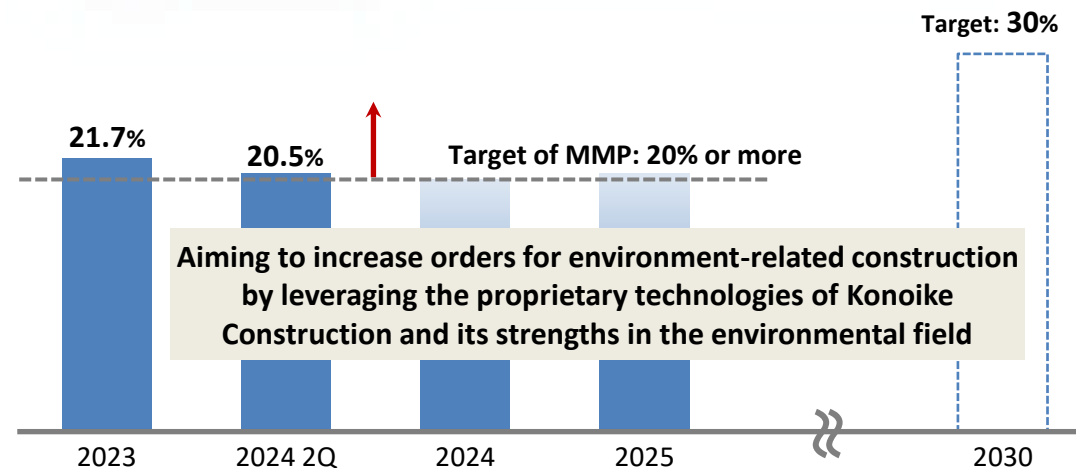
Key Measures of the Sixth Mid-Term Management Plan	FY2024 Earnings Plan (September Revised Plan/Figures in parentheses indicate year-on-year of change)			
<ul style="list-style-type: none"> ● Architectural Construction: Expanding and enhancing our channels for receiving orders ● Civil engineering: Differentiating through eco-friendly measures and technical capabilities 	Net Sales	Operating profit	Gross profit margin	Operating profit margin
	¥320.0 bn (+16.5%)	¥15.0 bn (+16.2%)	9.8%((0.6)p)	4.7% (0.0p)
	2Q Results			
	¥154.9 bn (+25.3%)	¥7.8 bn (+16.4%)	9.8% ((1.4)p)	5.0% ((0.4)p)

Order status (Konoike Construction Group (non-consolidated))

Orders	FY2023 2Q	FY2024 2Q	Amount changed
Architectural construction	¥95.4 bn	¥119.4 bn	+¥24.0 bn
Civil engineering	¥32.7 bn	¥61.5 bn	+¥28.7 bn
Total	¥128.1 bn	¥181.0 bn	+¥52.8 bn

Order backlog (as of end of the period)	FY2023	FY2024 2Q	Amount changed
Architectural construction	¥257.7 bn	¥277.1 bn	+¥19.3 bn
Civil engineering	¥122.7 bn	¥143.3 bn	+¥20.6 bn
Total	¥380.5 bn	¥420.4 bn	+¥39.9 bn

Target ratio of sales from environment-related construction projects to net sales



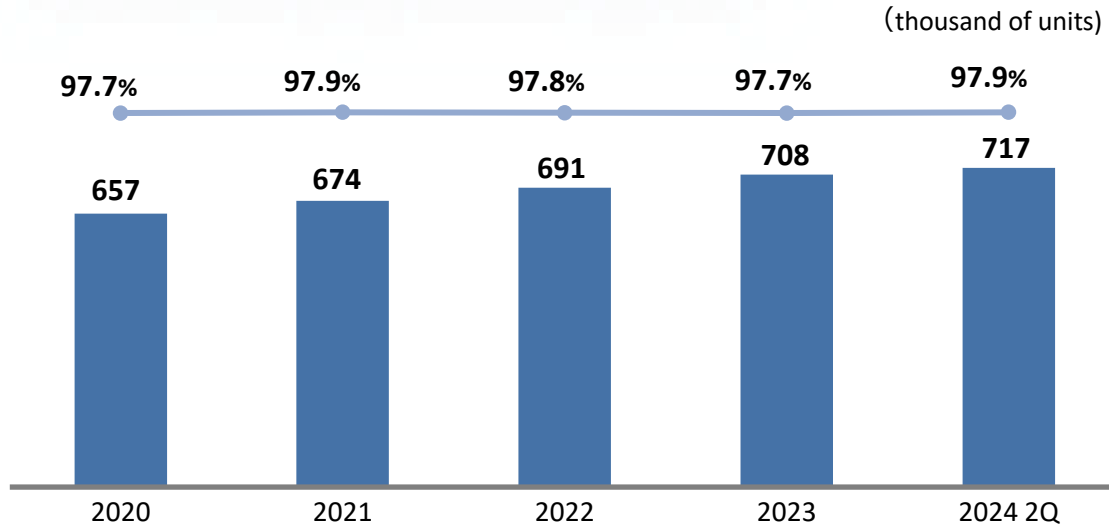
* MMP: Sixth Mid-Term Management Plan

We are seeing high occupancy rates and steady increases in units under management, as well as continued rent increases with each tenant turnover, supported by factors such as Sha Maison renovations. To further enhance profitability, we stepped up initiatives to reduce vacancy periods between tenants and enhance resident satisfaction while cutting costs by implementing DX and other means.

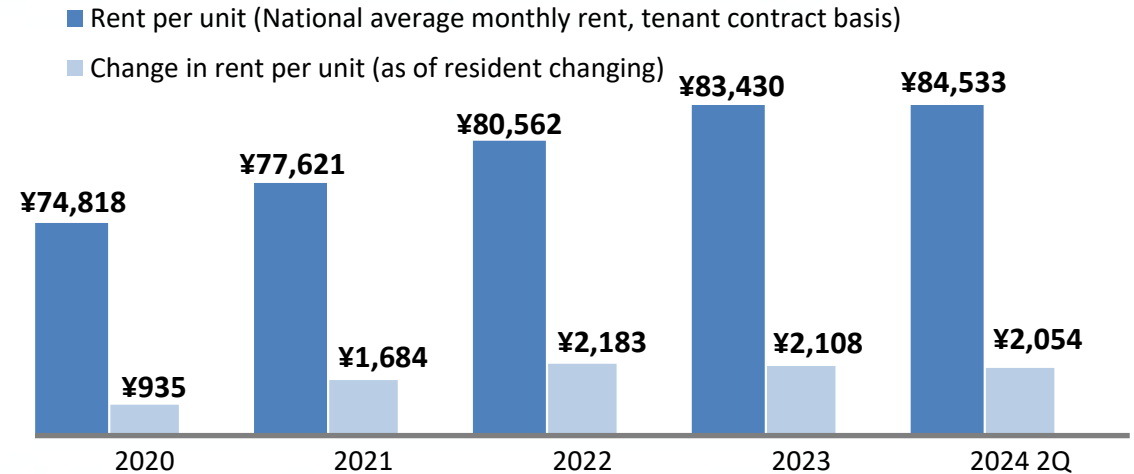
Key Measures of the Sixth Mid-Term Management Plan
<ul style="list-style-type: none"> ● For owners: Maximize asset value (Propose diverse solutions and strengthen relationships with owners) ● For residents: Strengthen services (Build and centralize services using blockchain and other technologies)

FY2024 Earnings Plan (September Revised Plan/Figures in parentheses indicate year-on-year of change)			
Net Sales	Operating profit	Gross profit margin	Operating profit margin
¥672.5 bn (+4.0%)	¥53.0 bn (+5.6%)	14.3% (+0.1p)	7.9% (+0.1p)
2Q Results			
¥341.6 bn (+6.4%)	¥28.2 bn (+7.9%)	14.5% (0.0p)	8.3% (+0.1p)

■ Units under management and occupancy rate



■ Rent per unit [Promoting Sha Maison renovation]

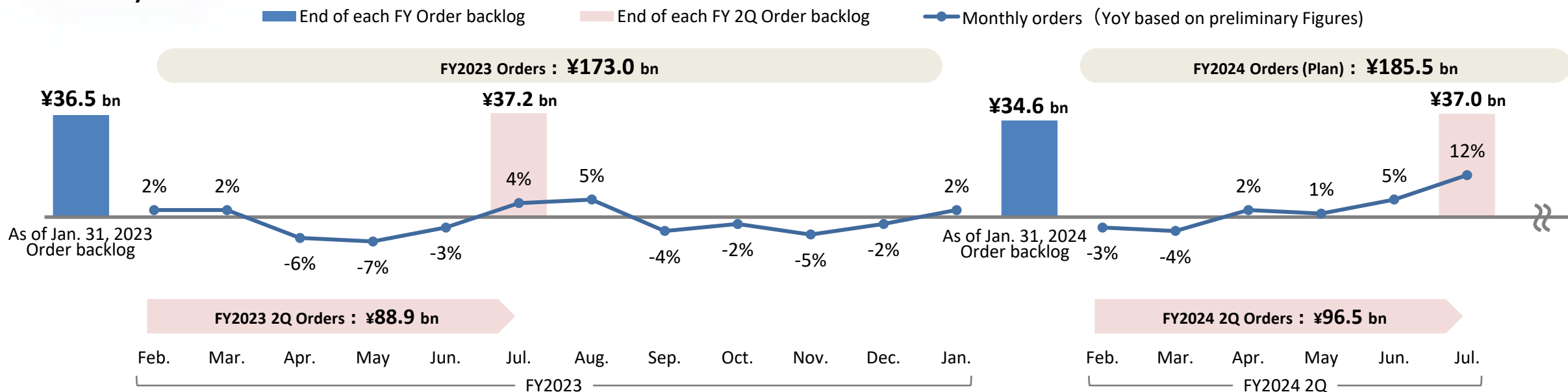


Subject to: Properties subleasing by our group constructed after 1969

By expanding large-scale remodeling for detached houses and promoting value-enhancing renovations for rental housing, the order backlog at the end of the second quarter was higher year on year. We aim to achieve our targets by continuing to implement key measures.

Key Measures of the Sixth Mid-Term Management Plan	FY2024 Earnings Plan (September Revised Plan/Figures in parentheses indicate year-on-year of change)			
<ul style="list-style-type: none"> ● Detached houses: Strengthening large-scale remodeling (Strengthening proposal-based remodeling and environment-based remodeling) ● Rental housing: Promote asset value-enhancing renovation 	Net Sales	Operating profit	Gross profit margin	Operating profit margin
	¥185.5 bn (+6.0%)	¥25.0 bn (+6.5%)	25.6% (+0.2p)	13.5% (+0.1p)
	2Q Results			
	¥94.0 bn (+6.6%)	¥13.7 bn (+13.5%)	26.1% (+0.6p)	14.6% (+0.9p)

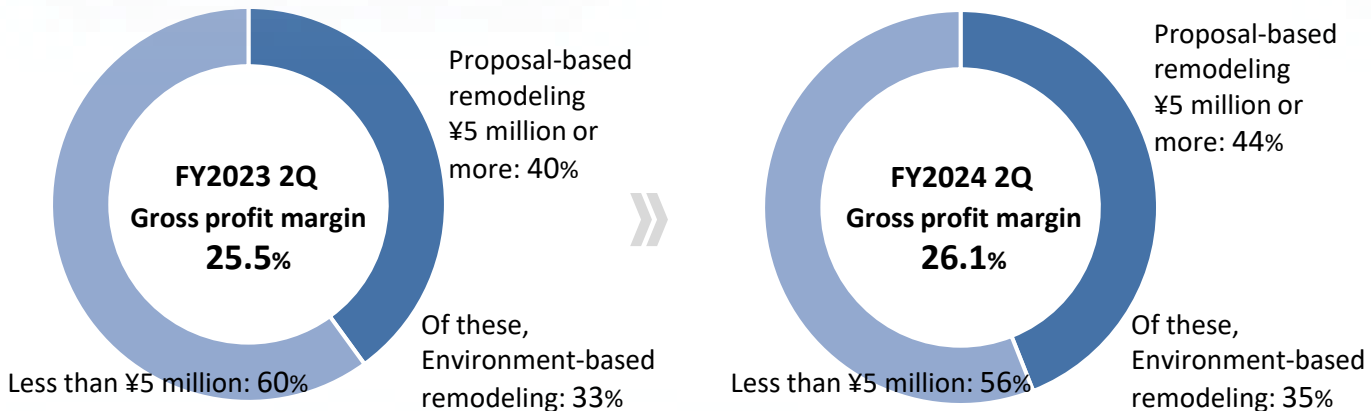
Monthly orders



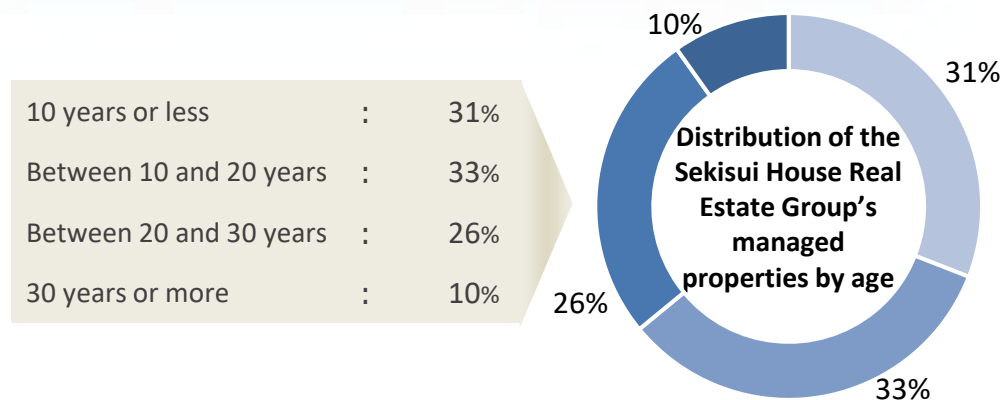
Supplied Housing Business | Remodeling (2)

We offer timely and appropriate remodeling proposals for detached houses, tailored to the property's age. We also promote rental housing renovations, particularly for the many properties under management eligible for Sha Maison renovations.

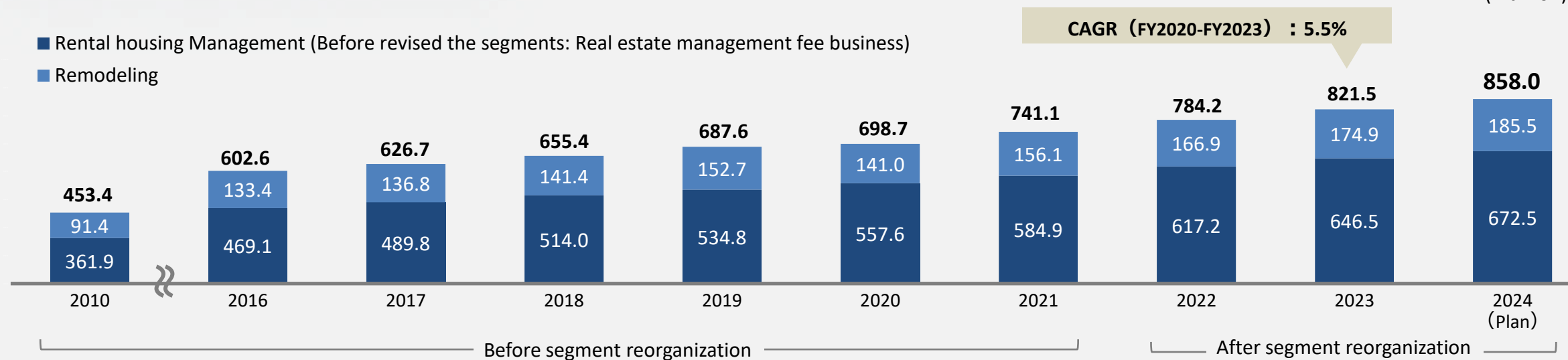
Remodeling for Detached houses



Rental Housing: Distribution of managed properties by age



Supplied Housing Business: Trend in Net sales



The growth of Sekisui House Real Estate Group has been driven by the acquisition and sale of high-quality residential land, with a focus on turnover ratios. We are strengthening initiatives with to create synergies with the built-to-order business.

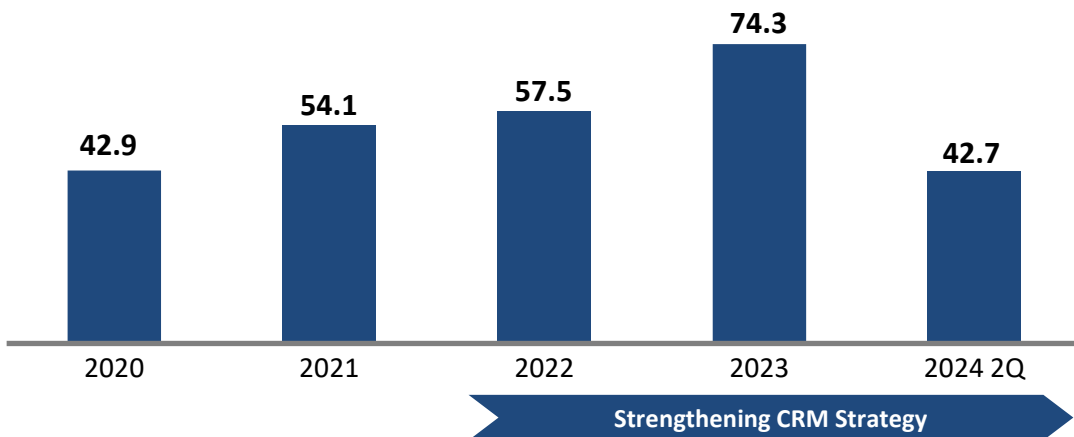
Key Measures of the Sixth Mid-Term Management Plan	FY2024 Earnings Plan (September Revised Plan/Figures in parentheses indicate year-on-year of change)			
<ul style="list-style-type: none"> ● Establishment of the Sekisui House Real Estate Group, which has strength in acquisition and sale of residential land for custom detached houses ● Enhancement of land acquisitions as short-term turnover assets based on careful selection in areas throughout Japan ● Enhancement of brokerage services for existing houses 	Net Sales	Operating profit	Gross profit margin	Operating profit margin
	¥357.0 bn (+23.8%)	¥31.0 bn (+19.9%)	18.5% ((0.7)p)	8.7% ((0.3)p)
	2Q Results			
	¥175.1 bn (+34.5%)	¥15.5 bn (+24.2%)	18.2% ((2.2)p)	8.9% ((0.7)p)

■ Land for sale business by Sekisui House

[Trend in Net sales]

FY2020 - FY2023 CAGR : 20%

(¥ billion)

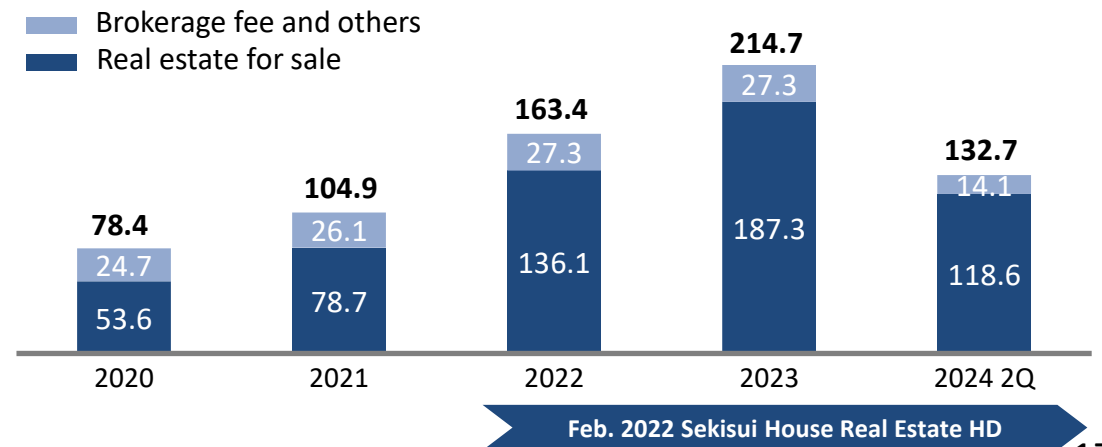


■ Sekisui House Real Estate Group: Real estate and brokerage

[Trend in Net sales]

FY2020 - FY2023 CAGR : 40%
(Only real estate for sale : 52%)

(¥ billion)

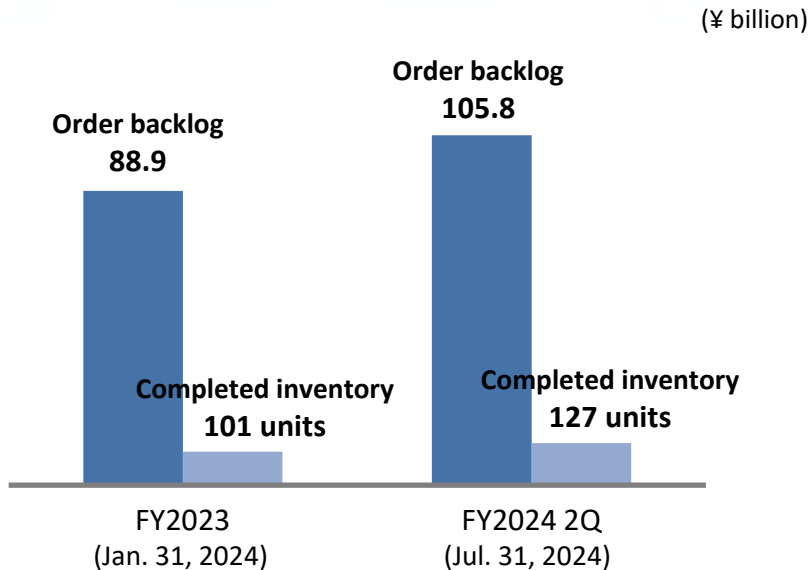


Sales are exceeding expectations, particularly for high-priced properties, thanks to area-based strategies in the four major metropolitan areas (Tokyo, Nagoya, Osaka and Fukuoka) and our supply of high-added-value condominiums, including those with all ZEH units.

Key Measures of the Sixth Mid-Term Management Plan
<ul style="list-style-type: none"> ● Focus on supplying properties with high asset value carefully selected for their area in four of the largest metropolitan areas in Japan ● All residential units meet basic ZEH specifications ● Enhancement of the GRANDE MAISON brand

FY2024 Earnings Plan (September Revised Plan/Figures in parentheses indicate year-on-year of change)			
Net Sales	Operating profit	Gross profit margin	Operating profit margin
¥102.0 bn ((6.8)%)	¥12.0 bn ((31.6)%)	22.1% ((1.8)p)	11.8% ((4.2)p)
2Q Results			
¥54.2 bn (+8.6%)	¥8.0 bn ((3.2)%)	23.3% ((1.3)p)	14.9% ((1.8)p)

■ Order backlog and Completed inventory



■ Grand Maison Supply Areas (FY2020 - FY2024)



In the second quarter, planned property sales progressed smoothly, including the sale of Prime Maison Asakusa East and six other properties to Sekisui House REIT (SHR), as well as the sale of hotels owned by the Company to third parties. We aim to achieve a higher asset turnover ratio while continuing to strengthen development of and land acquisition for Prime Maison condominiums, which are designed for quick turnover.

Key Measures of the Sixth Mid-Term Management Plan	FY2024 Earnings Plan (September Revised Plan/Figures in parentheses indicate year-on-year of change)			
<ul style="list-style-type: none"> ● Developing cities and rural areas through sophisticated area marketing and investment decisions from a medium- to long-term perspective ● Acquisition of land for rental condominium Prime Maison and acceleration of exit strategies ● Development of regional revitalization-based hotel development business through the Trip Base <i>Michi-no-Eki</i> Stations Project 	Net Sales	Operating profit	Gross profit margin	Operating profit margin
	¥99.0 bn ((25.6)%)	¥17.5 bn ((18.3)%)	23.2% (+4.8p)	17.7% (+1.6p)
	2Q Results			
	¥73.1 bn (+5.5%)	¥16.1 bn (+20.1%)	26.2% (+3.5p)	22.1% (+2.7p)

■ Development of rental housing Prime Maison (As of July 31,2024)

Completed properties: 8, Number of units: 936 / Properties under construction: 4, Number of units: 384



Prime Maison Morishita West
(Koto-ku, Tokyo)

ZEH



Prime Maison Yokohama West
(Yokohama City, Kanagawa)

*Delivered to SHR in Aug. 2024



Prime Maison Kamata
(Ota-ku, Tokyo)

ZEH



Prime Maison Kiyosumishirakawa
(Koto-ku, Tokyo)

ZEH



Prime Maison Nihonbashi Bakurocho
(Chuo-ku, Tokyo)

ZEH



Prime Maison Youga Kinutakoen
(Setagaya-ku, Tokyo)

ZEH

*Delivered to SHR in Aug. 2024

Overseas Business | FY2024 2Q Results (1)

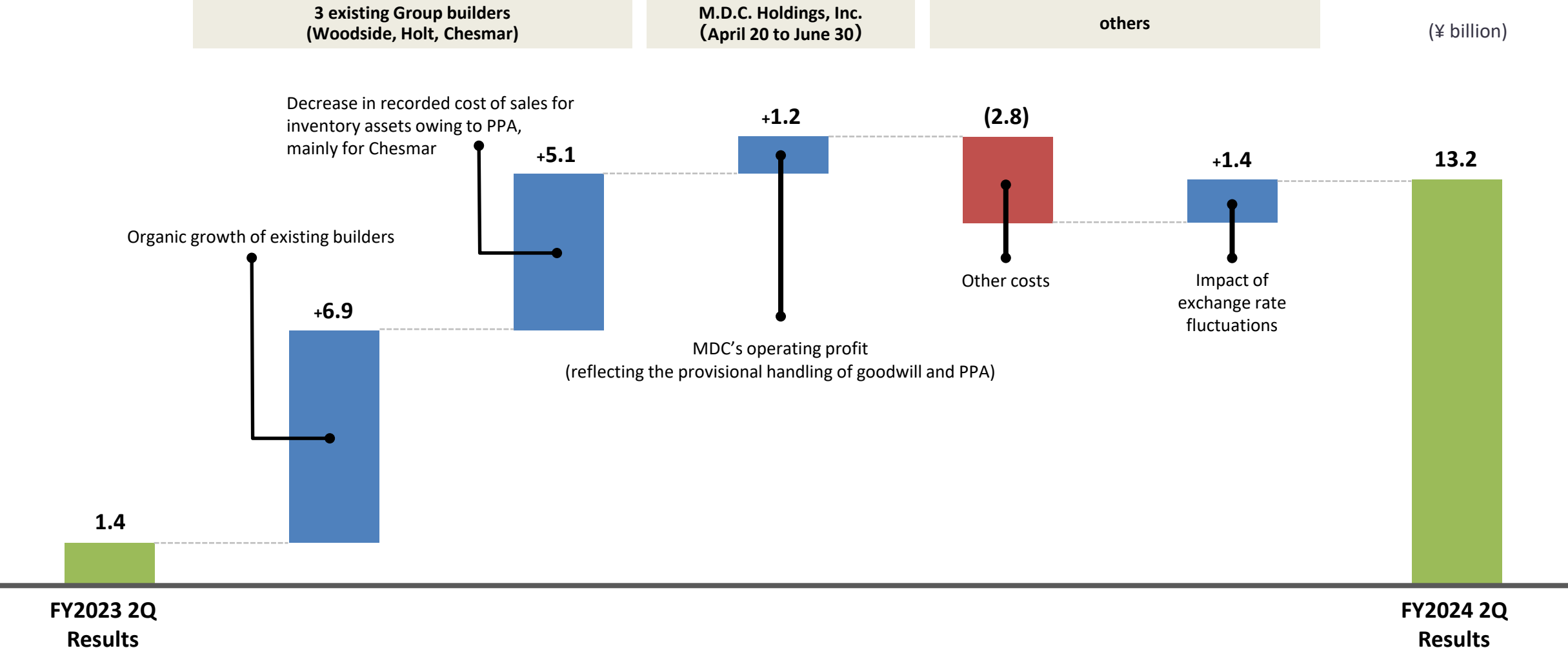
(¥ billion)

Country	FY2023 2Q Results				FY2024 2Q Results				YoY			
	Net sales	Operating profit	Ordinary profit	Orders	Net sales	Operating profit	Ordinary profit	Orders	Net sales	Operating profit	Ordinary profit	Orders
U.S.	184.4	14.0	8.6	242.4	478.0	32.6	21.6	541.5	293.6	18.5	12.9	299.1
Homebuilding business	132.2	1.4	-	194.9	391.9	13.2	-	425.4	259.6	11.7	-	230.5
Master-planned community business	30.1	8.4	-	41.9	27.5	9.2	-	58.0	(2.5)	0.8	-	16.0
Multifamily business	21.4	4.0	-	4.8	58.1	10.1	-	58.1	36.6	6.1	-	53.2
Australia	16.6	(0.3)	(0.3)	23.2	6.5	(0.8)	(0.9)	35.3	(10.1)	(0.5)	(0.5)	12.1
Singapore ^{*1}	-	-	8.6	-	-	-	0.4	-	-	-	(8.2)	-
Other administrative expenses ^{*2}	0.5	(1.2)	(0.9)	0.5	-	(1.5)	(1.4)	-	0.5	(0.2)	(0.4)	(0.5)
Total	201.7	12.4	15.9	266.1	484.6	30.2	19.7	576.9	282.9	17.7	3.7	310.7

^{*1} Accounted for using equity method. (Ordinary profit for Singapore in FY2023 included share of profit/loss of entities accounted for using equity method and a gain on sale of equity (extraordinary income))

^{*2} Includes China and U.K. businesses (The U.K. is accounted for using the equity method)

■ FY2024 2Q: U.S. Homebuilding Business’s Operating Profit (YoY)



(¥ billion)

Country	FY2024 Revised Plan [announced in Jun. 2024]				FY2024 Revised Plan [announced in Sep. 2024]				Amount				FY2024 Initial Plan [announced in March 2024]			
	Net sales	Operating profit	Ordinary profit	Orders	Net sales	Operating profit	Ordinary profit	Orders	Net sales	Operating profit	Ordinary profit	Orders	Net sales	Operating profit	Ordinary profit	Orders
U.S.	1,083.1	72.3	53.4	1,098.0	1,183.6	84.8	56.0	1,154.0	100.5	12.5	2.6	56.0	550.1	53.3	32.8	547.0
Homebuilding business	939.8	44.2	-	964.5	1,008.5	48.7	-	983.8	68.7	4.5	-	19.3	411.9	26.2	-	419.3
Master-planned community business	56.7	10.7	-	47.5	73.2	20.5	-	68.0	16.5	9.8	-	20.5	54.7	10.3	-	44.6
Multifamily business	86.1	17.1	-	86.0	101.9	15.3	-	101.9	15.8	(1.8)	-	15.9	83.0	16.5	-	83.0
Australia	87.7	5.3	5.2	89.0	83.4	5.3	5.1	82.0	(4.3)	-	(0.1)	(7.0)	87.7	5.3	5.2	89.0
Singapore *1	-	-	5.4	-	-	-	3.6	-	-	-	(1.8)	-	-	-	5.4	-
Other administrative expenses *2	-	(2.1)	(2.1)	-	-	(2.1)	(2.1)	-	-	-	-	-	-	(2.1)	(2.1)	-
Total	1,171.0	75.5	62.0	1,187.0	1,267.0	88.0	62.6	1,236.0	96.0	12.5	0.6	49.0	638.0	56.5	41.5	636.0

*1 Accounted for using equity method. (Ordinary profit for Singapore in FY2023 included share of profit/loss of entities accounted for using equity method and a gain on sale of equity (extraordinary income))

*2 Includes China and U.K. businesses (The U.K. is accounted for using the equity method)

Vision in the U.S. homebuilding business

We will roll out Sekisui House technologies accumulated over 60 years in Japan to the United States and become a game changer in the U.S. homebuilding industry

Rolling out two products

Making Sekisui House technologies the de facto standard

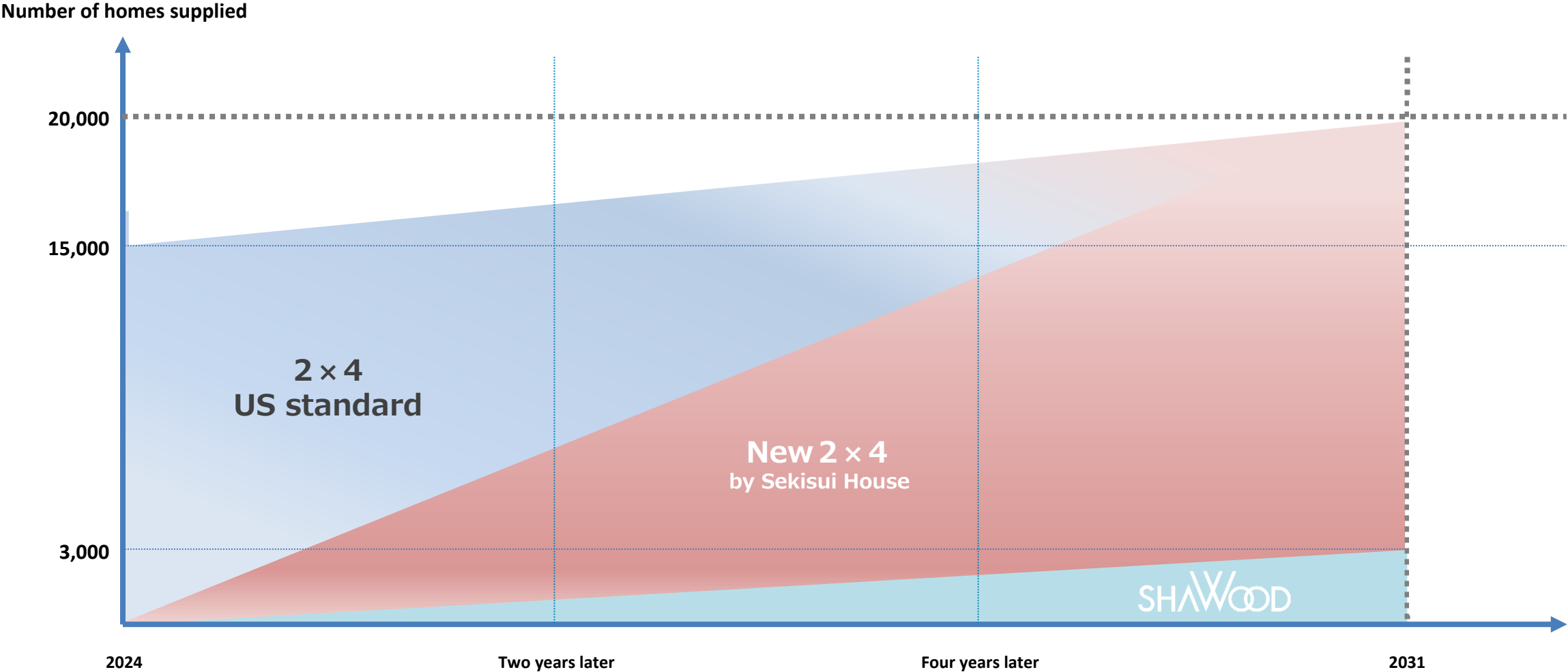
New 2x4
by Sekisui House

+

SHAWWOOD®

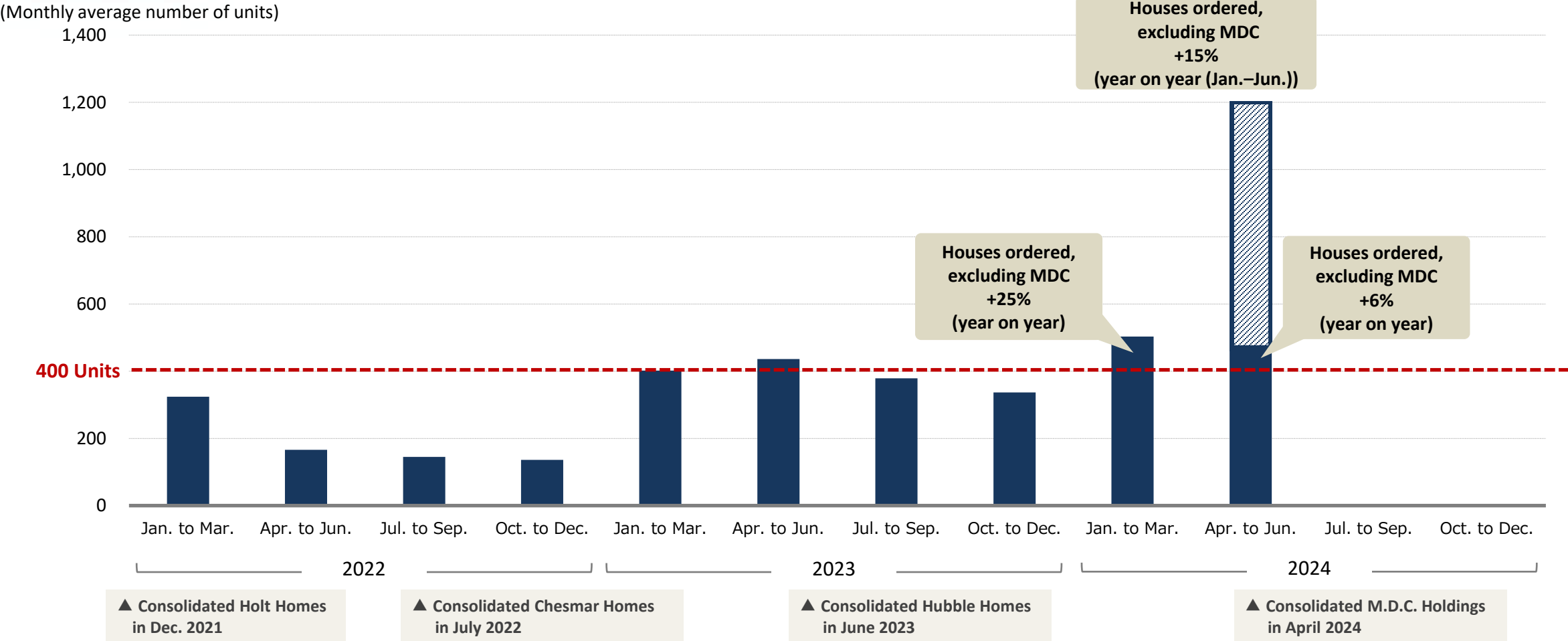
Aim to transfer Sekisui House technologies to conventionally built homes of four Group builders;
convert to “New 2×4 by Sekisui House.”

Final fiscal year of the Eighth Mid-Term Management Plan (FY2031):
U.S. detached houses: 20,000 homes (including 3,000 homes SHAWOOD)



Orders of existing Group builders have been performing well since the start of the fiscal year. We expect steady orders moving forward, supported by the supply-demand gap.
 With the addition of MDC, we are aiming for further growth in the U.S. homebuilding business.

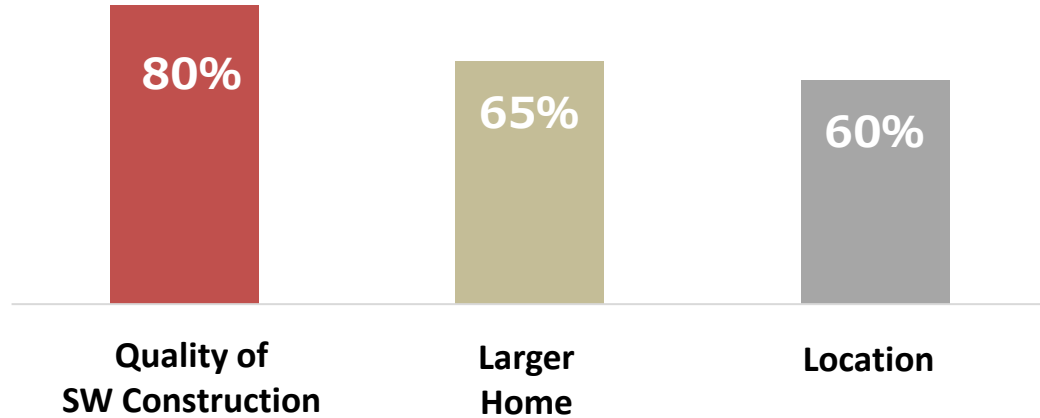
Housing Orders



Sales began in January 2024 in the southern Californian community of Sommers Bend. 23 of the total 57 units have been sold, with an average price of ¥300 million. We have built three model homes, with one designated as an Experience Center where customers can get acquainted with Sekisui House technologies.

Reasons for Choosing SHAWOOD

Factors influencing buyers' choices (multiple answers possible)

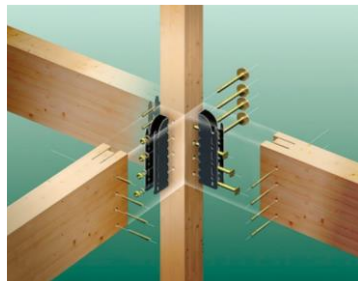


(1) Construction quality

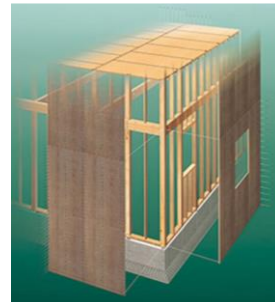
We realized bold, open, beautiful spaces through the S-MJ method



Foundation direct joints



Metal joint connecting system



Sturdy shear walls

(2) Quality of construction and parts

We realized millimeter-fine construction by producing key parts in our factories.



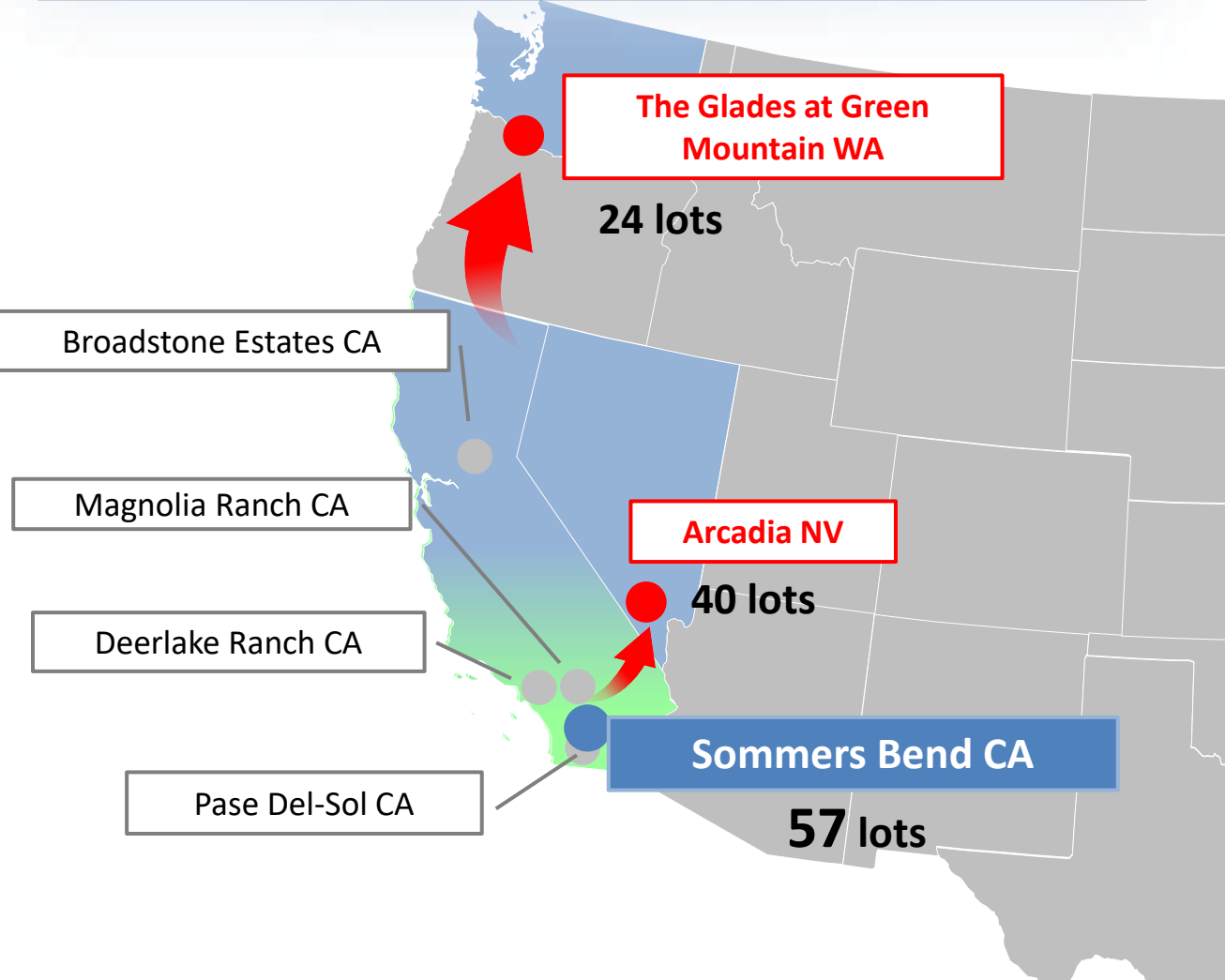
We produce key parts for export at our factories in Japan.

Construction procedures and inspection guidelines are communicated to local subsidiaries and partner building constructors.



We plan to start model home construction in Northern California, Washington State and Nevada within the year.
We have acquired 439 lots of land for SHAWOOD on the West Coast.

SHAWOOD development plan



Received Prestigious Awards at One of the Largest Builder Conferences on the U.S. West Coast

Gold Nugget Awards 2024

Sommers Bend, the first SHAWOOD community in the U.S., won the Grand Award (the highest award) in two categories and the Merit Award (second highest award) in four categories at the builder conference PCBC's Gold Nugget Awards 2024.




We finalized a purchase and sales agreement with a U.S. Special Purpose Company (SPC) established by Sekisui House Reit, Inc. and have been contracted to provide the SPC with management advisory services.

We have advanced an exit strategy with Sekisui House Reit as a new buyer of our U.S. multifamily properties after the REIT changed its portfolio development policy to enable the acquisition of such properties.

Overview of the U.S. multifamily business with Sekisui House Reit, Inc. (U.S. SPC) as a new buyer

- May 2024: Sale and closing of The Ivey on Boren (Seattle) completed
- August 2024: Contracted to sale of City Ridge (Washington D.C.) completed, closing slated for November 2024

The Ivey on Boren




Sale price: 328 million USD
➔ Sale recorded in FY2024 2Q

Location	Seattle, WA
Year opened	2022
Floors	7 underground, 44 above ground
Units	406

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City Ridge (Partial)



Sale price: 279 million USD
➔ Sale to be recorded in FY2024 4Q

Location	Washington D.C.
Year opened	2022 / 2023
Floors	3 underground, 9 above ground
Units	350

■ United States

Homebuilding business

The market for new detached houses got off to a strong start with the spring 2024 sales season, mirroring last year's performance. However, sales in May and June, particularly in the southern U.S., declined slightly due to mortgage rates rising to 7% and staying high but were buoyed by robust demand. Due to financial support measures (buydowns) provided by builders to homebuyers and the ongoing shortage of existing homes compared to pre-COVID-19 levels, the number of homes sold from January to June remained at the same level year on year. As the market for existing homes continues to see price increases due to supply-demand imbalances, builders are continuing to build up their stock of spec houses. Through buydown incentives, these builders are responding to increased demand for move-in-ready spec homes, especially for first- and second-time buyers, as well as improving affordability through the reduced mortgage interest payments resulting from these buydowns. The Federal Open Market Committee (FOMC) is expected to announce rate reductions on September 18, leading to better buyer sentiment. Thus, we expect sales to equal or slightly outperform those of the latter half of last fiscal year. In July, the decline in short- and long-term interest rates reflecting anticipated rate cuts led existing home sales to increase for the first time in five months. Newly built detached home sales rebounded from their slowdown in May and June, reaching their highest level since May 2023, demonstrating resilient demand. The market for both existing and newly built homes is trending toward stability.

Master-planned community business: Residential land development

Due to the recovery in builder home sales since 2023, major publicly listed builders are seeing strong sales in 2024 with controlled funding costs. They are also continuing to acquire land in anticipation of rising demand for spec houses. Although commercial land faced challenges regarding buyers' financing, sales and profits both surpassed initial projections. If the FRB sets the policy interest rate below 5%, there will be a decrease in financing costs and a return exceeding these costs, likely leading to restored interest in commercial real estate for institutional investors, such as funds.

Multifamily business: Rental housing development

The rental market saw slow growth in 2023, but occupancy rates continued to steadily increase due to persistent rental housing demand caused by the decreased affordability of homes. Rents have continued to rise with few exceptions. As for the sales market, although U.S. investors remain cautious due to high interest rates, Sekisui House Reit, Inc. has successfully closed on one property and completed the contract for one more, with the closing expected in November 2024. New construction is anticipated to peak in 2024, with a reduction in supply in subsequent years, and construction costs are expected to remain the same or decrease slightly. Similarly, if interest rates decrease by 1% or more and the policy interest rate drops to 4% by the middle of next year, we expect a recovery in commercial real estate, led by multifamily properties.

■ Australia

Apartment & mixed-Use developments business

Although interest rates have remained high, there is clearly still a housing shortage caused by increased demand due to immigration (250,000 annually pre-COVID, and 500,000 in 2023) and reduced supply due to such factors as permit delays. This trend has boosted condominium sales and resulted in strong sales for the Company. The rental housing market is seeing vacancy rates drop (to approximately 1% in major urban areas), and larger rent increases (by approximately 10%–20% on an annual basis).

Homebuilding business

In New South Wales, the newly built detached home market continues to struggle with low order volumes due to high interest rates (with contracts for new homes being approximately 40% of what they were before interest rate increases in April 2022). And although the market is on a path toward recovery, rising construction costs have slowed the pace. As builder bankruptcies continue, demand is shifting toward properties that are either complete or close to completion as there are few risks related to finishing these projects. Sekisui House aims to increase the pace of sales while maintaining a consistent construction schedule and increasing the number of completed properties.

■ Singapore

In the first half of fiscal 2024, sale prices continued to rise in comparison with the previous year but at a slowing rate. Demonstrating this, the sales price index inched up 1.4% in the first quarter of fiscal 2024 and 0.9% in the second quarter. This brought the average rate of increase for the first half of fiscal 2024 to 1.2%, down from the 1.7% recorded in fiscal 2023 and 2.1% in 2022. In the second quarter of fiscal 2024, housing sales fell 37.7% from the previous quarter due partly to a 1% decrease in supply.



Financial Status

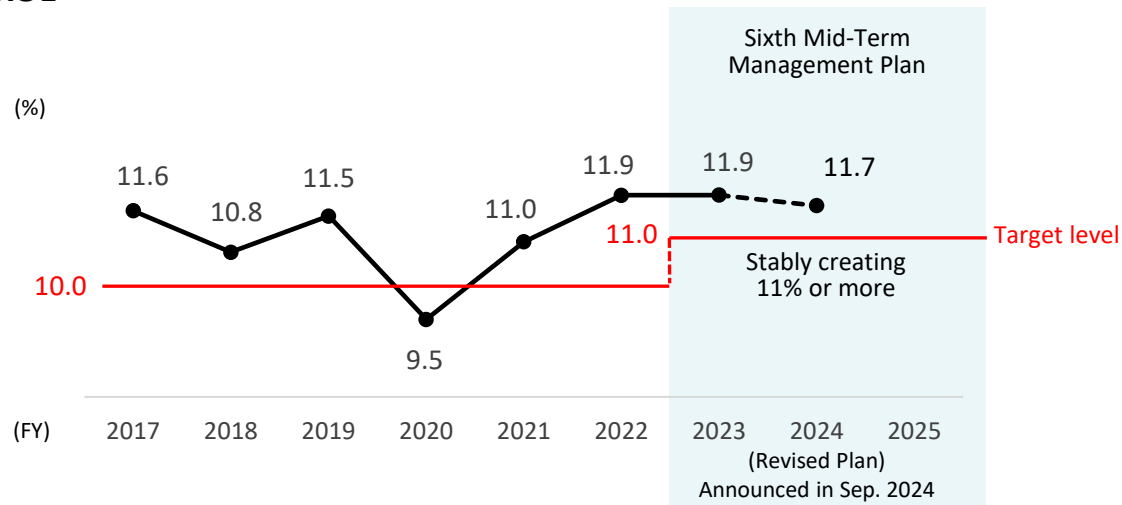
The dividend forecast was revised upward in June 2024 following the acquisition of MDC. Although we do not plan to repurchase Company stock in fiscal 2024, the shareholder return policy remains unchanged.

Sixth Mid-Term Management Plan Capital policies/ Policy for shareholder return	
ROE	Stably creating 11% or more
Dividends	Average medium-term dividend payout ratio : 40% or more
	Minimum dividends : ¥110
Repurchases of Company stock	Flexibly implement

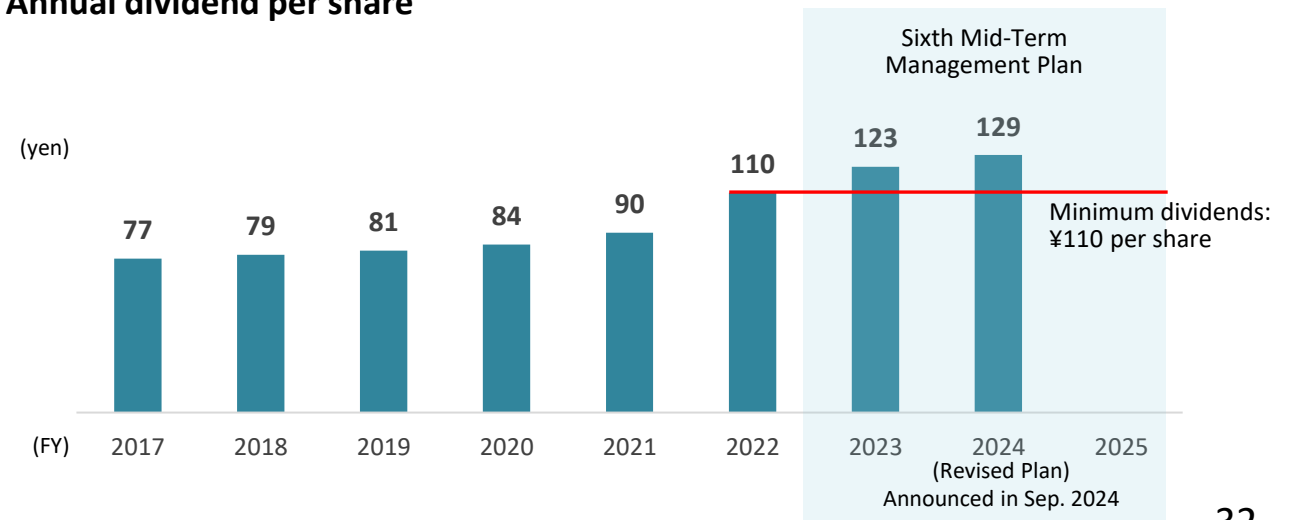


FY2024 Revised Plan [announced in June 2024]
11.7% (YoY (0.2)p / Compared to initial forecast +0.4p)
Annual dividend per share: ¥129 (up ¥6 from the previous year / Compared to initial forecast +¥4)
Annual dividend per share: 40.0%
Policy is to forgo repurchases in response to the MDC acquisition

ROE



Annual dividend per share



Financial Status (2)

Growth investments, including the recent acquisition of MDC, are progressing steadily. We will continue to pursue growth investments while maintaining a balance with financial soundness. To support financial soundness, we issue hybrid bonds with consideration for capital efficiency and their impact on stock value.

Growth investments

[Real Estate Investment Plans and Results]

Plan during the period of the Sixth Mid-Term Management Plan (over three years)

Investment	Japan	¥1,300.0 bn	Overseas	¥1,700.0 bn	Total	¥3,000.0 bn
Recoup	Japan	¥1,300.0 bn	Overseas	¥2,000.0 bn	Total	¥3,300.0 bn

Results through the period of FY2024 2Q

(results for the past 1.5 years: includes investments and returns by MDC)

Investment (Progress to Plan)	Japan	¥737.6 bn (56.7%)	Overseas	¥1,073.0 bn (63.1%)	Total	¥1,810.7 bn (60.4%)
Recoup (Progress to Plan)	Japan	¥743.1 bn (57.2%)	Overseas	¥1,010.1 bn (50.5%)	Total	¥1,753.2 bn (53.1%)

[Investment in Foundations for Growth, New Businesses, M&A]

Investment in Foundations for Growth	¥100 bn over three years Progress as plan, mainly production and R&D
New Businesses, M&A	¥200 bn over three years Acquired MDC, allocating funds exceeding the initial plan

Issuance of hybrid bonds

[Converting bridge financing to permanent financing]

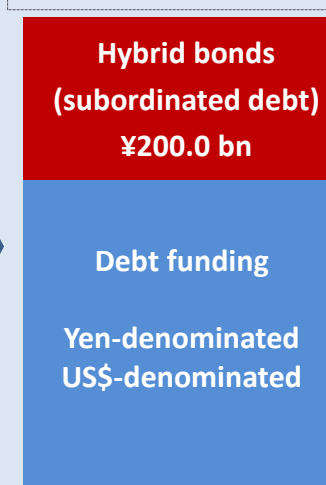
The Company issued hybrid bonds in July 2024. Part of the bridge financing used for the acquisition of MDC has been transitioned to permanent financing.

Series name	Issue Price	Term (first voluntary redemption)	Interest rate
2 nd bond	¥125.0 bn	35 years NC5 years (July 2029)	1.713%
3 rd bond	¥75.0 bn	40 years NC10 years (July 2034)	2.517%
Total	¥200.0 bn	—	—

At the time of MDC acquisition
Overview of bridge financing



Plan for transitioning to permanent financing



50% of the amount issued (¥100 bn) has been recognized as equity by credit rating agencies.
➡ Supporting financial soundness

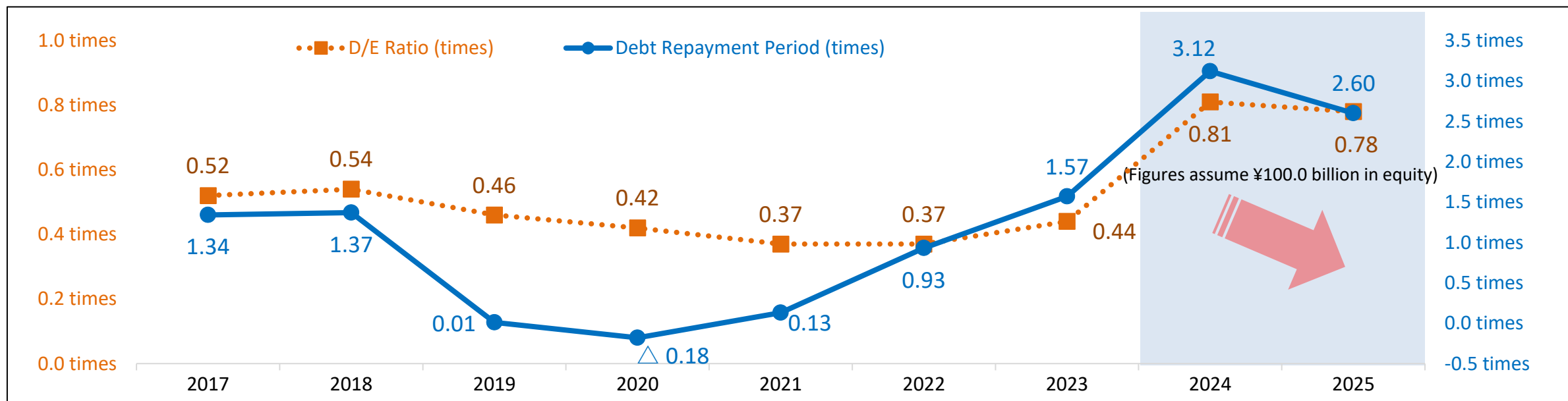
Financial Status (3)

Although the increase in interest-bearing debt due to the acquisition of MDC will temporarily strain our finances, we aim to improve our financial health in the lead-up to the 7th Mid-Term Management Plan by leveraging cash flow generated from this acquisition and obtaining equity capital through the issuance of hybrid bonds.

[Financial Soundness Indicators] (Figures assume ¥100.0 billion in equity)

	FY2024 Forecast	FY2025 Forecast	Sixth MTMP Targets (Initial)
D/E Ratio	0.81 times	0.78 times	Around 0.5 times
Debt Repayment Period	3.12 times	2.60 times	Below 1.5 times

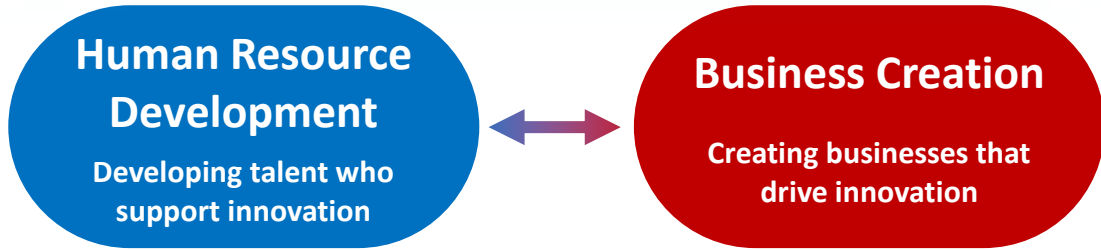
Regarding the debt repayment period, we aim to below 2.0 times during the Seventh Mid-Term Management Plan (FY2026–2028)





TOPICS

February 1
Established Sekisui House Innovation & Communication, Ltd.



Aiming to simultaneously increase human resource value and create new business value to contribute to the Sekisui House Group

April 1 Established a CVC fund
July 31 First phase: Invested in three startups

September 5 Established InnoCom Square, an open innovation facility



A space that fosters forward-looking innovation by facilitating communication with people from diverse backgrounds

Scalability of business creation
Striving to solve social issues related to housing and lifestyle



Pitches to Startups

Leveraging the technology, customer base, data, and human resources the Sekisui House Group has cultivated since its founding

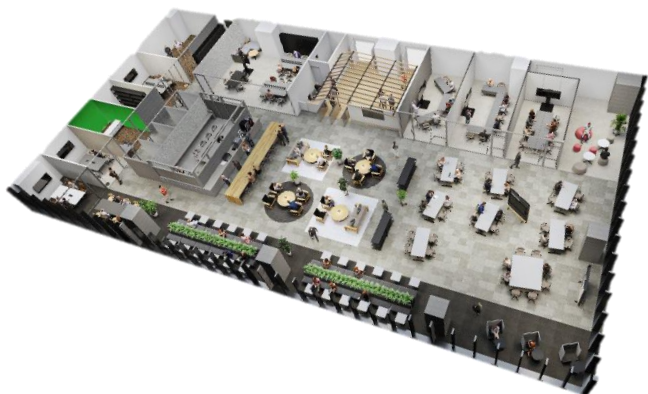
Recruiting entrepreneurs

CVC

Leveraging corporate venture capital (CVC) to select partners for collaboration

Overview of InnoCom Square

Accelerating Innovation and Communication



Entrance Zone, crafted to offer a welcoming and comfortable space



Omotenashi Lounge Area, designed to accommodate diverse communication styles



Open Area, suitable for both in-person and online events



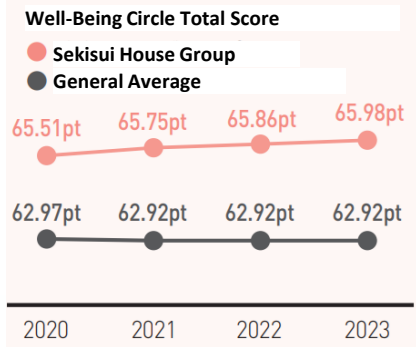
The Well-Being Survey: Autonomy × Well-Being

—Demonstrating a clear link between employee autonomy and well-being

The first Japanese company to conduct a Well-Being Survey (ongoing since 2020)

Sekisui House's Well-Being Survey

- Conducted annually for all employees
- Supervised by Professor Takashi Maeno, a professor at Keio University Graduate School and a leading expert on well-being research
- Conducted to identify specific actions that will enhance employee well-being



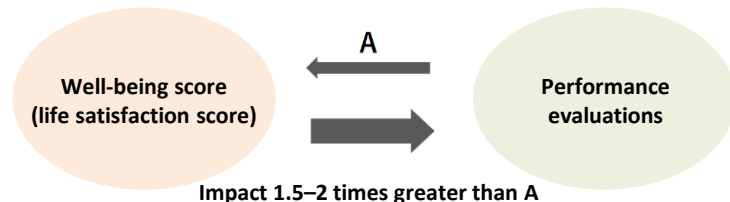
• The overall well-being score for Sekisui House employees is **higher than general average**.

*General Average : Calculated from a survey of 9,782 respondents of diverse ages and occupations.

Demonstrating a clear link between employee autonomy and well-being

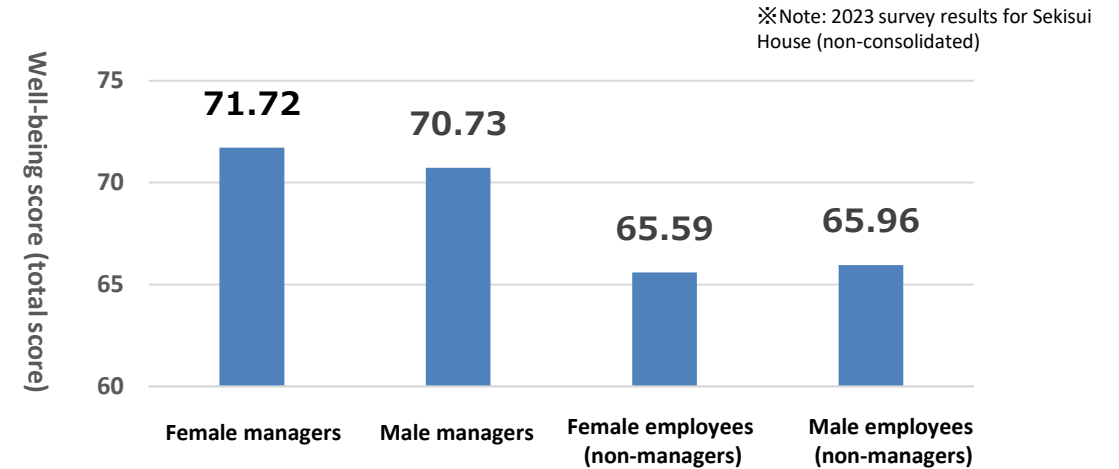
- ✓ The more someone feels they are working autonomously, the higher their well-being.
- ✓ The more someone feels they are working autonomously, the higher their performance evaluation.
- ✓ Because their well-being is higher, their performance evaluations are higher. (N.B.A high performance evaluation does not necessarily yield high well-being.)

Causal link between well-being and performance evaluations



High well-being scores among female managers

- Well-being scores are higher among managers than non-managers, with female managers showing greater well-being scores than their male counterparts (see graph below)
- Workplaces with female managers show higher well-being scores than those without

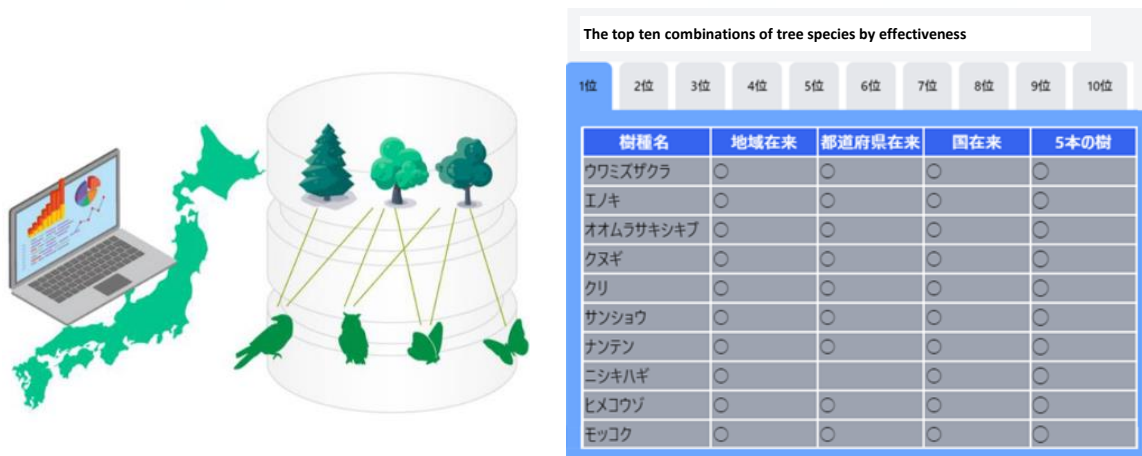


All female participants in training as managerial candidates joined of their own volition, demonstrating their proactive autonomy

Autonomy is being able to personally choose what you want to do and, accordingly, being responsible for your decisions.

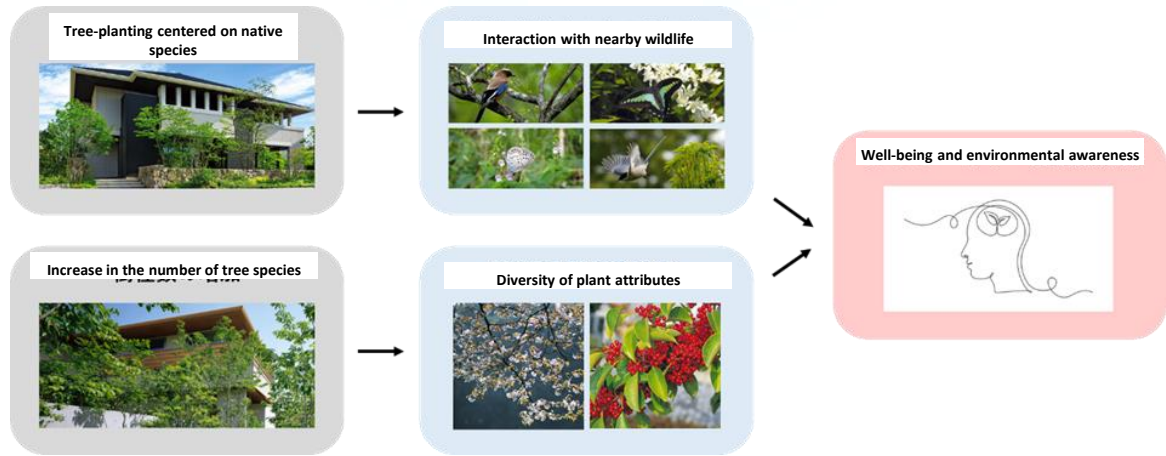
*jointly developed

World's first biodiversity visualization proposal tool Visualizing nature positive effects through planting proposals



- ✓ Select and visualize the most beneficial tree species for each construction site **starting from the design phase**
- ✓ The use of this tool is expected to make planting **approximately 2.6 times more effective** than previous methods
- ✓ Currently in trials in Tokyo and three neighboring prefectures, with plans for nationwide expansion

Findings from joint research with the University of Tokyo Tree-planting centered on native tree species contributes to improved well-being



- Interacting with wildlife in gardens planted mainly with native species
- ✓ **Improves well-being** (reduces risk of depression by 20 pts)
 - ✓ Elevates **environmental awareness** (higher environmental awareness: reduces likelihood of showing concern for environmental destruction by 20 pts)
 - ✓ Preliminary studies suggest that exposure to a diversity of flowers and fruits improves well-being

► The Gohon no Ki Project, focused on planting native tree species appropriate to the local environment, has successfully planted a cumulative total of 20,000,000 trees (as of April 2024)

We aim to restore biodiversity by further advancing the *Gohon no Ki* Project



▶ We offer housing suited to the era of the 100-year lifespan, during which fondness grows stronger over time, based on “life knit design,” a design proposal system that aims to reflect **customers perceptions** in their homes.

Interior Design House “6 HOUSES” opened in August



“peaceful”

“tender”

“spirit”

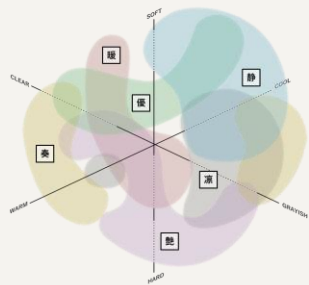
“cozy”

“luxe”

“playful”

- Interior -

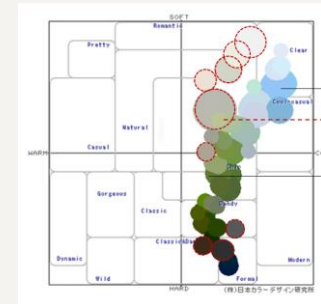
Experience and compare six fields of perception across six different houses



せい 静 PEACEFUL
 ゆう 優 TENDER
 りん 凛 SPIRIT
 だん 暖 COZY
 えん 艶 LUXE
 そう 奏 PLAYFUL

- Exterior -

Experience townscapes that reflect harmony through a gradation of brightness



- ✓ Showcasing different spaces of perception through **identical floor plans to scale**. For the first time, we are offering spaces where you can **experience and compare multiple options at once**.
- ✓ **Experience beautiful townscapes that reflect harmony** across six consecutive buildings. Acquaint yourself with the integrated **indoor and outdoor spaces** of “life knit design,” which includes the main garden.
- ✓ Now open in Tsukuba City, Ibaraki Prefecture for a **limited time until October 7**

Although the document is prepared on the information believed to be credible, Sekisui House does not guarantee the accuracy or the completeness of such information. Also the information herein contains forward-looking statements regarding the company's plan, outlook, strategies and results for the future. The Company undertakes no obligation to publicly update any forward-looking statements. All the forward-looking statements are based on judgments derived from information available to the Company at the time for this release. Certain risks and uncertainties could cause the company's actual results to differ materially from any projections presented here.