(Securities Code: 1928)

Sekisui House, Ltd. **April 6, 2020**

Toshinori Abe
Chairman & Representative Director
Sekisui House, Ltd.
1-88, Oyodonaka 1-chome, Kita-ku, Osaka

NOTICE OF THE 69TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We express our deep appreciation to each of the shareholders for their extraordinary support.
Now, the 69th 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 enclosed "Reference Documents for General Meeting of Shareholders" and exercise your voting rights by the methods such as the writing or Internet by 6:00 p.m. on Wednesday, April 22, 2020.

The proposals submitted to this Ordinary General Meeting of Shareholders include proposals submitted by the Company (the "Company's Proposals") (Proposals Nos. 1 to 7) and a proposal submitted by shareholders (the "Shareholder's Proposal") (Proposal No. 8). The details of the proposals are as described in the Reference Documents for General Meeting of Shareholders. Please note that the Board of Directors of the Company (the "Board of Directors") has expressed its "opposition" to the Shareholder's Proposal (Proposal No. 8). For more details on the view of the Board of Directors, please refer to page 49 onwards.

1. Date and Time:	10:00 a.m., Thursday, April 23, 2020
2. Place of the Meeting:	The Westin Osaka, 2nd Floor, Rose Room, 1-20, Oyodonaka 1-chome, Kita-ku, Osaka, Japan **Note:** **If the Rose Room becomes full, the Company will guide shareholders to the second place of the meeting or other location. We appreciate your understanding.**
3. Agenda:	
Items for reporting:	1. Reports on the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 69th fiscal year (February 1, 2019 – January 31, 2020) 2. Report on the Results of Audit conducted by the Accounting Auditor and the Audit & Supervisory Board with respect to the Consolidated Financial Statements for the 69th fiscal year (February 1, 2019 – January 31, 2020)
Proposals to be tabled:	

<Company's Proposals (Proposals Nos. 1 to 7)>

Proposal No. 1	Appropriation of Surplus
Proposal No. 2	Partial Amendments to the Articles of Incorporation
Proposal No. 3	Election of 12 Directors
Proposal No. 4	Election of One Audit & Supervisory Board Member
Proposal No. 5	Payment of Bonuses to Directors (Excluding Outside Directors)
Proposal No. 6	Establishment of Remuneration Concerning Performance-related Bonuses for Directors (Excluding Outside Directors)
Proposal No. 7	Establishment of Remuneration Concerning Performance-related Stock Remuneration and Restricted Stock Remuneration for Directors (Excluding Outside Directors)

<Shareholder's Proposal (Proposal No. 8)>

Proposal No. 8 Election of 11 Directors

[**Translation**: Please note that this document purports to be a translation from the Japanese original Notice of the 69th Ordinary General Meeting of Shareholders of Sekisui House, Ltd. prepared for the convenience of foreign 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. Guidelines of the Exercise of Voting Rights:

(1) Guidelines regarding the exercise of a voting right in writing:

Please indicate on the enclosed voting form whether you approve or disapprove the proposals listed, and return it to the Company so that your vote is received by 6:00 p.m. on Wednesday, April 22, 2020.

If the voting form is submitted without any indication of approval or disapproval of each proposal, it will be treated as "approval" (support) for **the Company's Proposals (Proposals Nos. 1 to 7)** and "disapproval" (opposition) for **the Shareholder's Proposal (Proposal No. 8)**.

Please note that the Board of Directors has expressed its "opposition" to **the Shareholder's Proposal (Proposal No. 8)**. If you support the view of the Board of Directors, please indicate "disapproval" (opposition) for **the Proposal No. 8**.

(2) Guidelines regarding the exercise of a voting right via the Internet:

On the website for the exercise of voting rights **(https://evote.tr.mufg.jp/)**, please use the log-in ID and temporary password which are shown on the voting form. After logging in, please indicate whether you approve or disapprove the proposals listed by following the instructions on the display screen by 6:00 p.m. on Wednesday, April 22, 2020. In case that a voting right is exercised more than once via the Internet, only the last vote will be recognized as valid. Please refer to the next page "Guidelines regarding the exercise of a voting right via the Internet" for more information.

(3) Handling of votes if a voting right is exercised using both writing and the Internet:

In case that a voting right is exercised using both writing and the Internet, then only the vote registered via the Internet will be recognized as valid.

(4) Internet disclosure:

Following matters are made available on the Company's website **(https://www.sekisuihouse.co.jp/english/financial/holders/meeting/index.html)** pursuant to the relevant laws and regulations, and Article 16 of the Articles of Incorporation of the Company, and not included in the attached documents to this Notice. Documents which are set out in the attached documents to this Notice are parts of the Consolidated Financial Statements, or the Non-Consolidated Financial Statements which have been audited by the Audit & Supervisory Board Members and the Accounting Auditor in the preparation of the audit report.

1) "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements

2) "Notes to Non-Consolidated Financial Statements" in the Non-Consolidated Financial Statements

(5) Announcement method if the statements of the Reference Documents for General Meeting of Shareholders and other documents are amended:

In case that any amendment to the statements of the Reference Documents for General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-Consolidated Financial Statements is necessary, please be advised that the Company will post amendments where applicable on the Company's website (**https://www.sekisuihouse.co.jp/english/financial/holders/meeting/index.html**).

(6) Electronic Voting Platform:

If you are a nominee shareholder such a trust bank (including a standing proxy) and apply in advance to use the Electronic Voting Platform operated by ICJ, Inc. established by the Tokyo Stock Exchange and others, you are entitled to use the platform.

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* If attending the meeting in person, please submit the enclosed voting form to the receptionist at the meeting.

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, 2020.

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

i) If you scan 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 registered trademarks 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.

* Log-in using the QR code is available once only. If you are to re-exercise, please exercise in the method below.

(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 confirm new password and press the send button.

iv) 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, smart phone or mobile 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 their voting rights for this General Meeting of Shareholders.

* The service is available in Japanese only.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

<Company's Proposals (Proposals Nos. 1 to 7)>

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 ¥41 per share be paid for the fiscal year under review. Since the Company paid an interim dividend of ¥40 per share on September 30, 2019, the annual dividend for the fiscal year under review totals ¥81 per share.

(1) Type of dividend property:

Cash

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

¥41 per common share of the Company Total amount: ¥28,029,465,213

(3) Date on which dividends take effect:

April 24, 2020

2. Other matters related to the appropriation of surplus:

Pursuant to the resolution at the meeting of the Board of Directors held on March 5, 2020, the Company plans to cancel 6 million shares of treasury stock after the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes to transfer part of general reserve to retained earnings brought forward as follows to appropriate part of the funds for cancellation:

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

General reserve: ¥10,000,000,000

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

Retained earnings brought forward: ¥10,000,000,000

(Reference) Basic Policy on Profit Distribution and Dividend for the Next Fiscal Year

The Company recognizes the maximization of shareholder value as one of the most important management issues. Accordingly, the Company will not only increase earnings per share through sustainable business growth, but also promote growth investments and enhance shareholder returns, comprehensively taking into account the status of profits and cash flows in each fiscal year and future business development, among other factors.
The Company will also make efforts to increase shareholder value by targeting at least a 40% average dividend payout ratio over the medium-term and by acquiring its treasury stock in a flexible manner.
For the next fiscal year ending January 31, 2021, the Company plans to pay out an interim dividend of ¥45, with a 60th anniversary commemorative dividend of ¥5 in addition to an ordinary dividend of ¥40, and a year-end dividend of ¥41, totaling ¥86 for the full year.

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

1. Reasons for the amendments

(1) In order to further define the management responsibility of Directors, increase opportunities for gaining the confidence of shareholders and build a management structure for responding promptly to changes in the business environment, the Company will shorten the term of office of Directors from two years to one year and make amendments to Article 21 (Term of Office of Directors).

(2) For the purpose of increasing transparency in the management system and defining accountability in order to further strengthen corporate governance, the Company will abolish the Executive Advisor system and make amendments to Article 23 (Directors With Executive Power and Executive Advisors).

(3) Because of the revision of the industry classification of the construction business license, the "demolition works" has been newly established, the Company will make amendments to Article 2 (Purpose).

2. Amendment details

(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.-3. (Omitted) 4. Contracting and execution of civil engineering works, carpenter works, plastering works, steeplejack, earthwork and concrete works, works of stones, roofing works, electrical works, piping works, tiles, bricks and blocks works, steel structure, reinforcing works, paving works, sheet metal works, glass works, painting works, waterproofing works, interior finishing works, installation works of machinery and tools, heat insulating works, telecommunication works, furnishing, water facility works <u>and</u> fire fighting equipments works; 5.-25. (Omitted)	(Purpose) Article 2. (Unchanged) 1.-3. (Unchanged) 4. Contracting and execution of civil engineering works, carpenter works, plastering works, steeplejack, earthwork and concrete works, works of stones, roofing works, electrical works, piping works, tiles, bricks and blocks works, steel structure, reinforcing works, paving works, sheet metal works, glass works, painting works, waterproofing works, interior finishing works, installation works of machinery and tools, heat insulating works, telecommunication works, furnishing, water facility works<u>,</u> fire fighting equipments works <u>and demolition works</u>; 5.-25. (Unchanged)
(Term of Office of Directors) Article 21. The term of office of any Director shall be up to the closing of the ordinary general meeting of shareholders held with respect to the last settlement of the accounts within <u>2</u> year<u>s</u> after the election of office. Provided, however, that the term of office of a Director elected to fill a vacancy of office of a Director who resigned prior to its expiration or to increase the number of Directors shall be until the end of the term of office of the other Directors then in office.	(Term of Office of Directors) Article 21. The term of office of any Director shall be up to the closing of the ordinary general meeting of shareholders held with respect to the last settlement of the accounts within <u>1</u> year after the election of office. Provided, however, that the term of office of a Director elected to fill a vacancy of office of a Director who resigned prior to its expiration or to increase the number of Directors shall be until the end of the term of office of the other Directors then in office.
(Directors With Executive Power <u>and Executive Advisors</u>) Article 23. (Omitted) <u>ii) By resolution of the Board of Directors, Executive Advisors may be appointed.</u>	(Directors With Executive Power) Article 23. (Unchanged) (Deleted)

Proposal No. 3: Election of 12 Directors

The term of post of all the 11 current Directors terminates at the close of this Ordinary General Meeting of Shareholders.

The Company proposes to increase one Outside Director and elect 12 Directors including four Outside Directors, for continuing to strengthen management supervisory function of the Board of Directors and corporate governance system.

We have candidates as follows:

No.	Name		Gender	Current post in the Company	Number of years in office as Director (at the close of this Meeting)	Attendance at the meetings of the Board of Directors (69th)
1	Reelection	Toshinori Abe	Male	Chairman & Representative Director	14 years	11/12 (91%)
2	Reelection	Shiro Inagaki	Male	Vice Chairman & Representative Director	16 years	12/12 (100%)
3	Reelection	Yoshihiro Nakai	Male	President & Representative Director	4 years	12/12 (100%)
4	Reelection	Takashi Uchida	Male	Executive Vice President & Representative Director	14 years	12/12 (100%)
5	Reelection Outside Independent Officer	Shiro Wakui	Male	Outside Director	6 years	12/12 (100%)
6	Reelection Outside Independent Officer	Yukiko Yoshimaru	Female	Outside Director	2 years	12/12 (100%)
7	New Election Outside Independent Officer	Toshifumi Kitazawa	Male	–	–	–
8	New Election Outside Independent Officer	Satoshi Tanaka	Male	–	–	–
9	Reelection	Kunpei Nishida	Male	Director Senior Managing Officer	6 years	12/12 (100%)
10	Reelection	Yosuke Horiuchi	Male	Director Senior Managing Officer	4 years	12/12 (100%)
11	Reelection	Toshiharu Miura	Male	Director Senior Managing Officer	2 years	12/12 (100%)
12	New Election	Toru Ishii	Male	Senior Managing Officer	–	–

Reelection: candidate for Director to be reelected

New Election: candidate for Director to be newly elected

Outside: candidate for Outside Director

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

No.	Name	Knowledge, experience and abilities of each Director						
		Corporate management Business strategy	Sales and CS	International business Overseas insight	Finance and accounting	Technology and quality Environment	Human resources development Diversity Improvement in sociability	Governance Risk management Compliance
1	Toshinori Abe	●	●	●				
2	Shiro Inagaki	●			●			●
3	Yoshihiro Nakai	●	●		●			●
4	Takashi Uchida	●	●		●		●	●
5	Shiro Wakui	●		●		●		
6	Yukiko Yoshimaru	●		●			●	
7	Toshifumi Kitazawa	●	●	●				●
8	Satoshi Tanaka	●	●	●		●		●
9	Kunpei Nishida	●	●					
10	Yosuke Horiuchi	●	●					
11	Toshiharu Miura	●				●		●
12	Toru Ishii	●	●	●				

* The above table does not indicate all of the insight of the candidates.

Candidate No. 1	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2019)	Relationship of special interest with the Company
	14 years	11/12 (attendance at the meetings of the Board of Directors: 91%)	None

Toshinori Abe

(October 27, 1951)

Reelection

Number of Company's Shares owned

61,400 shares

Career summary, post and responsibility in the Company
(Significant concurrent post of other companies)

Apr. 1975: Joined the Company
Apr. 2004: Executive Officer of the Company
May 2005: Managing Officer of the Company
Apr. 2006: Director of the Company
May 2007: Senior Managing Officer of the Company
Apr. 2008: President & Representative Director and COO of the Company
Feb. 2018: Chairman & Representative Director of the Company (current position)

Reason for election as Director

He served as President & Representative Director of the Company from 2008 and contributed to expansion of operating results of the Sekisui House Group. Since 2018, he has served as Chairman & Representative Director of the Company. To further increase the corporate value of the Sekisui House Group with his abundant achievements and experiences, the Company proposes to reelect him as a Director.

Candidate No. 2	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2019)	Relationship of special interest with the Company
	16 years	12/12 (attendance at the meetings of the Board of Directors:100%)	None

Shiro Inagaki

(June 25, 1950)

Reelection

Number of Company's Shares owned

36,100 shares

Career summary, post and responsibility in the Company
(Significant concurrent post of other companies)

Apr. 1973: Joined the Company
Apr. 2002: Executive Officer of the Company
Apr. 2004: Managing Officer of the Company
Apr. 2004: Director of the Company
Apr. 2006: Senior Managing Officer of the Company
May 2011: Executive Vice President & Director of the Company, Executive Vice President & Executive Officer of the Company
Apr. 2012: CFO of the Company
Apr. 2016: Management of Corporate Management Planning, Accounting & Finance and Auditing, in charge of IT Operation
Feb. 2018: Vice Chairman & Representative Director of the Company (current position)
Apr. 2018: Management of Investor Relations Division (current position)

(Significant concurrent post of other companies)

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

Reason for election as Director

He has taken control of a wide range of Head Office functions including Investor Relations Division for many years. Since 2018, he has served as Vice Chairman & Representative Director of the Company. To further increase the corporate value of the Sekisui House Group with his abundant achievements and experiences, the Company proposes to reelect him as a Director.

Candidate No. 3	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2019)	Relationship of special interest with the Company
	4 years	12/12 (attendance at the meetings of the Board of Directors:100%)	None

Yoshihiro Nakai

(April 30, 1965)

Reelection

Number of Company's Shares owned

20,580 shares

Career summary, post and responsibility in the Company
(Significant concurrent post of other companies)

Apr. 1988: Joined the Company

Apr. 2014: Executive Officer of the Company, assigned to the post of Chief Manager of Corporate Management Planning Department

Apr. 2016: Managing Officer of the Company, in charge of Corporate Management Planning and Accounting & Finance

Apr. 2016: Director of the Company

Feb. 2018: President & Representative Director of the Company (current position)

Reason for election as Director

He exercised his excellent management skills in Corporate Management Planning Division, and took office as Director of the Company in 2016. Since 2018, he has served as President & Representative Director of the Company. To achieve sustainable growth and increase the corporate value of the Sekisui House Group under his strong leadership, the Company proposes to reelect him as a Director.

Candidate No. 4	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2019)	Relationship of special interest with the Company
	14 years	12/12 (attendance at the meetings of the Board of Directors: 100%)	None

Takashi Uchida

(April 19, 1951)

Reelection

Number of Company's Shares owned

29,800 shares

Career summary, post and responsibility in the Company
(Significant concurrent post of other companies)

Apr. 1976:	Joined the Company
Apr. 2004:	Executive Officer of the Company, assigned to the post of Chief Manager of Accounting Department
Apr. 2006:	Managing Officer of the Company, assigned to the post of Chief Manager of Accounting & Finance Department
Apr. 2006:	Director of the Company
Feb. 2009:	In charge of Administrative Control of Subsidiary & Affiliated Companies
May 2010:	Assigned to the post of General Manager of Saitama Sales Administration Headquarters
Feb. 2012:	Assigned to the post of Chief Manager of Personnel Department
May 2012:	In charge of Administrative Control of Subsidiary & Affiliated Companies
Apr. 2014:	Senior Managing Officer of the Company
Feb. 2018:	In charge of Personnel and Administrative Control of Subsidiary & Affiliated Companies
Apr. 2018:	Executive Vice President & Director of the Company, Executive Vice President & Executive Officer of the Company, management of Administration Division (current position)
Apr. 2018:	Executive Vice President & Representative Director of the Company (current position)

Reason for election as Director

After serving as Chief Manager of Accounting & Finance Department and General Manager of Sales Administration Headquarters, he has taken control of Administration Division. Since 2018, he has served as Executive Vice President & Representative Director of the Company. To further increase the corporate value of the Sekisui House Group with his broad achievements and experiences, the Company proposes to reelect him as a Director.

Candidate No. 5	Number of years in office as Outside Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2019)	Relationship of special interest with the Company
	6 years	12/12 (attendance at the meetings of the Board of Directors: 100%)	None

Shiro Wakui

(November 22, 1945)

Reelection

Outside

Independent Officer

Number of Company's Shares owned

5,400 shares

Career summary, post and responsibility in the Company
(Significant concurrent post of other companies)

Jan. 1972: Established Ishikatsu Exterior. Ltd
President & Representative Director of Ishikatsu Exterior. Ltd
June 2002: Executive Advisor of Ishikatsu Exterior. Ltd (current position)
June 2008: Director of Sekisui Jushi Corporation (current position)
Apr. 2010: Professor (currently Special Professor) of Tokyo City University (current position)
Apr. 2014: Director of the Company (current position)
June 2019: Director of TOKYU LAND CORPORATION (current position)

(Significant concurrent post of other companies)

Special Professor of Tokyo City University
Outside Director of Sekisui Jushi Corporation
Outside Director of TOKYU LAND CORPORATION

Reason for election as Outside Director

Since he stated valuable opinions at Board of Directors meetings and others from his objective standpoint with his professional viewpoint about environmental issues and his wide knowledge as a university professor and other companies' officer, the Company proposes to reelect him as an Outside Director.

1. Mr. Shiro Wakui is a candidate for Outside Director. The term of office of Mr. Shiro Wakui as Outside Director shall be six years at the conclusion of this Ordinary General Meeting of Shareholders.
2. The Company designated Mr. Shiro Wakui as an "Independent Officer" and submitted notification to that effect to the Tokyo Stock Exchange, Inc.
3. The Company entered into an agreement with Mr. Shiro Wakui that if he causes damages to the Company by neglect of the duty as an Outside Director, where his conduct is deemed to be made in good faith without gross negligence, his liability under the agreement is without fail limited to the sum of the amount provided by Article 425, Paragraph 1 of the Companies Act. In case the proposal is approved, the Company will continue the agreement with him.

Candidate No. 6	Number of years in office as Outside Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2019)	Relationship of special interest with the Company
	2 years	12/12 (attendance at the meetings of the Board of Directors: 100%)	None

Yukiko Yoshimaru

(February 1, 1960)

Reelection

Outside

Independent Officer

Number of Company's Shares owned

5,000 shares

Career summary, post and responsibility in the Company
(Significant concurrent post of other companies)

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.
June 2011:	Executive Officer of Nifco Inc.
Apr. 2018:	Director of the Company (current position)
June 2019:	Director of Mitsui Chemicals, Inc. (current position)

(Significant concurrent post of other companies)

Outside Director of Mitsui Chemicals, Inc.

Reason for election as Outside Director

Since she stated valuable opinions at Board of Directors meetings and others from her objective standpoint with her insight based on working experience overseas as well as her achievements and experiences as other companies' officer, such as promoting diversity, the Company proposes to reelect her as an Outside Director.

1. Ms. Yukiko Yoshimaru is a candidate for Outside Director. The term of office of Ms. Yukiko Yoshimaru as Outside Director shall be two years at the conclusion of this Ordinary General Meeting of Shareholders.
2. The Company designated Ms. Yukiko Yoshimaru as an "Independent Officer" and submitted notification to that effect to the Tokyo Stock Exchange, Inc.
3. The Company entered into an agreement with Ms. Yukiko Yoshimaru that if she causes damages to the Company by neglect of the duty as an Outside Director, where her conduct is deemed to be made in good faith without gross negligence, her liability under the agreement is without fail limited to the sum of the amount provided by Article 425, Paragraph 1 of the Companies Act. In case the proposal is approved, the Company will continue the agreement with her.

Candidate No. 7	Number of years in office as Outside Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2019)	Relationship of special interest with the Company
	–	–	None

Toshifumi Kitazawa

(November 18, 1953)

New Election

Outside

Independent Officer

Number of Company's Shares owned

0 shares

Career summary, post and responsibility in the Company
(Significant concurrent post of other companies)

Apr. 1977:	Joined Tokio Marine & Fire Insurance Co., Ltd.
July 2003:	Director of Tokio Marine Medical Service Co., Ltd.
June 2008:	Managing Director of Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.
June 2009:	Senior Managing Director of Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.
June 2010:	President & Director of Tokio Marine & Nichido Anshin Life Insurance Co., Ltd.
June 2010:	Director of Tokio Marine Holdings, Inc.
Apr. 2014:	Vice President & Director of Tokio Marine & Nichido Fire Insurance Co., Ltd.
June 2014:	Vice President Executive Officer of Tokio Marine Holdings, Inc.
Apr. 2016:	President & Chief Executive Officer of Tokio Marine & Nichido Fire Insurance Co., Ltd.
June 2016:	Director of Tokio Marine Holdings, Inc.
Apr. 2019:	Vice Chairman & Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. (current position)

(Significant concurrent post of other companies)

Vice Chairman & Director of Tokio Marine & Nichido Fire Insurance Co., Ltd.

Reason for election as Outside Director

To strengthen the supervisory function of management of the Sekisui House Group with his deep insight based on achievements in the insurance sector as well as his abundant achievements and experiences as other companies' manager, the Company proposes to newly elect him as an Outside Director.

1. 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 a Director, but the annual amount of business transactions between the companies is less than 1% of the ordinary income of Tokio Marine Holdings, Inc., which is the holding company of Tokio Marine & Nichido Fire Insurance Co., Ltd, and the consolidated net sales of the Company.
2. Mr. Toshifumi Kitazawa is a candidate for Outside Director.
3. The Company plans to designate Mr. Toshifumi Kitazawa as an "Independent Officer" and submit notification to that effect to the Tokyo Stock Exchange, Inc.
4. After the election, the Company plans to enter into a limited liability agreement with Mr. Toshifumi Kitazawa, that if he causes damages to the Company by neglect of the duty as an Outside Director, 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.

Candidate No. 8	Number of years in office as Outside Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2019)	Relationship of special interest with the Company
	–	–	None

Satoshi Tanaka

(February 27, 1958)

New Election

Outside

Independent Officer

Number of Company's Shares owned

0 shares

Career summary, post and responsibility in the Company
(Significant concurrent post of other companies)

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.

July 2010: Deputy General Manager of Consumer Service Business Unit of MITSUI & CO., LTD.

Apr. 2011: Executive Officer; General Manger 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.

June 2017: Representative Director; Vice President and Executive Officer of MITSUI & CO., LTD.

June 2019: Counselor of MITSUI & CO., LTD. (current position)

Mar. 2020: Director of Kuraray Co., Ltd. (current position)

(Significant concurrent post of other companies)

Outside Director of Kuraray Co., Ltd.

Counselor of MITSUI & CO., LTD.

Reason for election as Outside Director

To strengthen the supervisory function of management of the Sekisui House Group with his deep insight based on achievements in the energy and consumer service sectors as well as his abundant achievements and experiences as other companies' manager, the Company proposes to newly elect him as an Outside Director.

Note:

1. The Company procures construction materials from and has other business relationships with MITSUI & CO., LTD. where Mr. Satoshi Tanaka was previously engaged in the execution of business, but the annual amount of business transactions between the companies is less than 1% of the revenue of MITSUI & CO., LTD. and the consolidated net sales of the Company.
2. Mr. Satoshi Tanaka is a candidate for Outside Director.
3. The Company plans to designate Mr. Satoshi Tanaka as an "Independent Officer" and submit notification to that effect to the Tokyo Stock Exchange, Inc.
4. After the election, the Company plans to enter into a limited liability agreement with Mr. Satoshi Tanaka, that if he causes damages to the Company by neglect of the duty as an Outside Director, 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.

Candidate No. 9	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2019)	Relationship of special interest with the Company
	6 years	12/12 (attendance at the meetings of the Board of Directors:100%)	None

Kunpei Nishida

(February 11, 1954)

Reelection

Number of Company's Shares owned

12,900 shares

Career summary, post and responsibility in the Company
(Significant concurrent post of other companies)

Apr. 1976: Joined the Company

Apr. 2012: Executive Officer of the Company, assigned to the post of General Manager of Kansai Sha Maison Sales Administration Headquarters

Aug. 2012: Assigned to the post of General Manager of West Japan Sha Maison Sales Administration Headquarters

Apr. 2014: Managing Officer of the Company, in charge of Sha Maison Sales (West Japan)

Apr. 2014: Director of the Company (current position)

Apr. 2018: Senior Managing Officer of the Company (current position)
Assigned to the post of General Manager of West Japan Building Sales Administration Headquarters

Feb. 2019: In charge of West Japan Building Sales Administration, assigned to the post of General Manager of Broking and Leasing Business Headquarters

Feb. 2020: Assigned to the post of General Manager of Broking and Leasing Business Headquarters (current position)

Reason for election as Director

He has taken control of the business based on "Sha-Maison" rental housing in western Japan, and took office as Director of the Company in 2014. Since 2019, he has taken control of the business operated by Sekisui House Real Estate companies as General Manager of Broking and Leasing Business Headquarters.

To achieve sustainable growth and increase the corporate value of the Sekisui House Group with his experiences and skills, the Company proposes to reelect him as a Director.

Candidate No. 10	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2019)	Relationship of special interest with the Company
	4 years	12/12 (attendance at the meetings of the Board of Directors:100%)	None

Yosuke Horiuchi

(September 25, 1956)

Reelection

Number of Company's Shares owned

14,200 shares

Career summary, post and responsibility in the Company
(Significant concurrent post of other companies)

Apr. 1980: Joined the Company

Apr. 2012: Executive Officer of the Company, assigned to the post of General Manager of Tokyo Sha Maison Sales Administration Headquarters

Apr. 2014: Managing Officer of the Company, in charge of Sha Maison Sales (East Japan)

Apr. 2016: Director of the Company (current position)

Dec. 2017: Assigned to the post of General Manager of Tokyo Sha Maison Sales Administration Headquarters and General Manager of Condominium Headquarters

Apr. 2018: Senior Managing Officer of the Company (current position)
In charge of Transaction Promotion Division, assigned to the post of General Manager of East Japan Building Sales Administration Headquarters

Aug. 2018: In charge of Transaction Promotion Division and East Japan Building Sales Administration

Feb. 2020: In charge of Investor Relations Division and Transaction Promotion Division (current position)

Reason for election as Director

He has taken control of the business based on "Sha-Maison" rental housing in eastern Japan, and took office as Director of the Company in 2016. He has taken control of Transaction Promotion Division since 2018 and Investor Relations Division since 2020. To achieve sustainable growth and increase the corporate value of the Sekisui House Group with his experiences and skills, the Company proposes to reelect him as a Director.

Candidate No. 11	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2019)	Relationship of special interest with the Company
	2 years	12/12 (attendance at the meetings of the Board of Directors:100%)	None

Toshiharu Miura

(October 16, 1955)

Reelection

Number of Company's Shares owned

11,304 shares

Career summary, post and responsibility in the Company
(Significant concurrent post of other companies)

Apr. 1979: Joined the Company

Apr. 2014: Executive Officer of the Company, assigned to the post of Chief Manager of Product Design & Development Department

Apr. 2016: Managing Officer of the Company

Apr. 2016: Assigned to the post of General Manager of Technology Headquarters and Chief Manager of Product Design & Development Department

Feb. 2018: Assigned to the post of General Manager of Technology Headquarters

Apr. 2018: In charge of Technology Division

Apr. 2018: Director of the Company (current position)

Feb. 2020: In charge of Technology Division and Production and Procurement Division (current position)

Apr. 2020: Senior Managing Officer of the Company (current position)

Reason for election as Director

He has taken control of Technology Division since 2016 and took office as Director of the Company in 2018. Since 2020, he has taken control of Production & Procurement Division. To achieve sustainable growth and increase the corporate value of the Sekisui House Group with his achievements and experiences, the Company proposes to reelect him as a Director.

Candidate No. 12	Number of years in office as Director (at the close of this Ordinary General Meeting of Shareholders)	Attendance at the meetings of the Board of Directors (FY2019)	Relationship of special interest with the Company
	–	–	None

Toru Ishii

(November 3, 1966)

New Election

Number of Company's Shares owned

7,966 shares

Career summary, post and responsibility in the Company
(Significant concurrent post of other companies)

Apr. 1990: Joined the Company

May 2012: Chief Manager of Development Department of the Company

Apr. 2014: Executive Officer of the Company, assigned to the post of Chief Manager of Development Department

Apr. 2016: Managing Officer of the Company

Feb. 2019: In charge of Development business and assigned to the post of Chief Manager of International Business Department

Feb. 2020: In charge of Development and Condominiums Business and assigned to the post of Chief Manager of International Business Department

Apr. 2020: Senior Managing Officer of the Company, in charge of Development and condominiums Business and assigned to the post of Chief Manager of International Business Department (current position)

(Significant concurrent post of other companies)

President & Representative Director of SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED

Chairman of SEKISUI HOUSE US HOLDINGS, LLC

Chairman of NORTH AMERICA SEKISUI HOUSE, LLC

Director of WOODSIDE HOMES COMPANY, LLC

Reason for election as Director

To achieve sustainable growth and increase the corporate value of the Sekisui House Group, especially in the Company's development business in Japan and overseas, with his achievements and experiences of having taken control of the development business since 2012 as well as having led its international business since 2019, the Company proposes to newly elect him as a Director.

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

1. Composition of the Board of Directors
   a. The Board of Directors shall have the number of members that is considered appropriate to substantial deliberations.
   b. The Board of Directors shall be joined by well-balanced members, such as those familiar with the Company's business and owning knowledge and experts specializing in finance, accounting, statutory compliance and others, ensuring both the compatibility with diversity including gender and proper headcount.
   c. The Board of Directors shall have at least three Independent Outside Directors.
2. Stance on and Procedures for Selection of Director candidates

   The Company shall select Director candidates from among those of high integrity (as a sincere and high-minded morality, and earnestness) and having high management ability, having nature suited to practicing the Group's Corporate Philosophy, interested in the Group's business and with a deep insight etc.

   The stance on the selection of Director candidates shall be discussed at the Personnel Affairs and Remuneration Committee, which is an advisory body to the Board of Directors, and at least half of whose members shall be Independent Directors or Independent Outside Audit & Supervisory Board members, and determined by the Board of Directors with due regard for the opinions of the Committee.

   A proposal on specific Director candidates shall be discussed at the Personnel Affairs and Remuneration Committee and determined by the Board of Directors with due regard for the opinions of the Committee.

Proposal No. 4: Election of One Audit & Supervisory Board Member

The term of post of Audit & Supervisory Board Member Mr. Yoshinori Shinohara terminates at the close of this Ordinary General Meeting of Shareholders. The Company proposes to newly elect one Audit & Supervisory Board Member.

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

We have a candidate as follows:

	Number of years in office as Audit & Supervisory Board Member (at the close of this Ordinary General Meeting of Shareholders)	Attendance at meetings of the Board of Directors and Audit & Supervisory Board (FY2019)	Relationship of special interest with the Company
Yoritomo Wada (October 23, 1955) New Election Outside Independent Officer Number of Company's Shares owned 0 shares	–	–	None
	Career summary and post in the Company (Significant concurrent post of other companies) Apr. 1978: Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) June 1996: Partner of Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) June 2019: Statutory Corporate Auditor of NIPPON SHOKUBAI CO., LTD. (current position) **(Significant concurrent post of other companies)** Certified Public Accountant, Wada CPA Accounting Firm External Statutory Corporate Auditor of NIPPON SHOKUBAI CO., LTD.		
	Reason for election as Outside Audit & Supervisory Board Member To strengthen the audit system of the Company through his professional knowledge of finance and accounting as a certified public accountant as well as his knowledge and experiences accumulated through engagement in another company's outside director, the Company proposes to newly elect him as an Outside Audit & Supervisory Board Member. Mr. Yoritomo Wada has not engaged in managing a company other than serving as an Outside Audit & Supervisory Board Member, but the Company expects that he will properly perform his duties as an Outside Audit & Supervisory Board Member because of the reason described above.		

Note:

1. Mr. Yoritomo Wada is a candidate for Outside Audit & Supervisory Board Member.
2. The Company plans to designate Mr. Yoritomo Wada as an "Independent Officer" and submit notification to that effect to the Tokyo Stock Exchange, Inc.
3. After the election, the Company plans to enter into a limited liability agreement with Mr. Yoritomo Wada, that if he causes damages to the Company by neglect of the duty as an Outside Audit & 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.

(Reference) Audit & Supervisory Board composition

If Proposal No. 4 "Election of One Audit & Supervisory Board Member" is approved as originally proposed, the number of Audit & Supervisory Board Members will be six, including four Outside Audit & Supervisory Board Members, as of the close of this Ordinary General Meeting of Shareholders, and the composition of the Audit & Supervisory Board will be as follows.

Name		Gender	Current post in the Company	Attendance at meetings of the Board of Directors	Attendance at meetings of Audit & Supervisory Board
Current	Haruyuki Iwata	Male	Standing Audit & Supervisory Board Member	12/12 (100%)	15/15 (100%)
Current	Hisao Yamada	Male	Standing Audit & Supervisory Board Member	12/12 (100%)	15/15 (100%)
Current Outside Independent Officer	Takashi Kobayashi	Male	Outside Audit & Supervisory Board Member	12/12 (100%)	15/15 (100%)
Current Outside Independent Officer	Hisako Makimura	Female	Outside Audit & Supervisory Board Member	12/12 (100%)	15/15 (100%)
Current Outside Independent Officer	Ryuichi Tsuruta	Male	Outside Audit & Supervisory Board Member	12/12 (100%)	14/15 (93%)
New Election Outside Independent Officer	Yoritomo Wada	Male	–	–	–

Notes:
1. The current Audit & Supervisory Board Members and Mr. Yoritomo Wada do not have any relationship of special interest with the Company.
2. Mr. Takashi Kobayashi, Ms. Hisako Makimura and Mr. Ryuichi Tsuruta are Outside Audit & Supervisory Board Members and Mr. Yoritomo Wada is a candidate for Outside Audit & Supervisory Board Member.
3. Although the Company had entered into a legal advisory contract with the lawyer Mr. Susumu Ono of the Ono-Kobayashi Law Office which Mr. Takashi Kobayashi belongs to, the agreement was terminated in December 31, 2018. When the agreement was concluded, the legal advisory fees were ¥2 million or less per year, and the criteria for independence of Outside Officers stipulated by the Company were satisfied.
4. The Company held shares of Panasonic Corporation to which Mr. Ryuichi Tsuruta belongs as cross-shareholdings, but the Company sold all of its shares of Panasonic Corporation by January 31, 2020.

5. The Company designated Mr. Takashi Kobayashi, Ms. Hisako Makimura and Mr. Ryuichi Tsuruta as “Independent Officers” and submitted notification to that effect to the Tokyo Stock Exchange, Inc. In addition, the Company plans to designate Mr. Yoritomo Wada as an “Independent Officer” and submit notification to that effect to the Tokyo Stock Exchange, Inc.

Proposal No. 5: Payment of Bonuses to Directors (Excluding Outside Directors)

The Company, taking into consideration the business results of the fiscal year under review and other factors, proposes that bonuses in the aggregated amount of ¥500 million be paid for eight Directors (excluding three Outside Directors) as a group in office at the end of the fiscal year under review.

The Board of Directors decided targets of the payment and the total amount of remuneration after deliberations were held by the Personnel Affairs and Remuneration Committee, at least half of whose members shall be Independent Outside Directors or Independent Outside Audit & Supervisory Board Members.

The Company also proposes that the amount to be paid to each Director be entrusted to the Board of Directors.

(Reference) Outline of Revision to Remuneration System for Officers

The Company engaged in continued deliberations in the Personnel Affairs and Remuneration Committee with "Drastic revision in officers' remunerations" as a key theme in the governance reforms. At the meeting of the Board of Directors held on March 5, 2020, the Company resolved to implement a revision on the remuneration system (the "Revision") for its Directors excluding Outside Directors (the "Eligible Directors") in line with the basic policy below.

The outline of the Remuneration System for Officers in the case where Proposals No. 6 and No. 7 of this Ordinary General Meeting of Shareholders are approved as originally proposed is as follows.

1. Basic remuneration policy

(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.

2. Remuneration governance

In order to ensure the objectivity and transparency, the Company shall deliberate on the remuneration system for Directors and Executive Officers, the total amount of remuneration and individual amounts to be paid, and the key performance indicator (KPI) targets and evaluation of achievements for performance-related remuneration in the meetings of the Personnel Affairs and Remuneration Committee, a consultative body to the Board of Directors, and resolve the matters at a meeting of the Board of Directors with due regard for the opinions of said committee.

3. Outline of the Revision

(1) Review of remuneration composition ratio and establishment of adequate remuneration levels

By reducing the percentage of bonuses (related to short-term performance) and increasing the percentage of stock remuneration (related to medium- and long-term performance) to the total remuneration so as to 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.

The remuneration composition shall be adequately determined according to the roles and responsibilities of each position. The composition ratio of basic remuneration to bonuses to stock remuneration for Representative Directors shall be approximately 1:1:1 when their standard KPI targets are met.

In addition, the Company shall establish adequate levels of remuneration in light of the scale of the Sekisui House Group's business performance by referencing objective market research data on remuneration obtained from an external professional organization.

(2) Introduction of performance-related bonuses

Bonuses to the Directors has been calculated taking into consideration, among other factors, business performance of each fiscal year and paid upon a resolution of the Ordinary General Meeting of Shareholders for each year. From the fiscal year ending January 2021 onwards, the Company shall introduce performance-related bonuses and calculate the amount to be paid to the Eligible Directors by multiplying a bonus coefficient predetermined by the Board of Directors according to their positions by consolidated Ordinary income for each fiscal year.

The outline of the performance-related bonuses is as follows. Other matters concerning the performance-related bonuses shall be determined by the Board of Directors.

i) Remuneration limit (upper limit of the total amount to be paid)

The remuneration limit shall be up to 0.18% of consolidated ordinary income for each fiscal year.

ii) Condition for the payment

The bonuses shall be paid when Net income attributable to owners of parent for each fiscal year is or exceeds ¥100 billion.

iii) Method for calculating the amount to be paid to each Eligible Director

The amount to be paid to each of the Eligible Directors shall be calculated by multiplying a predetermined bonus coefficient according to their positions by consolidated Ordinary income for each fiscal year (any fraction less than ¥1 million resulting from the calculation shall be rounded off to the nearest million). The bonus coefficients shall be predetermined by the Board of Directors after deliberations in the Personnel Affairs and Remuneration Committee with due regard for the opinions of said committee. In addition, if the sum of the payments to the Eligible Directors exceeds the remuneration limit indicated above in i), the amount shall be reasonably adjusted by the Board of Directors.

(3) Introduction of performance-related stock remuneration plan and revision in the remuneration limit for the restricted stock remuneration plan

The Company shall newly introducing a performance-related stock remuneration (performance share unit) plan, under which the number of shares to be granted after the Evaluation Period ends varies depending on the achievement of predetermined KPIs in addition to the restricted stock remuneration plan that was introduced at the 68th Ordinary General Meeting of Shareholders held on April 25, 2019, to have a two-layered stock remuneration plan, as well as by revising the remuneration limit for the restricted stock remuneration plan accordingly.

(4) Clarification of KPIs and calculation methods for performance-related remuneration

The Company shall clarify KPIs and calculation methods for the performance-related bonuses and the performance-related stock remuneration in order to ensure the objectivity and transparency of and to adequately fulfill its accountability for the remuneration system. In addition, a portion of the performance-related bonuses and the performance-related stock remuneration (a portion related to financial indicators) is intended to be paid as performance-related salary under the Corporation Tax Act. The Company will disclose the details of KPIs and calculation methods for the portion in the annual securities report.

(5) Introduction of Shareholding Guidelines

The Company intends to set forth the Shareholding Guidelines for Eligible Directors and make them to continue to hold, in principle, the number of the Company's Shares equivalent to the basic amount for each position during their tenure of office as Director based on the market value so as to achieve sustainable value sharing with shareholders. The basic amounts are twice as much for Representative Directors and the same amount for other Eligible Directors as the amount of annual basic remuneration, respectively.

(6) Prescription of stock remuneration return regulation (so-called malus and clawback provisions)

On the occasion of the Revision, the Company intends to prescribe so-called malus and clawback provisions that require officers to return their stock remuneration in full or in part before vesting if certain events occur, in order to control excessive risk-taking to ensure the soundness of the management.

<Reference>

If Proposals No. 6 and No. 7 are approved, the Company intends to also revise the remuneration system similar to the Revision for Executive Officers (excluding those who concurrently serve as Directors) of the Company.

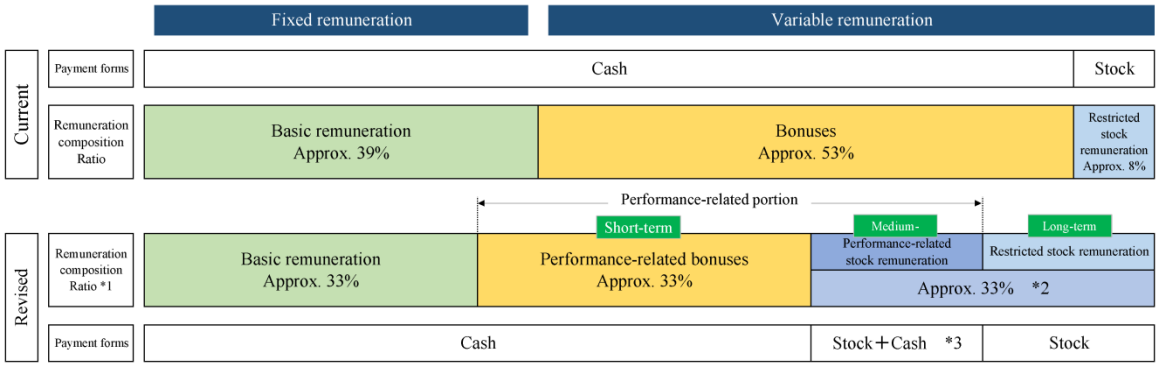
[Outlines of remuneration for the Eligible Directors in terms of its composition, KPIs and calculation methods]

Type of remuneration, etc.		KPI	Outline of the calculation methods
Fixed	Basic remuneration	-	The amount shall be determined according to the position and paid on a monthly basis. (¥43 million or less per month (including Outside Directors; as before))
Variable	Performance-related bonuses (short-term) <Proposal No. 6>	Consolidated ordinary income	The amount to be paid shall be calculated by multiplying a bonus coefficient according to the position of each Eligible Director by consolidated Ordinary income for each fiscal year. The total amount to be paid shall be capped at 0.18% of consolidated ordinary income for each fiscal year. The bonuses shall not be paid if Net income attributable to owners of parent for each fiscal year is less than ¥100 billion.
	Performance-related stock remuneration (Medium-term) <Proposal No. 7>	ROE and ESG management indicators (*1)	The Reference Number of Share Units for each Eligible Director shall be determined according to his/her position, and after the end of the Evaluation Period of three consecutive fiscal years, the percentage amount of payment shall be determined according to the achievement of predetermined KPIs. The number of shares to be granted and Cash for the Tax Payment shall be determined based on such percentage amount of payment. The Fixed Reference Number of Share Units (*2) for the Eligible Directors shall be up to 270,000 shares per annum in total; the number of the Company's Shares to be granted to the Eligible Directors shall be up to 135,000 shares per annum in total; and the upper limit of the sum of the monetary remuneration claims and Cash for the Tax Payments to be paid to the Eligible Directors shall be the amount calculated by multiplying the upper limit total of the Fixed Reference Number of Share Units by the stock price at the time of granting.
	Restricted stock remuneration (Long-term) <Proposal No. 7>	–	The number of shares of the Company's common stock with a restriction on transfer for a certain period of time (from three up to 30 years) equivalent to the basic amount for each position shall be granted. The remuneration limit shall be up to ¥180 million per annum and the number of shares of the Company's common stock to be granted shall be up to 180,000 shares per annum.

*1 The Company shall deliberate on KPIs for the performance-related stock remuneration by the Personnel Affairs and Remuneration Committee and resolve the matters by the Board of Directors with due regard for the opinions of said committee. The Company intends to use ROE and ESG management indicators as KPIs for the performance-related stock remuneration in the initial Evaluation Period.

*2 Fixed Reference Number of Share Units = Reference Number of Share Units × Percentage amount of payment

[Remuneration composition Ratio(for illustration purpose only)]



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

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

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

Proposal No. 6: Establishment of Remuneration Concerning Performance-related Bonuses for Directors (Excluding Outside Directors)

The total amount of remuneration for the Company's Directors of up to ¥43 million per month was approved at the 43rd Ordinary General Meeting of Shareholders held on April 27, 1994. In addition, at the 68th Ordinary General Meeting of Shareholders held on April 25, 2019, the limit amount of the restricted stock remuneration plan for Directors of the Company (excluding Outside Directors; the "Eligible Directors") was approved to be up to ¥90 million per annum (the total number of shares of the Company's common stock to be issued or disposed of is up to 90,000 shares per annum). Until now, the amount of bonus payments for Directors has been calculated taking into consideration, among other factors, business results of each fiscal year, and paid upon a resolution of the Ordinary General Meeting of Shareholders for each fiscal year.

This time, the Company has decided to revise its remuneration system for officers after continued deliberations in the Personnel Affairs and Remuneration Committee so as to establish an incentive plan to achieve long-term and sustainable growth, while ensuring its objectivity and transparency.

In line with this, the Company proposes to introduce the performance-related bonuses for the Eligible Directors separately from the amount of the current remuneration for Directors and the remuneration limit for the stock remuneration plan as proposed as Proposal No. 7 "Establishment of Remuneration Concerning Performance-related Stock Remuneration and Restricted Stock Remuneration for Directors (Excluding Outside Directors)", as stated below.

The company believes that it is appropriate to introduce the performance-related bonuses because the Directors are responsible for sustainably growing consolidated Ordinary income, one of key management indicators in the Sekisui House Group's management plan, as well as because the introduction will further improve the objectivity and transparency of the remuneration system by clarifying the calculation method of the remuneration limit. The specific timing of payments and allotment to each Eligible Director shall be determined by the Board of Directors in accordance with the "Performance-related bonuses: Guidelines for calculating the amount to be paid" below. The Company has set up the Personnel Affairs and Remuneration Committee, composed of at least half of whose members are Independent Outside Directors or Independent Outside Audit & Supervisory Board Members, in order to make fair and objective decisions on matters such as the basic remuneration policy for Directors and Executive Officers and the amount of such remuneration payments that reflect the evaluation of business performance and other factors. The Company has obtained the committee's opinion that it is appropriate to introduce the performance-related bonuses for the Eligible Directors.

If Proposal No. 3 "Election of 12 Directors" is approved as originally proposed, the number of Directors will be 12 in total, and the number of Directors eligible for the performance-related bonuses will be eight, excluding four Outside Directors, as of the close of this Ordinary General Meeting of Shareholders.

[Performance-related bonuses: Guidelines for calculating the amount to be paid]

(1) Remuneration limit (upper limit of the total amount to be paid)

The remuneration limit shall be up to 0.18% of consolidated ordinary income for each fiscal year.

(2) Condition for the payment

The bonuses shall be paid when Net income attributable to owners of parent for each fiscal year is or exceeds ¥100 billion.

(3) Method of calculating the amount to be paid to each Eligible Director

The amount to be paid to each of the Eligible Directors shall be calculated by multiplying a predetermined bonus coefficient according to their positions by consolidated Ordinary income for each fiscal year (any fraction less than ¥1 million resulting from the calculation shall be rounded off to the nearest million). The bonus coefficients shall be predetermined by the Board of Directors after deliberations in the Personnel Affairs and Remuneration Committee with due regard for the opinions of said committee. In addition, if the sum of the payments to the Eligible Directors exceeds the remuneration limit indicated above in (1), the amount shall be reasonably adjusted by the Board of Directors.

Proposal No. 7: Establishment of Remuneration Concerning Performance-related Stock Remuneration and Restricted Stock Remuneration for Directors (Excluding Outside Directors)

The total amount of remuneration for the Company's Directors of up to ¥43 million per month was approved at the 43rd Ordinary General Meeting of Shareholders held on April 27, 1994. In addition, at the 68th Ordinary General Meeting of Shareholders held on April 25, 2019, the limit amount of the restricted stock remuneration plan for Directors of the Company (excluding Outside Directors; the "Eligible Directors") was approved to be up to ¥90 million per annum (the total number of shares of the Company's common stock to be issued or disposed of is up to 90,000 shares per annum).

This time, the Company has decided to revise its remuneration system for officers after continued deliberations in the Personnel Affairs and Remuneration Committee so as to establish an incentive plan to achieve long-term and sustainable growth, while ensuring its objectivity and transparency.

In that regard, the Company proposes to review its present stock remuneration plan and newly introduce a "performance-related stock remuneration (performance share unit) plan", under which the number of shares to be granted to the Eligible Directors after the Evaluation Period for performance of duties ends varies depending on their achievement of KPIs over the Evaluation Period consisting of three consecutive fiscal years, in addition to the "restricted stock remuneration (restricted stock) plan", which was introduced in 2019, to have a two-layered stock remuneration plan (the "Stock Remuneration Plan"). Accordingly, the Company proposes to also revise the remuneration limit for the restricted stock remuneration plan.

Specifically, the Company proposes to set the remuneration limit for the performance-related stock remuneration plan as stated in 1. below, separately from the amount of the current remuneration for Directors and the remuneration limit of the performance-related bonuses proposed as Proposal No. 6 "Establishment of Remuneration Concerning Performance-related Bonuses for Directors (Excluding Outside Directors)", and revise the remuneration limit for the restricted stock remuneration plan as stated in 2. below.

We believe that the Stock Remuneration Plan is appropriate because, through this revision, the plan can be expected to work as a healthy incentive not only to achieve performance targets for a single fiscal year but also to enhance the corporate value of the Company in a long-term and sustainable way.

The Specific timing of payment and allocation to each Eligible Director shall be deliberated by the Personnel Affairs and Remuneration Committee and decided by the Board of Directors with due regard for the opinions of said committee.

If Proposal No. 3 "Election of 12 Directors" is approved as originally proposed, the number of Directors will be 12 in total, and the number of Eligible Directors eligible for the Stock Remuneration Plan will be eight, excluding four Outside Directors, as of the close of this Ordinary General Meeting of Shareholders.

1. Introduction of performance-related stock remuneration (performance share unit) plan

The performance-related stock remuneration plan is a stock remuneration plan under which KPIs to be evaluated on the Eligible Directors over the Evaluation Period consisting of three consecutive fiscal years (the "Evaluation Period") are set in advance, and the remuneration is granted after the Evaluation Period. Under the plan, the Company will pay monetary remuneration claims for granting shares of the Company's common stock (the "Company's Shares") in number according to the achievement of said KPIs and cash for the purpose of appropriation to funds for the related tax payments arising along with the granting of the Company's Shares (the "Cash for the Tax Payment") as remuneration.

Accordingly, in principle, the Company will pay monetary remuneration claims for granting the Company's Shares and the Cash for the Tax Payment to the Eligible Directors after the Evaluation Period ends. Since the performance-related stock remuneration plan is to pay monetary remuneration claims for granting the Company's Shares and the Cash for the Tax Payment according to the achievement of above-mentioned KPIs, none of whether to pay them to the Eligible Directors, the number of the Company's Shares to be granted (the "Number of Shares Granted") and the amounts of monetary remuneration claims and the Cash for the Tax Payment for granting the Company's Shares shall be undetermined at the time of the introduction of the plan.

For the fiscal years subject to the plan (the "Relevant Fiscal Years"), the first fiscal year is FY2020, with an Evaluation Period of three consecutive fiscal years from the fiscal year ending January 2021 to the fiscal year ending January 2023. The Company intends to continue the performance-related stock remuneration plan thereafter within the limit approved under this proposal, with each fiscal year concerned as a Relevant Fiscal Year and a new Evaluation Period of three consecutive fiscal years starting from said fiscal year.

The specific details of how the performance-related stock remuneration plan will work are described as below: Other matters concerning the performance-related stock remuneration plan shall be deliberated by the Personnel Affairs and Remuneration Committee and decided by the Board of Directors with due regard for the opinions of said committee.

i) The Company shall deliberate on the evaluation of targets and their achievement of KPIs to be used in the performance-related stock remuneration plan, and, among other things, indicators necessary to calculate the number of the Company's Shares and the amount of monetary remuneration claims and the like to be granted to each Eligible Director in the Personnel Affairs and Remuneration Committee and decide the matters by the Board of Directors with due regard for the opinions of said committee. The Company intends to use ROE and ESG management indicators as KPIs in the initial Evaluation Period.

ii) The Company shall determine the Reference Number of Share Unit for each Eligible Director according to his/her position by the Board of Directors, and, after the end of the Evaluation Period, determine the percentage amount of payment according to the

achievement of each KPI over the period. The Company shall decide the Number of Shares Granted and the amount of Cash for the Tax Payment to be allotted to each Eligible Director based on such percentage amount of payment.

iii) The Company shall, pursuant to a resolution of the Board of Directors, pay monetary remuneration claims to the Eligible Directors as remuneration under the performance-related stock remuneration plan, according to the Number of Shares Granted to be allotted to them, decided as in ii) above. Each Eligible Director shall be granted a corresponding number of the Company's Shares by making an in-kind contribution of all of said monetary remuneration claims. The paid-in amount for the Company's Shares shall be based on their closing price on the Tokyo Stock Exchange on the business day prior to the resolution of the Board of Directors on the issue thereof or disposal of treasury shares (or the closing price on the immediately preceding trading day, if no trading occurred on that day).

(1) Methods of calculating the Number of Shares Granted and the amounts of monetary remuneration claims and the Cash for the Tax Payment

The Company shall calculate the number of the Company's Shares to be granted to each Eligible Director based on the formula in i) below (any fraction less than 100 shares resulting from the calculation shall be discarded). Also, the Company shall calculate the amounts of monetary remuneration claims and Cash for the Tax Payment to be paid to each Eligible Director based on the formulas in ii) and iii) below, respectively.

In addition, if an Eligible Director retires from his/her position during the Evaluation Period, the number of the Company's Shares or the amount of money to be granted to said Eligible Director or his/her heir(s) may be reasonably adjusted, pursuant to a decision of the Board of Directors.

Furthermore, the total number obtained by multiplying the Reference Number of Share Units to be granted to the Eligible Directors by the percentage amount of payment determined after the Evaluation Period (the "Fixed Reference Number of Share Units") shall be up to 270,000 shares per annum (provided, however, that, in the event of any stock split of the Company's common stock (including the gratis allotment thereof), a stock consolidation thereof, or any other event that requires an adjustment in the total of the Company's common stock to be issued or disposed of as the Company's Shares on and after the date of approval of this proposal, such total number shall be adjusted to the extent reasonable. The same applies hereafter). The total number of the Company's Shares to be granted to the Eligible Directors shall be up to 135,000 shares per annum, and the upper limit of the total amount of monetary remuneration claims and Cash for the Tax Payment to be paid annually to the Eligible Directors shall be as described by the formula in iv) below:

i) Number of the Company's Shares to be granted to each Eligible Director

Reference Number of Share Units (*1) × Percentage amount of payment (*2) × 50%

ii) Amount of monetary remuneration claims to be paid to each Eligible Director

Number of the Company's Shares calculated in i) above × Stock price at the time of granting (*3)

iii) The amount of the Cash for the Tax Payment to be paid to each Eligible Director

(Reference Number of Share Units (*1) × Percentage amount of payment (*2) - Number of the Company's Shares calculated in i) above) × Stock price at the time of granting (*3)

iv) Upper limit of the sum of the amounts of monetary remuneration claims and the Cash for the Tax Payment to be paid annually to Eligible Directors

Upper limit of the total Fixed Reference Number of Share Units (up to 270,000 shares per annum) × Stock price at the time of granting (*3)

*1 The number shall be deliberated by the Personnel Affairs and Remuneration Committee and determined by the Board of Directors on an annual basis according to the position of each Eligible Director with due regard for the opinions of said committee.

*2 The percentage amount of payment shall be determined within the range from 0% to 150% at a meeting of the Board of Directors after deliberations in the Personnel Affairs and Remuneration Committee on the evaluation of targets and their achievement in terms of each KPI for the Evaluation Period with due regard for the opinions of said committee.

*3 The stock price shall be the closing price of the Company's Shares after the Evaluation Period ends on the Tokyo Stock Exchange on the business day prior to the resolution of the Board of Directors on the issue of the Company's Shares or disposal of treasury shares with regard to the granting of the Company's Shares under the performance-related stock remuneration plan (or the closing price on the immediately preceding trading day, if no trading occurred on that day).

(2) Requirements for the granting

After the Evaluation Period ends, the Company shall grant shares of the Company's common stock by paying monetary remuneration claims and the Cash for the Tax Payment to the Eligible Directors and having them make an in-kind contribution of all of said

monetary remuneration claims if the following requirements for the granting of the Company's Shares are met. The Company shall grant the Company's Shares by issue of shares or disposal of treasury shares by the Company and determine the Eligible Directors to whom the Company's Shares are granted and the subscription requirements for such issue thereof or disposal of treasury shares by the Board of Directors after each Evaluation Period has elapsed:

i) Having served the position of the Company's Director or any other positions determined by the Board of Directors during the Relevant Fiscal Years;

ii) Absence of certain misconduct;

iii) Satisfying any other requirements deemed to be necessary by the Board of Directors.

(3) Handling in case of reorganization, etc.

If, during the Evaluation Period, a merger agreement in which the Company becomes a dissolving company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary of another company or any other matters related to reorganization, etc. is approved at a General Meeting of Shareholders (or at a meeting of the Board of Directors if the approval of the General Meeting of Shareholders for said reorganization, etc. is not required) of the Company, the Company may, prior to the effective date of said reorganization, etc., pay the amount of money calculated based on the above-mentioned calculation method of the amounts of monetary remuneration claims and the Cash for the Tax Payment to be paid under the performance-related stock remuneration plan on a number of the Company's Shares determined in a reasonable manner by resolution of the Board of Directors based on the period from the date of commencement of the Evaluation Period to the date of approval of said reorganization, etc.

2. Revision in the remuneration limit for the restricted stock remuneration plan

At the 68th Ordinary General Meeting of Shareholders held on April 25, 2019, the Company was approved to introduce the restricted stock remuneration plan and pay monetary remuneration claims for allotment of shares with a restriction on transfer to the Eligible Directors. At the meeting, the total amount of the remuneration and the total number of shares of the Company's common stock to be issued or disposed of for the Eligible Directors were also approved to be up to ¥90 million and up to 90,000 shares per annum, respectively.

This time, the Company proposes to revise the remuneration limit of monetary remuneration claims for allotment of restricted shares to be up to ¥180 million per annum, so as to further enhance value sharing with shareholders by increasing the percentage of stock remuneration (related to medium- to long-term performance). The Company also proposes to revise the total number of shares of the Company's common stock to be issued or disposed of for the Eligible Directors to be up to 180,000 shares per annum (provided, however, in cases where there is a stock split of the Company's common stock (including a gratis allotment of the Company's common stock), a stock consolidation thereof, or any other event that requires an adjustment of the total number of the Company's common stock to be issued or disposed of as restricted shares, when or on any other day after this proposal is adopted, said total number will be adjusted to a reasonable extent).

There are no other changes from what was approved at the 68th Ordinary General Meeting of Shareholders held on April 25, 2019. The details are as follows:

(1) Period and content of Transfer Restriction

The Eligible Directors may not transfer to any third party, create a pledge or a security interest on, grant as advancement before death, devise or otherwise dispose of the Company's common stock ("Transfer Restriction") allotted (the "Allotted Shares") during a period predetermined by the Board of Directors, which shall be from three years up to 30 years from the date when the allotment was received due to the allotment agreement (the agreement on the allotment of restricted shares to be entered between the Company and the Eligible Directors upon the issuance of common stock or disposal of treasury shares of the Company, which includes the following contents; the same shall apply hereinafter) (the "Transfer Restriction Period").

(2) Treatment in cases of loss of position

If, prior to the expiry of the Transfer Restriction Period, the Eligible Director loses a position as either a Director or an Executive Officer of the Company (including an Executive Officer in the case in which the Company makes the transition to a company with nominating committee, etc. in the future), the Company shall make a gratis acquisition of the Allotted Shares as a matter of course, with the exception of expiration of term of service, death or other reasons which the Board of Directors judges to be legitimate for the loss of position.

(3) Lifting of Transfer Restriction

The Company shall lift the Transfer Restriction on all of the Allotted Shares at the expiry of the Transfer Restriction Period on the condition that the Eligible Director was in the position of either Director or Executive Officer (including an Executive Officer in the case in which the Company makes the transition to company with nominating committee, etc. in the future) of the Company continuously during the Transfer Restriction Period.

However, if such the Eligible Director loses a position as either a Director or an Executive Officer (including an Executive Officer in the case in which the Company makes the transition to company with nominating committee, etc. in the future) of the Company prior to the expiry of the Transfer Restriction Period due to the expiration of the term of service, death or other legitimate reason, the Company shall adjust to a reasonable extent as necessary the number of Allotted Shares on which to lift the Transfer Restriction and the timing of the lifting of the Transfer Restriction. Further, in accordance with the above provisions, the Company shall, as a matter of course, make a gratis acquisition of the Allotted Shares on which the Transfer Restriction has not been lifted immediately after the Transfer Restriction has been lifted.

(4) Handling in case of reorganization, etc.

If, during the Transfer Restriction Period, a merger agreement in which the Company becomes a dissolving company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary of another company or any other matters related to reorganization, etc. is approved at a General Meeting of Shareholders (or at a meeting of the Board of Directors if the approval of the General Meeting of Shareholders for said reorganization, etc. is not required) of the Company, the Company shall, prior to the effective date of said reorganization, etc., lift the Transfer Restriction on a number of Allotted Shares determined in a reasonable manner by resolution of the Board of Directors based on the period from the date of commencement of the Transfer Restriction Period to the date of approval of said reorganization, etc. In addition, in accordance with the above provisions, the Company shall, as a matter of course, make a gratis acquisition of the Allotted Shares on which the Transfer Restriction has not been lifted immediately after the Transfer Restriction has been lifted.

(5) Other matters

Other matters concerning the allotment agreement shall be determined by the Board of Directors.

<Reference>

The sum of the maximum numbers of the Company's Shares of common stock to be issued or disposed of that the Eligible Directors will receive under the Stock Remuneration Plan is 315,000 shares per annum, and it equivalents to approximately 0.046% of the Company's total number of shares issued of 690,683,466 shares (as of January 31, 2020).

<Shareholder's Proposal (Proposal No. 8)>

Proposal No. 8 is a proposal from Mr. Fumiyasu Suguro and Mr. Isami Wada (the "Proposed Shareholders"). The number of voting rights held by the Proposed Shareholders is 2,162.

The details and reasons for the proposal, etc. in the written proposal submitted by the Proposed Shareholders regarding the shareholder's proposal rights are presented as follows without any changes, followed by the opinion of the Board of Directors regarding this shareholder's proposal.

Proposal No. 8: Election of 11 Directors

1. Item proposed

Election of 11 Directors

2. Proposal details

It is hereby proposed that the 11 candidates for Director listed hereinafter be collectively elected as Directors of the Company.

This proposal is a separate proposal from the Company's proposal for the election of Directors, that proposes the election of these 11 persons collectively to the Board of Directors. However, if only part of these 11 persons are elected, this proposal in no way purports to deny the validity of such election.

3. Reasons for this proposal

This proposal is being proposed in order to construct a new management structure because the current management, led by four Representative Directors of the company, Chairman Mr. Toshinori Abe, Vice Chairman Mr. Shiro Inagaki, President Mr. Yoshihiro Nakai, and Executive Vice President Mr. Takashi Uchida who is Executive Vice President, are inappropriate for the following reasons.

(1) Improper transaction

The effective loss of 5.5 billion yen in so-called "fraudulent land brokerage incident" of 2017 is the result of implausible judgment by the management, including moving forward a sale-settlement date by 2 months while ignoring the risk-related information such as repeated warnings from the true land owner, despite company employees settled the deal even the employee was voluntarily asked to go to the police station at the time of settlement.

This transaction brought about the danger of funds flowing into the underground society not only through the involvement of an intermediary sitting between the company and the owner, but also through the payment by "bank check", equivalent to cash, to a "paper company". This shows that the current management completely lacks the qualities of top management of a publicly listed company. This transaction was not simply an incident of fraud; it was an "improper transaction".

(2) Concealment of important information

According to the Investigation Report dated January 24, 2018, of the Committee for Investigation and countermeasures consisting of Outside Officers that was established by approval of the Board of Directors, Mr. Abe has "grave responsibility in terms of management" while Mr. Inagaki, Mr. Nakai and Mr. Uchida also bear responsibility. However, the current management completely resist the disclosure of the Investigation Report in the Shareholder Derivative Lawsuit for fear of a claim of their liability, and continue to oppose the clarification of the facts of the "improper transaction".

The current management concealed all serious and negative information regarding the Investigation Report that would be inconvenient for them in the press release dated March 6, 2018, and only disclosed partial details. They did not disclose the information that would have a significant impact on the exercise of votes by shareholders.

(3) Incomplete governance

In light of the Investigation Report, "Personnel Affairs and Remuneration Advisory Committee" of the company determined that Mr. Abe should be dismissed as Representative Director and President as reoponsibility for the "improper transaction". however, above mentioned findings were ignored, and the current management continued to control the company. The thorough concealment of information by the current management has created an "unfathomable situation" within the company, with the loss of normal function as a company and significant damage also being inflicted on the company's operations.

A proposal for continually improvement of corporate value

To reform the current management and shine light on the facts, this proposal proposes the election of seven highly independent and diverse Outside Directors and four Directors with track records in the company. The proposing shareholders submit this proposal in order to investigate thoroughly the "improper transaction" by a new Third-party committee and also to build a "solild governance that does'nt allow misappropriation", a "corporate culture that is free, broad-minded, positive and open," and a "solid management foundation" in order to achieve continually improvement of corporate value.

For the entire text of the Investigation Report and other important information, please visit https://www.savesekisuihouse.com/

Candidates for Director

Candidate No.	Name		Remarks
1	Christopher Douglas Brady	New Election Outside Independent	Chairman & CEO of Chart Group L.P. and Chart National L.P.
2	Pamela Fennell Jacobs	New Election Outside Independent	Chief Sustainability Officer of Spouting Rock Asset Management, LLC
3	Yasushi Okada	New Election Outside Independent	President of Regional Business Development Institute Professor Emeritus at Tokyo Seitoku University
4	Terumichi Saeki	New Election Outside Independent	Partner of Kitahama Partners Attorney at Law
5	Jiro Iwasaki	New Election Outside Independent	Outside Director of Renesas Electronics Corporation
6	Makoto Saito	New Election Outside Independent	Representative Attorney of Legal Professional Corporation Saito Law Office Attorney at Law
7	Hitomi Kato	New Election Outside Independent	President of Falea Company Limited
8	Fumiyasu Suguro	Reelection	Senior Managing Officer, In Charge of International Business of the Company
9	Motohiko Fujiwara	New Election	President & Representative Director of Takamatsu House Co., Ltd.
10	Koji Yamada	New Election	CEO of NORTH AMERICA SEKISUI HOUSE, LLC (to 2019)
11	Isami Wada	New Election	Chairman & Representative Director and CEO of the Company (to 2018)

Candidate No. 1

Christopher Douglas Brady

New Election **Outside** **Independent**

(Oct. 12, 1954)

Number of Company's Shares owned	0 shares
Relationship of special interest	None

Career summary		**(Significant concurrent post of other companies)**
1977	Campaign manage/aide for Congressman Millicent Fenwick	Chairman & CEO of Chart Group
1979	New Jersey State campaign manager, George H.W. Bush for President	L.P. and Chart National L.P.
1981	Vice President, Corporate Finance, Lehman Brothers Holdings Inc.	
1987	Vice President, Capital Markets, Dillion, Read & Co., Inc.	
1995	Chairman & CEO, Chart Group, L.P. and Chart National L.P. (current)	

Reason for election as Outside Director

Christopher Douglas Brady has gained a high level of experience and knowledge in national defense, security, risk management, and prevention of money laundering throughout his career. In 2019, he conducted an exchange of opinions related to corporate governance with Japanese institutional investors at the Japan Business Federation (Keidanren). Based on our judgment that he could use this diverse range of experiences and knowledge in the supervision of our business, and appropriately carry out the office of external director from an objective position, in order to create strong corporate governance, that secures the transparency of business and does not condone impropriety, he has been selected as a candidate for this position.

Note that this candidate is located in the United States of America, but he is aware that if elected a Director of the Company, he will fundamentally be able to attend all Board of Directors meetings and his intention is to fulfill his duties as a Director of the Company.

Matters concerning independence

He satisfies the requirements for independent directors prescribed by the Tokyo Stock Exchange, Inc. and the "Independence standards for external directors" prescribed by the Company.

Candidate No. 2

Pamela Fennell Jacobs

New Election **Outside** **Independent**

(Nov. 4, 1960)

Number of Company's Shares owned 0 shares

Relationship of special interest None

Career summary		**(Significant concurrent post of other companies)**
1996	Regional Sales Manager, Investment Advisor, SEI Investments	Chief Sustainability Officer of Spouting Rock Asset Management, LLC
2001	Founder, PFJ Consulting	
2016	Consultant, Envestnet, Inc.	
2019	Spouting Rock Asset Management , Chief Sustainability Officer (Current)	

Reason for election as Outside Director

Pamela Fennell Jacobs has been engaged in activities that prioritize ESG (environment, society, and governance) goals, consulting work, and lecture activities for listed companies as a specialist in ESG. We believe she could use her wide range of experience and knowledge to establish us as a genuine leading ESG company and carry out the office of external director from an objective position, therefore she has been selected as a candidate for this position.

Note that this candidate is located in the United States of America, but she is aware that if elected a Director of the Company, she will fundamentally be able to attend all Board of Directors meetings and her intention is to fulfill her duties as a Director of the Company.

Matters concerning independence

She satisfies the requirements for independent directors prescribed by the Tokyo Stock Exchange, Inc. and the "Independence standards for external directors" prescribed by the Company.

Candidate No. 3

Yasushi Okada

New Election **Outside** **Independent**

(June 24, 1942)

Number of Company's Shares owned 0 shares

Relationship of special interest None

Career summary

1967	Joined The Long-Term Credit Bank of Japan, and held several prominent positions including Deputy Director, Research Department and Director, Business Development Director (resigned from the bank in 1994) During his career in the bank, he assigned to the Ministry of International Trade and Industry (MITI) and Ministry of Finance (MoF)
1994	President of Regional Business Development Institute (an incorporated organization approved by the Ministry of Home Affairs, general incorporated association from 2015) (current position), Professor of Faculty of Commerce at University of Marketing and Distribution Sciences
2001	Dean of Faculty of Service Industries at University of Marketing and Distribution Sciences
2006	Professor of Graduate School of Business Administration and Distribution at Osaka Sangyo University (doctor's course)
2009	President, Regional Business Development Institute (Current) Professor, Faculty of Commerce, University of Marketing and Distribution Sciences
2017	Director of Research Center for Regional Revitalization at Tokyo Seitoku University
2019	Director, Faculty of Service Distribution Science Industries, University of Marketing and Distribution Sciences

(Significant concurrent post of other companies)

President of Regional Business Development Institute

Reason for election as Outside Director

Yasushi Okada, after working in financial institutions for many years, has been involved in research and educational activities on Japanese industrial structures and corporate management in several educational institutions, and has written various works related to economics and management, based on his extensive knowledge as the President of Regional Business Development Institute (approved by the former Ministry of Home Affairs). As it is judged the he would be able to use this high level and broad experience in scholarship to provide advice and proposals to secure the transparency of business and enhance supervisory functions for business, he has been selected as a candidate for this position. He has not been involved in the management of a company other than as an external director and external audit & supervisory board member, but for the above reasons, we believe he will appropriately fulfill his duties as an external director. Note that he is aware that if elected a Director of the Company, he will basically be able to attend all Board of Directors meetings and his intention is to fulfill his duties as a Director of the Company.

Matters concerning independence

He satisfies the requirements for independent directors prescribed by the Tokyo Stock Exchange, Inc. and the "Independence standards for external directors" prescribed by the Company.

Candidate No. 4

Terumichi Saeki

New Election **Outside** **Independent**

(Dec. 28, 1942)

Number of Company's Shares owned 4,000 shares

Relationship of special interest None

Career summary

1968	Registered as an attorney (Osaka Bar Association), Joined Tamura, Matsuda Law Office
1973	Established Yashiro, Saeki, Nishigaki Law Office (now, Kitahama Partners)
2002	Chairman, the Osaka Bar Association, Vice Chairman, Japan Federation of Bar Associations
2006	Director of Glory Ltd.
2009	External Audit & Supervisory Board Member of Fujitec Co., Ltd.
2010	External Director, IwaiCosmo Securities Co., Ltd. (now, Iwai Cosmo Holdings, Inc.) (Current)
2012	External Audit & Supervisory Board Member, WATABE WEDDING CORPORATION (Current)
2014	External Director of Fujitec Co., Ltd. (Current)
2016	External Audit & Supervisory Board Member, Toyo Tire & Rubber Co., Ltd. (now, Toyo Tire Corporation) (Current)

(Significant concurrent post of other companies)

Partner of Kitahama Partners

Outside Director of Fujitec Co., Ltd.

Outside Director of IwaiCosmo Holdings, Inc.

Outside Audit & Supervisory Board Member of Watabe Wedding Corporation

Outside Audit & Supervisory Board Member of Toyo Tire Corporation (scheduled to retire at Mar. 2020)

Reason for election as Outside Director

Terumichi Saeki has abundant experience not only as a lawyer in preventing and resolving legal disputes, but also through his experience in managing multiple companies as trustee. He also has a deep understanding of corporate governance and has abundant experience as an external director and external audit & supervisory board member for numerous companies, demonstrating appropriate supervision of each company's management. For these reasons, we believe he will be able to provide beneficial supervision and recommendations from a legal and management perspective and have therefore nominated him as a candidate. Note that he is aware that if elected a Director of the Company, he will fundamentally be able to attend all Board of Directors meetings and his intention is to fulfill his duties as a Director of the Company.

Matters concerning independence

He satisfies the requirements for independent directors prescribed by the Tokyo Stock Exchange, Inc. and the "Independence standards for external directors" prescribed by the Company.

Candidate No. 5

Jiro Iwasaki

New Election **Outside** **Independent**

(Dec. 6, 1945)

Number of Company's Shares owned 0 shares

Relationship of special interest None

Career summary

1974	Joined TDK Electronics Co., Ltd. (now, TDK Corporation)
1996	Director, General Manager of Human Resources, TDK Corporation
1998	Director & Senior Vice President, Executive Officer of Recording Media & Solutions Business Group, TDK Corporation
2006	Director & Executive Vice President, General Manager of Administration Group, TDK Corporation
2008	External Audit & Supervisory Board Member of GCA Savvian Corporation (now, GCA Corporation)GCA
2009	Director & Senior Vice President & Executive Officer, Strategic Human Resources & Administration Division, JVC KENWOOD Holdings Inc. (now, JVC KENWOOD Corporation)
2011	External Audit & Supervisory Board Member, SBS Holdings, Inc. Professor at Teikyo University, Faculty of Economics/Department of Business Administration
2015	External Director of SBS Holdings, Inc. (Current)
2016	External Director and Full-time Audit & Supervisory Board Member, GCA Savvian Corporation (now, GCA Corporation) (Current) External Director, Renesas Electronics Corporation (Current)

(Significant concurrent post of other companies)

Outside Director of SBS Holdings, Inc.

Outside Director & Full-time Audit and Supervisory Committee member of GCA Corporation

Outside Director of Renesas Electronics Corporation

Reason for election as Outside Director

Jiro Iwasaki has abundant management experience in various business areas such as with an electrical components manufacturer and as an external director in the transportation and warehousing business and consulting. He has also worked as a university professor. Since we can expect him to have management supervision and checking capabilities based on the perspective he has gained from the experiences and prestige through such roles. We believe he is qualified and therefore we have nominated him as a candidate.

Note that he is aware that if elected a Director of the Company, he will fundamentally be able to attend all Board of Directors meetings and his intention is to fulfill his duties as a Director of the Company.

Matters concerning independence

He satisfies the requirements for independent directors prescribed by the Tokyo Stock Exchange, Inc. and the "Independence standards for external directors" prescribed by the Company.

Candidate No. 6

Makoto Saito

New Election **Outside** **Independent**

(Jan. 30, 1946)

Number of Company's Shares owned	100 shares
Relationship of special interest	None

Career summary

1978	Registered as an attorney (Tokyo Bar Association)
2000	External Audit & Supervisory Board Member, Neturen Co., Ltd.
2002	Established Legal Professional Corporation Saito Law Office, Representative Attorney (Current)
2007	External Director, Neturen Co., Ltd. (Retired 2014)
2011	Supervisor, Japan Association for Women's Education (Current)
2018	Member of the Bidding Oversight Committee, Japan Sports Council (Current)

(Significant concurrent post of other companies)

Representative Attorney of Legal Professional Corporation Saito Law Office

Reason for election as Outside Director

Makoto Saito has been engaged in a wide range of works as a lawyer. In particular, he has been involved in corporate legal affairs based on his experience as an external director, in corporate social responsibility (CSR) and compliance as head of the project team for CSR and internal controls at the Japan Federation of Bar Associations (JFBA) as well as involvement in business and human rights issues. In addition, he took the lead in drafting the JFBA's Guideline for Independent Committees relating to Company Scandals and has been active as a member of the Committee for Rating Third Party Committee Reports. We believe he will be able to utilize his expertise from such abundant experience to appropriately fulfil his duties as an external director from an objective standpoint and have therefore nominated him as a candidate.

He has not been involved in the management of a company other than as an external director and external audit & supervisory board member, but for the above reasons, we believe he will appropriately fulfill his duties as an external director.

Note that he is aware that if elected a Director of the Company, he will fundamentally be able to attend all Board of Directors meetings and his intention is to fulfill his duties as a Director of the Company.

Matters concerning independence

He satisfies the requirements for independent directors prescribed by the Tokyo Stock Exchange, Inc. and the "Independence standards for external directors" prescribed by the Company.

Candidate No. 7

Hitomi Kato

New Election **Outside** **Independent**

(Apr. 12, 1954)

Number of Company's Shares owned	0 shares
Relationship of special interest	None

Career summary		**(Significant concurrent post of other companies)**
1977	Joined Mitsubishi Oil Co., Ltd.	President of Falea Company Limited
1986	Joined Matsubara, Muraki & Associates	
1996	Joined Takasago International Corporation	Executive Officer & General Manager of Legal Division of Nikko Chemicals Co., Ltd.
2006	General Manager of Legal and Patent Department, Takasago International Corporation	
2014	Established Falea Company Limited (Current)	
2017	Director, Legal Division, Nikko Chemicals Co., Ltd. (Current)	

Reason for election as Outside Director

Hitomi Kato has been engaging in corporate legal affairs for many years and has abundant experience in various areas such as dealing with various types of litigation, developing international business and patents. Apart from being active in the Association of Corporate Legal Departments, she has experience in lecturing at universities and government offices and formulating and writing guidelines on topics such as internal reporting systems and trade secrets. In addition, following a period as a full-time housewife, she returned to corporate life, and gained various work experience such as working while researching at a graduate school. We believe she will able to provide advice and recommendation to increase the supervision function on management and on ensuring management transparency due to her broad understanding and diverse experience and have therefore nominated her as a candidate.

Note that she is aware that if elected a Director of the Company, he will fundamentally be able to attend all Board of Directors meetings and her intention is to fulfill her duties as a Director of the Company.

Matters concerning independence

She satisfies the requirements for independent directors prescribed by the Tokyo Stock Exchange, Inc. and the "Independence standards for external directors" prescribed by the Company.

Candidate No. 8

Fumiyasu Suguro

Reelection

(Aug. 26, 1957)

Number of Company's Shares owned	12,800 shares
Relationship of special interest	None

Career summary

1982	Joined the Sekisui House, Ltd.
2008	Executive Officer and Chief Secretary, Sekisui House, Ltd.
2010	In charge of Secretariat, Senior Manager of International Business Department, Sekisui House, Ltd.
2012	Managing Officer, Sekisui House, Ltd.
2014	Director (current) and Chief Manager of International Business Department, Sekisui House, Ltd.
2016	Senior Managing Officer, Sekisui House, Ltd. (Current)
2019	In charge of International Business, Sekisui House, Ltd. (Current)

(Significant concurrent post of other companies)

Director of SEKISUI HOUSE US HOLDINGS, LLC

Director of SH RESIDENTIAL HOLDINGS, LLC

Director of URBAN SPLASH HOUSE HOLDINGS LIMITED

Director of Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd.

Director of Sekisui House Changcheng (Suzhou) Real Estate Development Co., Ltd.

Reason for election as Director

Fumiyasu Suguro, who is the proponent of this resolution, has promoted and driven the rapidly growing International Business Department as a Director of the Sekisui House, Ltd. since 2014. Regarding the so-called " land fraud incident" that inflicted enormous damage to the Company in 2017, he is concerned that the company has not clarified the truth and the responsibility of the incident, moreover, that the current management is trying to conceal material information and documents. Because of this he decided to stand up for the future of the Company. Fumiyasu Suguro is fully committed to initiatives to build a strong compliance and corporate governance structure for ongoing improvement in the Company's corporate value.

Candidate No. 9

Motohiko Fujiwara

New Election

(Sept. 8, 1962)

Number of Company's Shares owned	30,700 shares
Relationship of special interest	None

Career summary

1985	Joined Sekisui House, Ltd.
2006	Head of Kita Kanto Sales Administration Headquarters、Sekisui House, Ltd. and subsequently, Head of the Higashi Kanto and the Kanagawa Sales Administration Headquarters
2010	Executive Officer, Sekisui House, Ltd.
2012	Managing Officer, Sekisui House, Ltd.
2018	Head of Sekisui Housing Department, Sekisui House, Ltd.
2019	Retired from Sekisui House, Ltd. President & Representative Director, Takamatsu Construction Group Co., Ltd. (Current) Director and Chairman, Mibu Corporation Co., Ltd. (Current) Director and Chairman, Tatsumi Planning Co., Ltd. (Current)

(Significant concurrent post of other companies)

President & Representative Director of Takamatsu House Co., Ltd.

Chairman of the Board of Directors of Mibu Corporation

Director & Chairman of Tatsumi Planning Co., Ltd.

Reason for election as Director

Since joining the Company in 1985, Motohiko Fujiwara has been constantly engaged in the key domestic detached house business and has accumulated abundant experience in managing the Company's business. In addition, in regard to the so-called " land fraud incident" in 2017, he has continued to oppose to the current management those does not clarify the truth and responsibility and t's concealment of important facts and materials. Consequently, he has upheld the principles of compliance and corporate governance through measures such as leaving the Company. Given such performance and strong conviction, we believe he is vital for restoring confidence in the Company and for promoting the domestic business and have therefore nominated him as a candidate.

Note that if elected a Director of the Company, he intends to resign from all the aforementioned current posts and give undivided attention to his duties as a Director of the Company.

Candidate No. 10

Koji Yamada

New Election

(Feb. 12, 1968)

Number of Company's Shares owned	0 shares
Relationship of special interest	None

Career summary

1991	Joined Mitsui & Co., Ltd.
2000	Joined Morgan Stanley Securities Co., Ltd.
2006	Joined Deutsche Securities, Inc.
2008	Joined BNP Paribas Japan
2012	Joined North America Sekisui House, LLC
2016	President and COO, North America Sekisui House, LLC
2019	CEO, North America Sekisui House, LLC

(Significant concurrent post of other companies)

None

Reason for election as Director

Koji Yamada joined the Company's US entity in 2012 and has subsequently been the person responsible for the entity. At this corporation, he utilized his abundant experience previously gained in the finance sector and played a central role in expanding the Company's US business, leading the Company's international business on the front line. In addition, he contributed to the appropriate promotion of business based on US standards of compliance and corporate governance. Given such performance and experience, we believe he is vital for promoting the Company's US business and have therefore nominated him as a candidate.

Candidate No. 11

Isami Wada

New Election

(Apr. 29, 1941)

Number of Company's Shares owned	203,435 shares
Relationship of special interest	None

Career summary

1965	Joined Sekisui House, Ltd.
1990	Director, Sekisui House, Ltd.
1994	Managing Director, Sekisui House, Ltd.
1996	Senior Managing Director, Sekisui House, Ltd.
1998	President & Representative Director, Sekisui House, Ltd.
2008	Chairman & Representative Director and CEO, Sekisui House, Ltd.
2018	Director Executive Advisor, Sekisui House, Ltd.

(Significant concurrent post of other companies)

None

Reason for election as Director

Isami Wada, who is the proponent of this resolution, demonstrated firm leadership at Sekisui House, Ltd. up until 2018 and substantially grew the Company's corporate value while adhering to a compliance and corporate governance focus. At the time of the so-called "land fraud incident" in 2017, he established the Committee for Inspection and Countermeasures due to his suspicions that the incident was caused by the illicit transaction conducted by the current management. He proposed that the Investigation Report submitted by the Committee be immediately disclosed to the public. As a result of having proposed to take measures such as the dismissal of Mr. Abe, who was recognized to be "heavily responsible" by the Investigation Report, however, he was forced to leave the Company. He is concerned the Company's current distress and stand up for winning back the trust of society and for building an environment where each individual employee can work with pride. If elected as a Director of the Company, Isami Wada will conduct a thorough investigation of the "illicit transaction" through an independent investigation committee, establish a compliance structure, ensure management transparency and implement corporate governance reforms within one year.

(Notes)
1. Mr. Christopher Douglas Brady, Ms. Pamela Fennell Jacobs, Mr. Yasushi Okada, Mr. Terumichi Saeki, Mr. Jiro Iwasaki, Mr. Makoto Saito, and Ms. Hitomi Kato (these seven individuals hereinafter collectively referred to as "This Proposal's Candidates for Outside Director") are candidates for Outside Director who fulfill the requirements for Outside Director as prescribed in Article 2, Item 15 of the Companies Act.
2. If the election of 11 Directors, collectively, under this proposal is approved, the Company plans to submit notification to the Tokyo Stock Exchange, Inc., designating This Proposal's Candidates for Outside Director as newly elected independent officers as provided for by the aforementioned exchange.
3. If the election of 11 Directors, collectively, under this proposal is approved, the Company plans to enter into a limited liability agreement with each of This Proposal's Candidates for Outside Director, that if he/she causes damages to the Company by neglect of the duty as an Outside Director, where his/her conduct is deemed to be made in good faith without gross negligence, his/her liability is without fail limited to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.

Board of Directors' Opinion against the Shareholder's Proposal (Proposal No. 8)

1. Opinion of the Board of Directors

The Board of Directors opposes Shareholder's Proposal.

All of the members of Personnel Affairs and Remuneration Committee, in which the Independent Outside Directors and Independent Outside Audit & Supervisory Board Members comprise more than half of the members, have unanimously voted against all 11 candidates of the Shareholder's Proposal in the deliberation.

2. Reasons for Company's opposition

(1) The Company's proposal is the best option from the perspective of improving the corporate value of the Company and the common interests of shareholders.

At this Ordinary General Meeting of Shareholders, the Company submits a proposal for the election of 12 candidates for the Board of Directors (of which 4 persons are candidates for independent Outside Directors) as stated in the Proposal No. 3 "Election of 12 Directors". The Company believes that the appointment of 12 candidates of the Company's proposal for the position of Directors is exactly the best option from the perspective of improving the corporate value of the Company and the common interests of shareholders.

As a result of promoting "Building the foundations for the residential-related businesses BEYOND 2020" of the basic policies of the Fourth Mid-Term Management Plan (2017-2019) under the management policy "Deployment of growth strategies focused on the residential business domain" , **the Company achieved record-high results in the fiscal year ended January 31, 2020 of the last year of the Fourth Mid-Term Management Plan with net sales of 2,415,186 million yen and operating income of 205,256 million yen**.

Also, the Company has specially positioned 2018 as "First Year of Governance Reforms" and implemented the following measures, including **transparency and invigoration of the meeting of the Board of Directors' operations (separating the chairperson and the convener of the meetings of the Board of Directors)**:

- **Introduction of a mandatory retirement age of 70 for Representative Directors**
- **Clarification of departments under the control of Directors**
- **Establishment of the Management Meeting for the vitalizations of discussions**
- **Evaluation of the efficacy of the Board of Directors**

The Company has also reviewed the structure of the Board of Directors etc., and has been working to ensure that the Board of Directors consists of personnel thoroughly familiar with the Company's operations and with knowledge about the Company's business, and personnel with knowledge and expertise in finance, accounting and compliance with law etc., in a manner that combines diversity including gender with an appropriate number of persons. The Company has received approval from shareholders at the 67th Ordinary General Meeting of Shareholders held in April 2018 for **newly appointment of a female Outside Director (Ms. Yukiko Yoshimaru) and a female Outside Audit & Supervisory Board members (Ms. Hisako Makimura)**, and struck a balance between collective knowledge, experience and skill of the Board of Directors, and the diversity.

In addition, in 2019, as part of strengthening governance at the business management level, the Company strived to **ensure the independence of the general affairs supervisors of each business entity, strengthen the checks-and-balances function (reviewing the affiliation of the general affairs supervisor and personnel assessment processes), and improve the integrity (sincerity, having strong moral principles, being earnest) of Branch Chief managers (starting the training and selection programs for the next Branch Chief managers)**.

To reform the top management level, the Company has **abolished the bonus system for Outside Directors** and began reviewing the remuneration of Internal Directors with the aim of promoting greater value sharing with shareholders. The Company has received approval from shareholders at the 68th Ordinary General Meeting of Shareholders held in April 2019, for **introducing Restricted Stock remuneration plan for Internal Directors**. In addition, at this Ordinary General Meeting of Shareholders, the Company **submits a proposal to increase the number of Outside Directors adding another Outside Director to raise the proportion of Outside Directors up to one-third of the Board of Directors**.

<Progress of Governance Reforms from 2018>

year	month	Top management level	Business management level
2018	2	・Transparency and invigoration of the meeting of the Board of Directors‘operations (Separation of chairperson and convener of the Board of Directors)	
	3	・Introduced retirement age of 70 for Representative Director ・Evaluation of efficacy of the Board of Director ・Clarification of departments under the control of Directors <structural reforms in April>	
	4	・Appointment of female Outside Officers	Head Office Structural Reforms [Initiatives to prevent recurrence] ・Sharing of risk information at management division meetings ・Reform of application decision-making system of the real estate (Clarification of the department in charge of examination etc., and introduction of an electronic decision-making system) ・Measures for PDCA Cycles in Risk Management Committee
	11		・Strengthening the checks and balances of the General Affairs Manager of Sales Administration Headquarters and the General Affairs Manager of Branch (General Affairs Manager Integrity Training, General Affairs Manager Candidates Head Office Training, etc.) ・Improving the integrity of Branch Chief
2019	4	・Introduction of Restricted Stock remuneration plan ・Abolishing officer's bonus system of Outside Directors	
	9	・Review of Directors‘ term of office (two year → one year) ・Abolishment of the system of Executive Advisor and Advisor	Policies decided by the Board of Directors. Matters placed on the agenda at a general meeting of shareholders of April,2020
2020	4 (planned)	・Improve the independence of the Board of Directors (raising the propotion of Outside Directors up to one-third of the Board of Directors) ・Drastic revision in officer's remunerations (Multiple discussions at Personnel Affairs and Remuneration Committee since July, 2019) + Introduction of "Stock Compensation Return (so-called Mars-Clawback) Clause" and "Stock Holding Guideline" ・Appointment and dismissal of senior management (Clarification of the Criteria for Appointment of Directors)	

Fifth medium-term plan period	1. Reform and strengthen the effectiveness of the corporate governance system 2. Enhancement of Information Disclosure and Dialogue with Stakeholders	1. Increasing the integrity of business management 2. Strengthening the group governance system

The Company has formulated **the Fifth Mid-Term Business Plan** ending in January 2023 and has set “Further strengthening core businesses and embarking on new businesses” as the basic policy, and will aggressively and boldly expand our business activities with **the goal of achieving Net sales 2,700,000 million yen and Operating income 220,000 million yen**. In terms of financial policies, the Company will further develop the financial strategy that has focused on investment efficiency since February 2018, and will establish the financial foundations for the next 10 years. Accordingly, **the Company promotes growth investments and strengthens shareholder returns with the aim of achieving sustainable corporate value and common interests of shareholders while stably generating ROE consistently at 10% or more**.

In this way, the Company has achieved record-high results in the most recent fiscal year and has been able to formulate the Fifth Mid-Term Business Plan for the further development of the Sekisui House Group (hereinafter referred to as the “Group”). The Company believes that this is the result of the promotion of the management toward the leader in ESG by the current management team as a united team appointed at the 67th Ordinary General Meeting of Shareholders in addition to the support of our stakeholders, including shareholders’ support, customers who love the Sekisui House brand, cooperation of cooperative construction partners and business partners, and the efforts and discipline of all employees.

Accordingly, **in light of the aforementioned achievements of the current management team and the future potential to promote growth-oriented investments and to strengthen shareholder returns, the Company’s proposal, in which the core members of the**

current management team continue to organize the Board of Directors, is considered to be the best option from the perspective of enhancing the corporate value of the Company and the common interests of shareholders.

(2) The Company's proposal and the Shareholder's Proposal have been reviewed and discussed in a transparent process.

With regard to the structure of the Board of Directors, the Board of Directors consists of personnel thoroughly familiar with the Company's operations and with knowledge about the Company's business, and personnel with knowledge and expertise in finance, accounting and compliance with law, etc., in a manner that combines diversity including gender with an appropriate number of persons. Candidates for Directors are those who possess high integrity (sincerity, having strong moral principles, being earnest) and management capabilities, are appropriate for practicing Corporate Philosophy of the Group, and have an interest in and deep insight into the Group's business, etc.

In addition, the business environment surrounding the Group is undergoing major changes along with the economic situation in Japan, such as the progress of global warming, changes in social conditions in response to the super-aged society, the growth of inbound tourism, and rapid lifestyle innovations through further advances in AI and the IoT. The Company shall entrust the management to a Board of Directors consisting of mainly Inside Directors with reliable result and experience in the housing industry, and of Outside Directors with experience and knowledge in the overseas business and overseas housing market and urban planning or ESG in an appropriate proportion. The Company believes that such a Board of Directors will enable the Company to realize the growth strategy.

In order to ensure fairness and transparency in the selection policy for candidates for Directors and the concrete proposal of the selection of candidates, Personnel Affairs and Remuneration Committee, in which the Independent Outside Directors and Independent Outside Audit & Supervisory Board Members comprise more than half of the members deliberates on candidates, and the Board of Directors respects the opinions of Personnel Affairs and Remuneration Committee, and makes decisions on candidates. In accordance with the concepts described above, Personnel Affairs and Remuneration Committee deliberated on the Company's proposal on this Ordinary General Meeting of Shareholders, and the Board of Directors respected their opinions, and deliberated on the Company's proposal. As a result, based on the following reasons and the two-year results described in (1) above, the Board of Directors has determined that the Company's proposal is the most appropriate to ensure the achievement of the Fifth Mid-Term Management Plan and to contribute to the strengthening of the management oversight function and corporate governance system.

I. The Company's proposal is structured so that the roles and responsibilities of Board of Directors can be fulfilled at a high level, and any of the size, diversity, and Outside Directors ratio of the Board of Directors (with **Outside Directors increasing by one to four** and **Outside Directors ratio set at one-third**) is appropriate.

II. As a result of comprehensively considering the skill sets required to the Board of Directors, the Company's proposal is necessary and sufficient to place emphasis on social significance, to formulate and steadily execute innovative growth strategies, and to contribute to the long-term and sustainable improvement of the sustainable corporate value of the Company and the common interests of the shareholders.

The 11 candidates of Shareholder's Proposal were also deliberated by Personnel Affairs and Remuneration Committee from the perspective of their careers and achievements as well as their roles and functions in the structure of the Board of Directors, and the opinions thereof were respected and discussed by the Board of Directors. As a result, for the reasons described in (3) to (6) below, the Board of Directors has determined that it is inappropriate to appoint candidates for directors in accordance with Shareholder's Proposal.

(3) The measures to enhance corporate value and the common interests of shareholders in Shareholder's Proposal are unclear.

The Shareholder's Proposal states that "11 candidates for Director listed shall be collectively elected as Directors of the Company". Therefore, the Company understands that the main purpose of the Shareholder's Proposal is the shake-out of the management structure. However, although the phrase "proposals for sustainable improvement of corporate value" is used as the reason for Shareholder's Proposal, no specific management strategies have been set forth, so the policy contributing to the improvement of the corporate value of the Company and the common interests of shareholders is unclear.

Normally, shareholder's proposals aimed at shake-out of the management structure shall clearly indicate specific measures to increase corporate value and the common interests of shareholders. The absence of such measures shall be regarded as evidence that the proposed shareholder and candidates for Directors in Shareholder's Proposal do not possess specific measures to enhance the sustainable corporate value of the Company and the common interests of shareholders.

As previously stated, **the current management team presents a clear management strategy that contributes to the improvement of corporate value and the common interests of shareholders. If Shareholder's Proposal results in the renewal of the management structure of the Company, it may unnecessarily cause confusion in the management of the Company**.

(4) The reasons for Shareholder's Proposal include many misunderstandings of facts and other matters that differ from the facts.

The reasons for Shareholder's Proposal include many misunderstandings of facts and other matters that differ from the facts as follows.

(i) There have been no improper transactions.

The Company commissioned outside lawyers to conduct a detailed fact-finding investigation under the leadership of the Audit & Supervisory Board when a personal shareholder filed a lawsuit against the current Representative Director in March 2018. **The statement in the reasons for the proposal of Shareholder's Proposal differs from the results of the detailed investigation, and is**

a clear misunderstanding of facts, and there is no "improper transactions". In addition, neither criminal investigations of incident of fraud nor subsequent criminal proceedings have detected any improper conduct, such as the connection between insiders of the Company and the criminal group.

(ii) Important information has already been disclosed.

The Company has disclosed the "Report of Summary of Development of the Problems with the Purchase of the Land for Condominiums" on March 6, 2018 as a timely disclosure document, and has comprehensively disclosed information on the background of the "land fraud incident", the cause of the incident, the location of responsibility, measures to prevent a recurrence and the content of the disposition. This release analyzes the problems of the Company according to stage and position, frankly describes evaluations such as "Head office's check-and-balance function was not functioning, and the person in charge worked hard to fulfill the contract", and "the response to multiple risks was very poor". **In addition, on page 2 of this release "3. Opinions about the responsibility for the Problems and proposals for countermeasures from the committee for investigation and countermeasures" shows that "the President owes a substantial ethical responsibility as the chief management of the Company's business for his failure to appropriately recognize the overview of the transaction and the material risk relating thereto", and that is same as the original investigation report on the responsibility of then President.**

The reason why the Company has not published the full investigation report is because of concerns about counterfeiting of the "land fraud incident", the confidentiality of criminal investigations and the protection of personal privacy. There is no concealment of important information, as suggested by the proposed shareholders.

(iii) Thorough Governance reforms have strengthened governance since 2018

As the Company disclosed in the "Notice Regarding Media Reports on Events During the Meeting of the Board of Directors of the Company" released on March 6, 2018 as a timely disclosure document, at the meeting of Board of Directors held on January 24, 2018, a motion for the removal of former Chairman Mr. Wada and other motions were proposed for the purpose of the separation of the chairperson and conveners of the Board of Directors to eliminate concentration of power. The motions for the replacement of the convener of this meeting of Board of Directors and for the revision to the rules for the Board of Directors were approved, then the former Chairman Mr. Wada expressed his intention to step down from his position, and the resignation was approved unanimously. As described in (1) above, since 2018, the current Board of Directors has been thoroughly implementing Governance reforms, which were the purpose of the motions, thereby strengthening the corporate governance of the Company. The "incomplete governance" asserted by the proposed shareholder contradicts the facts and is a claim that is not specific. The current Board of Directors has to understand that **Mr. Wada, the proposed shareholder, with no basis, referred to us as "incomplete governance" on the grounds that the resolution of Board of Directors in January 2018 was passed in a way that was against his own will**.

(5) The Shareholder's Proposal is presumed not to be due to justifiable reasons

As stated in (4) above, "improper transactions", "concealment of important information" and "incomplete governance", all of which are cited as reasons for Shareholder's Proposal, differ from the facts, and cannot be a reason that new Board of Directors composed of the current Board of Directors and the candidates for the Company's proposals is inappropriate. Therefore, **the Company must consider that there is no justifiable reason of the proposed shareholder who proposes Shareholder's Proposal with statements differ from the facts.**

In Shareholder's Proposal, an attorney acting as an agent for Mr. Wada, the proposed shareholder, is the same person as an attorney acting as an agent for the other individual shareholder in a series of shareholder derivative lawsuits filed against the Company's Representative Directors, starting with a litigation demand in March 2018.

The attorney has persistently requested the submission of investigation report that overlaps with the details and related evidence of the "land fraud incident" in the lawsuits, even though the Company has taken the initiative in submitting them to the court. Furthermore, in the proceedings of the lawsuit, the attorney repeatedly asserted that the background to the resignation of Mr. Wada, which is almost not related to the responsibility of the Representative Directors for violations of the duty of due diligence and the duty of loyalty, shall be problematic since filing the lawsuit in May 2018. These suspicious litigation activities are considered only as preparatory actions for Shareholder's Proposal.

Taking into account this series of events comprehensively, the Company can not help thinking that Mr. Wada is not "concerned the Company's current distress and stand up" (reasons of Shareholder's Proposal) but **there most likely is a private reason for the proposed shareholder, and is not intended to enhance the corporate value of the Company and the common interests of the shareholders**.

(6) Candidates for directors of the Shareholder's Proposal do not constitute an appropriate structure as a whole for the improvement of corporate value and the common interests of shareholders.

As mentioned in (2) above, the business environment surrounding the Group is undergoing major changes, and the Company's core business, the housing and real estate business, is facing challenges in handling.

Looking at the composition of the 11 candidates in the Shareholder's Proposal, first of all, there is no candidate who possesses knowledge and experience in the housing and real estate businesses as a Candidate for Outside Directors. Even if adding Candidates for Inside Directors, it cannot be said that they are structured in such a way as to have the knowledge, experience, and skills required to manage the

Company in such difficult conditions as described above. Accordingly, it must be determined that the candidates for the Board of Directors of the Shareholder's Proposal as a whole are not constituting an appropriate structure for the improvement of corporate value and the common interests of shareholders.

(7) Conclusion

Based on the above, the Board of Directors believes that the Company's proposal is exactly the best for the sustainable improvement of corporate value and the common interests of shareholders, and that there is no need to appoint any candidate of Shareholder's Proposal as a Director. Accordingly, the Company opposes Shareholder's Proposal.