

Message from the Officer in Charge of the Overseas Business

## Our Dedication to the Overseas Business—a Growth Driver for Sekisui House



**Toru Ishii**

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

The Overseas Business, operating in the United States and other countries, has grown to account for approximately 18% of total net sales in FY2022. In the past, our business in the United States was mainly in development, but we have been expanding the homebuilding business; in addition to Woodside Homes, we welcomed Holt Homes to the Group in December 2021 and Chesmar Homes in July 2022. Our collaborative efforts with these three U.S.-based companies have been successful, driving business performance. We have set and are working toward the target of supplying 10,000 homes in the overseas business annually by FY2025, the final year of the Sixth Mid-Term Management Plan.

Under the Sixth Mid-Term Management Plan, we will implement two

major initiatives. The first is to expand our sales area in the United States through M&A to secure new platforms. Specifically, we aim to expand from the west coast and southern regions where we currently operate into the southeastern United States. The second is to roll out our SHAWOOD wooden-frame housing. Due to global climate change, demands for housing performance are changing year by year. Of our detached houses in our domestic business, 93% are ZEH, and our technical capabilities developed in Japan for withstanding increasingly severe natural disasters, such as resilient foundations and external walls, will serve as a valuable cornerstone for the overseas business going forward. A pilot project for the SHAWOOD brand that we implemented in Las Vegas was well received by the market, reaffirming our confidence that our efforts are on the right track. Following this success, in 2023, we are commencing a project of more than 50 new SHAWOOD houses in the Sommers Bend community in California. Leveraging strengths in safety, comfort and design, we will establish a market advantage with SHAWOOD, primarily in areas with high volumes of high-price new home closings.

In the U.S. multifamily business, we aim to diversify our partnerships and build a structure for collaboration to promote new development and implement diversified investment and recovery aligned with each business area.

In Australia, we are engaged in the condominium development business and homebuilding business. By implementing area strategies and establishing our brands, we aim to further expand our business in Australia into a second pillar of the overseas business, following to the United States. In Singapore, we will work to strengthen relationships with local partners Far East Organization and Frasers Property, while in the United Kingdom, we



SHAWOOD pilot project in Las Vegas

 Global SHAWOOD

aim to establish business foundations through M&A.

In this way, we will continue implementing aggressive growth strategies for the homebuilding business to develop the overseas business portfolio from its previous focus on the development business into a dual-pillar structure of development and homebuilding. In FY2025, the final year of the Sixth Mid-Term Management Plan, we aim for the overseas business to account for approximately 25% of net sales and approximately 30% of operating profit. We will continue advancing the overseas business as a growth driver supporting the Sekisui House Group.



Business Strategy

# Overseas Business

We sell detached houses and residential land and develop condominiums for sale or rent and other properties in the United States, Australia and elsewhere. Using the Sekisui House technologies we have cultivated in our domestic businesses in areas including safety, peace of mind and comfort, we will help resolve social issues in each country and conduct initiatives to provide new value in housing to maximize the happiness of our customers and society.

[Sekisui House Global site](#)

## Overseas Business Regions and Major Projects

United Kingdom

China

Singapore

Australia

United States



One Holland Village  
Holland Village



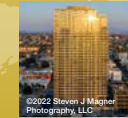
Ingleburn Centre  
Near Sydney



West Village  
Brisbane



Gledswood Hills  
Sydney



The Merian  
California



Tehaleh  
Washington



Nevada



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Utah



Washington

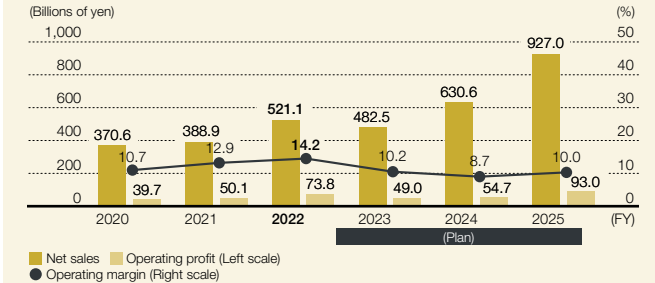
## Review of the Fifth Mid-Term Management Plan and Strategies Going Forward

In the overseas business, we are focusing on creating value through happiness by transferring Sekisui House technologies internationally and integrating the housing technologies the Group has cultivated in Japan with lifestyle design proposals and services.

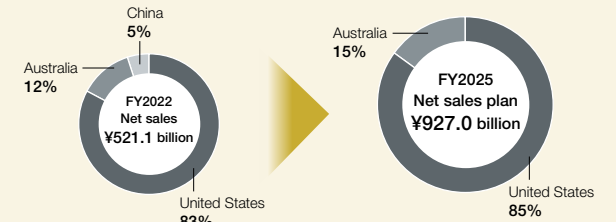
Under the Fifth Mid-Term Management Plan, we focused on enhancing quality. In cooperation with Woodside Homes, we worked to transfer Sekisui House technologies by, for example, applying the Company's strengths in lifestyle design proposals to customer engagement and products based on the two-by-four housing construction common in the United States. These efforts were well received locally and have become a strength for Woodside Homes. In addition, we steadily advanced preparations for launching general sales of SHAWOOD homes in the United States. In order to expand the successful homebuilding business model that we have pioneered with Woodside Homes, we conducted further M&A in 2021 and 2022, welcoming Holt Homes and Chesmar Homes into the Group. Both of these companies resonated with our Corporate Philosophy and global vision and share our dream of realizing this vision in the United States. In the multi-family business, we worked to strengthen cooperative relationships with an outstanding local partner. In select cities where growth is expected, we developed and leased high-added-value rental housing, steadily advancing sales of such properties at optimal times to maximize profit.

Under the Sixth Mid-Term Management Plan, we will advance business with a focus on aggressive expansion. In the development business, by working with new partners, we aim to expand our business areas from their current location along the U.S. west coast into cities in the sun belt and east coast gateway regions. By diversifying our portfolio in terms of partners, business areas and products, we seek to enhance business stability and scale. In the homebuilding business, we will implement M&A targeting areas of the United States we have not yet entered and acquire additional builders to horizontally expand our successful business model. At the same time, we will focus on reinforcing Group governance, aiming to expand business in an orderly and controlled manner. In addition, we will transfer Sekisui House technologies to the two recently acquired Group builders and builders acquired going forward, elevating lifestyle design proposals into a strength of all Group builders. We also aim to stably expand the SHAWOOD business to provide new value in the form of happiness to American customers. In Australia, we will strengthen systems aimed at further business expansion, while in the United Kingdom, we aim to secure opportunities for new initiatives. By thus reinforcing businesses and pursuing new initiatives in each country where we operate, we will strive to expand the overseas business portfolio and secure greater stability.

### Net sales / Operating Profit / Operating Margin



### Net Sales by Country



Overseas Business

U.S. (Homebuilding business, master-planned community business)

Business Policy

Expanding our sales area through M&A and comprehensively promoting the transfer of technologies, including product and lifestyle proposals

Strategy

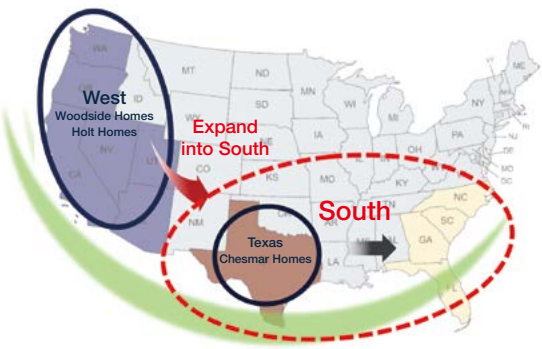
1 Builders M&A

- Strengthening governance for the Group's builders
- Proactively promoting intragroup collaboration
- Entering the southeastern United States through M&A

2 Technology transfer

- Transferring Sekisui House technologies
- Expanding our own brand (SHAWOOD)

▶ Entering the southeastern U.S. through M&A

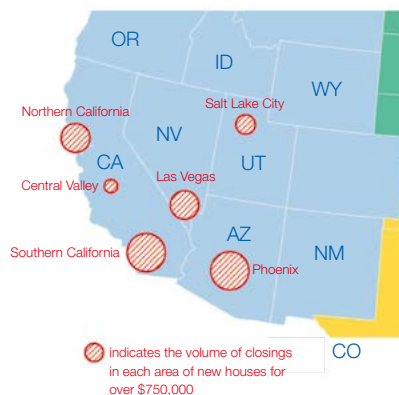


▶ Technology Transfer and Expansion of SHAWOOD

As we work to develop markets through Woodside Homes, Holt Homes and Chesmar Homes, we are advancing the transfer of Sekisui House technologies with an eye to launching lifestyle proposal products, promoting customer approaches based on data analysis and engraining brand loyalty. At the same time, we will roll out SHAWOOD, our brand of houses that features outstanding safety, comfort and design, mainly in areas with high volume closings of high-priced new houses, such as California, Nevada, Arizona and Utah.

Rollout of SHAWOOD

2023
Launched prototype sales in Sommers Bend, California
2024
Closing on 150 units, mainly in California and Nevada
2025
Closing on 300 units in California, Nevada, Arizona and Utah



**Western U.S.**  
Housing sales  
Roughly 25% share of the U.S. market  
High-end homes above \$750K  
Approx. 36,000

Housing sales: Approx. 150,000 (FY2022)  
High-end market: 24% of homes are priced above \$750k  
Harbor and transport: Easy marine transport, short land-travel distance

Data source: U.S. Census  
Because data on homes priced above \$750,000 was not available for the southern United States for 2022 onward, figures for homes priced above \$500,000 are shown.

**Southern U.S.**  
Housing sales  
Roughly 60% share of the U.S. market  
High-end homes above \$500K  
Approx. 122,000

Housing sales: Approx. 394,000 (FY2022)  
High-end market: 31% of homes are priced above \$500K  
Harbor and transport: Easy marine transport, SHAWOOD business also feasible



Meet Our Group Builders—Working Together to Create Value through Happiness

Our U.S. homebuilding business kicked off in earnest when we welcomed Woodside Homes into the Sekisui House Group in 2017. Since then, the transition to a lifestyle proposal-based, value-oriented business tailored to customer lifestyles has proceeded smoothly, and we have welcomed two new builders into the Group. Each of these companies differs in its corporate culture, business strategies and business area. To bring them together to advance operations as united members of the Sekisui House Group, we are building a cooperative framework centered on SH Residential Holdings (SHRH). We have selected a local hire—the longtime CFO of Woodside Homes—to serve as CEO of SHRH, and are working to transfer Sekisui House technologies and enhance governance systems in order to generate value through happiness.

**Holt Homes** HOLT HOMES

Holt Homes joined the Group in December 2021 and operates in Oregon and Washington. Holt has established a particularly strong presence in the Portland market, where the development permitting process is especially strict and barriers to entry are high. To expand from its focus on first-time homebuyers, Holt is focusing on uncovering customers beyond the entry-level and tapping into the needs of potential customers to develop new markets.



**Chesmar Homes** CHESMAR HOMES

Chesmar Homes joined the Group in July 2022. Based in Texas, Chesmar operates mainly in Houston, Dallas, Austin and San Antonio. Chesmar stands out for its corporate culture that emphasizes human happiness as well as its high customer satisfaction and the ability of its design experts to flexibly accommodate customers. Chesmar is proactively developing the high-end market and may be part of the SHAWOOD rollout in the future.



Overseas Business

## U.S. (Multifamily business)

**Business Policy** Promoting new development while diversifying business areas and partnerships

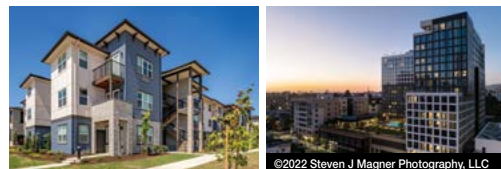
**Strategy**

**1 Partnerships**  
—Diversifying business areas and partnerships

**2 Portfolio**  
—Diversified investment and recovery aligned with the business area

### ► Multifamily business

We are working to expand and diversify our business area, from the west coast gateway region where we have operated until now, to include the sun belt and east coast gateway regions. In addition to the urban mid- to high-rise projects we have implemented to date, we are shifting to a project mix that includes suburban low- to mid-rise and rural low-rise projects to diversify our investments. We will build a high-quality portfolio by maximizing profits through asset turnover while keeping a close eye on market conditions.



## Australia, Singapore, and the United Kingdom

**Business Policy** Aiming to secure robust business foundations and, to this end, striving to establish our brand capabilities and strengthen relationships with local partners in a way aligned with each country's market conditions

**Strategy**

### Australia

Developing our operations into the second largest pillar of the overseas business through the execution of area strategies and the establishment of our brand presence

### ► Condominiums Development Business

We are developing condominiums, commercial facilities and complexes in Sydney and Brisbane. We aim to transition to a more efficient portfolio that balances medium- to long-term large projects, in which we can leverage our strengths, and short-turnaround projects, and to establish brand equity via condominium product planning based on analyses of local needs.



### ► Homebuilding

We are steadily working to acquire land for the SHAWOOD business in the high-end markets of Sydney's suburbs (northern coasts, southern coasts and northwestern and South Coast areas) and to realize an integrated system for processes from the receipt of inquiries to after-sales service following closing in order to enhance brand recognition.



### Singapore

Securing close partnerships with prominent corporations in Asia

We are working to develop closer partnerships with leaders in Asia's real estate sector. We will advance joint business based on win-win relationships that combine their strengths with ours.



### United Kingdom

Executing M&A to transfer our technologies and expand into new business fields

We will develop businesses focused on pursuing the possibilities of pre-engineered housing while tackling social issues arising from the housing shortage and delivering higher quality housing. We are also considering M&A with builders capable of embodying the core technological foundations of Sekisui House.