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Consolidated Financial Results for the Year Ended January 31, 2025 [Japanese GAAP]

March 6, 2025

Company name : **Sekisui House, Ltd.** (URL <https://www.sekisuihouse.co.jp/english/>)
Listed exchanges : Tokyo, Nagoya
Stock code : 1928
Representative : Yoshihiro Nakai, Representative Director of the Board, President, Executive Officer, CEO
Inquiries : Hiroyuki Kawabata, Operating Officer, Head of Investor Relations Department
Telephone : +81 6 6440 3111
Scheduled date of annual general meeting of shareholders : April 23, 2025
Scheduled date to commence dividend payments : April 24, 2025
Scheduled date to file annual securities report : April 24, 2025
Preparation of supplementary material on financial results : Yes
Holding of financial results briefing : Yes (for institutional investors and analysts, in Japanese)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended January 31, 2025 (February 1, 2024 to January 31, 2025)

(1) Consolidated Operating Results

(% indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Jan. 31, 2025	4,058,583	30.6	331,366	22.3	301,627	12.4	217,705	7.6
Jan. 31, 2024	3,107,242	6.1	270,956	3.6	268,248	4.3	202,325	9.6

(Note) Comprehensive income: Fiscal year ended Jan. 31, 2025: ¥293,815 million [20.6%]
Fiscal year ended Jan. 31, 2024: ¥243,596 million [(7.4)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	¥	¥	%	%	%
Jan. 31, 2025	335.95	335.84	11.7	7.4	8.2
Jan. 31, 2024	309.29	309.19	11.9	8.4	8.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended January 31, 2025: ¥ (3,085) million
Fiscal year ended January 31, 2024: ¥ 1,900 million

(2) Consolidated Financial Position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	¥ million	¥ million	%	¥
Jan. 31, 2025	4,808,848	2,018,599	40.8	3,027.64
Jan. 31, 2024	3,352,798	1,794,052	52.3	2,707.90

(Reference) Equity: As of January 31, 2025: ¥1,962,199 million As of January 31, 2024: ¥1,754,585 million

(3) Consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
Jan. 31, 2025	62,885	(697,687)	720,967	390,307
Jan. 31, 2024	15,683	(69,124)	6,483	292,901

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Year-end	Total			
Fiscal year ended	¥	¥	¥	¥	¥	¥ million	%	%
Jan. 31, 2024	—	59.00	—	64.00	123.00	79,931	39.8	4.8
Jan. 31, 2025	—	64.00	—	71.00	135.00	87,515	40.2	4.7
Fiscal year ending Jan. 31, 2026 (forecast)	—	72.00	—	72.00	144.00		40.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2026 (February 1, 2025 to January 31, 2026)

(% indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	4,500,000	10.9	362,000	9.2	339,000	12.4	232,000	6.6	357.97

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 34 (Company name: M.D.C. Holdings, Inc. and others) Excluded: — (Company name: —)

(2) Changes in accounting policies, accounting estimates and restatements

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due other reasons: None

(iii) Changes in accounting estimates: None

(iiii) Restatements: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares):

As of Jan. 31, 2025: 662,996,866 shares

As of Jan. 31, 2024: 662,862,666 shares

(ii) Number of treasury shares at the end of the period:

As of Jan. 31, 2025: 14,902,212 shares

As of Jan. 31, 2024: 14,911,673 shares

(iii) Average number of shares outstanding during the period:

Fiscal year ended Jan. 31, 2025: 648,036,335 shares

Fiscal year ended Jan. 31, 2024: 654,153,670 shares

(Reference) Overview of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2025 (February 1, 2024 to January 31, 2025)

(1) Non-consolidated Operating Results

(% indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal year ended								
Jan. 31, 2025	1,312,172	2.2	102,181	13.8	183,771	16.7	177,347	35.0
Jan. 31, 2024	1,283,433	6.6	89,777	22.9	157,460	18.6	131,332	14.0

	Basic earnings per share	Diluted earnings per share
	¥	¥
Fiscal year ended		
Jan. 31, 2025	273.60	273.51
Jan. 31, 2024	200.71	200.65

(Reason of change in non-consolidated financial results compared to the results in the previous fiscal year)

There is a difference between in the previous fiscal year and in the current fiscal year under review, primarily due to increases in gain on sale of investment securities.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	¥ million	¥ million	%	¥
Jan. 31, 2025	2,340,322	1,023,993	43.8	1,579.45
Jan. 31, 2024	1,557,919	938,436	60.2	1,447.77

(Reference) Equity: As of January 31, 2025: ¥1,023,905 million As of January 31, 2024: ¥938,335 million

* **Financial results reports are exempt from an audit conducted by certified public accountants or an audit firm.**

* **Notes Regarding the Appropriate Use of Results Forecasts and Other Important Matters**

Descriptions regarding forward looking statements, etc. contained in these materials are based on information currently available to the Company and certain assumptions judged reasonable. The Company makes no warranty as to the feasibility of its projections. Future results may differ materially from projections due to various factors. Please refer to “1. Overview of Consolidated Business Results, etc., (1) Information Regarding Consolidated Business Results (Future Outlook)” on page 12 of the Attached Materials for information on the conditions underlying the earnings forecasts.

(Obtaining supplementary explanatory documents)

The Company plans to hold a briefing for institutional investors and analysts on March 6, 2025. Relevant financial explanatory documents to be handed out at the briefing will be posted on our official website on the same day.

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Appendix 1: Results summary for the year ended January 31, 2025

¥ millions

Consolidated	FY2023	FY2024	YOY (%)	FY2025 forecast	YOY (%)
Net sales	3,107,242	4,058,583	30.6	4,500,000	10.9
Gross profit	623,745	785,993	26.0	884,000	12.5
Operating profit	270,956	331,366	22.3	362,000	9.2
Ordinary profit	268,248	301,627	12.4	339,000	12.4
Profit attributable to owners of parent	202,325	217,705	7.6	232,000	6.6
Total orders	3,196,437	4,052,604	26.8	4,600,000	13.5
Total order backlog	1,552,023	1,754,577	13.1	1,854,577	5.7

Key management indicators

Consolidated	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 forecast
Earnings per share (¥)	181.18	227.37	276.58	309.29	335.95	357.97
Book-value per share (¥)	1,948.12	2,184.36	2,466.04	2,707.90	3,027.64	3,014.08
Dividends per share (¥)	84.00	90.00	110.00	123.00	135.00	144.00
Operating profit margin	7.62%	8.89%	8.93%	8.72%	8.16%	8.0%
ROE	9.53%	10.99%	11.88%	11.95%	11.71%	11.9%
ROA *	7.30%	8.60%	9.08%	8.74%	8.33%	7.9%

* ROA: Return on Assets = (Operating profit + Interest and Dividends received + Equity in earnings of affiliates) / Total assets

Appendix 2: Segment breakdown for the fiscal year ended January 31, 2025**Consolidated** (reference page 25)

Beginning from the fiscal year ended January 31, 2025, some segments of consolidated subsidiaries previously included in “Other” segment were recategorized into “Urban redevelopment business,” in accordance with a partial review of management classifications within the Group. As a result, the figures for the fiscal year 2024 are presented after the reclassification.

(1) Net Sales

(¥ millions)

		FY2023	FY2024	YOY(%)	FY2025 Forecast	YOY(%)
Built-to-order Business	Detached houses	471,056	479,091	1.7	487,000	1.7
	Rental housing and commercial buildings	524,121	544,934	4.0	564,000	3.5
	Architectural / civil engineering	274,653	325,024	18.3	312,000	(4.0)
	Subtotal	1,269,832	1,349,050	6.2	1,363,000	1.0
Supplied Housing Business	Rental housing management	646,588	687,119	6.3	702,000	2.2
	Remodeling	174,996	183,868	5.1	187,000	1.7
	Subtotal	821,584	870,988	6.0	889,000	2.1
Development Business	Real estate and brokerage	288,456	356,060	23.4	394,000	10.7
	Condominiums	109,450	102,494	(6.4)	110,000	7.3
	Urban redevelopment	135,131	124,021	(8.2)	41,000	(66.9)
	Subtotal	533,039	582,576	9.3	545,000	(6.5)
Overseas Business		511,055	1,278,511	150.2	1,737,000	35.9
Other		11,171	14,066	25.9	15,000	6.6
Eliminations and back office		(39,440)	(36,610)	—	(49,000)	—
Consolidated		3,107,242	4,058,583	30.6	4,500,000	10.9

(2) Operating profit and Operating profit margin

(¥ millions)

		FY2023	FY2024	YOY(%)	FY2025 Forecast	YOY(%)
Built-to-order Business	Detached houses	41,065 8.7%	46,069 9.6%	12.2	48,000 9.9%	4.2
	Rental housing and commercial buildings	78,016 14.9%	81,796 15.0%	4.8	87,000 15.4%	6.4
	Architectural / civil engineering	12,904 4.7%	15,218 4.7%	17.9	15,000 4.8%	(1.4)
	Subtotal	131,986 10.4%	143,084 10.6%	8.4	150,000 11.0%	4.8
Supplied Housing Business	Rental housing management	50,180 7.8%	56,804 8.3%	13.2	63,500 9.0%	11.8
	Remodeling	23,482 13.4%	26,624 14.5%	13.4	26,000 13.9%	(2.3)
	Subtotal	73,663 9.0%	83,429 9.6%	13.3	89,500 10.1%	7.3
Development Business	Real estate and brokerage	25,857 9.0%	28,971 8.1%	12.0	31,000 7.9%	7.0
	Condominiums	17,532 16.0%	14,648 14.3%	(16.4)	15,000 13.6%	2.4
	Urban redevelopment	22,454 16.6%	26,665 21.5%	18.8	2,500 6.1%	(90.6)
	Subtotal	65,845 12.4%	70,285 12.1%	6.7	48,500 8.9%	(31.0)
Overseas Business		48,898 9.6%	78,945 6.2%	61.4	125,000 7.2%	58.3
Other		1,630 14.6%	2,466 17.5%	51.3	2,600 17.3%	5.4
Eliminations and back office		(51,067)	(46,844)	—	(53,600)	—
Consolidated		270,956 8.7%	331,366 8.2%	22.3	362,000 8.0%	9.2

The bottom row indicates the operating profit margin.

(3) Orders

(¥ millions)

		FY2023	FY2024	YOY(%)	FY2025 Forecast	YOY(%)
Built-to-order Business	Detached houses	465,691	479,113	2.9	488,000	1.9
	Rental housing and commercial buildings	550,222	592,370	7.7	605,000	2.1
	Architectural / civil engineering	300,313	324,732	8.1	313,000	(3.6)
	Subtotal	1,316,227	1,396,217	6.1	1,406,000	0.7
Supplied Housing Business	Rental housing management	646,588	687,119	6.3	702,000	2.2
	Remodeling	173,044	186,012	7.5	190,000	2.1
	Subtotal	819,632	873,131	6.5	892,000	2.2
Development Business	Real estate and brokerage	306,875	367,617	19.8	403,000	9.6
	Condominiums	121,019	136,075	12.4	106,000	(22.1)
	Urban redevelopment	137,681	133,471	(3.1)	29,000	(78.3)
	Subtotal	565,577	637,165	12.7	538,000	(15.6)
Overseas Business		520,047	1,172,423	125.4	1,797,000	53.3
Other Businesses		11,134	14,007	25.8	16,000	14.2
Eliminations and back office		(36,182)	(40,340)	—	(49,000)	—
Consolidated		3,196,437	4,052,604	26.8	4,600,000	13.5

(4) Order backlog

(¥ millions)

		As of January 31, 2024	As of January 31, 2025	YOY(%)	As of January 31, 2026 forecast	YOY(%)
Built-to-order Business	Detached houses	229,996	230,018	0.0	231,018	0.4
	Rental housing and commercial buildings	516,450	563,887	9.2	604,887	7.3
	Architectural / civil engineering	401,297	401,005	(0.1)	402,005	0.2
	Subtotal	1,147,744	1,194,911	4.1	1,237,911	3.6
Supplied Housing Business	Rental housing management	—	—	—	—	—
	Remodeling	34,605	36,749	6.2	39,749	8.2
	Subtotal	34,605	36,749	6.2	39,749	8.2
Development Business	Real estate and brokerage	60,819	72,376	19.0	81,376	12.4
	Condominiums	88,989	122,570	37.7	118,570	(3.3)
	Urban redevelopment	2,550	12,000	370.6	—	—
	Subtotal	152,358	206,947	35.8	199,947	(3.4)
Overseas Business		236,143	338,070	43.2	398,070	17.7
Other Businesses		579	1,037	78.9	2,037	96.4
Eliminations and back office		(19,408)	(23,138)	—	(23,138)	—
Consolidated		1,552,023	1,754,577	13.1	1,854,577	5.7

* Each result of M.D.C. Holdings, Inc. and its subsidiaries, which became consolidated subsidiaries during the fiscal year, are included in "Overseas business".

* Each result of Ohtori consultants Co., Ltd., which became a consolidated subsidiary during the fiscal year, are included in "Other".

1. Overview of Consolidated Business Results, etc.

(1) Information Regarding Consolidated Business Results

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

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

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

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

Results by business segment are as follows.

Effective from the consolidated fiscal year under review, some segments of consolidated subsidiaries previously included in "Other" segment were recategorized into "Urban Redevelopment Business." The comparison and analysis for the consolidated fiscal year under review have been prepared based on the business segment after the change.

Built-to-Order Business

Detached houses

During the consolidated fiscal year under review, net sales were ¥479,091 million (up 1.7% year on year) and operating profit was ¥46,069 million (up 12.2% year on year).

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

As for the SI* Business, a joint construction business to improve the seismic resistance of wooden houses, which was launched in the previous fiscal year, our network of partner companies is steadily expanding in each region. We are promoting the creation of high-quality housing stock in Japan as well as enhancing 1st range products, by making our safety and peace of mind technologies, including our unique seismic resistance technology, the "direct joint construction method," open to the public and having the Sekisui House Construction Group companies undertake the construction of the foundations and structural frame-work of wooden houses built by partner companies.

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

Rental housing and commercial buildings

During the consolidated fiscal year under review, net sales were ¥544,934 million (up 4.0% year on year) and operating profit was ¥81,796 million (up 4.8% year on year).

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

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

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

Architectural / civil engineering

During the consolidated fiscal year under review, net sales were ¥325,024 million (up 18.3% year on year), and operating profit was ¥15,218 million (up 17.9% year on year).

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

Supplied Housing Business

Rental housing management

During the consolidated fiscal year under review, net sales were ¥687,119 million (up 6.3% year on year), and operating profit was ¥56,804 million (up 13.2% year on year).

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

Remodeling

During the consolidated fiscal year under review, net sales were ¥183,868 million (up 5.1% year on year), and operating profit was ¥26,624 million (up 13.4% year on year).

To increase the asset value and prolong longevity of the housing stock, the detached houses business focused on lifestyle proposal remodeling that meets changes in family structure and lifestyles as well as energy efficient remodels such as insulation renovations and introducing the latest energy-efficiency, energy-generation and energy-storing equipment. In particular, as for energy efficient remodels, we strengthened our proposal for Idocoro Dan-netsu thermal insulation upgrades, which are focused on areas of the home where customers spend the most time, as well as remodels improving

insulation near doors and windows of properties with next-generation energy-saving standard specifications established in 1999. For rental housing, we focus on improving communication with owners and renovation proposals that capture residents' needs based on our market analysis. As a result of these efforts, orders remained strong.

Development Business

Real estate and brokerage

During the consolidated fiscal year under review, net sales were ¥356,060 million (up 23.4% year on year), and operating profit was ¥28,971 million (up 12.0% year on year).

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

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

Condominiums

During the consolidated fiscal year under review, net sales were ¥102,494 million (down 6.4% year on year), and operating profit was ¥14,648 million (down 16.4% year on year).

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

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

Urban Redevelopment

During the consolidated fiscal year under review, net sales were ¥124,021 million (down 8.2% year on year), and operating profit was ¥26,665 million (up 18.8% year on year).

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

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

Overseas Business

During the consolidated fiscal year under review, net sales were ¥1,278,511 million (up 150.2% year on year), and operating profit was ¥78,945 million (up 61.4% year on year).

In the United States, for homebuilding business, orders and deliveries by existing builders remained strong as a result of increased demand for new housing caused by a shortage of pre-owned homes in inventory due to high mortgage rates. In addition, we made MDC a wholly-owned subsidiary in April 2024 to further expand areas for business development in the

United States. As a result, earnings of homebuilding business increased. Our master-planned community business also performed well, resulting in increased earnings. In the multifamily business, we strengthened our exit strategy and completed the delivery of “The Ivey on Boren” (Seattle) and part of “City Ridge” (Washington, D.C.) to the SPCs formed by Sekisui House Reit, Inc. as a new purchaser, leading to increased earnings.

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

Other

During the consolidated fiscal year under review, net sales were ¥14,066 million (up 25.9% year on year), and operating profit was ¥2,466 million (up 51.3% year on year).

ESG Management

The Group, aiming to become a leading company in ESG management, is engaging in ESG management that prioritizes the participation of all employees, which is unique to the Sekisui House Group, with “helping solve environmental issues through residences,” “making employee autonomy a growth driver,” and “innovation and communication” as fundamental policies in our Sixth Mid-Term Management Plan.

In terms of the environment, the cumulative number of detached houses sold since the launch of Green First ZERO, which conforms to ZEH standards, exceeded 80,000, and the ratio of new detached ZEH homes reached a record high of 95% in FY2023. We have also promoted the conversion to ZEH in multiunit housing complexes such as Sha Maison rental housing and Grande Maison condominiums as well as the conversion to ZEB in non-housing buildings. In the housing logistics field, we also started collaborating with Senko Co., Ltd., Asahi Kasei Homes Corporation, and SEKISUI CHEMICAL CO., LTD. to address a driver shortage stemming from the so-called “2024 problem” and such challenges in contributing to a decarbonized society. As an initiative to conserve biodiversity, we have promoted the Gohon no Ki Project, which proposes to plant native tree species well-suited to local climates, birds and butterflies through housing business. In addition, together with Think Nature Inc., a company with which we have promoted co-creation to achieve the international goals of nature positive, we developed a “biodiversity visualization proposal tool (tentative name)” in June 2024 to propose trees and other plants that can maximize the effect of biodiversity conservation in customers’ gardens. In addition, with the aim for a shift to a circular economy in the housing industry, in December 2024, we announced a concrete action, “Circular Design from House to House,” along with goals to be achieved by 2050. As a result of these initiatives, the Company was selected by the international environmental non-profit organization CDP to receive the highest A List rating in the forests category for the third consecutive year and in the water security category for the second consecutive year.

In terms of improving social value, in promoting the participation of women, one of our key management strategies, we have been operating Sekisui House Women’s College, a training program targeting female candidates for managerial positions that began in 2014, for ten years. As a result of efforts to support women in developing their career paths and create an environment conducive for women to take leadership, the number of female managers has steadily increased. In September 2024, together with Sekisui House Innovation & Communication, Ltd., we opened the InnoCom Square, an open innovation center, within Akasaka Green Cross, to further accelerate business creation and human resource development for solving social issues related to housing and living. Moreover, the second Sekisui House Carpentry Competition WAZA 2024 was held in November 2024 to formally express our respect to the carpenters who support our construction capabilities, one of the Group’s core competencies, and to proactively spotlight their advanced skills and the appeal of their work.

Regarding governance, under the policies of the Sixth Mid-Term Management Plan, which aims to promote further improvements to governance in terms of both senior management and business management, the Board of Directors had more opportunities to have discussions from the perspective of global-level group management and finances in light of the results of a third-party evaluation of effectiveness in FY2023 and MDC becoming a wholly-owned subsidiary, and also made progress in discussions on digital transformation (DX), IT, and security. We are rolling out group governance on a global basis in our U.S. homebuilding business, as we have built a system to promote MDC’s PMI in cooperation with the various departments of the head office, including existing Group builders in the United States.

(Future Outlook)

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

In the domestic housing market, soaring construction costs, driven by rising material and labor costs, are placing downward pressure on demand. Yet demand for high-quality housing, including those with high energy-saving performance and those that balance safety and peace of mind as well as comfort and eco-friendliness, is expected to grow against the backdrop of the advent of the era of the 100-year lifespan, the diversification of lifestyles and values in the days during, increasingly severe natural disasters under climate change, and the review of the long-life quality housing certification system and the revision of the Building Energy Efficiency Act. In light of this, there is a growing need to respond to the diversifying demands of customers.

Looking at the US housing market, new housing starts are in an adjustment phase due to the impact of mortgage rates that continue to remain at high levels. However, latent demand is strong due to stable population growth and a shortage in the supply of high-quality housing. Therefore, it is required to respond to the emergence of demand for new houses, which is expected to recover as the prices and interest rate levels stabilize.

Based on our recognition of these business issues, the Company formulated and announced the Sixth Mid-Term Management Plan (fiscal 2023 to 2025) in March 2023 with "Stable Growth in Japan and Proactive Growth Overseas" as its basic policies toward achieving our Global Vision of "Make Home the Happiest Place in the World" by the year 2050.

The Group will work to deepen and expand its existing businesses leveraging its core competence covering three strengths (technical capabilities, construction capabilities, and customer base) and our unique value chain in which the Group undertakes all processes related to homebuilding, from product and technology development to sales, design, construction work, and after-sales services.

We will also expand business overseas by transplanting Sekisui House technologies cultivated in Japan, and develop and expand new businesses by adapting to changes in society and the business environment and making use of digital technologies.

In Japan, the three brand strategies have been enhanced with a view to enhancing the detached housing brand, and initiatives have been implemented for the new "SI Business" to strengthen the 1st range. We will also focus on stable growth of our domestic businesses by building on the high value-added "Sha Maison" brand based on a comprehensive area strategy, as well as expanding our business domains through strengthening our corporate real estate (CRE) and public real estate (PRE) businesses. We will also continue promoting the creation of new businesses, such as promoting the "Platform House Concept," which was launched with the Fifth Mid-Term Management Plan that makes home a platform for happiness focusing on health, connectedness and learning, as well as utilizing IoT. New efforts will also be made to incorporate services and management operations utilizing DX, with the view to expanding new businesses by leveraging international business as Sekisui House Technology.

In February 2025, to strengthen the expertise of each business, the Company reorganized the group companies of Sekisui House Real Estate, a consolidated subsidiary, into Sekisui House Real Estate, Ltd., which specializes in the real estate and brokerage business, and Sekisui House Sha Maison companies, which specialize in the rental business. Furthermore, the after-sale service business of the Company was spun off and taken over by Sekisui House Support Plus, Ltd., establishing a structure aimed at actively enhancing added value in after-sales services.

In this way, the Sixth Mid-Term Management Plan will focus on implementing both domestic and overseas growth strategies as we implement a two-pronged approach of "exploiting and exploring businesses" in order to further enhance corporate value.

Furthermore, through initiatives such as support for independent career formation of our employees, alignment of vectors and the promotion of diversity, equity and inclusion, we will enhance the value of our Group's human resources and accelerate growth as a global company.

Looking at finances, based on our recognition of the importance of maintaining a balance between financial soundness

and capital efficiency-conscious investment for growth, we aim to improve our corporate value by achieving synergies between the promotion of ESG management and ROE enhancement through strengthening capabilities for generation of cash return.

We will aggressively carry out investment for growth in real estate in Japan and overseas, and in foundations for growth, including human resources, IT, DX, R&D, and M&A. We will continue to manage our finances with a basis on financial soundness and credit ratings, and focus on balancing our growth and financial strategies.

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

Looking at shareholder returns, we are aiming to achieve a medium-term average dividend payout ratio of 40% or more, and to further implement stable shareholder returns, we have set the minimum annual dividend per share for the period of the Sixth Mid-Term Management Plan at 110 yen (FY2022 results), as well as seek to boost shareholder value through flexible implementation of share repurchases.

Looking at our consolidated financial results forecast for the fiscal year ending in January 2026, we expect net sales of ¥4,500,000 million yen (up 10.9 % year on year), operating profit of ¥362,000 million yen (up 9.2 % year on year), ordinary profit of ¥339,000 million yen (up 12.4 % year on year), and profit attributable to owners of parent of ¥232,000 million yen (up 6.6 % year on year). Dividends are planned to be set at 72 yen for the interim and a year year-end dividend of 72 yen, totaling 144 yen for the full year.

(2) Information Regarding Consolidated Financial Conditions

Total assets increased by ¥1,456,050 million to ¥4,808,848 million at the end of the consolidated fiscal year under review, primarily owing to the increases in real estate for sale resulting from the acquisition of MDC. Liabilities increased by ¥1,231,503 million to ¥2,790,249 million mainly due to the increase in long-term borrowings and the issuance of bonds payable. Net assets increased by ¥224,546 million to ¥2,018,599 million, largely due to the recording of profit attributable to owners of parent.

Net cash provided by operating activities amounted to ¥62,885 million (a year-on-year increase of ¥47,202 million), primarily due to the posting of profit before income taxes.

Net cash used in investing activities amounted to ¥697,687 million (a year-on-year decrease of ¥628,562 million), mainly due to the purchase of shares of subsidiaries associated with the acquisitions of MDC and others.

Net cash provided by financing activities amounted to ¥720,967 million (a year-on-year increase of ¥714,483 million), mainly due to an increase in long-term borrowings and proceeds from issuance of bonds.

As a result, the balance of cash and cash equivalents at end of period for the consolidated fiscal year under review increased by ¥97,405 million to ¥390,307 million compared to the end of the previous consolidated fiscal year.

2. Basic Approach to the Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP. The Group will take into consideration the domestic and international situations for appropriate adoption of International Financial Reporting Standards in the future.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

	As of January 31, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	293,152	390,559
Notes receivable, accounts receivable from completed construction contracts and other	176,466	211,114
Costs on construction contracts in progress	17,351	14,127
Bulidings for sale	774,297	1,068,926
Land for sale in lots	856,404	1,374,237
Undeveloped land for sale	233,197	396,123
Other inventories	12,474	12,164
Other	134,627	245,867
Allowance for doubtful accounts	(1,026)	(1,013)
Total current assets	2,496,947	3,712,106
Non-current assets		
Property, plant and equipment		
Buildings and structures	321,467	346,487
Machinery, equipment and vehicles	73,927	76,430
Tools, furniture and fixtures	40,740	47,408
Land	252,548	258,559
Leased assets	23,313	27,826
Construction in progress	52,173	45,976
Other	-	5,855
Accumulated depreciation	(267,916)	(274,304)
Total property, plant and equipment	496,253	534,240
Intangible assets		
Goodwill	17,808	134,217
Industrial property	3,032	57,903
Leasehold interests in land	2,057	2,986
Software	15,779	25,198
Right to use facilities	145	130
Telephone subscription right	238	238
Other	1,326	1,199
Total intangible assets	40,388	221,873
Investments and other assets		
Investment securities	198,437	205,632
Long-term loans receivable	3,971	13,656
Retirement benefit asset	35,440	46,749
Deferred tax assets	20,242	10,643
Other	62,989	64,994
Allowance for doubtful accounts	(1,872)	(1,047)
Total investments and other assets	319,208	340,628
Total non-current assets	855,851	1,096,742
Total assets	3,352,798	4,808,848

(¥ millions)

	As of January 31, 2024	As of January 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts	134,026	195,028
Electronically recorded obligations - operating	103,266	79,360
Short-term bonds payable	-	40,000
Short-term borrowings	440,075	477,840
Current portion of bonds payable	16	8
Current portion of long-term borrowings	21,611	252,793
Income taxes payable	39,777	44,652
Advances received on construction contracts in progress	210,030	220,645
Provision for bonuses	36,699	39,706
Provision for bonuses for directors (and other officers)	2,553	6,675
Provision for warranties for completed construction	6,152	14,073
Other	143,827	184,863
Total current liabilities	1,138,038	1,555,648
Non-current liabilities		
Bonds payable	50,008	620,121
Long-term borrowings	239,089	456,321
Long-term leasehold and guarantee deposits received	58,659	52,626
Deferred tax liabilities	6,111	13,443
Provision for retirement benefits for directors (and other officers)	707	862
Retirement benefit liability	30,716	31,632
Other	35,415	59,593
Total non-current liabilities	420,707	1,234,601
Total liabilities	1,558,745	2,790,249
Net assets		
Shareholders' equity		
Share capital	202,854	203,094
Capital surplus	260,126	260,297
Retained earnings	1,132,275	1,266,985
Treasury shares	(40,979)	(40,957)
Total shareholders' equity	1,554,276	1,689,420
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	44,597	35,610
Deferred gains or losses on hedges	-	(123)
Foreign currency translation adjustment	132,895	215,217
Remeasurements of defined benefit plans	22,816	22,075
Total accumulated other comprehensive income	200,309	272,779
Share acquisition rights	100	87
Non-controlling interests	39,366	56,311
Total net assets	1,794,052	2,018,599
Total liabilities and net assets	3,352,798	4,808,848

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)

(¥ millions)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Net sales	3,107,242	4,058,583
Cost of sales	2,483,496	3,272,590
Gross profit	623,745	785,993
Selling, general and administrative expenses		
Selling expenses	58,936	87,903
General and administrative expenses	293,852	366,723
Total selling, general and administrative expenses	352,789	454,626
Operating profit	270,956	331,366
Non-operating income		
Interest income	2,947	9,287
Dividend income	2,191	2,163
Foreign exchange gains	4,293	3,578
Share of profit of entities accounted for using equity method	1,900	-
Other	4,284	2,839
Total non-operating income	15,618	17,869
Non-operating expenses		
Interest expenses	12,371	33,634
Share of loss of entities accounted for using equity method	-	3,085
Other	5,954	10,887
Total non-operating expenses	18,325	47,607
Ordinary profit	268,248	301,627
Extraordinary income		
Gain on sale of investment securities	5,735	19,312
Gain on liquidation of subsidiaries and associates	9,778	3,456
Gain on sale of shares of subsidiaries and associates	10,519	1,540
Reversal of allowance for doubtful accounts	632	-
Total extraordinary income	26,666	24,309
Extraordinary losses		
Acquisition related expenses	-	18,232
Loss on sale and retirement of non-current assets	1,398	1,584
Loss on sale of shares of subsidiaries and associates	41	386
Impairment losses	484	147
Loss on business liquidation	4,023	-
Loss on valuation of investment securities	8	-
Total extraordinary losses	5,956	20,351
Profit before income taxes	288,958	305,586
Income taxes - current	79,648	84,687
Income taxes - deferred	1,784	(358)
Total income taxes	81,433	84,328
Profit	207,525	221,257
Profit attributable to non-controlling interests	5,199	3,552
Profit attributable to owners of parent	202,325	217,705

(Consolidated Statements of Comprehensive Income)

(¥ millions)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Profit	207,525	221,257
Other comprehensive income		
Valuation difference on available-for-sale securities	4,408	(8,900)
Foreign currency translation adjustment	29,999	84,007
Remeasurements of defined benefit plans, net of tax	(932)	(723)
Share of other comprehensive income of entities accounted for using equity method	2,595	(1,824)
Total other comprehensive income	36,071	72,558
Comprehensive income	243,596	293,815
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	238,079	290,175
Comprehensive income attributable to non-controlling interests	5,517	3,640

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended January 31, 2024

(¥ millions)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	202,591	259,864	1,056,475	(50,656)	1,468,274
Changes during period					
Issuance of new shares	263	263	-	-	526
Dividends of surplus	-	-	(76,864)	-	(76,864)
Profit attributable to owners of parent	-	-	202,325	-	202,325
Purchase of treasury shares	-	-	-	(40,018)	(40,018)
Disposal of treasury shares	-	-	(41)	75	34
Cancellation of treasury shares	-	-	(49,619)	49,619	-
Purchase of shares of consolidated subsidiaries	-	(1)	-	-	(1)
Change in treasury shares arising from change in equity in entities accounted for using equity method	-	-	-	-	-
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	263	261	75,799	9,676	86,002
Balance at end of period	202,854	260,126	1,132,275	(40,979)	1,554,276

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	40,449	623	99,689	23,793	164,556	134	34,581	1,667,546
Changes during period								
Issuance of new shares	-	-	-	-	-	-	-	526
Dividends of surplus	-	-	-	-	-	-	-	(76,864)
Profit attributable to owners of parent	-	-	-	-	-	-	-	202,325
Purchase of treasury shares	-	-	-	-	-	-	-	(40,018)
Disposal of treasury shares	-	-	-	-	-	-	-	34
Cancellation of treasury shares	-	-	-	-	-	-	-	-
Purchase of shares of consolidated subsidiaries	-	-	-	-	-	-	-	(1)
Change in treasury shares arising from change in equity in entities accounted for using equity method	-	-	-	-	-	-	-	-

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Net changes in items other than shareholders' equity	4,148	(623)	33,205	(977)	35,753	(33)	4,784	40,504
Total changes during period	4,148	(623)	33,205	(977)	35,753	(33)	4,784	126,506
Balance at end of period	44,597	-	132,895	22,816	200,309	100	39,366	1,794,052

For the fiscal year ended January 31, 2025

(¥ millions)

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

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	44,597	-	132,895	22,816	200,309	100	39,366	1,794,052
Changes during period								
Issuance of new shares	-	-	-	-	-	-	-	479
Dividends of surplus	-	-	-	-	-	-	-	(82,968)
Profit attributable to owners of parent	-	-	-	-	-	-	-	217,705
Purchase of treasury shares	-	-	-	-	-	-	-	(18)
Disposal of treasury shares	-	-	-	-	-	-	-	12
Cancellation of treasury shares	-	-	-	-	-	-	-	-
Purchase of shares of consolidated subsidiaries	-	-	-	-	-	-	-	(68)
Change in treasury shares arising from change in equity in entities accounted for using equity method	-	-	-	-	-	-	-	1

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Net changes in items other than shareholders' equity	(8,987)	(123)	82,322	(740)	72,470	(12)	16,945	89,403
Total changes during period	(8,987)	(123)	82,322	(740)	72,470	(12)	16,945	224,546
Balance at end of period	35,610	(123)	215,217	22,075	272,779	87	56,311	2,018,599

(4) Consolidated Statements of Cash Flows

(¥ millions)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Cash flows from operating activities		
Profit before income taxes	288,958	305,586
Depreciation	27,745	35,235
Impairment losses	484	147
Increase (decrease) in retirement benefit liability	(2,143)	588
Decrease (increase) in retirement benefit asset	(702)	(12,086)
Interest and dividend income	(5,139)	(11,451)
Interest expenses	12,371	33,634
Share of loss (profit) of entities accounted for using equity method	(1,900)	3,085
Loss (gain) on sale of investment securities	(5,735)	(19,312)
Loss (gain) on valuation of investment securities	8	-
Loss (gain) on liquidation of subsidiaries and associates	(9,778)	(3,456)
Loss (gain) on sale of shares of subsidiaries and associates	(10,478)	(1,154)
Loss on business liquidation	4,023	-
Notes regarding reversal of allowance for doubtful accounts	(632)	-
Decrease (increase) in trade receivables	(19,109)	(32,741)
Decrease (increase) in inventories	(217,996)	(101,081)
Increase (decrease) in trade payables	8,303	(11,562)
Increase (decrease) in advances received on construction contracts in progress	17,056	5,048
Other, net	6,951	(21,494)
Subtotal	92,286	168,986
Interest and dividends received	5,764	10,680
Interest paid	(16,440)	(32,756)
Income taxes paid	(77,255)	(84,053)
Income taxes refund	11,327	28
Net cash provided by (used in) operating activities	15,683	62,885
Cash flows from investing activities		
Purchase of securities	-	(26,826)
Proceeds from redemption of securities	-	39,374
Purchase of property, plant and equipment	(76,937)	(76,693)
Proceeds from sale of property, plant and equipment	437	798
Purchase of investment securities	(6,820)	(25,229)
Proceeds from sale and redemption of investment securities	26,317	38,492
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(14,618)	(557,022)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	74	122
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	3,718	-
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(841)	(854)
Loan advances	(749)	(76,849)
Proceeds from collection of loans receivable	3,343	2,191
Other, net	(3,050)	(15,191)
Net cash provided by (used in) investing activities	(69,124)	(697,687)

(¥ millions)

	For the fiscal year ended January 31, 2024	For the fiscal year ended January 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	155,886	(12,783)
Net increase (decrease) in short-term bonds payable	-	40,000
Proceeds from long-term borrowings	55,536	464,564
Repayments of long-term borrowings	(85,621)	(38,875)
Proceeds from issuance of bonds	30,000	352,540
Redemption of bonds	(30,000)	(16)
Dividends paid	(76,864)	(82,968)
Purchase of treasury shares	(40,018)	(18)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(21)	(180)
Other, net	(2,412)	(1,295)
Net cash provided by (used in) financing activities	6,483	720,967
Effect of exchange rate change on cash and cash equivalents	7,112	11,240
Net increase (decrease) in cash and cash equivalents	(39,846)	97,405
Cash and cash equivalents at beginning of period	332,747	292,901
Cash and cash equivalents at end of period	292,901	390,307

(5) Notes to Consolidated Financial Statements
(Notes Regarding Assumption of a Going Concern)

None

(Consolidated Statement of Income)

Impairment losses

The Group recorded impairment losses on the following asset groups.

Previous consolidated fiscal year (February 1, 2023 – January 31, 2024)

Location	Usage	Type
Osaka city, Osaka, etc.	Real estate for leasing, etc.	Buildings, etc.

The Group recognizes impairment losses by grouping investment property on a property-by-property basis and other assets by business unit, whose profit and loss can be reasonably accounted for. In the fiscal year ended January 31, 2024, the carrying amount of real estate for leasing, etc. was reduced to the recoverable amount, and the reduction amount was recorded as an impairment loss under extraordinary losses.

(Breakdown of impairment losses)

Type	Amount (¥ millions)
Buildings and structures	293
Land	102
Machinery and equipment	87
Other	0
Total	484

The recoverable amount of the above assets is measured mainly at net selling price, which is estimated using methods conforming to real estate appraisal standards.

Current consolidated fiscal year (February 1, 2024 – January 31, 2025)

Location	Usage	Type
Sano City, Tochigi, etc.	Real estate for leasing, etc.	Buildings, land, etc.

The Group recognizes impairment losses by grouping investment property on a property-by-property basis and other assets by business unit, whose profit and loss can be reasonably accounted for. In the fiscal year ended January 31, 2025, the carrying amount of real estate for leasing, etc. was reduced to the recoverable amount, and the reduction amount was recorded as an impairment loss under extraordinary losses.

(Breakdown of impairment losses)

Type	Amount (¥ millions)
Buildings and structures	12
Land	123
Other	12
Total	147

The recoverable amount of the above assets is measured mainly at net selling price, which is estimated using methods conforming to real estate appraisal standards.

(Segment Information, etc)

[Segment Information]

1. Description of reportable segments

The reportable segments of the Group are components for which separate financial information is available and which are regularly reviewed by management to determine how to allocate management resources and evaluate business performance.

With “Make Home the Happiest Place in the World” as our Global Vision and deploying growth strategies focused on the residential business domain as our management policy, the Group conducts its business activities by drawing up strategies for each business area, aiming to become a global company that offers technologies, lifestyle design, and services.

The Group comprises segments that are based on business area-specific products and services. Excluding business areas in “Other,” the Group’s reportable segments are the detached houses, rental housing and commercial buildings, architectural / civil engineering, rental housing management, remodeling, development, and overseas business.

Details of each reportable segments are as follows:

Detached houses business:	Contracting of design and construction, and sale of detached houses (Main companies: Sekisui House, Ltd., Sekisui House Construction Group, Sekisui House noie Limited)
Rental housing and commercial buildings business:	Contracting of design and construction, and sale of rental housing, commercial buildings and other properties (Main companies: Sekisui House, Ltd., Sekisui House Construction Group)
Architectural / civil engineering business:	Constructing buildings for business use, etc. and contracting of design and execution of civil engineering works (Main companies: Konoike Construction Group)
Rental housing management business:	Leasing and management operations for rental housing and other buildings (Main companies: Sekisui House Real Estate Group)
Remodeling business:	Remodeling of detached houses, rental housing, and other buildings (Main companies: Sekisui House Remodeling, Ltd., Sekisui House Real Estate Group, Sekisui House Construction Group)
Development business:	Consisting of the following three businesses: Real estate and brokerage: Brokerage and sales of land for housing, existing houses and real estate (land, buildings) operated for profit (Main companies: Sekisui House, Ltd., Sekisui House Real Estate Group) Condominiums: Development, sales and management of condominiums for sale (Main companies: Sekisui House, Ltd., SEKISUI HOUSE GM PARTNERS, LTD.) Urban redevelopment: Development, management and operation of office buildings, hotels, rental condominiums, etc. (Main companies: Sekisui House, Ltd., SH Hotel Management Co., Ltd.)
Overseas Business:	Sales of detached houses, development and sales of residential land, and development of condominiums for sales and rent etc., in overseas markets (Main companies: SEKISUI HOUSE US HOLDINGS, LLC SEKISUI HOUSE AUSTRALIA HOLDINGS PTY LIMITED)

2. Explanation of measurements of sales, profit (loss), asset, liability, and other items for each reportable segment

The accounting methods applied to the reported business segments are based on the accounting standards adopted for the preparation of consolidated financial statements.

3. Disclosure of sales, profit (loss), asset, liability, and other items for each reportable segment

Previous consolidated fiscal year (February 1, 2023 to January 31, 2024)

(¥ millions)

	Reportable Business Segments					
	Detached houses	Rental housing and commercial buildings	Architectural / civil engineering	Rental housing management	Remodeling	Development Business
Sales						
(1) Net Sales to third parties	470,782	518,971	269,456	640,704	173,194	513,166
(2) Inter-group sales and transfers	274	5,150	5,196	5,883	1,801	19,872
Net sales	471,056	524,121	274,653	646,588	174,996	533,039
Operating profit	41,065	78,016	12,904	50,180	23,482	65,845
Assets	40,112	42,895	267,865	92,067	23,487	1,071,003
Other items						
Depreciations	3,546	437	1,300	459	160	8,252
Investment in equity method affiliates	—	—	—	—	—	17,442
Net increase in property, plant and equipment and intangible assets	1,061	325	1,697	412	144	68,737

	Reportable Business Segments		Other (Note: 1)	Total	Adjustments (Note:2)	Amounts on the consolidated financial statements (Note: 3)
	Overseas Business	Total				
Sales						
(1) Sales to third parties	511,055	3,097,331	5,597	3,102,929	4,312	3,107,242
(2) Inter-group sales and transfers	—	38,179	5,573	43,753	(43,753)	—
Net sales	511,055	3,135,511	11,171	3,146,682	(39,440)	3,107,242
Operating profit	48,898	320,393	1,630	322,023	(51,067)	270,956
Assets	1,513,982	3,051,415	19,277	3,070,692	282,106	3,352,798
Other items						
Depreciations	4,321	18,478	180	18,659	9,086	27,745
Investment in equity method affiliates	62,873	80,315	8,128	88,444	(2,044)	86,399
Net increase in property, plant and equipment and intangible assets	3,303	75,683	188	75,871	10,838	86,709

Notes

1. "Other" is a business segment that is not included in the reportable segments.

2. Adjustments are as follows:

- (1) The adjustment of ¥(51,067) million to segment profit includes an elimination of intersegment transactions of ¥(2,106) million and corporate expenses of ¥(48,960) million that have not been allocated to each segment. Corporate expenses mainly include general and administrative expenses and experiment and research expenses that do not belong to any reportable segment.
- (2) The adjustment of ¥282,106 million to segment assets represents corporate assets. Corporate assets mainly consist of the parent company's surplus funds (cash and securities), long-term investment funds (investment securities), and assets related to the administrative division.
- (3) The adjustment of ¥9,086 million to depreciation is depreciation related to company-wide assets.
- (4) The adjustment of ¥(2,044) million to investment in equity method affiliates is an elimination of intersegment transactions.
- (5) The adjustment of ¥10,838 million to increase in property, plant and equipment and intangible assets represents capital investments in head office facilities, etc.

3. Segment profit is adjusted to correspond to operating profit in the consolidated financial statements.

Current consolidated fiscal year (February 1, 2024 to January 31, 2025)

(¥ millions)

	Reportable Business Segments					
	Detached houses	Rental housing and commercial buildings	Architectural / civil engineering	Rental housing management	Remodeling	Development Business
Sales						
(1) Net Sales to third parties	478,998	536,984	322,456	680,651	182,369	567,145
(2) Inter-group sales and transfers	93	7,949	2,567	6,468	1,498	15,430
Net sales	479,091	544,934	325,024	687,119	183,868	582,576
Operating profit	46,069	81,796	15,218	56,804	26,624	70,285
Assets	43,592	48,524	277,069	75,132	25,428	1,136,239
Other items						
Depreciations	3,488	450	1,262	446	192	7,104
Investment in equity method affiliates	—	—	—	—	—	20,382
Net increase in property, plant and equipment, and intangible assets	3,342	269	1,802	726	202	65,676

	Reportable Business Segments		Other (Note: 1)	Total	Adjustments (Note:2)	Amounts on the consolidated financial statements (Note: 3)
	Overseas Business	Total				
Sales						
(1) Sales to third parties	1,278,511	4,047,118	6,570	4,053,689	4,894	4,058,583
(2) Inter-group sales and transfers	—	34,007	7,496	41,504	(41,504)	—
Net sales	1,278,511	4,081,126	14,066	4,095,193	(36,610)	4,058,583
Operating profit	78,945	375,744	2,466	378,211	(46,844)	331,366
Assets	2,874,349	4,480,335	19,671	4,500,007	308,841	4,808,848
Other items						
Depreciations	12,688	25,633	199	25,832	9,402	35,235
Investment in equity method affiliates	83,622	104,004	7,331	111,336	(1,983)	109,352
Net increase in property, plant and equipment, and intangible assets	5,434	77,455	104	77,560	22,331	99,891

Notes

- “Other” is a business segment that is not included in the reportable segments.
- Adjustments are as follows:
 - The adjustment of ¥(46,844) million to segment profit includes an elimination of intersegment transactions of ¥276 million and corporate expenses of ¥(47,120) million that have not been allocated to each segment. Corporate expenses mainly include general and administrative expenses and experiment and research expenses that do not belong to any reportable segment.
 - The adjustment of ¥308,841 million to segment assets represents corporate assets. Corporate assets mainly consist of the parent company's surplus funds (cash and securities), long-term investment funds (investment securities), and assets related to the administrative division.
 - The adjustment of ¥9,402 million to depreciation is depreciation related to company-wide assets.
 - The adjustment of ¥(1,983) million to investment in equity method affiliates is an elimination of intersegment transactions.
 - The adjustment of ¥22,331 million to increase in property, plant and equipment and intangible assets represents capital investments in head office facilities, etc.
- Segment profit is adjusted to correspond to operating profit in the consolidated financial statements.

4. Matters related to changes, etc. in reportable segments

Beginning from the consolidated fiscal year under review, some segments of consolidated subsidiaries previously included in “Other” segment were recategorized into “Development business,” in accordance with a partial review of management classifications within the Group.

Segment information for the previous consolidated fiscal year has been prepared based on the revised segment classification.

5. Information about assets by reportable segment

(Significant increase in assets due to acquisition of subsidiaries)

Segment assets of the overseas business increased compared to the end of the previous consolidated fiscal year due to making M.D.C. Holdings, Inc. and 33 other companies consolidated subsidiaries in overseas business.

(Per Share Information)

	Feb. 1, 2023 – Jan. 31, 2024	Feb. 1, 2024 – Jan. 31, 2025
Net assets per share	¥2,707.90	¥3,027.64
Basic earnings per share	¥309.29	¥335.95
Diluted earnings per share	¥309.19	¥335.84

(Note) Basis of Calculation

1. Net assets per share

(¥ millions, Unless otherwise stated)

	As of January 31, 2024	As of January 31, 2025
Net assets on consolidated balance sheet	1,794,052	2,018,599
Difference between net assets on consolidated balance sheet and net assets related to common shares	39,466	56,399
(Share acquisition rights)	100	87
(Non-controlling interests)	39,366	56,311
Net assets related to common shares	1,754,585	1,962,199
Number of common shares issued (1,000 shares)	662,862	662,996
Number of treasury shares of common stock (1,000 shares)	14,911	14,902
Number of common shares used in calculating net assets per share (1,000 shares)	647,950	648,094

2. Basic earnings per share and diluted earnings per share

	Previous fiscal year (Feb. 1, 2023 - Jan. 31, 2024)	Current fiscal year (Feb. 1, 2024 - Jan. 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent	202,325	217,705
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent related to common shares	202,325	217,705
Average number of common shares during the period (1,000 shares)	654,153	648,036
Diluted earnings per share		
Adjustment to profit attributable to owners of parent	—	—
Increase in the number of common shares (1,000 shares)		
Share acquisition rights	100	80
Performance share units	119	118
Summary of potential shares not included in calculation of diluted earnings per share due to no dilutive effect	—	—