

March 16, 2020

Statement of Intent
(Outside Director Candidate: Hitomi Kato)

【Why I am running for election as an Outside Director candidate】

Throughout my 40-year career in corporate law, I served as a steering committee member and counselor at the Association of Corporate Legal Departments where many listed companies are members. I have worked with many companies concerning corporate governance and written various books on the subject.

When I was asked to be an outside director candidate in the shareholder proposal, it reminded me of the discussion I had in the process of formulating the “Whistleblower System Guidelines” issued by Shoji Homu in 2004. With regard to "whether we can expect a whistleblowing system to function in an improper dealing by the leader of a company," a majority of the Association members had a grave concern saying that “Internal monitoring will not be effective for corporate leaders who tend to place themselves in sanctuaries.”

With the Companies Act revised and a broader understanding of the Corporate Governance Code, the introduction of an outside director system enables independent and objective monitoring of management without internal restraints or interests. I thought the above concern would be gone as a result.

However, if outside directors are totally aligned with management, outside directors will vote in line with current company leadership and the corporate governance concerns will continue to exist.

The Company's “Land Fraud Incident” took place in part because outside directors were not truly independent. The current shareholder proposal will encourage the Board of Directors to have fair discussions and transparency by having a majority of outside directors. I agreed to run for election at this time because I believe that once the goals of the shareholder proposal are attained, it will help increase the Company’s corporate value while contributing to the interests of stakeholders.

【My aspirations as an Outside Director】

1. **Assist the third-party committee with the reinvestigation of the “Land Fraud Incident” :**

A third-party committee made up of independent outside members will reinvestigate the incident, analyze the causes, and propose measures to prevent recurrence of similar incidents. The reinvestigation results will be released to the public, thereby the Company fulfills its accountability. I will fully cooperate with the reinvestigation.

2. **Cooperation with Internal Control and CSR Department :**

Through regular coordination with internal control departments such as the Legal Affairs Department (Compliance Division) and the Audit Department, we will deepen our understanding of the systems and rules currently in place, such as decision-making rules. We will also work with the CSR Department to understand the Company’s current efforts to increase corporate value.

3. **Collaboration with the Board of Auditors and enhancement of communication between outside directors :**

Coordination between the Board of Auditors and outside directors is critical especially during times of market turbulence. As an outside director, I will have ongoing communication with the auditors.

【What I would request from the Company】

1. It is not feasible to monitor management of a company without fully understanding the real situation at Sekisui House. Please provide all the information you have to support our planned activities in an effort to meet our shareholder expectations. I will work hard to have a good understanding of the Company including its corporate culture.
2. I hope that senior management will spend sufficient time and provide critical updates to the Board of Directors before each meeting. This will help the outside directors to have a full understanding of what will be discussed and allow them to address any issues that arise at the board meetings.
3. I will continue to enhance my understanding of global corporate governance in order to be able to fully represent the interests of our shareholders. I would like the Company to explain to me on an ongoing basis the management plans for Sekisui House and current business philosophy.

I will fulfill my responsibilities as an independent outside director and make every effort to increase shareholder values as well as the Company's corporate values.