

March 16, 2020

Statement of Intent
(Outside Director Candidate: Makoto Saito)

Once I am elected as an outside director, I declare that I, as a member of the new management team, will be committed to achieving what I describe below.

1. My career

From the year 2000 I served a public company (Neturen Co., Ltd.) as an external auditor for approximately seven years and as an outside director for another approximately seven years. I proposed setting the legal department as well as a compliance committee, and became a compliance committee member. Also when the Companies Act was revised, I helped the company develop an internal control system without working with outside consultants. In my late career with the company, I attended council of managing directors meetings.

At Japan Federation of Bar Associations, I organized in 2002 a seminar called “Business and Human Rights”, and established a project team on corporate social responsibility and internal control, as a chairperson of the project team I produced “Guidance on Human Rights Due Diligence”, “Guidelines on Third Party Committee for Corporate Scandals”, and “Guidance on Prevention of Foreign Bribery.” After the Sustainable Development Goals (SDGs) were adopted by the United Nations General Assembly, I produced “Guide on ESG-related Risk Management.”

2. Improper Transaction and Governance

Despite the fact that the corporate leader’s responsibility for the scandal was clearly spelled out in the investigation report, it has been covered up – that is what is distorting the management of Sekisui House. The current management team is not functioning properly in that, as regards the Improper Transaction, although there was a decision to dismiss Mr. Abe as Representative Director and President, they ignored it and forced Mr. Wada, who was a whistleblower, to resign. I have seen a company that had a scandal but achieved a V-shaped recovery by investigating and publishing the causes of the scandal, and by reforming the management of the company. Sekisui House is a totally opposite case.

I was involved with developing “Guidelines on Third Party Committee for Corporate Scandals” by Japan Federation of Bar Associations, and as a member of “Third Party Committee Report Rating Committee” I have reviewed and opined on measures to prevent recurrence described in investigation reports on a broad range of corporate scandals.

Once I am elected as an outside director, I will establish a Third Party Investigation Committee for the scandal, and develop measures to prevent recurrence with a clear description of management responsibilities and issues.

3. ESG

In the “ESG Management” which is one of Sekisui House’s important goals, I, as the one who produced “Guide on ESG-related Risk Management”, in addition to establishing optimal governance by having a majority of the board members from the outside of the company, will make every effort to tackle new ESG challenges including the disclosure of non-financial information.