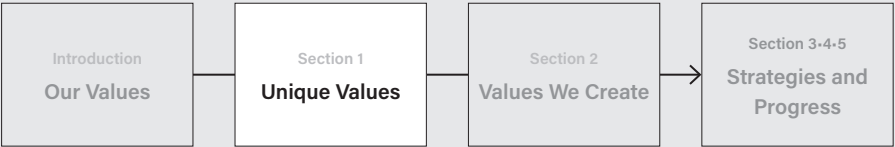


Section 1

Journey of Value Creation

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STORYLINE

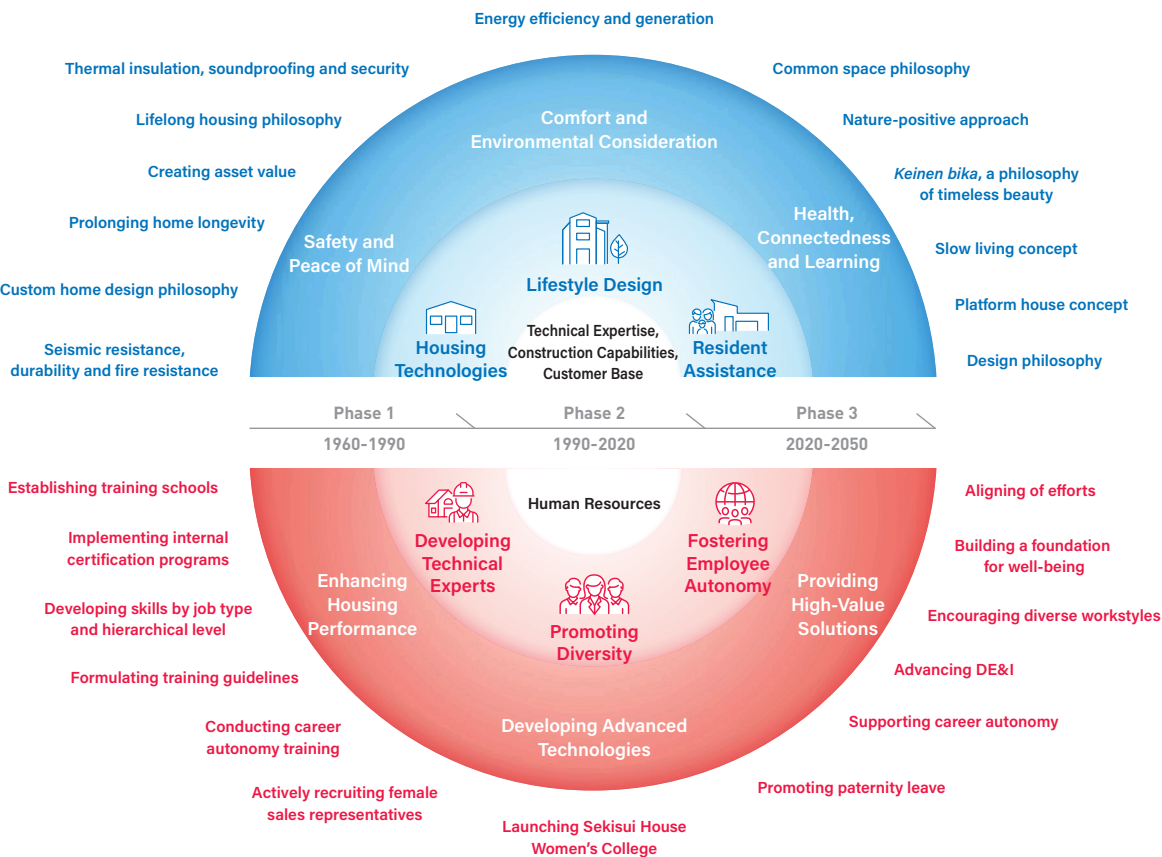


Points

- Explaining the Sekisui House Group's 60-year journey and the strengths we have accumulated
- Introducing our unique organizational culture, value chain and management capital that drive our value creation

Our Corporate Story

Sekisui House Group's Value Creation



The Sekisui House Group's journey of value creation, driven by diverse ideas and technologies that address evolving social issues, can be divided into three phases. By strengthening our core competencies—the driving force behind value creation—and enhancing the value of our human capital, we are committed to continually creating new value.

Phase 1 (1960-1990)

To solve the post-war housing shortage, we focused on enhancing core housing performance standards such as seismic resistance, durability, and fire resistance, providing value in the form of safety and peace of mind.



Phase 2 (1990-2020)

To provide comfort with environmental considerations in mind, we made advancements in thermal insulation, durability, universal design, and energy-efficient homes, offering comfortable living and creating a more prosperous future.



Phase 3 (2020-2050)

To achieve happiness in the era of the 100-year lifespan, we are accelerating our efforts to drive further technological innovation and deliver significant high added value, creating new value in health, connectedness, and learning.



Our Corporate Story

Sekisui House Group's Value Creation

Phase 1 (1960-1990)



To address the post-war housing shortage, we improved essential housing standards such as seismic resistance, durability, and thermal insulation, crucial in disaster-prone Japan. We also established a comprehensive in-house system for direct sales and responsible construction, covering development, sales, production, construction, and after-sales services. We focused on training technicians to develop innovative technologies and services, and pass on their expertise.

Enhancing housing performance

1961
Opened Shiga production facility (ceased in 2009)

1987
Established Customer Service Center

1990
Founded Comprehensive Housing R&D Institute to develop advanced technologies

1961
Launched "Sekisui House Model B"

1964
Established direct sales and responsible construction system

1979
Demonstrated housing seismic resistance through full-scale vibration experiments

1984
Adopted "Dyne Concrete" exterior material with beautiful texture and functionality

1989
Established "Lifetime Housing" philosophy for universal comfort —now and always

Developing technical experts

Developing human capital to create innovative technologies and services, and transferring expertise

- Establishing vocational training schools for technical development
- Implementing skill development programs by job type and hierarchy
- Formulating educational and training guidelines
- Creating a unique, in-house certification program
- Embracing the spirit of a "community with a common destiny"

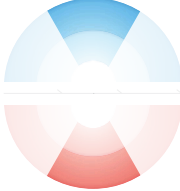


Value Created

Safety and peace of mind

- Improving housing performance
- Solving the housing shortage by popularizing pre-engineered housing with short construction timeframes

Phase 2 (1990-2020)



As the demand for comfortable living grew, addressing environmental issues became increasingly urgent. This led us to develop advanced technologies to achieve energy-efficient, comfortable, and environmentally conscious housing, while also enhancing urban development. We prioritized initiatives that leveraged employee diversity to foster innovation and communication.

Developing advanced technologies

2002
Launched universal design initiative

2009
Initiated Green First strategy

2018
Established Japan's first Human Life R&D Institute to research happiness

1996
Standardized high-performance, multi-layer, heat-insulating glass, a first in the housing industry

2003
Standardized next-generation energy-saving specifications in newly built detached homes, a first for housing manufacturers

2003
Developed a roof tile photovoltaic power generation system

2011
Developed "Airkis" specifications for better indoor air quality

2018
Launched "Family Suite" to achieve large open spaces

Promoting diversity

Leveraging diverse perspectives and experiences

- Promoting women's active participation
- Promoting parental leave for men
- Supporting employment of individuals with disabilities
- Encouraging career autonomy training
- Implementing work style reforms
- Ensuring respect for human rights

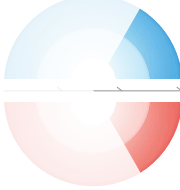


Value Created

Comfort and environmental consideration

- Enhancing comfort and living environment
- Considering the global environment and promoting sustainable urban environments

Phase 3 (2020-2050)



As lifestyles diversify and we enter into the era of the 100-year lifespan, we will pursue high added value that integrates technologies, life-style design, and services. Building on the technologies we have refined over 60 years, we aim to create new value in happiness. To achieve this, we are committed to supporting employee autonomy and fostering innovation.

Providing high added value

2019
Announced Platform House Concept to assist happiness in the era of the 100-year lifespan



**HED-Net**
世界初 World-First
在宅健康性疾患早期対応ネットワーク

2020
Developed "HED-Net" and initiated verification through pilot testing
* In-Home Early Detection Network

**SMART-ECS**
HEPAフィルターを搭載

2020
Developed "SMART-ECS," a next-generation indoor environment system that cleans air and controls room temperature

**PLATFORM HOUSE touch**

2021
Developed "PLATFORM HOUSE touch," enabling remote controlling of home conditions and remote operation of equipment

**Life knit design**

2023
Launched "life knit design," a design system that reflects a sense of beauty in housing

Fostering employee autonomy

Maximize human capital value through alignment of efforts and employee autonomy

- Supporting career autonomy
- Engaging in Sekisui House Innovation & Performance (SHIP) Awards
- Engaging in career discussions with supervisors and ESG dialogue
- Developing next generation of leaders
- Building a foundation for happiness



Value Created

Health, Connectedness, and learning

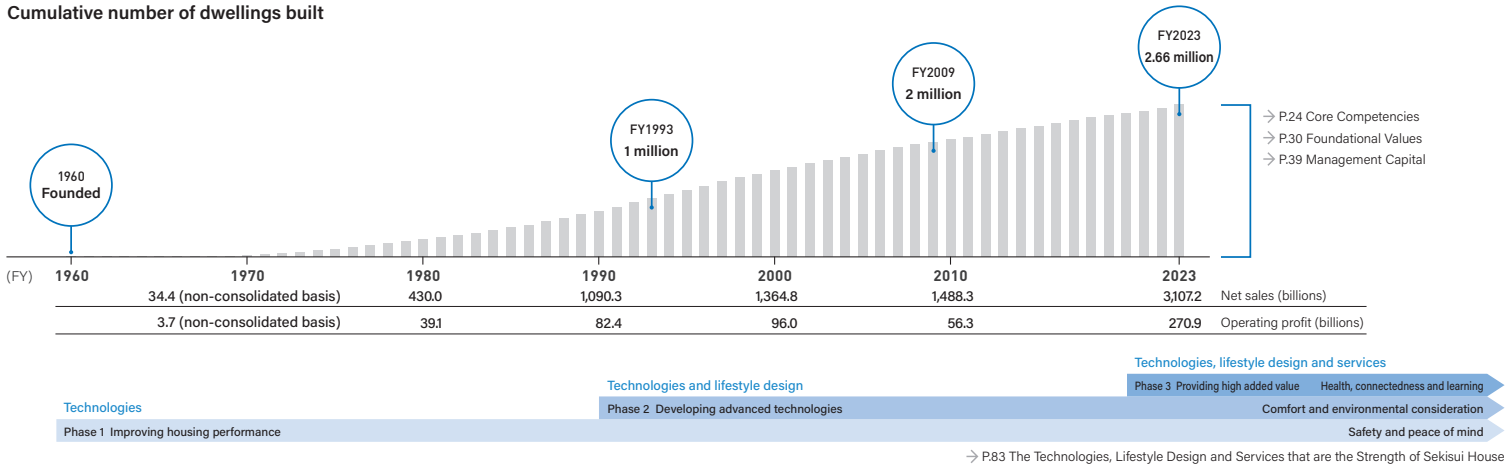
- Ensuring happiness in the era of the 100-year lifespan
- Supporting health, fostering connections, and facilitating learning and experiences

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The Beginning of Value Creation

The history of the Sekisui House Group symbolizes the evolution of the Japanese housing industry. To address the housing shortage, we have continuously striven to improve housing performance and develop advanced technologies while expanding our area of business operations.

In phase 3, starting in FY2020, we are leveraging our core competencies we have developed over the years to provide high added value through the integration of our technologies, lifestyle design, and services. We will continue to create new value by utilizing the capital we have accumulated and deepening our core values we have cherished since our founding.



The passion and commitment to protecting people's lives and property marked the beginning of the Sekisui House Group's value creation.

Aspiring to build fire-resistant homes

Following the war, Japan's housing shortage persisted into the late 1950s due to the vast number of homes destroyed by air raids. Supplying houses as quickly as possible was the urgent priority. Traditionally, Japanese houses were made of wood, paper, and mud, and the concept of building houses with steel frames was not yet recognized globally. Sekisui House emerged from the desire to construct fire-resistant houses to protect people's lives and property.

Pioneering a new era in construction

Despite having no prior experience in home construction, four individuals collaborated to develop a fire-resistant house utilizing steel, aluminum and plastic. The pre-engineered steel-frame house they created were revolutionary, challenging the conventional construction methods and materials of the time.



Creating livable pre-engineered houses

In 1960, a time when wooden-frame housing was the norm, we introduced a full-fledged pre-engineered house, the Sekisui House Model A. Featuring Western-style kitchens and dining rooms, these houses sparked a new lifestyle.



Supplying housing across Japan

To proactively address the Japanese housing shortage and provide high-quality housing, we established the Shiga Factory in 1961. Believing in taking full responsibility for producing our own components allowed us to advance our production system and continue supplying houses with short construction timeframes.



Establishing core technologies and ideologies

In 1961, we launched the Sekisui House Model B, enhancing both performance and design, and becoming the first in the Japanese housing industry to adopt metric specifications. With its spaciousness and personalized design, it laid the foundation for our future technologies and ideologies.

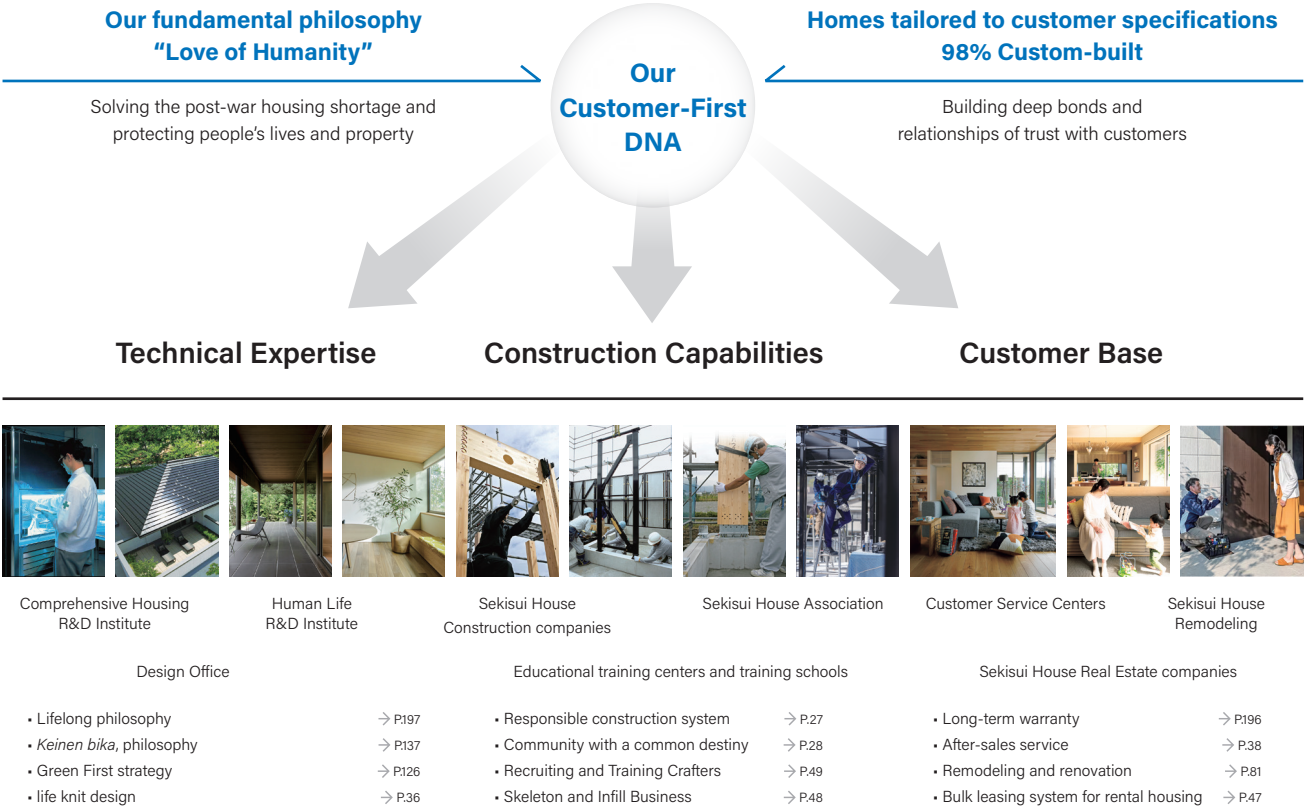


Core Competencies

Over its more than 60-year history, the Sekisui House Group has developed numerous strengths. These include superior technical expertise that facilitates continuous innovation and advanced design proposals; exceptional construction capabilities that rigorously adhere to legal regulatory standards and stringent Company-specific criteria to deliver high-quality housing; and a robust customer base.

These core competencies have been shaped by our dedication to our fundamental philosophy, "Love of Humanity." This philosophy drives our commitment to protecting people's lives and property while addressing the housing shortage. Additionally, we build deep bonds and relationships of trust by thoroughly responding to our customers' ideals and needs, embodying our customer-first DNA.

The core competencies that drive our growth are distinguished by their unique characteristics, honed over many years of challenges and innovation. By further deepening and expanding these core competencies, we are committed to creating unique value and achieving our Global Vision.



Core Competencies

Technical Expertise

Our Story

Our Experts

Pushing Beyond Limits

Housing styles evolve over time. By capturing these subtleties and providing advanced technology, research and development, and innovative design, we consistently pioneer new eras. Our technical experts, who exemplify grit and integrity, continue to explore new possibilities for housing and create unique value.

Our Value

R&D Division:
Origin of Sekisui House technologies

Our R&D Division continuously verifies and assesses the fundamental performance of our housing, striving for value creation in safety and peace of mind; comfort, and environmental consideration; and health, connectedness and learning. From the research and development of new construction methods and advanced technologies to the multifaceted analysis of happiness, and research on how to create happy homes, lifestyles and day-to-day living services, we conduct various research and development related to technologies, lifestyle design, and services centered on housing.



Patents held: 916

Design rights held: 374

1990 Established Comprehensive Housing R&D Institute

2018 Established Human Lifestyle R&D Institute

Production & Procurement Division:
Backbone of our high-quality production system

Our high-performance, high-quality components are manufactured through computer-controlled, customized build-to-order production. We uphold rigorous quality control system with in-house inspection specialists skilled in manufacturing and adhering to strict internal testing standards. We also conduct skill tests for our factory technicians. Our entire Production & Procurement Division, including all domestic factories, was the first in the industry to achieve ISO 9001 certification for quality management, ensuring consistent high quality in every residence we deliver.



In-house certified inspectors: 1,561

Certified manufacturing skilled employees: 3,414

Production bases: 6

Distribution bases: 40

Note: As of April 2024

Design Team:
Bringing Ideas to Life

For each home, we assemble a dedicated team of architects, interior coordinators, exterior designers, and onsite supervisors to create a unique and ideal living space. We implement a stringent in-house certification program granted only to employees who meet advanced standards. Our professionals possess superior design proposal capabilities and expertise to address our customers' desires, adhere to legal regulations, and accommodate diverse site configurations, bringing their visions to life through our homebuilding process.



Chief Architects: 319

Platinum Specialists: 45

Structural Planning Specialists: 214

Renovation Chief Architects: 8

Note: The above possess internal qualifications

Our Strengths

Incorporating feedback

Customer feedback is integral to our research and development efforts. To achieve this, we have established various internal working groups that drive product development and technological innovation.

The institute, where the future begins

In 1990, we established the Comprehensive Housing R&D Institute. Through repeated pilot tests, our researchers develop advanced and unprecedented technologies while collaborating with customers and employees to shape the future of housing.

Analyzing multifaceted happiness

In 2018, we established the Human Life R&D Institute. Using a vast amount of data and accumulated knowledge, we create housing and lifestyle proposals that incorporate elements of happiness.

Giving shape to emotions

Happiness is the starting point of our ideas. With a rich aesthetic sense and spirit of inquiry, we grasp the subtleties of daily life. These qualities are embedded in our technologies, capturing and giving form to the deepest emotions in our hearts.

Core Competencies
Technical Expertise

Our Story

Our Experts
Pushing Beyond Limits

The Sekisui House Group places keen focus on the ground and foundations, which are crucial to the durability and precision of housing. Our corporate culture embraces and nurtures the aspirations of our passionate technical experts, enabling us to grow into a group that delivers the highest quality and technology to our customers. Our success is driven by the dedication of our highly skilled professionals.

Our Progress

Thorough verification and persistence

Our technical experts all share a drive to thoroughly experiment, verify, and validate on their own until they achieve satisfactory results. Strict standards are set for of durability based on the results of test equipment and actual field research findings. Over 10 years of research had been dedicated to developing the SHEQAS seismic control system¹ and the Airkis high-quality indoor air system, including verification through the construction of full-scale houses.



Continually advancing our technology

The ground and foundations are crucial to the integrity of a house. In 1976, we became the first housing manufacturer to establish preliminary ground condition surveys, addressing the challenges of Japan's prevalent soft ground. In 1972, we began researching foundation construction methods to ensure stable quality and improve durability. In 1979, we started pilot testing aseismic technology, leading to the launch of seismic isolated houses in 2003 and the SHEQAS' seismic control system in 2007. Since 1995, we have pursued improvements in seismic and wind resistance for wooden-frame housing. In 2006, we introduced a wooden-frame house that eliminates the need for a traditional foundation. We continue to develop construction methods that combine advanced foundation technology with spatial creativity.



Sharing our seismic technology

In September 2023, we launched the Skeleton and Infill (SI) Business, leveraging our advanced seismic technologies. With about 30% of existing houses in Japan not meeting new seismic resistance standards, we adapted our "foundation direct joints" technology for conventional construction methods. Using Sekisui House Construction's precise techniques, we aim to enhance the seismic resistance of wooden-frame houses across Japan.



→ P. 48 Skeleton and Infill Business

Continuous pursuit of reliable performance

A single house is said to require tens of thousands of components. If we cannot find a product that meets the required performance, we thoroughly pursue the desired specifications through internal development and joint research. By enhancing all structural elements, we consistently provide unwavering peace of mind.

Refining our unique construction methods

We have developed proprietary technologies and construction methods to ensure the durability and strength of the ground and foundations, which are critical in building construction. At our construction sites, to manage various conditions, we have developed methods allowing heavy equipment to be driven onto the foundation and self-propelled tower cranes that enable construction in narrow spaces.

Commitment to the highest standards

We have created a variety of original technologies, including proprietary steel and wooden-frame housing construction methods for spacious living spaces, heavy-gauge steel rigid structures for superior strength and large column-free spaces, and beautifully textured exterior wall materials with excellent functionality to achieve seismic resistance, fire resistance, impact resistance, thermal insulation, sound insulation, and crime prevention.

Continuing to pioneer the industry

From our founding, we have led the industry with groundbreaking efforts. At the start of the Skeleton and Infill Business, we developed meter modules (1,000 mm) instead of "shaku" modules. For existing houses, we contribute to creating high-quality housing stock by disseminating and advancing earthquake-resistant remodeling technologies, such as shape-memory shear walls introduced in 2002.

¹ Our original seismic-damping structure, certified by the Ministry of Land, Infrastructure, Transport and Tourism, features the SHEQAS Damper that absorbs seismic energy by converting it into thermal energy. This technology reduces building deformation to less than half (compared to our standard earthquake-resistant structures), and is highly effective against earthquakes with a seismic intensity of 7 as well as repeated earthquakes.

Core Competencies

Construction Capabilities

Our Story

Happiness Created by
Construction Specialists

We possess value unlike anything else in the world. This value is embodied in the spirit of “a community with a common destiny” that thrives in the strong relationship of trust between Sekisui House Construction companies and the Sekisui House Association. The strengths of the Sekisui House Group lie in this ever-deepening cohesion and in its construction capabilities, which bring together professionals with world-class skills and dedication.

Our Value

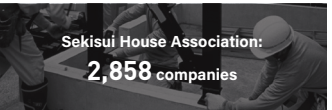
Responsible Construction System

Based on the belief that “the most important part of a building is its foundation,” we established Sekiwa Construction in 1973 as a company specializing in foundation and construction work. We implemented a responsible construction system, conducting foundation work in-house to ensure high construction quality, and developed an integrated foundation casting method to improve and stabilize foundation quality. Sekiwa Construction was renamed Sekisui House Construction Group and continues to support this responsible construction system.



Sekisui House Association

High quality is achieved through the dedicated aspirations and efforts of each and every person involved in the homebuilding process. As we practice a responsible construction system, the relationship with and presence of partner building constructors is irreplaceable. The Sekisui House Association consists of Group companies involved in construction and partner building constructors. Together, we collaborate to improve construction techniques and enhance the working environment.



Sekisui House Cooperation
Association

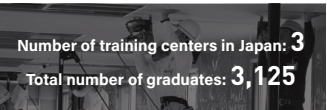
Ensuring a safe working environment for the employees of our partner building constructors at our construction sites is a crucial responsibility. In 1982, we established the Sekisui House Cooperation Association, a voluntary organization aimed at promoting the welfare of Sekisui House, the Sekisui House Group employees, and partner building constructors.

Through this association, we operate various benefit programs, including a funded pension system, hospitalization and income compensation programs, employment management guidance and subsidies, and skilled worker rewards.



Educational Training Centers and
Training Schools

In 1982, we established a vocational training school to enhance our ability to improve construction quality, pass on skills, and develop talent. Technicians from Sekisui House Construction companies, including partner building constructors, learn construction techniques, specialized knowledge, and skills. Graduates actively contribute as skilled workers and construction managers. We have also established an internal certification program and qualifications to foster the skills of our partner building constructors.



Enhancing Construction Capabilities

1973	1982	1983	2008	2024
Established responsible construction system Founded Sekiwa Construction to manage foundation work and ensure construction quality Note: Sekiwa Construction now operates under the name Sekisui House Construction Group	Established training schools Opened an accredited vocational development school to train and develop technical experts Note: These schools grant qualifications equivalent to vocational training schools	Implemented internal certification Started Chief Technician Certification Test for Sekisui House Cooperation Association to certify housing construction skills Note: In 1985, our self-certification system was authorized by the Ministry of Labour as the first set of internal guidelines to receive such recognition	Introduced internal certification for construction capabilities Started Sekisui House Remodeling Meister Qualification for partner company employees in the remodeling business	Recruiting and training home-building craftsmen Implemented revised HR policies and practices for Sekisui House Construction's "Crafters," our home-building craftsmen, to promote their development → P.49 Recruiting and Training Crafters



Core Competencies

Construction Capabilities

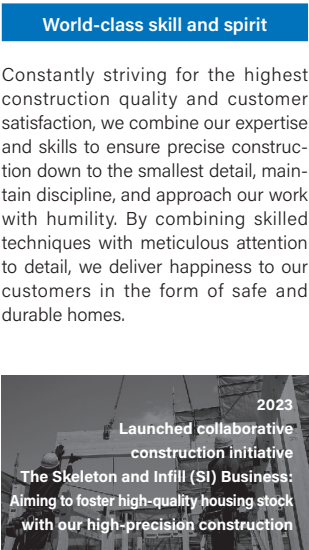
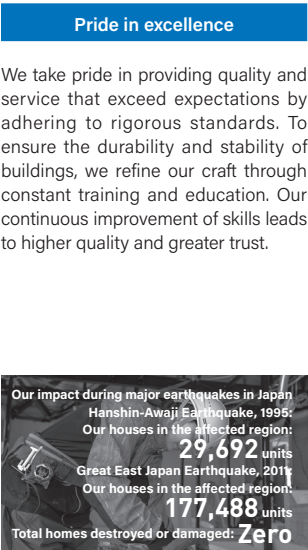
Our Story

Happiness Created by Construction Specialists

The Sekisui House Group's construction specialists are true artisans of homebuilding. Passionate about delivering the highest quality and technology, they demonstrate advanced skill and expertise to create works of art that combine beauty, functionality, and durability. Along with colleagues who share their passion, ambition, and dedication to continuous skill refinement, they are the driving force behind Sekisui House Group's creation of unique value.

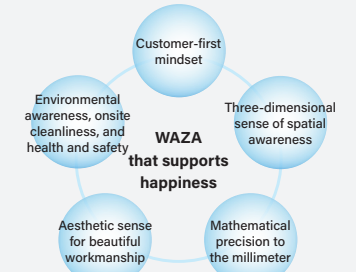
Our Progress

Under the responsible construction system implemented in partnership with Sekisui House Construction companies and partner building constructors, we provide stable, high-precision, high-quality construction, from structural framing to interior work. We build equal relationships with our partners and operate as "a community with a common destiny" to ensure safety measures during construction, achieve zero emissions on-site, and improve construction quality. All construction personnel are integral to our home-building efforts. With their outstanding skills and expertise, they meticulously work on structures from the foundation to the finishing touches. We also strive to build relationships of trust with our customers through integrity and responsibility. Our construction capabilities, one of our core competencies, are supported by both advanced technologies and the human spirit and dedication.



Sekisui House Carpentry Competition, WAZA 2023

In 2023, we hosted the Sekisui House Carpentry Competition, WAZA, to honor the craftsmen of the Sekisui House Association, involved in homebuilding, and to showcase their exceptional skills. Selected from approximately 5,000 carpenters across Japan, 26 individuals were nominated from various regions and competed to be crowned champion by demonstrating their expertise in home interior construction over a period of two hours.



Core Competencies

Customer Base

Our Story

Creating the Future
with Our Customers

Home is a cherished place where happiness is nurtured. Advanced technologies and superior design mean nothing if our customers' ideals and dreams are not met. Therefore, our philosophy of tailoring each home to the specific customer is fundamental. We value sharing our customers' thoughts and fostering deeper connections, aiming to care for their homes throughout their lifetime. To achieve this, we constantly ask ourselves what is valuable and necessary for our customers, striving to create a future where happiness endures. Through continuous dialogue and heartfelt communication, we build long-lasting, deep connections with our customers, further strengthening our inherent customer-first philosophy.

Our Value

Connecting with customers

Connecting with customers is central to our business activities. We wish for our customers' happiness and strive to understand their thoughts and ideas accurately, reflecting them in our designs, products, and services.

Customer trust

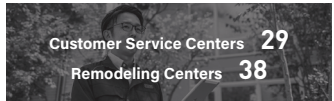
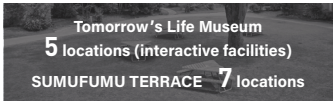
A home is a significant space filled with each customer's dreams and hopes. It must continually evolve to meet these ideals while being adaptable to change. We build trust with our customers by delivering the highest quality and technology, providing inspiration and insight into everyday life.

Relationships with customers

For our customers, the relationship truly begins after they move in. We believe in the importance of continuing to take responsibility for their futures. As partners in happiness, we deepen our relationships with each customer by staying closely attuned and present in their daily lives.

Partnerships with customers

We collaborate with our customers to deepen our understanding and create beautiful townscapes and enriching environments. By building strong ties and emotional connections with our customers, we strive to create environments where everyone can live happily for a long time, regardless of the era.



Our Strengths

Throughout the Sekisui House Group's journey, our unwavering desire has been to ensure customer happiness by listening to our customers' feedback and engaging in heartfelt communication. As a Group, we are continuously evolving to move forward together with our customers. These strong bonds are the foundation of our technological innovation and business transformation. Creating happiness is the driving force behind our new value creation.

The Sekisui House Group takes full responsibility

1961

Began component production in our factory

1964

Shifted to direct sales from conventional sales through sales agents

1964

Established responsible construction system

1976

Started rental housing support

1982

Started long-term warranty system

1999

Introduced lifetime warranty system

2007

Began repurchase and resale of owned housing

A home is an important asset to our customers. Accordingly, we offer the U-trus System, an extended warranty system that allows customers to extend their warranties for as long as the building exists. We have also established an after-sales service system to support the homes that will be lived in for many years.

Lifelong commitment and support

1985

Began visits to homeowners

1987

Established Customer Service Centers

1999

Established Remodeling Centers

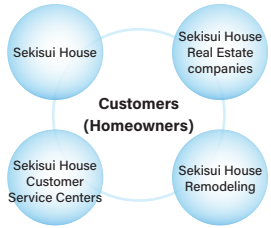
2004

Opened Customer Service Centers with extended hours

2020

Established Customer Service Center Owner Desk

Our Customer Service Centers are designed to take good care of our customers and their homes. We have introduced "le-Log" to manage data for individual residences and established a management system to conduct inspections and repairs promptly and accurately.



Our Foundational Values

One thing that all employees of the Sekisui House Group share is a passion for pursuing happiness. Employees who harness this passion and leverage the resources of the Sekisui House Group to continuously seek happiness are the true strength of our company.

We place great importance on innovation and communication, proactive and independent action, and a sense of beauty.

These values, cultivated over many years as part of our organizational culture, form the core of the Sekisui House Group and shape our identity.

Our employees, with diverse perspectives and experiences, share these values, align their efforts, and continuously create new value together.

Innovation and Communication

Proactive and Independent Action

Sense of Beauty



Happiness to me is
Sharing heartfelt
moments with others



Happiness to me is
Expressing and
receiving gratitude



Happiness to me is
Smiling together with
those around me



Happiness to me is
Sharing smiles



Happiness to me is
Being able to find joy in
everyday life



Happiness to me is
Sharing thoughts and
feelings with others



Happiness to me is
My own smile and those
of the people around me



Happiness to me is
Being compassionate



Happiness to me is
Being trusted



Happiness to me is
Giving as much as
possible



Happiness to me is
Feeling excited every day



Happiness to me is
Being a support to those
around me

At the Sekisui House Group, our employees are dedicated to creating happiness. There is no single definition of happiness; each person has their own unique perspective. Every individual defines what happiness means to them and pursues happiness in their own way.

Our Foundational Values

Innovation and Communication

Our Story

Create New Value
Through Co-Creation



Our definition of innovation is to change existing methods and practices to create new value for our customers and society. Everyone has the potential to drive innovation.

Our Value

Keywords for internal transformation Transforming management style Innovation as value creation Our catchphrase: "Submit this idea to SHIP!"

To continuously create new value, it is important for employees to freely share ideas and nurture them through open communication with their colleagues. Therefore, in 2018, we adopted "Innovation & Communication" as the keywords for our internal transformation.

The best ideas often come from employees who work closely with customers. Therefore, we transformed our management approach from directive to communication-focused. At all levels, we foster an environment that encourages idea-sharing and nurturing, allowing employees to share their ideas freely and with confidence.

We consider innovation to be the process of changing existing methods and practices, even in small ways, to create value for customers and society. We believe that every role and every job type can be a driving force of innovation. Our leadership actively promotes this message, encouraging employees to think independently and take proactive action.

Among employees, "Submit this idea to SHIP!" is our current catchphrase. SHIP refers to the Sekisui House Innovation & Performance Awards, which began in 2021. Employees can post ideas and initiatives on our internal app, form teams, and refine their ideas. Ideas that pass a six-month review process may be implemented or institutionalized. Ideas generated from individual creativity are embraced and recognized by colleagues and managers. The catchphrase "Submit this idea to SHIP!" is fostering a culture of innovation and communication.

→ P.104 Sekisui House Innovation & Performance (SHIP) Awards

Our Strengths

- Challenging established norms
Since our founding, pursuing new ideas has been our core principle. Our mission to revolutionize Japanese housing has always involved questioning established norms and challenging ourselves to create new value using innovative materials and methods.
- Proactive innovators
Communication has been a key factor in our growth and leadership in the housing industry. Many of the ideas and technologies that form the core of our homebuilding practices emerged from direct feedback received from customers on the 1961 Sekisui House Model B.
- "My idea"
In 1988, we introduced the "My Idea" proposal system for our partner building constructors and onsite employees. This initiative encourages improvements in product quality and building methods at construction sites. We have received 57,929 proposals to date, resulting in the development of specialized tools, new machinery, and innovative construction methods.

Number of ideas and initiatives submitted to SHIP

4,052 (FY2021 to FY2023)



Our Foundational Values
Innovation and Communication

Our Story
Create New Value
Through Co-Creation



The value created by “Innovation and Communication” is the driving force behind building a happier future. We are also creating new value through co-creation with various stakeholders.

Transforming Social Contributions through Innovation and Communication

With the goal of building a society and environment where children can continue to live happily, Sekisui House matches the charitable donations made by employees, supporting non-profit organizations through the Sekisui House Matching Program, established in 2006. Starting in 2023, we introduced a new social contribution initiative that transforms employee-initiated ideas into projects in collaboration with non-profit organizations.

→ P.184 The Sekisui House Matching Program



Topics

Expanding our impact

The Sekisui House Group has offices in 46 prefectures and operates 29 Customer Service Centers across Japan. As we continue to deepen our ties to local communities while focusing on the happiness of our customers and society, our employees have suggested that we extend our efforts beyond charitable donations.

Ideas to improve society

In 2023, we noticed that many employee-initiated ideas submitted to SHIP were aimed at solving social issues. We saw an opportunity to utilize these ideas to contribute to society. Consequently, we collaborated with non-profit organizations to develop projects that provide children with experiential opportunities and revitalize local communities.

Creating value from ideas

Non-profit organizations often face challenges in planning activities, securing sufficient funding, and acquiring personnel. To address these issues, we developed a framework for contributing to society through ideas, charitable donations, and volunteering. We aspire to create new value through co-creation with our communities.

Total charitable donations:
Approximately **¥490 million** to **646 organizations**
Participating employees:
7,944 (As of January 31, 2024)

Employee-proposed ideas to improve society
235 ideas from **1,178 employees**
(From FY2021 to FY2022)

Grants in FY2024
Funded projects
56, totaling ¥53.2 million
Integrated employee-initiated ideas: **117**

→ P.104 Sekisui House Innovation & Performance (SHIP) Awards

Sekisui House InnoCom

In February 2024, we established Sekisui House Innovation & Communication, Ltd., referred to as Sekisui House InnoCom. In addition to nurturing innovative and global talent, we create new value for society through open innovation with external partners, aiming to make people’s lives happier and more fulfilling.

In September 2024, we will open the InnoCom Square within Akasaka Green Cross. This open innovation center will serve as a hub where industry, government, and academia come together to create new value. The facility will be used to collaborate with businesses, local governments, educational institutions, and all our external partners to proactively address social issues related to housing.

 Sekisui House InnoCom (Japanese only)



Sekisui House InnoCom’s open innovation business development areas

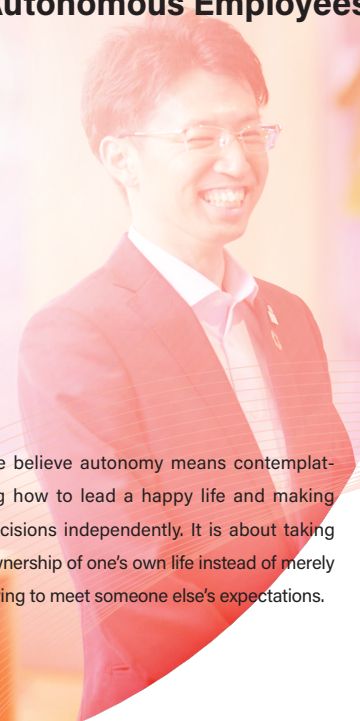
Topics

Our Foundational Values

Independent and Proactive Action

Our Story

Innovation Driven by Autonomous Employees



We believe autonomy means contemplating how to lead a happy life and making decisions independently. It is about taking ownership of one's own life instead of merely trying to meet someone else's expectations.

Autonomous employees amplify value

Autonomous employees are the driving force behind the growth of the Sekisui House Group. Our concept of "Employee Autonomy × Alignment of Efforts" aims to maximize human capital value by encouraging employees to act independently, guided by their own values and beliefs, while aligning with the Company's direction.

Autonomy is the art of self-direction

We believe that autonomy means making decisions about your own life. It involves following your own beliefs and passions while pursuing your values and dreams, rather than conforming to societal or external expectations. We see it as living your life and enjoying the journey to find your own happiness.

Supporting employee autonomy

Our employees take the initiative to independently make decisions about their lives and actions. This proactive approach is essential for our continuous success and growth as we create new value. Therefore, we emphasize supporting employees in their decision-making processes and goal achievement, rather than merely providing instructions.

Our Value

Embracing self-reflection

Autonomy begins with self-reflection and acceptance, rather than comparing oneself to others. While many of our employees proactively make their own decisions, we are dedicated to actively supporting those who seek greater autonomy.

Partnering in personal growth

As a partner to our employees, we provide support, encouragement, and access to resources and opportunities. Our commitment extends beyond skill enhancement and capability development to also include supporting their personal fulfillment.

Self-reflective career autonomy training

In 2003, we launched a self-directed career development training program, allowing employees to reflect on their lives and personal connections without discussing work duties.

At a time when self-direction or autonomy was a new concept, there were internal concerns that this training might lead some employees to leave the Company. However, we recognized the need for change and fostered autonomous thinking. This program continues today, with 18,962 participants to date.

Many employees see this training as a major turning point in their lives, helping them to pursue their own happiness and personal workstyle.

Employee-led career discussions

We encourage our employees to think and act independently, and have established programs and environments to support this.

In 2021, we introduced employee-led career discussions. These discussions provide employees with the opportunity to share their career vision and goals, address current challenges, and identify the support they need from the Company and their supervisors. This process assists employees in outlining their ideal career paths and identifying the steps needed to achieve them. Through these discussions, we aim to cultivate a culture of autonomy, where employees take independent and proactive actions.

Our Foundational Values
Independent and Proactive Action

Individual Paths to
Autonomy

Self-directed career development for employees is the foundation of the Sekisui House Group's mindset. This means that each employee leverages our Group's resources to their fullest extent and makes their own path. For instance:

"I will learn this specific skill from a supervisor." "I will commit to caring for my parents this year." "I will spend time with my child this month." "I will use time for my own hobbies this week."

We consider these examples to be valid forms of taking independent and proactive actions. Therefore, we are committed to creating environments that support individual autonomy and foster each person's unique strengths.

→ P. 94 Human Capital

Valuing Personal Time

Annual Leave

Flexible options for half-day or hourly leave to accommodate various lifestyles

Working Hours

Various initiatives to reduce working hours

FY2023 performance
Average working hours per person/month: 169.58 hours

Flexible Work Hours

Adjust working hours to fit both departmental needs and personal life

Remote Work

Available for any reason, not limited to childcare, caregiving, pregnancy, or illness

Caregiving Leave

Options for split caregiving leave and adjustments in work hours

Child Support Leave

Leave for taking care of children, including but not limited to illnesses or school absences

Paternity leave

At least one month of paternity leave for male employees

FY2023 performance
Take-up rate: 100%
Average days taken: 31

Maternity and Parental Leave

Provide supports, including childcare expenses and assistance with securing childcare



Fulfilling Aspirations

Women's Participation

Many female employees are active in roles such as sales, design, and site supervision, with annual training sessions available

SHIP

An award program where employees can submit new ideas or past achievements, with winning ideas potentially being implemented

Internal Mobility

Recruit talent for specific businesses, departments, or projects internally, allowing employees to apply freely and openly



Lifelong Learning and Growth

Self-Directed Career Development Course

Support understanding and practicing individuality and personalized working styles

Career Discussions

Clarify goals and aspirations through discussions, supporting employees in working autonomously

Job Rotation (for technical experts)

Allow employees to gain experience in various tasks and fields over set periods

Qualification Rewards and Supports

Offer remuneration and support for obtaining 170 types of qualifications

Training Programs

Offer systematic training programs appropriate for each level and job type

Leadership Development

Create a foundation to nurture next-generation leaders with continuous support and training programs

Career Leave / Advanced Learning Support

Support sabbaticals and attendance at graduate school for advanced learning

Safe and Secure Working Environment

Human Relations Training

Provide training programs for all employees to prevent and address human rights violations

LGBTQ+ Awareness

Engage in employee training and include LGBTQ+ considerations in HR and welfare programs

Well-Being Survey

Visualize individual and workplace happiness to enhance job satisfaction, improve working environment, and increase employee happiness



Our Foundational Values

Sense of Beauty

Our Story

Technology and Passion
Shaped by a Sense of
Beauty

Both homes and communities are social assets, serving as platforms that support people's happiness. In enhancing their value, we place great importance on each individual's sense of beauty. We focus not just on buildings but also on the lifestyles and personalities of the people who live in them, striving to create homes where everyone can continuously feel happy.

Our Strengths

A sense of beauty is about feeling things deeply within one's heart. It involves perceiving the world through one's unique senses and having personal emotions that color life. That is why we emphasize creating homes that value each individual's sense of beauty.

Nurturing a sense of beauty leads to happiness. Happiness is realized not only through comfort and aesthetics, but also through feelings of ease and satisfaction. We therefore prioritize designs and spaces that resonate with the heart.

Homes and communities are born from individual sense of beauty. Everyone possesses a unique sense of beauty that is nurtured through moments that touch the heart. We strive to gain insights from everyday life to cultivate this sense of beauty.

Our Value

Unique homes

At Sekisui House Group, we customize each home to meet the specific needs of our customers. We go beyond the basic framework of buildings to achieve unique designs and subtle beauty. By reflecting the worldviews and sense of beauty of each resident in their homes, we pursue true happiness.

Built-to-Order Houses: 8,967
Note: 98% of domestic detached houses in FY2023

Feeling ideals in the heart

Unique, one-of-a-kind homes are designed by our architects. They combine our exceptional technology with a deep understanding of residents' ideals and hopes, leveraging their sense of beauty and creativity in the homebuilding process.

First-Class Registered Architects: 3,172

Pursuing uniqueness

Among our first-class registered architects, the Chief Architects excel in their design prowess and ability to bring a sense of beauty to life. Selected through our rigorous certification program, they combine their senses and competencies to create homes that are truly one-of-a-kind.

Chief Architects: 319

In 1987, we launched our internal "Design Dojo"¹ training program to enhance our design proposal capabilities. This initiative has provided a platform for refining our skills, reviewing architectural works, engaging in client discussions, and participating in design competitions.

1 It has since evolved into the "CA Dojo."



Our Chief Architects excel by leveraging our unique constructions that balance high seismic resistance with design flexibility. With over 2.66 million steel- and wood-frame homes built, we have a proven track record of delivering safety and comfort. Each home is brought to life through precise construction techniques, which serve as the foundation for combining advanced technology with aesthetic design. This synergy allows our architects to fully unleash their creative potential.

Our Foundational Values

Sense of Beauty

Our Story

Technology and Passion
Shaped by a Sense of
Beauty

The warmth of the morning sun gently shining through the living room. The scent of a comforting breeze on a wooden deck. These are small moments that touch the heart in our everyday lives. We are dedicated to aligning with each individual's sense of beauty, ensuring that these small joys continue to accumulate over time.

Our Progress

1960s -

Combining functionality and beauty in homes

Homes are cherished spaces that embody our customers' hopes and dreams. By carefully selecting materials and utilizing advanced construction technology, we have successfully integrated functionality and beauty into our homebuilding.

In 1961, we transitioned from using plastic to wood for the interior of the Sekisui House Model B, achieving a design that values a sense of beauty. In 1984, we introduced exterior wall panels with exceptional durability, fire resistance, thermal insulation, and sound insulation. These panels were crafted by pouring concrete into specialized molds, resulting in refined elegance with deep carvings and intricate textures. This innovation established a new style for urban residences.



1970s -

Enhancing beauty in towns over time

Beautiful townscapes, where the landscape feels unified, are created by multiple houses and abundant nature and are passed on as social assets.

Starting in the late 1970s, we began designing towns based on the concept of *Keinen bika*, which focuses on creating landscapes that become more beautiful over time. We harmonized housing with the overall design of towns, aiming to share scenic beauty and seasonal changes with the community. By integrating timelessly beautiful residences with the overall aesthetic of neighboring communities, we create towns that can be treasured for generations.



2023 -

Weaving fondness into homes over time

The way beauty is perceived, the appeal of designs and textures, and the methods of enjoying comfortable spaces vary from person to person. In 2023, we introduced "life knit design," a new system for proposing designs that reflect each individual's sense of beauty in housing.

During the development of this design system, we analyzed approximately 6,600 images. Impressions of interior proposals regarding colors, materials, and shapes were articulated. By combining simple and beautiful spaces with carefully selected furniture and accessories, we create interior designs that resonate with each individual's sense of beauty. We strive to create homes that become more cherished over time.



Our Strengths

To ensure lasting happiness, we prioritize continuous dialogue with our customers, valuing the exchange of their ideals and aspirations. By maintaining close connections, we aim to support our customers' futures and create enduring happiness.

- 1963

Participated in the first comprehensive housing exhibition
- 1989

Launched Home Visit Days
- 1990

Established the Comprehensive Housing R&D Institute and Nattoku Kobo Studio (Home Amenities Experience Studio)
- 1992

Launched Sumaijuku seminars
- 1997

Established the Sumai-no-Yume-Kajo centers
- 2006

Launched Townscape Visit Days
- 2013

Established Sumufumu Lab
- 2021

Established the Tomorrow's Life Museum (TLM) and SUMUFUMU TERRACE facilities

Passing on high-quality housing as social asset

To preserve the value of buildings and avoid the cycle of scrap and rebuild, we establish relationships with new homeowners even after ownership changes. Our Customer Service Centers and Group companies work together to promote the resale of existing homes, ensuring they remain valuable social assets.

A nexus for ideal living and creative ideas

In 2013, we launched *Sumufumu Lab*, the first open innovation hub in our industry. We have expanded to seven locations across Japan with SUMUFUMU TERRACE, offering spaces where ideal housing concepts and creative ideas can converge.



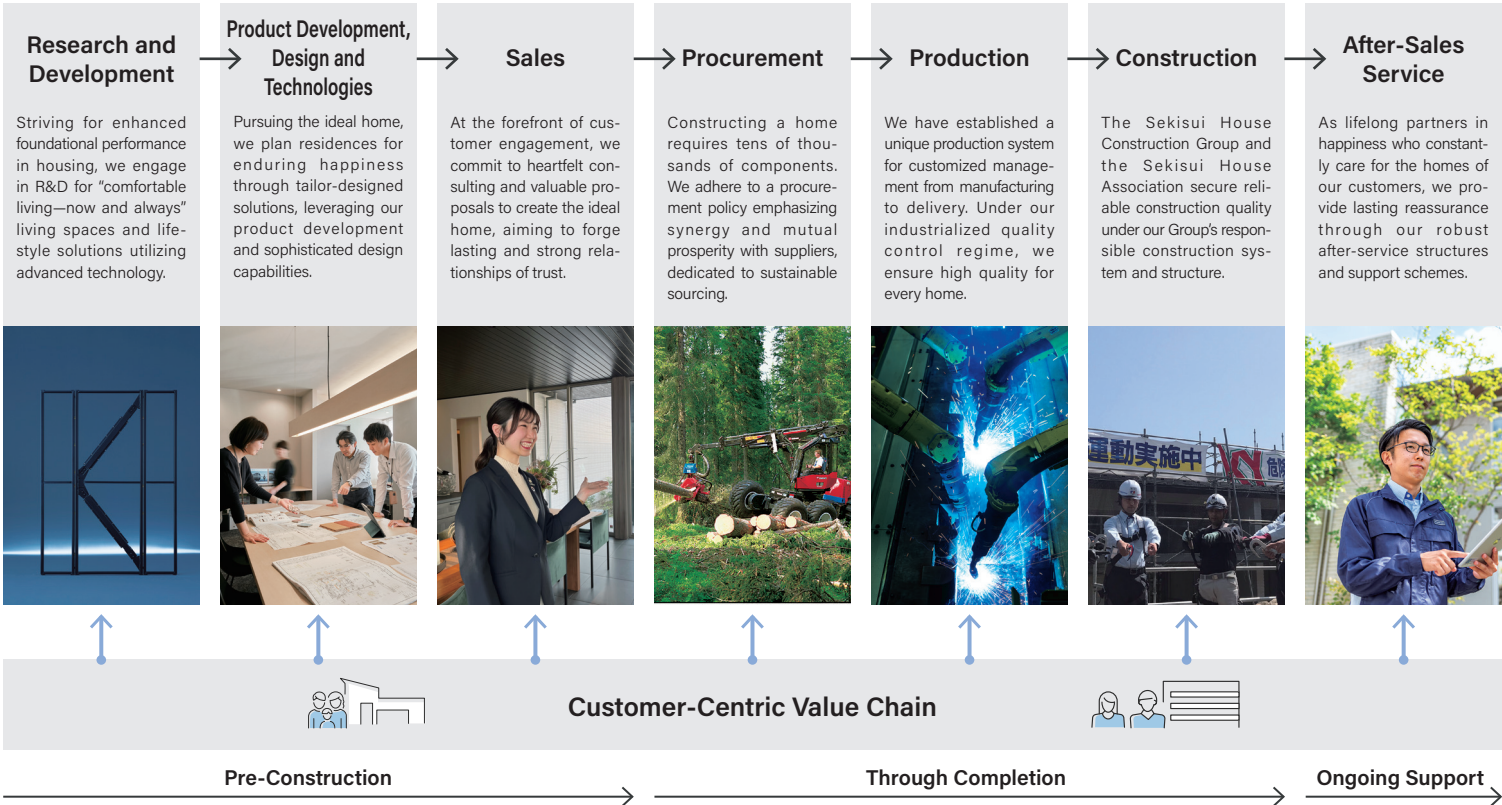
Value Chain

The Sekisui House Group is dedicated to crafting homes that bring happiness by evolving crucial performance features and environmental technologies, alongside innovation in lifestyle research and proposals. We manage a distinctive value chain that encompasses every aspect of home construction—from research and development to product development, design, technology, sales, procurement, production, construction, and after-sales services—enhancing our unique management capital and driving value creation.

To ensure the sustainability of our value chain, we have formulated strategic actions within our Sixth Mid-Term Management Plan (FY2023–FY2025), addressing significant risks and opportunities in line with our medium- to long-term management outlook.

Management capital, which propels our business activities and drives value creation, is categorized into human capital and organizational culture; production and distribution bases; technology, research and development; energy and raw materials; construction capabilities and customer base; and financial foundation. Considering our operating environment, we orient resource allocation and investment decisions toward enhancing value creation and establish related indicators for key themes.

→ P.39 Management Capital



Value Chain

	Strengths		Risks and Opportunities		Strategic Actions (in the Sixth Mid-Term Management Plan)		Value Creation
Research and Development	- Established the world's largest Comprehensive Housing R&D Institute in 1990 - Opened Japan's first Human Life R&D Institute in 2018, dedicated to happiness research - Conducts R&D utilizing our extensive housing data and expertise	➔	- Potential loss of business opportunities due to slow or inadequate responses to technological innovation and social challenges - Escalating severity of natural disasters exacerbated by climate change	➔	- Focusing R&D on housing disaster risk, societal sustainability, and longevity solutions - Developing environmental technologies for houses that contribute to health - Facilitating R&D through collaborative efforts across sales, technology, production, and other departments - Collaborating externally on R&D efforts (with other companies, academic institutions, etc.) - Enhancing and nurturing the R&D talent pool	➔	We are deepening our well-established technologies for safety, security, comfort, and environmental consideration. These form the foundation of our comprehensive R&D efforts that integrate technologies, lifestyle designs, and services, all striving to cultivate happiness in the era of the 100-year lifespan.
Product Development, Design and Technologies	- Pioneering original technologies that set industry standard - Home to 3,172 first-class architects as of FY2023 - Chief Architects, nurturing elite in-house architectural talent	➔	- Adapting to lifestyle changes - Embracing value diversification - Broadening spectrum of housing performance expectations (environmental adaptation, disaster response, health safety, etc.)	➔	- Undertaking design R&D centered on customer happiness - Advancing environmental technologies for a sustainable future - Innovating original technologies to create high-quality housing stock	➔	Dedicated to consistently outpacing competitors with the highest quality and technology, we are at the forefront of developing products that align with homeowners' requirements. Leveraging sophisticated design proficiency, we realize personalized "free-design" homes that encapsulate each resident's unique vision.
Sales	- Trust and a strong track record nurtured over time, and a commitment to aligning with customer needs - Consulting skills to uncover latent needs, leading to proposals for long-term happy living - Ability to generate proposals for corporate entities and public organizations	➔	- Intensifying competitive environment - Changes in housing policy - Changes in and end of support measures for home purchases	➔	- Advocating for long-life quality housing - Proposing the creation of assets that offer value for customers and local communities - Reinforcing inter-company collaboration to reliably capture business opportunities - Encouraging the active participation by female sales representatives	➔	Sales, serving at the front line of customer engagement, closely aligns with customer needs to deliver proposals that shape the perfect home, nurturing enduring and robust relationships of trust for the future.
Procurement	- Robust supply chain structured for coexistence and mutual prosperity with suppliers - Engagement in CSR procurement as aligned with the United Nations Global Compact¹ 1 → P.242 Participation in International Initiatives and Activities with Government and Industry Groups - Commitment to FairWood procurement in accordance with our Wood Procurement Guidelines	➔	- Escalating costs and limitations in raw material supply - Repercussions from natural disasters and geopolitical instabilities - Human rights considerations within the supply chain - Impact of wood procurement on ecosystems and forests	➔	- Solidifying the resilience of the entire supply chain, including secondary and tertiary suppliers - Fortifying CSR procurement that pursues coexistence and mutual prosperity with suppliers - Advocating for decarbonization and respect for human rights throughout the supply chain - Advancing our commitment to FairWood procurement - Championing zero deforestation practices	➔	Building a house requires an intricate assembly of numerous components. Embracing our CSR Procurement Guidelines, we collaborate with diverse suppliers to achieve sustainable procurement practices.
Production	- A robust production and quality management system leveraging AI, IoT and big data analytics alongside robotics - House-specific production enabled by adaptable production lines and logistical support - In-house development of production technologies integrating the latest advancement	➔	- Rapid increases in the costs and availability of raw materials - Increasing logistics expenses and scarcity in transportation personnel - Workforce shortages at production line sites - R&D aimed at decarbonization - Threats of cyber attacks on production systems	➔	- Enhancing quality control and reforming production and logistics by further utilizing advanced technologies - Streamlining production through advancing automation and fostering a worker-friendly environments - Moving forward with decarbonization strategies, including raw material recycling, energy conservation, and energy transition conversion, while bolstering cybersecurity	➔	Our distinctive production system manages each phase from manufacturing to delivery individually for every home, consistently assuring high quality across all homes under our sophisticated quality control for industrialized housing.
Construction	- Construction capabilities and the synergy within the Sekisui House Construction Group and about 7000 partner organizations, bonded by the spirit of a community with "a common destiny" - Group-wide system for construction quality control, continuous improvement, and record management and retention - Three education and training centers across Japan and a technical training facility in Vietnam to cultivate future talent	➔	- Decrease in construction capabilities due to aging and shortages of skilled personnel - Shortage of human resources caused by employee turnover and recruitment shortfalls - Reduced construction site productivity due to climate-induced environmental degradation - Occupational accidents and accidents involving the general public	➔	- Enhancing work efficiency and improving conditions at construction sites and work environments for greater safety and happiness - Recruiting and nurturing diverse talent - Strengthening collaboration with Konoike Construction, known for traditional construction expertise and civil engineering business	➔	We have instituted a responsible construction system through the Sekisui House Association, consisting of all Sekisui House Construction companies and partner organizations, where we maintain a construction environment that nurtures high quality and fosters the advancement of construction techniques.
After-Sales Service	- Commitment to customer service that leaves a lasting impression on customers - Extensive after-sales service structure with approximately 1,500 dedicated employees - Information system for centralized management of maintenance data starting from new construction	➔	- Decline in customer satisfaction due to service delays - Potential for data leaks, including customer information	➔	- Strengthening trusting relationships with homeowners - Enhancing availability and responsiveness for service through 24/7, 365 days phone support and AI chatbot technology - Reinforcing information management and response strategies	➔	Proper after-sales service, which we regard as intrinsic to a home's value, assures continual comfort for residents. We offer unwavering peace of mind through long-lasting support, embodied by programs, such as our initial 30-year warranty program and U-trus System.

Management Capital

Capital	What we aim to be	Key themes and related indicators		
Human capital Talent and corporate culture	We aim to elevate the value of our human capital by promoting employee autonomy and ensuring alignment of efforts. Our strategies include actively recruiting diverse talent, supporting skill enhancement through our internal certification program, and focusing on strategic workforce placement. Additionally, we are dedicated to cultivating a workplace culture where all employees can actively engage in innovation and communication.	Employee Autonomy Participants in career autonomy training: 18,962 Total training costs: ¥1.526 billion	Advancing DE&I¹ Female employee ratio ◇2: 29.4% Female management ratio ◇3: 4.34% Employment rate of persons with disabilities ◇1: 3.00% 	Alignment of Efforts Succession readiness rate: 219.9% 
Manufacturing capital Production and distribution sites	Our domestic operations encompass production sites (factories) equipped with manufacturing production lines and distribution bases (logistics centers) responsible for delivering materials to construction sites across the country, enabling customized home construction. To minimize environmental impact, we have adopted a modal shift to rail for transporting materials between factories. We have also invested in enhancing production facilities to improve production efficiency and in component production equipment crucial for our development business.	Capital Investment ¥86.7 billion 	Resource Recycling Centers 23 locations (domestic) 	Production and Distribution Bases Production bases: 6 (5 domestic, 1 overseas) Distribution bases: 40 
Intellectual capital R&D and technology	We are advancing cutting-edge research and development across a broad spectrum, from enhancing the quality of detached houses, rental properties, and other properties to pioneering new technologies and improving comfort and environmental performance. Furthermore, we are nurturing an innovative culture and proactively focused on technological advancement and breakthroughs to drive sustainable growth.	Research and Development Research and development expenses: ¥9.0 billion 	Technological Innovation Number of patents held: 916 Number of design rights held: 374 	R&D Institutes Comprehensive Housing R&D Institute Human Life R&D Institute Technical Research Institute (owned by Konoike Construction) 
Natural capital Energy and raw materials	We are dedicated to sustainability-conscious CSR procurement. Our approach includes FairWood sourcing, securing forest certification, and fostering coexistence and mutual prosperity with our suppliers through procurement due diligence and supporting the local production and consumption of domestic lumber. Moreover, we are committed to reducing energy consumption and minimizing environmental impact through our proprietary initiatives.	Biodiversity Conservation Sustainable wood procurement rate: 97.2% Eco-friendly landscaping and greening (Gohan no Ki Project): 19,840 thousand trees planted	Decarbonization RE100 progress rate (Sekisui House Owner Denki): 86.2% Supplier science-based target-setting rate: 39.5%	Resource Circulation Waste emissions: 1,144 thousand tons
Social capital Construction capabilities and customer base	With the industry's leading total number of homes built, we boast a robust customer base supported by our construction capabilities. Our construction framework binds the Sekisui House Group and partner construction companies together in a shared commitment to our common goals under the spirit of "a community with a common destiny," and our after-sales service, managed by our Customer Service Centers, strengthening our enduring connections with homeowners.	Cumulative Dwellings Built Cumulative dwellings built (including overseas): 2.66 million units	Partner Building Constructors Sekisui House Association: 2,858	After-Sales Services Sekisui House Customer Service Centers Sekisui House Remodeling Sekisui House Real Estate companies 
Financial capital Financial foundation	We believe that establishing a strong financial foundation is essential for supporting sustainable growth. With a strategy that promotes steady growth domestically and active growth internationally, we manage our finances with a focus on our credit rating and maintain financial health at an appropriate level.	Equity Capital Equity capital: ¥1,799.3 billion Equity capital ratio (as of the end of Q1 FY2024): 40.3%	Long-Term Credit Rating Japan Credit Rating Agency: AA Rating and Investment Information: AA- S&P Global Ratings: BBB+ (as of June 2024)	

1 For the boundary of the data, click here (content will open in a new window).