

TRANSFORM SOCIETY

The Sekisui House Group— Amplifying Happiness

Material Issues Rooted in Enduring Values and Their Social Impact

Based on the material issues we uphold as our long-standing mission, we highlight how we are addressing social issues, the initiatives we have undertaken and their progress, and the impact we have created, as well as our track record and future outlook.

STORYLINE

01 DRIVE POSITIVE IMPACT

Our Journey of Value Creation and the Future We Envision

02 CREATE HAPPINESS

Our Unique Values and Evolving Strengths

03 TRANSFORM SOCIETY

Our Long-Standing Mission and Progress

04 INNOVATION AND COMMUNICATION

Our Foundational Values and Human Capital Value

05 FINANCIAL STRATEGY AND CORPORATE GOVERNANCE

Financial and Capital Strategy, Corporate Governance

Value Created Over the Long Term

The Sekisui House Group is focused on more than just short-term results. Confronting social and environmental challenges head-on and promoting enduring happiness is our mission, rooted in our Corporate Philosophy of “Love of Humanity,” and guided by our promise to the future.

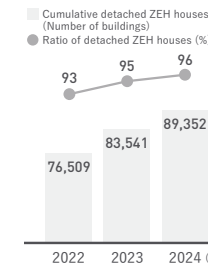
For the people living today and for future generations, what can we build and what legacy can we leave behind?

No matter how times may change,

staying true to this question and striving to create a happier future will always remain at the heart of Sekisui House Group's purpose.

Highlights

Contributing to a Decarbonized Society



The cumulative number of Green First detached ZEH houses has reached 89,352 units.

Coexisting with Local Communities



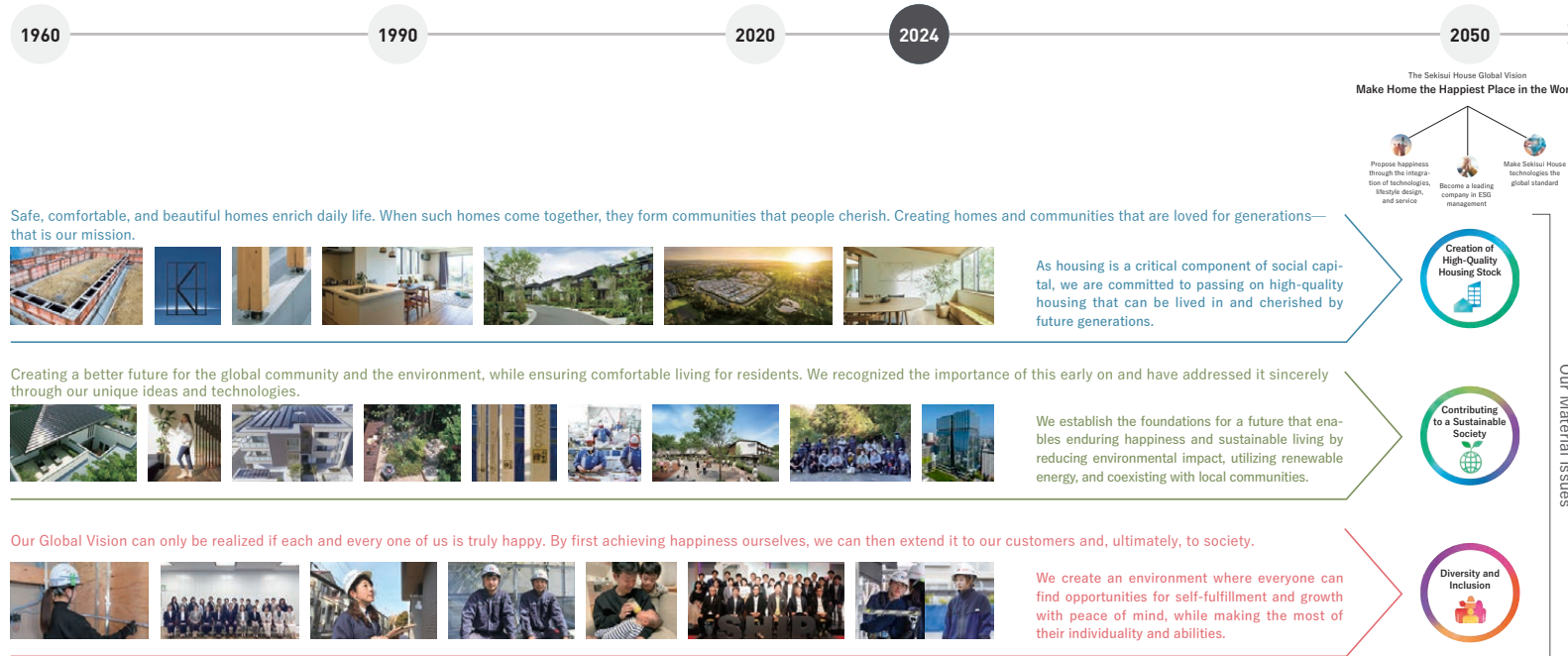
In FY2024, ¥53.02 million was granted through the Sekisui House Matching Program (a corporate program to match employee donations).

External Recognition



We received the highest rating of AAA from MSCI ESG Ratings.

Promise to the Future



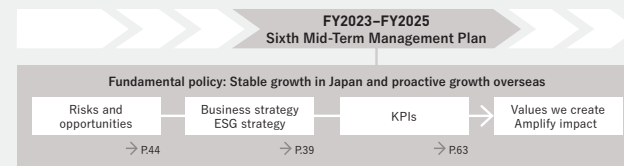
Sekisui House has consistently contributed to addressing social issues that arise in each era through our business activities. Our Global Vision is a promise to the future, and we have identified “the creation of high-quality housing stock,” “contributing to a sustainable society,” and “diversity and inclusion” as three priority material issues.

These material issues are not short-term goals, but long-term missions grounded in the strengths we have cultivated since our founding and in our enduring values. They indicate the direction we must take as we move forward. Every business activity over the past 60 years has been deeply connected to this mission. We will continue to engage sincerely with these material issues and create value that society truly needs.

The relationship between the Mid-Term Management Plan and material issues

For the Sekisui House Group, material issues express our purpose in society and are rooted in our Corporate Philosophy, “Love of Humanity.” They are defined to ensure all employees are aligned in their efforts toward value creation.

In the Mid-Term Management Plan, we have established priority areas and KPIs linked to these material issues. The cumulative progress of these three-year initiatives contributes to the realization of our material issues—our long-term missions—and solidifies our promise to the future.



Our Long-Term Mission



Creation of High-Quality Housing Stock

Creating homes to be passed down through generations and building communities that are loved over time

Background for determining material issue

In Japan, where natural disasters such as earthquakes are frequent, many homes fail to meet seismic resistance and thermal insulation standards, and the aging of existing housing stock continues. Globally, housing shortages are becoming more severe. Ensuring the long-term value, safety, and comfort of homes has become a pressing issue. By creating high-quality housing stock, we aim to enhance people's lives and asset value while contributing to the sustainable development of local communities and the global environment.

Megatrends

- Aging population and demographic decline
- Growing demand to longer-lasting housing
- Shifting toward a supplied housing-society
- Increasing awareness of disaster prevention and mitigation
- Evolving smart home technologies

Importance to society

- Ensuring safe and comfortable living spaces
- Preserving asset value in the housing market
- Advancing sustainable urban planning
- Mitigating disaster-related risks
- Accelerating the adoption of energy-efficient homes

Importance to Sekisui House

- Strengthening the supplied housing business
- Driving innovation in housing technologies
- Building long-term relationships with customers
- Strengthening responses to environmental regulations
- Expanding the market for high-value-added homes

Values we create

- Providing high-value housing assets
- Popularizing highly durable housing
- Enhancing disaster resilience and mitigation capabilities
- Stimulating growth in the remodeling market
- Standardizing smart home technologies

Growing impact

- Improving quality across the housing market
- Reducing CO₂ emissions drastically
- Minimizing disaster-related damages
- Sustaining long-term housing asset value
- Advancing smart city development

Business growth

- Expanding the remodeling market
- Increasing demand for smart homes
- Improving profitability of the supplied housing business
- Fostering continuous relationships with customers
- Accelerating the development of new technologies



Contributing to a Sustainable Society

Creating a future that benefits both global society and the environment, starting with comfortable living

Background for determining material issue

Environmental challenges such as climate change, biodiversity loss, and resource depletion are intensifying worldwide, making the transition to a decarbonized society an urgent priority. Energy conservation, CO₂ reduction and the shift towards a circular economy are also key issues in the Japanese housing sector. The Sekisui House Group is committed to achieving a sustainable society in partnership with diverse stakeholders by providing environmentally conscious houses and buildings, advancing technological developments, offering high-quality services, and striving to coexist with local communities.

Megatrends

- Accelerating responses to deal with climate change
- Transitioning to a decarbonized society
- Expanding renewable energy
- Advancing a resource-recycling economy
- Increasing energy costs

Importance to society

- Reducing CO₂ emissions
- Ensuring a stable energy supply
- Reducing environmental impact
- Advancing sustainable city development
- Popularizing energy-efficient technologies

Importance to Sekisui House

- Establishing a lead position in the ZEH market
- Strengthening competitiveness of eco-friendly housing
- Innovating energy technologies
- Coexisting with local communities
- Leveraging government policy support

Values we create

- Popularizing ZEH houses
- Utilizing renewable energy
- Advancing energy-efficient and energy-generating technologies
- Developing resource recycling-oriented housing
- Promoting eco-friendly community development

Growing impact

- Improving the energy self-sufficiency of homes
- Accelerating the realization of a decarbonized society
- Maximizing resource use efficiency
- Reducing environmental impact
- Creating a sustainable society

Business growth

- Expanding the market through ZEH proliferation
- Increasing demand for energy-efficient and energy-generating homes
- Making environment-related technologies profitable
- Establishing a sustainable housing business
- Ensuring market superiority through government policy support



Diversity and Inclusion

From the happiness of employees to the happiness of society

Background for determining material issue

As Japan faces labor shortages due to a declining population, diverse workstyles and lifestyles that transcend traditional norms are becoming more common. To create new value, it is essential to build an organization composed of diverse talent and to cultivate an inclusive corporate culture that respects individual differences. Guided by our vision, we strive to build workplaces focused on employee health and happiness, where all employees, who serve as a source of innovation, can seize equal opportunities to thrive.

Megatrends

- Diversifying workstyles
- Changing lifestyles
- Growing emphasis on equity and inclusion
- Coexisting with diverse values
- Advancing globalization

Importance to society

- Creating a society where everyone can thrive
- Providing fair opportunities and choices
- Promoting creativity
- Achieving sustainable economic growth
- Creating a foundation for an inclusive society

Importance to Sekisui House

- Creating value from diverse perspectives
- Promoting flexible workstyles
- Enhancing employee happiness
- Fostering cultural innovation and corporate growth
- Strengthening competitiveness in meeting diverse needs

Values we create

- Creating environments where everyone can thrive
- Fostering an equitable corporate culture
- Promoting diverse workstyles
- Advancing diverse technologies and R&D
- Realizing a co-creative society

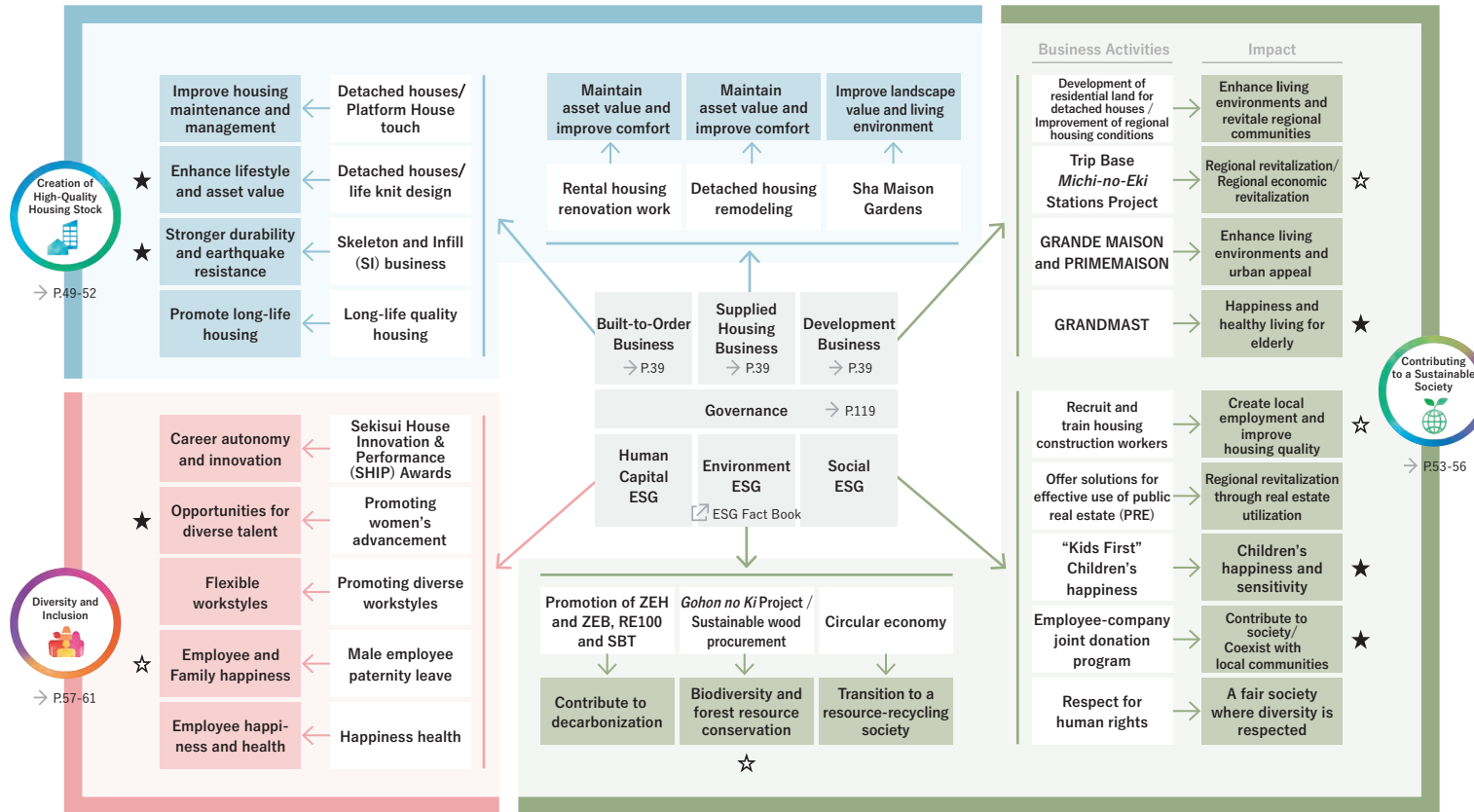
Growing impact

- Enhancing job satisfaction
- Strengthening social inclusion
- Accelerating innovation
- Enabling corporate and social growth
- Responding to increasingly diverse values

Business growth

- Creating diverse markets
- Promoting fulfilling and autonomous workstyles
- Sustaining a resilient corporate culture
- Building a management foundation that adapts to change
- Providing high-value solutions

Our Long-Term Mission



Value Creation Roadmap

The Sekisui House Group is committed to creating new value through its business activities. In *Value Report 2024*, we introduced the framework of these initiatives as our "Value Creation Roadmap," presenting a narrative that illustrated how each business activity under the Sixth Mid-Term Management Plan (FY2023-FY2025) contributes to addressing social challenges and material issues (marked with a ☆ in the diagram on the left).

In *Value Report 2025*, to more clearly communicate our progress and achievements as a leading company in ESG management, we highlight the background of our six key initiatives, the thoughts of our employees, and the pathways through which these initiatives lead to social impact (marked with a ★ in the diagram on the left).

Each initiative progresses through a series of three interconnected pathways: delivering new value to society (Drive Positive Impact), contributing to the creation of happiness (Create Happiness), and leading the industry and society toward a better future (Transform Society). These gradual steps reflect the Sekisui House Group's ESG management approach of creating and expanding happiness through sustained, purpose-driven business activities.

Looking ahead, we will continue to visualize the relationship between the value created through our business activities and the resulting impact. This will support the clarification of priority areas and the formulation and evaluation of KPIs, enhancing effectiveness of our initiatives.

Material Issues | Creation of High-Quality Housing Stock

The Sekisui House Group's Journey

By providing high-quality, long-lasting homes, we have enhanced the asset value of housing and led the industry in creating the foundation for a supplied housing-based society. We are strengthening our renovation business and advancing our joint construction business, while also promoting value-added homebuilding that incorporates smart home technologies and design elements that reflect customers' sense of beauty.

Our Mission

In our commitment to delivering homes that combine functionality with beauty, we offer valuable homes designed to endure for generations.

Key Policy

By advancing the supply and maintenance of homes tailored to the needs of the times and local communities, we aim to extend their lifespan and create their asset value.

Key Themes

Safety, peace of mind and comfort

Creating asset value

Extending the useful life of housing



1961 Launched Sekisui House Model B

1964 Established direct sales and responsible construction system

1973 Founded a company specializing in foundation work

1976 Began conducting preliminary ground surveys

1979 Began full-scale vibration experiments

1982 Started the 10-year long-term warranty system

1984 Adopted "Dyne Concrete" exterior material

1985 Established a system for managing homeowner information and began visits to homeowners

1987 Opened Customer Service Centers

1989 Established "Lifetime Housing" concept

1992 Launched the "1660 Foundation"

1995 Developed the SHAWOOD construction method

1999 Introduced U-trus, a system for the resale of existing houses

2000 Introduced Sha Maison rental housing

2001 Launched Bellburn ceramic exterior wall panels

2003 Introduced seismic isolation houses

2007 Developed the SHEQAS Seismic Control System

2011 Developed "Airkis" specifications for better indoor air quality

2018 Launched Family Suite

2020 Introduced SMART-ECS, a next-generation indoor environment control system

2021 Developed PLATFORM HOUSE touch

2023 Launched the Skeleton and Infill (SI) Business

2023 Launched life knit design

2024 Launched a lots for sale development in the U.S.

2009 Initiated urban development overseas

2009 Selected by the Ministry of Land, Infrastructure, Transport and Tourism for the first Long-Life Quality Housing Leading Model Project

2010 Launched Sha Maison Gardens

2020 Established Customer Service Center Owner Desk

2009 Selected under the Long-life Quality Housing Certification Program by the Ministry of Land, Infrastructure, Transport and Tourism

2004 Established Sekisui House Remodeling, Ltd.

2004 Opened Customer Service Centers with extended hours

2007 Began EVER LOOP, a business for the repurchase and resale of owned housing

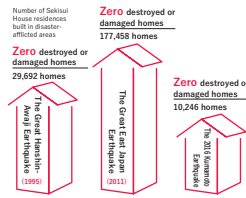
Creation of High-Quality Housing Stock | The Skeleton and Infill (SI) Business, a Joint Construction Business

Drive Positive Impact

Earthquake-resistant homes born from life-saving technologies

In Japan, approximately 8.4 million houses do not meet new seismic resistance standards, and around 5 million of these houses are believed to have significantly insufficient seismic resistance. Furthermore, even some buildings constructed under the new seismic resistance standards have experienced damage or collapse due to earthquakes. Sekisui House has maintained a record of zero destroyed or damaged houses* during past major earthquakes. A key factor behind this achievement is our “foundation direct joint construction method,” which connects foundations and columns directly, bypassing the need for a separate baseplate. With a strong commitment to improve the quality of wooden-frame housing across Japan, we made our proprietary seismic resistance technology—which maintains structural strength regardless of the direction of shaking and prevents column dislocation or detachment—widely available. In September 2023, we launched the Skeleton and Infill (SI) business, a joint construction business with partner companies to advance this effort.

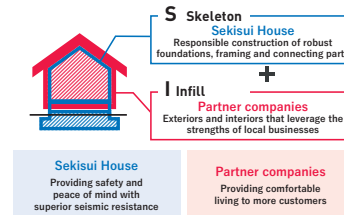
* Excluding damage caused by land displacement and tsunamis



Create Happiness

Housebuilding that delivers both comfort and true peace of mind

In the SI business, Sekisui House is responsible for designing the structural “skeleton,” a critical element for seismic resistance, while Sekisui House Construction handles the construction work. Partner companies take charge of the “infill” work, tailoring interior and exterior elements to the local characteristics. This collaboration approach combines Sekisui House’s advanced seismic resistance technology and construction expertise with the proposal and sales capabilities of partner companies. In addition to original technologies and high-precision construction capabilities, Sekisui House also provides support such as structural calculations based on permissible stress design. Together with our partner companies, we deliver homes that offer both comfortable living and true peace of mind to more customers across Japan.



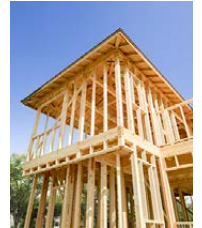
Transform Society

Transforming Japan into a country resilient to earthquakes—starting with homes

As of January 2025, we welcomed three new partner companies, bringing the total to eight partners united by a shared commitment to creating high-quality housing stock. This expanded network enables us to deliver safe and secure wooden-frame housing to customers across a broad region—from Tohoku to Kyushu. We are targeting annual sales of 500 homes by FY2027 and 1,000 homes by FY2029, with plans to further strengthen collaboration with partner companies nationwide.

Our SI business plays a vital role in enhancing the seismic resistance capabilities of homes and promoting the widespread adoption of high-quality wooden-frame housing throughout Japan. By supplying wooden-frame housing that combines seismic resistance and comfort nationwide, we aim to build a lasting stock of housing that can be passed down through generations, contributing to the peace of mind of local communities and the happiness of future generations by creating high-quality housing stock that can be passed down over time.

→ P.51 Skeleton and Infill business



The Sekisui House Group’s Journey and the Value Created by the SI Business

Drive Positive Impact: The Sekisui House Group’s Initiatives

1973

Founded Sekiwa Construction specializing in foundation work



1974

Developed the integrated foundation casting method based on uniformity and strong foundations



1979

Verified the seismic performance of our housing through full-scale vibration experiments



2004

Developed foundation direct joints that release seismic forces directly into the foundation of the house



2022

Promoted wooden-frame housing with high seismic resistance under the SHAWOOD brand, with a cumulative total of 70,000 units delivered

*As of December 2022

Create Happiness: The Happiness Created by the SI Business

2023 Launched the SI business

- Contributes to the industry through original seismic resistance technology and high-precision construction
- Strengthens collaboration and co-creation with partner companies
- Addresses construction capabilities shortages
- Provides structural calculations based on permissible stress design



2025 Collaboration with eight partner companies

- Builds a supply framework covering from Tohoku to Kyushu
- Reduces the burden of structural calculations on partner companies
- Addresses the lack of seismic resistance in detached houses
- Promotes homes that offer comfort and peace of mind against earthquakes



Transform Society

Amplify impact

- Delivering homes that offer safety and peace of mind
- Enhancing seismic resistance capabilities of houses
- Increasing asset value
- Creating high-quality housing stock

Creation of High-Quality Housing Stock | The Skeleton and Infill (SI) Business, a Joint Construction Business

Dialogue | The Skeleton and Infill (SI) Business

Towards even higher quality housing

In September 2023, the Sekisui House Group launched the industry's first joint construction business, the Skeleton and Infill (SI) business. This pioneering effort combines technologies cultivated since our founding, focused on safety and peace of mind, with the strengths of our partner companies. Through the SI business, we are promoting the nationwide adoption of highly seismic-resistant homes that incorporate our original seismic resistance technology—the foundation direct joint construction method (DJ method)—as well as the high-precision construction expertise of Sekisui House Construction. In doing so, we contribute to the creation of high-quality housing stock across Japan. In this section, employees who have been involved in launching and advancing the SI business share their perspectives and aspirations for the future.



From right: Koji Itakura (currently Senior Manager, Detached Housing Strategy Department, and formerly Head of the Skeleton and Infill Housing Business Strategy Office); Akari Manabe; Koji Ueno (currently Head of the Skeleton and Infill Housing Business Strategy Office); Shohei Kimura; and Fujihiko Yamao (currently with the Auditing Department)



 Skeleton and Infill (SI) business

Aiming to strengthen homes across Japan



The idea for the SI business began with a question raised during an internal meeting: Could Sekisui House's core seismic resistance technology be incorporated into homes like a computer CPU to strengthen housing across Japan? When considering which of our core technologies would serve as the "CPU", there was unanimous agreement that it had to be the foundation direct joints. This sparked the launch of a project to explore a new business model.



As we gathered feedback from various stakeholders, many builders expressed strong interest in the idea where Sekisui House Construction would handle the highly precise direct joint construction method, while allowing full customization of interiors, exteriors, and facilities. After extensive discussions and trial and error, a completely unique business model emerged: a joint construction business that integrates Sekisui House's seismic resistance technology and preserves the unique strengths of each partner companies.

Aiming for a unique, high-quality housebuilding network



Each of our partner company shares our commitment to "strengthen housing in Japan" and is recognized in their respective regions for building high-quality homes. This business is expected to play a key role in enhancing our product strategy and responding to regulatory revisions in 2025.



Since specifications such as floor height, insulation, and construction materials vary by partner company, finding common ground was more challenging than expected, requiring a process comparable to product development. A memorable insight was how every partner company praised Sekisui House Construction's precision and onsite cleanliness—qualities that may be taken for granted within our Group. Another valuable outcome has been the ongoing accumulation of valuable insights into wooden-frame housing through this business.



Working closely with our partner companies allows us to rediscover our strengths, identify challenges, and uncover new possibilities. Although we initially pursued a different approach, we pivoted drastically halfway through the project to develop a novel business model unlike anything before. Starting from scratch to explore contract types, products, and support offerings was a highly challenging experience.



The joint construction business model, refined to its current form, is compelling because it preserves each partner's strengths, allows for flexibility, and opens the door for diverse styles of future collaboration.

Aiming for a future where foundation direct joints are the norm



In earthquake-prone Japan, accelerating the creation of seismically resistant, high-quality housing stock requires collaboration with partner companies that understand the significance of the SI business and support the widespread adoption of foundation direct joints. We aim to sell 500 homes annually by FY2027 and 1,000 homes annually by FY2029.



Improving the seismic resistance of homes in Japan means delivering safety and peace of mind to residents, values that also contribute to addressing social issues. Through the SI business, we hope more people will experience the benefits of Sekisui House's seismic resistance technology.



"Is that house built with foundation direct joints?" We hope that question will become a natural part of conversations about homebuilding, establishing a new standard in housing. By doing so, we aim to continue protecting the safety and peace of mind of as many people as possible.

Creation of High-Quality Housing Stock | life knit design

Drive Positive Impact Pursuing the integration of functionality and beauty in homes

Sekisui House views housing as a critical component of social capital and is committed to creating homes that are both beautiful and emotionally resonant with each individual. Since homes are precious spaces filled with our customers' dreams and ideals, we are meticulous in our selection of materials and construction techniques, striving to integrate functionality with charm and a sense of beauty. Our goal is to build homes that feel truly comfortable and nurture the subtle emotional moments of everyday life.



Create Happiness Weaving lasting fondness into homes

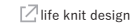
Perceptions of beauty, the appeal of designs and textures, and the ways people enjoy comfortable spaces vary from person to person. In FY2023, we introduced "life knit design," a new system for proposing designs that reflect each individual's sense of beauty in housing. Proposals based on our original "six fields of sense of beauty," derived from verbalizing impressions of approximately 6,600 images, reflect each individual's unique sense of beauty in their homes and foster a deeper emotional connection to their living space.



Transform Society A future where homes create happiness for every individual

In FY2024, we opened the model house "6 HOUSES" for a limited time, allowing visitors to experience and compare interiors based on the "six fields of sense of beauty." This initiative provided visitors with an opportunity to discover their own sense of self. Rather than offering uniform designs that simply follow trends, we believe that providing homes tailored to each individual's sense of beauty will lead to lasting happiness in the era of the 100-year lifespan.

By weaving each resident's unique sense of beauty into homes that harmonize with their surroundings, we foster a deep sense of attachment and encourage long-term residence—ultimately contributing to the creation of beautiful, high-quality housing stock. We remain committed to building a future where homes serve as a foundation for enduring happiness.



The design philosophy, "life knit design"

At a display home, a sales representative casually remarked to me, "We could design homes to match the furniture and art you already own." That comment resonated deeply, and it felt like a sincere expression of empathy toward my own sense of beauty. It was this moment that became a major inspiration for what would later evolve into "life knit design."

Life knit design begins with creating a beautiful, universal space that serves as a canvas for each customer's unique sense of beauty. From there, we co-create a one-of-a-kind living space through conversations with the customers, guided by our six fields of sense of beauty.

The "knit" in life knit design reflects our desire to offer a lifestyle where each day weaves threads of attachment into the fabric of one's life. While performance and functionality are essential, we aim to go beyond. By adding a sense of beauty and social value, we propose a way of living that brings not only safety, peace of mind, and comfort, but also a deeper sense of self, happiness, and a meaningful flow of time.



Naoko Yano
Operating Officer
Head of the Design
and Planning
Department

The Sekisui House Group's Journey and the Value Created by life knit design

Drive Positive Impact: The Sekisui House Group's Initiatives

1961

Transitioned from plastic to wood for interiors, incorporating design that resonates with sense of beauty in the Model B

1965

Established the custom home design philosophy through our unique steel frame construction method and production system

1978

Launched sales of the Grenier series of homes, proposing new lifestyles through beautifully designed exteriors and interiors

1985

Introduced the ONE's ONE concept, reflecting each individual's personality and sense of beauty in homebuilding

2010

Proposed the slow living concept, enhancing everyday comfort by connecting indoor and outdoor spaces

Create Happiness: The Happiness Created by life knit design

2023 Launched life knit design

- Lifestyles that weave fondness over time
- Comfort that echoes a sense of beauty
- Designs that harmonize beautifully with the townscape and surroundings
- Happy daily life that fosters connections



Komazawa SHAWOOD model house HUE in Setagaya, Tokyo

2024 Established 6 HOUSES

- A place where visitors can experience and compare interiors based on the six fields of sense of beauty
- Discover what one truly loves
- A townscape of six homes with exteriors and landscaping that harmonizes with the natural environment



6 HOUSES in Tsukuba City, Ibaraki

Transform Society

Amplify impact

- Building homes that create happiness
- Evolving housing-related choices from functionality to a sense of beauty
- Shifting home value toward quality
- Fostering a culture that values a sense of beauty

Material Issues | Contributing to a Sustainable Society

The Sekisui House Group's Journey

Aiming to create homes and communities in harmony with the environment, we have proactively addressed environmental issues ahead of national standards and incorporated community-building philosophies into large-scale development projects. Today we are advancing further technological innovations to promote the widespread adoption of ZEH, decarbonize our business activities, and realize sustainable communities with reduced environmental impact.

Our Mission

We are pioneering a future where people can continue to live with greater happiness by actively advancing environmental impact reduction and renewable energy utilization.

Key Policy

We strive to foster harmony between people, communities, and the planet, while working toward achieving a sustainable society through our business activities, including those across the supply chain.

Key Themes

Decarbonization

Biodiversity conservation

Resource recycling

Coexisting with local communities

Occupational health and safety & supply chain

- ESG Fact Book P.6-13
- ESG Fact Book P.18-23
- ESG Fact Book P.31-34
- ESG Fact Book P.67-80
- ESG Fact Book P.81-88

1961
Introduced the Model B, which utilizes aluminum sashes in window frames



1982
Launched the PSH-21 passive solar house



1977
Initiated community development based on the common space concept



1996
Standardized high-performance, multi-layer, heat-insulating glass



2001
Launched the Gohon no Ki Project



1999
Announced the Environmental Future Plan



2005
Established the "Urban Development Charter"



2002
Started zero-emission operations at factories



1999
Announced the Environmental Future Plan



2003
Standardized next-generation energy-efficient specifications



2003
Developed a roof tile photovoltaic power generation system



2006
Launched townscape observation day



2004
Created Shin-Satoyama at Shin Umeda City



2004
Certified under the Wide Area Certification System



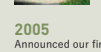
2006
Began the "A Letter from Dr. Forest" Program, an environment education program



2008
Launched Carbon Neutral Houses



2005
Announced our first Sustainability Vision



2007
Launched the website for the Gohon no Ki Project and the Wild Bird Mobile Field Guide



2009
Launched Eco-friendly housing "Green First"



2017
Joined RE100



2013
Launched "Green First ZERO houses"



2021
Started Sekisui House Owner Denki



2019
Initiated ZEH in GRANDE MAISON condominiums



2020
Launched multi-unit housing Sha Maison ZEH complexes



2023
Achieved ZEB-compliant construction for newly built Company offices and facilities



2022
Participated in the TNFD Forum



2021
Conducted a quantitative evaluation of contribution to biodiversity of the Gohon no Ki Project and publicized the "Nature Positive Methodology"



2007
Launched a waste measurement system using IC tags



2017
Updated our Electronic Processing System for waste collection



2024
Announced the Circular Design from "House to House" Project



Building a circular economy
By advancing high-quality recycling and rigorous waste reduction and management practices, we aim to enhance resource efficiency, minimize environmental impact, and contribute to the realization of a circular economy.

Amplify Impact

Value We Create



Decarbonization
Leading the way to decarbonization

Achieving decarbonization
Approximately 16% of Japan's total CO₂ emissions originate from the residential sector. Given this, we promote decarbonization by strengthening efforts to improve thermal insulation and energy-saving measures through the advancement of energy-efficient housing.

Biodiversity conservation
Leading the way to a society in which humans and nature coexist

Conserving biodiversity
By promoting sustainable wood procurement and tree-planting through the Gohon no Ki Project, we contribute to biodiversity conservation by helping to reduce deforestation and restore severely degraded green spaces in urban areas.

Resource recycling
Leading the way to a circular economy

Contributing to a Sustainable Society | GRAND MAST Rental Housing

Drive Positive Impact
A home for healthy aging

In Japan's rapidly aging society, homes for the elderly are often viewed solely as places for those requiring nursing care. However, only 6% of individuals aged 65 to 74 are certified as needing such care—meaning the majority of elderly people remain active and independent.


Sekisui House has developed the "GRAND MAST" rental housing series designed for active elderly individuals who wish to age healthily while living authentically, freely, and in good health, and receiving support when needed. Leveraging our original lifetime housing concept and universal design, we provide homes that enable people to live happily throughout the era of the 100-year lifespan.

 Sekisui House's GRAND MAST rental housing

Create Happiness
High happiness levels among residents of GRAND MAST rental housing

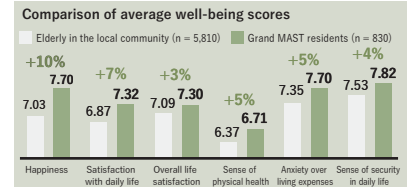
GRAND MAST rental housing offers safety, peace of mind, and comfort, along with concierge desk services to support daily living. This housing for independent seniors is also equipped with services that encourage healthy eating, physical activity, and social connection.

A joint study conducted in FY2023 with Professor Katsunori Kondo of the Center for Preventive Medical Sciences at Chiba University revealed that residents of GRAND MAST rental housing laughed 1.3 times more often, went out 1.8 times more frequently, and dined with others 1.4 times more frequently than their peers in the surrounding community, indicating a positive impact on their well-being.

 Housing that enhances the well-being of the elderly

Transform Society
Creating a healthy, long-living society through housing

GRAND MAST rental housing is not about relocating with the assumption of requiring nursing care, but rather providing the choice to continue living true to oneself. It respects individuality while fostering connections with others and the community, enabling the elderly to enjoy daily life actively and vibrantly, realizing a new form of happiness in a healthy, long-living society.



GRAND MAST rental housing residents often eat together and laugh frequently

Residents of GRAND MAST rental housing are enjoying their second lives, and with many recommending the lifestyle to friends and family members. Seeing this, we began to consider that elderly individuals living in urban areas, where they can enjoy outings and engage in daily interactions with familiar people might maintain higher levels of health and well-being.



Shunsuke Miyamoto
Director of the Board, Head of Business Department*
GRAND MAST Business Department

In a joint study, approximately 70% of residents across all 39 GRAND MAST rental housing locations participated. We were pleased to find that concierge desk services and customized neighborhood maps encouraged residents to go out more frequently. Additionally, shared meals contributed to increased laughter—both indicators of improved well-being.



Satoshi Sato
Regional Revitalization Strategy Department*
The Corporate Management Strategy Headquarters

This research highlighted the potential connection between frequent outings, social interaction, shared meals, and greater happiness among residents. We aim to further explore these causal relationships and realize our vision of senior housing where simply living there contributes to better health and happiness.



* Of Sekisui House Sha Maison PM Tokyo, Ltd.

The Sekisui House Group's Journey and the Value Created by GRAND MAST Rental Housing, Housing for Independent Seniors Equipped with Services

Drive Positive Impact: The Sekisui House Group's Initiatives

- 1975 A Japan first**
Built a "Wheelchair House" for elderly people and persons with physical disabilities within Kumamoto Rehabilitation Hospital
- 1981 A Japan first**
Constructed a model house for persons with disabilities and began developing components tailored to their needs
- 1987 A Japan first**
Introduced a lifetime housing model equipped with a home elevator to support seniors and persons with physical disabilities
- 1989**
Defined the concept of "lifetime housing" as the philosophy of comfortable living—now and always, as the foundation of our homebuilding approach
- 2002 An industry first**
Established a universal design concept for homes that emphasizes ease of living and applied it to detached houses

Create Happiness: The Happiness Created by GRAND MAST Rental Housing

- 2011 GRAND MAST rental housing**
 - Offered housing for independent seniors equipped with services
 - Supported healthy living through monitoring and peace-of-mind assistance
 - Promoted opportunities for interaction and connection
- 2024 GRAND MAST rental housing that elevates happiness**
 - Improves residents' happiness, satisfaction with daily life, and health awareness
 - Supports active lifestyles for the elderly
 - Increases motivation for social participation
 - Provides peace of mind for families
 - Encourages community living



39 locations in 9 prefectures (As of June 2024)



A dedicated chef offers meals in the dining hall upon request

Transform Society

- Amplify impact**
 - Extending healthy life expectancy
 - Reducing the burden of medical and nursing care costs
 - Promoting communication among the elderly in the local community
 - Providing diverse housing options
 - Increasing multigenerational interactions

Contributing to a Sustainable Society | “Kids First”

Drive Positive Impact

“Kids First” at Sekisui House: Nurturing emotional and sensory development in children

As a “Kids First” company, Sekisui House has long prioritized the happiness of children. We continue to ask ourselves what true happiness means, and one answer we’ve arrived at is rich emotional and sensory development in children. This development shapes a child’s individuality and brings color to their life, nurtured gradually through diverse experiences.

That is why we’ve embraced the concept of “housing education” as a way to foster a child’s sense of happiness through everyday living. Driven by a desire to help more children discover what they love and what matters to them, we will open JUNOPARK, an experiential housing education facility that fosters emotional and sensory development, in Kizugawa City, Kyoto (formerly the site of *Nattoku Kobo*) in August 2025. We believe the many experiences that begin here will become meaningful first steps toward a happier future.



Create Happiness

The seeds of happiness: Loving something and immersing oneself

Children in Japan are reported to have some of the lowest levels of emotional well-being among developed countries. Precisely because of this, we believe it is important to give children time to immerse themselves in what they love.

JUNOPARK is a housing literacy “edutainment” facility that blends education with entertainment. Designed primarily for older elementary school children, it offers original programs and exhibits based on Sekisui House’s concept of the six fields of aesthetic sensitivity nurtured through daily life. Through experiences that naturally spark feelings of “fun” and “curiosity,” JUNOPARK aims to be a place where children can nurture their own emotional and sensory development. It is a space where the ideas that “there is no single right answer” and “you can choose for yourself” are embraced, allowing children to discover what they love, what matters most to them, and what they want to immerse themselves fully.

Transform Society

A child’s happiness is the future of happiness

We believe that children’s happiness leads to a happier future. Children who have been raised with rich emotional and sensory development enjoy spending their time discovering what happiness means to them personally. They embrace their individuality and bring fresh ideas and innovation to future society.

At Sekisui House, we see housing education as a way to nurture the emotional and sensory development and the happiness of children who will shape the future. JUNOPARK is an investment in that future happiness. With a sincere belief that supporting children’s happiness leads to a brighter future, we will continue to promote our “Kids First” initiatives, shifting our purpose from building houses to building happiness.



The Sekisui House Group’s Journey and the Value Created by JUNOPARK

Drive Positive Impact: The Sekisui House Group’s Initiatives

1990

Established the experiential research center *Nattoku Kobo* at the Comprehensive Housing R&D Institute

1992

Launched *Sumaijuku* seminars at *Nattoku Kobo*, offering the general public opportunities to learn about housebuilding

Early 2000s

Began offering experimental programs at *Sumai no-Yume-Kojo* nationwide, targeting students from elementary school to university

2006

Introduced “A Letter from Dr. Forest,” an environmental education program for children

2008

Started employee-led field trips as part of housing education efforts



Number of children participating in Sekisui House Group’s housing education (FY2008–FY2024)

Employee-led field trips:

27,860

Facility tours and experience programs:

56,174

Create Happiness: The Happiness Created by “Kids First”

Output

- Planned the opening of an experiential housing-themed park
- Provided hands-on learning opportunities for children
- Created spaces for children to foster emotional and sensory development through new experiences
- Sparked moments for children to discover what they love and immerse themselves
- Hosted events to promote community engagement



Outcome

- Help children discover what they love and value
- Foster children’s emotional and sensory development, expressive skills, and self-awareness
- Nurture children with rich emotional and sensory development to respect differences in others
- Broadened the resonance for building happiness

Transform Society

Amplify impact

- Nurturing children with rich emotional and sensory development
- Creating a happier society
- Driving new innovation
- Spreading the emotional and sensory development that fosters happiness throughout society

Contributing to a Sustainable Society | Sekisui House Matching Program

Drive Positive Impact

Program Transformation Driven by Employee Ideas

Launched in 2006, the “Sekisui House Matching Program” is a corporate program to match employee donations. Originally designed to support nonprofit organizations in Japan addressing social issues, the program began evolving in response to employee feedback that “there must be more we can do.”

One day, we realized that the many ideas posted by employees on our internal app had the potential to make a meaningful impact on society. Thoughtful ideas focused on others’ happiness—such as “providing experiences for children,” “creating safe community spaces,” and “raising all children together”—were overlooked in the app after not passing the screening for the Sekisui House Innovation & Performance (SHIP) Awards Program.

These “overlooked ideas” were given a second chance at life through this new program, where external nonprofit organizations could raise their hands in a “who’s with me?” style to take on the ideas, plan activities around them, and receive support through employee and company donations.

 Sekisui House Matching Program

Create Happiness

When employee ideas connect, happiness spreads

Under this new program, employees who post ideas out of a desire to make society better, those who donate out of a wish to help others, and others who voluntarily participate in grant-funded projects all come together to support a single cause through three distinct actions. Each of these actions stems from a shared hope for a society and environment where children can continue to live happily. In FY2024, 56 projects were launched based on 117 employee ideas, resulting in 1,448 activities nationwide that positively impacted over 40,000 people. A single employee’s idea, through co-creation with society, has become a source of happiness for numerous people.



Employee-proposed ideas to improve society and foster innovation
656 ideas (First-Third SHIP)

Transform Society

Ideas and systems that shape the future

This new program is Japan’s first corporate co-creative social impact program—one that goes beyond donations or volunteering. Carried out through direct employee involvement, it begins with employee ideas and aspirations, growing into tangible social activities planned in collaboration with nonprofit organizations that are supported financially by both employees and the Company. This system redefines the role of corporations in society, serving as a model where “a thought becomes action, action becomes a system, and the system brings happiness to society.” We will continue to build programs and systems rooted in care for others’ happiness and connect them to the happiness of society and the future.

One person’s idea improves society (co-creative social impact program)



Starting with ideas, donations, and active participation aimed at making society better, the Sekisui House Group has established a new framework for generating value through co-creation with local communities and society.

The Sekisui House Group’s Journey and Value Created by the Sekisui House Matching Program

Drive Positive Impact: The Sekisui House Group’s Initiatives

2006

Launched the Sekisui House Matching Program, a corporate program to match employee donations

To help create a society and environment where children can continue to live happily, we established the Children’s Fund and Eco-Fund, with the Company matching employee donations.

FY2006–FY2024

Charitable donations:
approximately ¥490 million

Number of grantee organizations: 646

Participating employees: 7,628

(As of January 31, 2025)



2023

Restructured the program to fund projects developed from employee ideas in collaboration with nonprofit organizations

Create Happiness: The Happiness Created by the Sekisui House Matching Program

Output

10 ideas recognized and realized

Final screening (20 ideas)

117 ideas Made into projects and funded

Social contribution ideas (235)

Employee ideas (First-Second SHIP, 1,414)

Outcome



Grants in FY2024

Funded projects: 56

Activities conducted: 1,448

Participating children: 31,213

Participating adults: 15,837

Volunteers: 3,325

→ P68-78 Our Foundational Values

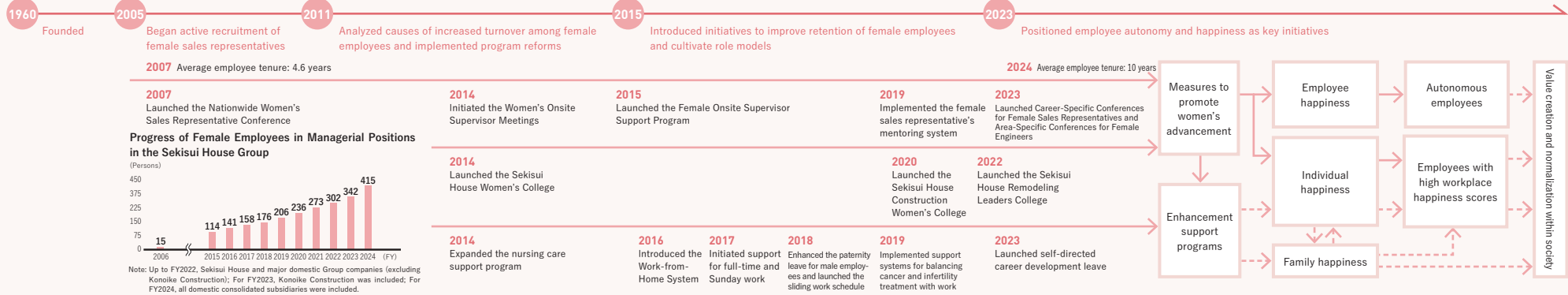
Transform Society

Amplify impact

- Encouraging voluntary employee participation
- Creating a cycle of value through diverse co-creation
- Achieving a society and environment where people can continue to live happily

Diversity and Inclusion | Promoting Women's Advancement

20 Years of Promoting Women's Advancement to Foster Employee Happiness Since beginning active recruitment of female sales representatives in 2005, we have spent the past 20 years building workplaces where everyone can work autonomously and happily.



Drive Positive Impact

Origin

Companies do not grow without the active participation of women
A place where everyone can thrive
The first step toward a better society



Key Measures

Implemented mentoring programs and networking conferences
Enhanced training for managerial roles and support programs
Reformed managerial mindsets and workplace environments



Create Happiness

Identifying Attrition Factors and Implementing Improvements

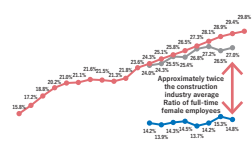
Supported career development
Enhanced organizational environments and transforming corporate culture
Ensured psychological safety and reformed leadership mindsets



Gradual Progress

Increasing the number of female new graduate hires and mid-career hires
Growing the number of female employees and female managers
Improving work environments and expanding support programs

The Sekisui House Group's ratio of full-time female employees



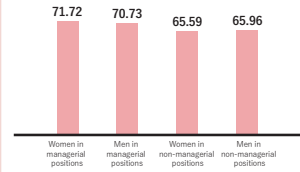
Transform Society

Workplaces That Foster Happiness

Increasing leaders with high well-being
Enhancing well-being for all team members
Enhancing well-being for all workplaces

Total well-being score (FY2023 Well-Being Survey, Sekisui House non-consolidated)

Employees in managerial positions report higher levels of well-being than those in non-managerial positions
Female managers report higher levels of well-being than male managers



A Future of Expanding Happiness

Establishing an organizational culture that embraces diverse values
Fostering innovation
Creating a happier society where everyone can thrive



Diversity and Inclusion | Promoting Women's Advancement

Drive Positive Impact**Companies do not grow without the active participation of women**

In the construction industry in Japan, a male-centric workplace culture took root over many years, making it difficult for females to advance in such an environment. Sekisui House began actively recruiting female sales representatives in 2005, and, in 2006, introduced "Human Resource Sustainability" as our core human resources policy. This policy was driven by the belief of the Representative Director at the time that the growth of human resources with diverse values is essential for sustainable corporate growth.

However, from around 2011, attrition among female sales representatives started to rise. Many female employees also expressed reluctance toward promotion due to concerns about balancing work and family life. To address these challenges, we first focused on identifying the root causes of attrition. Our analysis revealed several key issues: long working hours, inadequate facilities for female employees at construction sites, entrenched workplace biases, and unconscious managerial tendencies to favor male employees for promotion opportunities.

Create Happiness**Building workplaces that support self-directed career development**

In response to these challenges, we reviewed and reduced excessive overtime, improved onsite facilities, expanded childcare leave policies, and worked to shift managerial mindsets. At Sekisui House, promoting women's advancement is not about increasing the number of female managers, but about creating an environment where all employees can autonomously shape their careers. To support this, we encourage employee interaction and provide opportunities for dialogue with mentors and role models, helping individuals discover their own workstyles. These efforts are contributing to a workplace where all employees can continue working happily. In our FY2023 and FY2024 Employee Well-Being Survey, we found that workplaces with female managers reported higher levels of employee well-being than those without. This supports the view that the active participation of diverse employees enhances psychological safety and communication quality, strengthening workplace relationships.

Transform Society**Toward a society where working happily is the norm for everyone**

It has been 20 years since we began actively hiring female sales representatives in 2005. Today, the ratio of female full-time employees at Sekisui House has reached 29.8%, approximately twice the construction industry average. We continue to promote workplace diversity by appointing female managers and supporting autonomous career development through networking events with role models and a female manager candidate development program launched in FY2014.

Our goal is to help realize a society where everyone can thrive equally, regardless of gender. This is not simply about increasing the percentage of females in managerial positions. It is about creating environments where individuals can continue working in alignment with their life stages and personal values.

By challenging fixed ideas such as "It's difficult because she's female" or "We can't entrust this to someone working reduced hours," we aim to redefine what is considered "normal," foster happiness in the workplace, and contribute to the happiness of society as a whole.

The Sekisui House Group's Journey and the Value Created by Promoting Women's Advancement

The Sekisui House Group's Initiatives**2005**

Began actively recruiting females and set a target of 20% female sales representatives among new graduate hires

2011

Started regularly holding nationwide conferences amid a rising attrition among female sales representatives

2014

Launched the Women's College, a two-year training program for 20 female manager candidates annually

2019

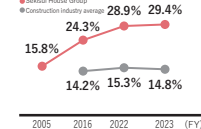
Introduced the female sales representative mentoring program where employees with the Company for at least six years mentor those in their first to third year

2020

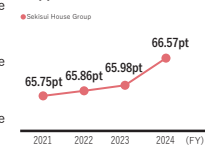
Set a new target of 30% female sales representatives among new graduate hires

Create Happiness: The Happiness Created by Promoting Women's Advancement**Output**

- Increased the ratio of female employees and managers
- Diversified career paths and workstyles
- Increased number of employees who are satisfied with their jobs
- Increased usage rate of childcare leave, nursing care leave, and self-directed career development leave

Ratio of full-time female employees**Outcome**

- Improved career continuation rate among female employees
- Enhanced corporate creativity
- Built environments where everyone can freely take on challenges
- Improved employee well-being
- Fostered a culture where diverse workstyles are the norm

Total Well-Being Circle Happiness Score**Transform Society****Amplify impact**

- Promoting a society where everyone works happily in their own way
- Advancing a society where all individuals actively participate, driving innovation through diversity

Diversity and Inclusion | Promoting Women's Advancement

Dialogue | 20 Years Since Promoting Women's Advancement

20 Years of Blazing Trails—The Journey of Promoting Women's Advancement and Path Forward

In 2005, Sekisui House became an industry pioneer by actively recruiting female sales representatives. At the time, there were no systems or precedents in place. Guided by the vision of creating a society where everyone can thrive, our employees forged new paths through their own initiatives, despite uncertainty and concerns.

The ambitious efforts of those who spoke up and took initiative gradually transformed the workplace and shaped today's expectations. Their efforts laid the foundation for the Sekisui House Group's unique approach to autonomy and transformation. Employees who have walked this 20-year journey share their reflections on past challenges, achievements, and aspirations for the future. Their stories reveal a deep sense of pride in contributing to societal change and a strong commitment to continued growth.



From left:

Miki Kotani, Executive Specialist, Technology Management Headquarters (Joined in 1988, first secretariat of the Women's College)

Fumie Yoshii, Head of the Strategy and Planning Office, International Strategy Department, and International Business Headquarters

(Returned in 2011, joined as an engineer, 1st graduating class of the Women's College)

Fumiko Kuroki, Branch Head of the Tokyo North Branch, Tokyo Sales Administration Headquarters

(Joined in 2004 as a sales representative, 3rd graduating class of the Women's College)

Ayumi Yokoyama, Chief Manager of Diversity and Inclusion Promotion Department, ESG Management Promotion Headquarters

(Joined in 2004 as a sales representative, 4th graduating class of the Women's College)

I simply did what was expected of me



It has been 37 years since I joined the Company. Back then, there were only eight female engineers in western Japan. Even during the challenges of the first consumption tax rollout, we overcame difficulties thanks to the positive atmosphere in our office.



I was inspired to join Sekisui House after experiencing its high-quality housing firsthand during the Great Hanshin Earthquake. At the time, working late and passing certification exams on the first try was considered normal. As I dedicated myself to my work each day and continue to challenge myself, trust gradually developed both in the workplace and on-site, and I found more and more opportunities to bring joy to our customers.



Although I studied architecture, I joined Sekisui House with the goal of becoming a sales representative. I earned my qualifications, worked late into the night, and wanted to prove that I was giving my all. It wasn't just about commitment—it felt like I was pushing beyond my limits.



As a new employee, it was natural for people to wonder if I could handle the job. That's exactly why I threw myself into studying and working wholeheartedly, just to hear a customer say, "I'm glad it was you."

The support programs followed in our footsteps



I was the first person to take childcare leave at the head office. I will never forget being told upon my return that I was denied a promotion because I had taken two months of childcare leave. That frustration became the starting point of our current, fair evaluation system. Support programs were not created just to exist—they originated from a desire to work in a certain way. The housework and childcare support programs were also gradually developed in the same spirit.



I once resigned and later returned after studying abroad and working at a design firm. At that time, there was no formal leave program like we have today. The senior manager and branch head told me, "We cannot establish a program right now, but you are always welcome to come back," and kindly sent me off. During my six years overseas, I stayed in touch with my former manager and colleagues, which eventually led to my return to Sekisui House.



I was the first female sales representative in my office. While working alongside male colleagues, I gradually gained junior teammates and realized that not everybody works the same way. I thought, "If we don't change things, nothing will change," so we all worked together to steadily improve the environment.

Expectations fueled our determination to take on challenges



After returning to the International Business Headquarters, I was fortunate to attend many programs, including the Women's College and management training. Meetings dedicated to female colleagues from both inside and outside the Company, along with the strong support of senior managers and supervisors who encouraged my participation and always looked out for me, has been a great source of motivation to take on new challenges.



At conferences and training sessions with other female colleagues, I felt the Company's strong expectations of us and its commitment to our growth firsthand. I was also able to share insights from trainings with my supervisors, which led to stronger trust and dialogue. When I was appointed branch head, I was genuinely surprised. Am I really qualified for the role? At the time, female branch heads in the housing industry were rare, and I had strong perceptions about what a branch head should be. It was difficult to find my own style. Still, I believed there was meaning in blazing my own trail. Today, there are branch heads with diverse styles and team members with diverse ideas, and I have come to see it as a valuable opportunity to rethink how management should be.



I've always worked as hard as I could in my own way, without thinking too much about it. But I gradually realized how difficult it is to work in an environment without leaders or role models. Of course, there were tough times, but with the support of the branch head and head of the General Affairs Department, I was able to achieve results and receive fair evaluations. There were many moments at conferences where I felt the weight of expectations on us, and those expectations evolved into a mindset of "We will be the ones to drive change." I enjoyed the days of striving together as a team, and the joy I felt when our team's achievements were recognized is still fresh in my memory.

Diversity and Inclusion | Promoting Women's Advancement

Dialogue | 20 Years Since Promoting Women's Advancement

20 Necessary Years



When I joined Sekisui House 20 years ago, we were able to act with a certain degree of freedom precisely because there were no precedents. Of course, there were many difficult moments. As a sales representative, there was no option to change roles—it was either continue working or resign. Despite recruitment efforts, many eventually left, and for several years, the number of female employees did not increase. The reason we stayed was the foundation built during that time. If we had had other options, we might not have held on. I believe the strength of our sales representatives today is rooted in the dedication of those who genuinely wanted to succeed in sales, supporting and challenging one another. It took 20 years, but we have reached a place that could not have been achieved overnight. Sekisui House's female sales representatives are undoubtedly stronger than those of our competitors.



20 years ago, today, and into the future, those who seek growth and want to expand their capabilities will continue to naturally exceed their own limits. Establishing new norms takes time and energy, but those who take initiative and try things will continue to transform Sekisui House Group and society.



We began actively recruiting female sales representatives in 2005. At that time, male area sales leads and colleagues often asked, "What should we do?" As the second female design manager nationwide, I learned a great deal from male design managers, but with so few precedents, I also experienced many trials and errors.



The pace of growth and the surrounding environment have changed compared to the past 20 years, and will continue to evolve over the next 20 years. Sekisui House has entered a phase of global expansion, and this may be another turning point. I hope we can continue evolving at an accelerated pace toward a future when true diversity is the norm, and we no longer need to talk about the "advancement of women."

We are still setting precedents



I've been truly encouraged to see more female colleagues aspiring to become branch heads. Roles such as designer and onsite supervisor have become natural career choices for anyone, regardless of gender. As a branch head, I am proud to have helped create an environment where everyone can work in their own way. Everyone has strengths and weaknesses. By fully leveraging each person's strengths and aspirations, and complementing one another, we achieve these results. I hope this kind of organization—where diversity becomes a source of strength—becomes the new norm. It's a world where we break free from fixed ideas like "this is how sales should be" or "this is how design should be," and bring together our expertise to create something truly great.



Looking back, we did not take on new challenges because we were female. We did so because there were no precedents. From research and development to sales, production, and construction, we stepped into uncharted territory and forged new paths. I worked in technology development during the phase when our focus was on comfort and environmental consideration, and the process of combining diverse perspectives to drive innovation was truly enjoyable. Sekisui House is, once again, a company that brings together people who embrace the challenge of working without precedents.



I started in sales and now work in a role that promotes diversity. Currently, among all 99 offices in Japan, there is one female branch head and one female deputy branch head. I am wholeheartedly aiming for the day when the group photo at the nationwide gathering of branch and deputy branch heads, which is held twice a year, shows equal numbers of male and female employees.



By humbly reflecting on ourselves through the lens of our individual characteristics, we can identify both strengths to be proud of and areas for improvement. I believe that mindset is essential. Sekisui House is a team of individuals united by a deep commitment to craftsmanship, a dedication shared and demonstrated equally by on-site employees and executive leadership. People with sincere passion inspire one another and work together to shape the future crossing domestic and international boundaries to create new value without borders. I believe that moving toward such a future will lead to the next stage of growth for us and for the Sekisui House Group.

Sekisui House Women's College

Since 2014, we have implemented a two-year program for 20 female employees every year to support autonomous career development and promotion to managerial positions.

1st year: Skill-building to develop management perspectives

2nd year: Hands-on learning to address workplace goals

At graduation: Presentation to top management
Graduates: 166, of whom 122 have been promoted to managerial positions



Over the two years I received a great deal of stimulation. I pursued internal certifications and participated in branch-wide initiatives, all with the goal of stepping up and leading new challenges. Every day, I feel strongly that when someone creates an opportunity and diverse ideas are added, it can grow into a powerful movement.



To be honest, I initially questioned whether managerial development and training programs exclusively for female employees were truly necessary. But at the Women's College, I met colleagues who shared a common goal, to overcome challenges, and who inspired and elevated one another. I gained so much from that experience.



I stopped viewing management roles negatively. Being a manager means thinking about how to help your team feel fulfilled and taking action to support that. Once I started seeing it that way, I was able to engage with my work positively.

Indicators and Progress

Process of Identifying Material Issues

To achieve our Global Vision, we recognize the importance of creating value for our customers and society through our business activities. In line with this commitment, the Sekisui House Group conducted a review of our material issues in FY2022.

This review clarified the long-term challenges we must address and evaluated them as part of our broader social mission from a Company-wide perspective. We deepened our understanding through discussions at Management Meetings and with external experts, as well as through engagement with a diverse range of stakeholders. As a result, we identified three key areas as our critical material issues.

For each material issue, we established priority themes and defined Key Performance Indicators (KPIs) to measure progress. Under our Sixth Mid-Term Management Plan (FY2023–FY2025), we have set 54 KPIs across 11 priority themes and are actively driving initiatives to achieve them. For further details on these KPIs and our progress, please refer to the ESG Fact Book.

Key FY2024 KPIs

To enhance the effectiveness of our ESG management, we have developed a framework that links KPIs directly to the actions of both employees and senior management. Specifically, the President's Award reflects selected KPIs as ESG indicators for business units. ESG management indicators are also incorporated into the framework to evaluate executive remuneration. These initiatives encourage proactive engagement across all levels of the organization. Under our ESG management structure, we monitor progress on KPIs linked to material issues and evaluate the outcomes of related initiatives, while also continuously making revisions and improvements through a PDCA cycle.

Among the 54 KPIs, those linked to employee ESG indicators and the Performance Share Units (PSUs) are considered especially critical for achieving both sustainable societal impact and long-term corporate growth. In FY2024, 13 key KPIs are connected to ESG indicators and PSUs. These KPIs have been organized based on the value and social impact they create, as outlined on the following page.

Issues and Insights Related to KPIs

Stakeholder feedback has highlighted several challenges in our current KPI framework. With 54 KPIs in place, some have noted that the volume makes it difficult to assess their relative importance, and that varying timeframes and scopes of impact obscure the overall picture. While KPIs are intended to guide effective resource allocation and management, their breadth risks diluting focus on the most critical areas.

Additionally, the distinction between short-term operational metrics and long-term social impact indicators has not been clearly communicated. There is also a growing need to strengthen internal and external understanding of how KPI achievement contributes to resolving social issues and driving business growth.

In response, we are working to restructure our KPI framework. This includes systematically organizing initiatives into those that should be prioritized, revised, or discontinued, with the aim of promoting more effective and impactful business activities.

KPI Revision and Future Direction

To improve the clarity and effectiveness of our KPIs, we have begun categorizing them into two phases: the “value creation phase, focused on business activities and process improvements,” and the “impact expansion phase, focused on societal and environmental outcomes.” This approach enables us to clarify how each KPI contributes to corporate value and social impact. We are also redefining KPIs linked to material issues as tools for value creation, with clearly defined priorities to ensure more effective and meaningful outcomes. Looking ahead to our Seventh Mid-Term Management Plan (FY2026–FY2028), we plan to introduce new KPIs and concentrate our efforts on high-priority areas, further integrating ESG into our business strategies.

We will continue to refine our KPIs based on stakeholder feedback and changes in the business environment. By transparently communicating this process, we aim to maximize long-term growth and positive social impact.

Process of Identifying Material Issues

1. Identifying and organizing key themes

Reflecting on our journey since founding, we identified eight essential and enduring themes* and examined their relationship to our business activities. This process reaffirmed that our historical initiatives are deeply aligned with our Corporate Philosophy of “Love of Humanity.”

2. Constructing our corporate story

Based on these eight themes, we mapped out the innovations we have created and the employees who made them possible, developing a corporate story structured in 30-year phases. Through this, we identified key areas where our business activities intersect with social challenges and value creation.

3. Defining material issues

From our corporate story, we identified three priority areas requiring focused attention. These are confirmed through discussions with senior management, deliberations by the ESG Promotion Committee, and final approval by the Board of Directors. These three areas now serve as the core material issues of the Sekisui House Group.

Process for Evaluating KPIs

4. Setting KPIs

Under the Sixth Mid-Term Management Plan (FY2023–FY2025), we established 11 priority themes based on the three material issues and formulated 54 KPIs to measure the progress on specific initiatives.


5. Monitoring


Progress on KPIs is primarily evaluated by the ESG Promotion Committee before it is reported to the Board of Directors. Upon receiving reports, the Board of Directors reviews, deliberates on, and supervises Group-wide response policies and other relevant matters.


6. Revisions and improvements

The ESG Promotion Committee engages in discussions with external experts and executive leadership, including the Representative Director, to review challenges and outcomes. Based on these discussions, we implement appropriate improvements to initiatives and revise indicators as needed.

* These eight key themes are: seismic resistance performance; landscape and aesthetics; ecosystem preservation and biodiversity; insulation performance and CO₂ reduction; resource recycling; coexistence with local communities; health, connectedness, and learning; and employment retention and human resource development.




 ESG Fact Book P94-97 Indicators and Progress

 ESG Fact Book P89-99 ESG Governance

 ESG Fact Book P92 Materiality management

Indicators and Progress

In FY2024, we have organized key indicators related to ESG and Performance Share Units (PSU) within the perspectives of customers' happiness, society's happiness, and future happiness, and have included their targets and performance as well as the value and impact created.

KPI	FY2023 Results	FY2024 Targets	FY2024 Results	Boundary	Connection	Customers' happiness (Output)	Social happiness (Outcome)	Future happiness (Impact)	Our mission	
Internal standard for evaluating detached houses (residence evaluation) ¹	3	★3 or more 70% or more	70%	◇1	ESG indicators	Creating comfortable living environments with safety and peace of mind	Improving regional quality of housing and shaping landscapes	Realizing a housing market where asset value is maintained  		
Internal standard for evaluating rental housing (Sha Maison Gardens) ²	65.1%	Over 70%	64.4%	◇1	ESG indicators	Creating rich and fulfilling lives in connection with nature				Bringing greenery to towns and fostering value through local scenery
Rental housing units renovated	7,058	7,600	5,756	3	PSU	Creating happy lives through comfortable residences				Improving housing quality that shape a community's assets
Ratio of detached ZEH homes	95%	90%	96%	◇1	ESG indicators PSU	Realizing comfortable living that reduces utility expenses	Contributing to lower CO ₂ emissions from the residential sector	Promoting a decarbonized society 		
Ratio of ZEH units for rent	76%	73%	77%	◇1	ESG indicators PSU	Providing rental housing with high environmental capabilities				Spreading corporate decarbonization activities across all of society
Rate of CO ₂ emissions reduction from business operations	56.3%	—	62.3%	◇5	PSU	Improving the ease of work through higher efficiency	Spreading corporate decarbonization activities across all of society	Creating a society in harmony with nature 		
Biodiversity-friendly tree planting (Gohon no Ki Project)	19.85 million trees	21.00 million trees	20.69 million trees	◇1	ESG indicators	Creating living spaces where a connection with nature can be felt	Preserving urban ecosystems			
Number of female managers	342 persons (4.34%)	350 persons	415 persons (5.01%)	5	PSU	Creating workplaces with diverse career options	Creating a society that promotes decision-making utilizing a variety of perspectives	Creating a society that fosters innovation		
Take-up rate for eligible male employee childcare leave	100%	100%	100%	6	PSU	Realizing workstyles that can keep family time important	Creating a society where it is natural to have both a family and career	Creating a society that brings out diverse values and creativity		
Take-up rate for annual paid leave	80.3%	70%	79.9%	7	PSU	Refreshing minds and bodies and enhancing daily life	Creating a society that is easy to work in, innovative, and productive			
Average monthly work hours per person	169.58	175	170.17	6	ESG indicators	Realizing workstyles value personal time	Realizing a society where everyone can work flexibly	Creating a society that supports efforts toward mental and physical health and happiness 		
Walking Challenge participants and average step count	21,163 persons 6,652 steps	—	21,289 persons 6,957 steps	◇4	ESG indicators	Improving health and happiness through adherence to exercise habits	Improving health in every area			
Rate of employees opting for secondary medical checkups	88.1%	97%	90.3%	◇1	ESG indicators	Creating relaxing environments that reduce worries related to one's health				

1 Internal standard for evaluating detached houses with exterior design and greenery that beautify the community. This indicator is calculated based on our residence evaluation, which we created for detached houses in 2017 to promote the creation of beautiful houses that will be assets to their communities. Houses meriting this certification are given a rating from one to five stars.
 2 Internal standard for evaluating the townscape attractiveness of rental housing that emphasizes resident safety, peace of mind and comfort. This indicator shows the ratio of Sha Maison Gardens, which obtained in-house certification as attractive rental housing through a process using unique evaluation criteria that include the impact on surrounding street landscapes and a resident-first perspective.
 3 FY2023 results: ★4 or higher, overall 81.9%, 3rd range comprising 88.4%. The four stars previously granted are equivalent to three stars. Since FY2024, certification rules have been revised to enhance the quality of certified houses.

4 Sekisui House Real Estate Group
 5 ◇3 in FY2023, ◇4 in FY2024 and FY2025
 6 ◇2 in FY2023, ◇4 after FY2024 (Excluding Konoike Construction and domestic consolidated subsidiaries)
 7 Sekisui House, Ltd.; Sekisui House Real Estate Group; Sekisui House Remodeling, Ltd.

◇1 Sekisui House, Ltd.
 ◇2 Sekisui House Real Estate Group, Sekisui House Construction Group, Sekisui House Remodeling, Ltd., Sekisui House noie Limited in addition to 1 above
 ◇3 Konoike Construction Co., Ltd. and Consolidated Domestic Subsidiaries in addition to 2 above
 ◇4 Sekisui House and Domestic Group Companies
 ◇5 Sekisui House Group (Sekisui House, Ltd. and all Consolidated Subsidiaries)

For information related to consolidated indicators and progress on other KPIs, please refer to the ESG Fact Book.

Leading Company in ESG Management

Creating New Value and Shaping the Future through ESG Management

Since our founding in 1960, the Sekisui House Group has been committed to creating value for society and achieving sustainable growth by addressing challenges faced by customers and society through our business activities. Over the decades, we have consistently led the way, developing pre-fabricated housing, innovating seismic resistance technology, promoting energy-efficient homes, and fostering workplaces that respect diversity. In 2020, to demonstrate greater leadership, we announced our sub-vision: “Become a leading company in ESG management.”

We define a leading company in ESG management as one that pioneers new value creation and opens the path to a happier future. To achieve this, we must continue to drive unprecedented innovation by looking ahead, sincerely engaging with social issues, and thinking deeply about how to make society better. In other words, the ESG management we pursue is a continuous effort to create a positive impact on society and the environment, thereby forging new ESG values.

Since FY2020, we have been promoting ESG management that emphasizes the participation of all employees. As a starting point, we held discussions around the theme “What is happiness?” These

conversations encouraged employees to reflect on their colleagues’ values and perspectives, deepening their understanding of ESG and inspiring small, everyday actions.

Through initiatives such as the Sekisui House Innovation & Performance (SHIP) Awards and efforts to build a positive workplace culture, we continue to promote employee autonomy. In FY2024, we launched programs to share employees’ ideas with society and address social issues through open innovation. These efforts are steadily taking root, establishing a process that links employees’ ideas with value creation.

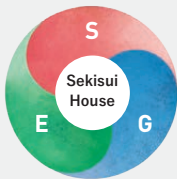


The Sekisui House Group’s ESG management, based on the principle of “ESG management that engages all employees,” is now proceeding toward “ESG management focused on value creation.” In addition to promoting ESG management as a framework for risk evaluation and response, this marks our progress to a new stage—one where we aim to create new value for society and establish future standards. To achieve this, we will further evolve highly effective initiatives, centered on the key elements of a leading company in ESG management.

Our ESG management is characterized by the belief that enhancing what is valuable to society leads to greater value for the organization. Guided by our Corporate Philosophy of “Love of Humanity,” the Sekisui House Group is consistently implementing forward-looking initiatives that reflect the values needed for the future. We will continue to connect the autonomy and creativity of each employee to our world-leading business activities, nurturing these qualities as the driving force to shape a happier future.

→ Our Corporate Story P18-24

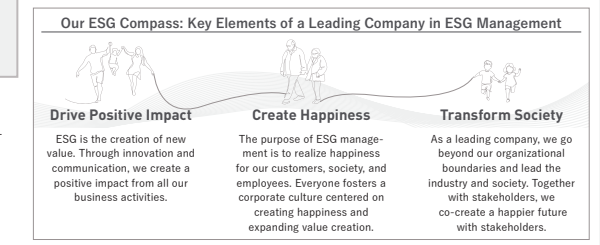
Our Approach to ESG Management: “Our Business is Rooted in ESG”



The Sekisui House Group’s ESG management is to practice “Love of Humanity,” our Corporate Philosophy. It reflects our commitment to working together for the happiness of our customers and society. It also means valuing our workplace as a “home away from home” and working toward the happiness of our colleagues and families. We believe that these fundamental human sentiments are at the heart of ESG, and that by putting them into practice, we can continue to innovate and create new value.

Based on these principles, we have adopted the concept that “the Company exists within ESG.” This means we continuously evaluate our business activities not only in terms of profitability, but also by their contribution to the happiness of our customers, society, and employees. We also integrate ESG perspectives into our business strategies and decision-making, recognizing that strengthening our ESG initiatives and performance enhances our corporate value.

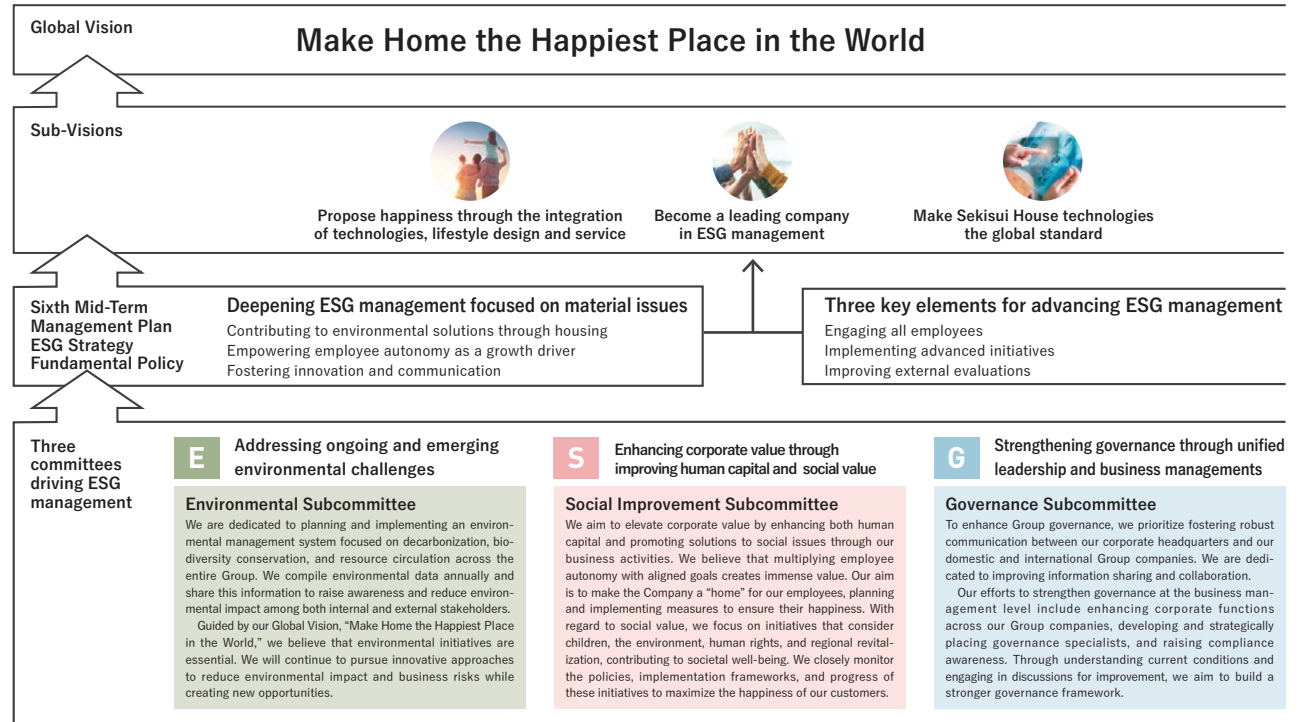
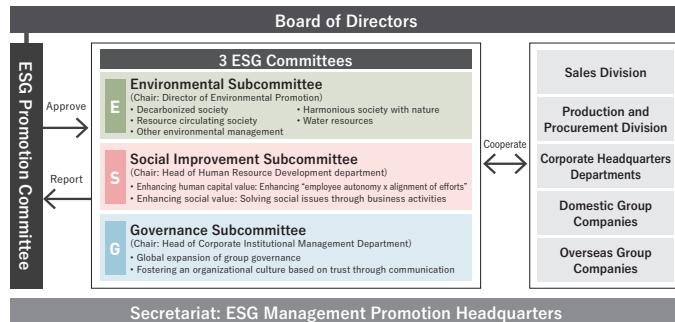
Direction of the Evolution of Our ESG Management



Become a Leading Company in ESG Management

Fundamental ESG Management Policy and Structure for advancing in the Sixth Mid-Term Management Plan

The Sekisui House Group committed to “deepening ESG management focused on material issues” under the Sixth Mid-Term Management Plan. We are working to further enhance value creation and build trust through proactive dialogue and collaboration with stakeholders. To ensure the steady advancement of ESG management, the Executive Officer in charge of ESG Management Promotion oversees the implementation of ESG activities, while the ESG Management Promotion Headquarters leads the formulation of fundamental policies and manages the execution of related initiatives. In addition, as an advisory body of the Board of Directors, the ESG Promotion Committee, including external experts, convenes at least four times a year. Through active discussions on progress and challenges, the committee promotes continuous dialogue and improvement, enhancing the overall effectiveness of ESG management. The committee has also established three subcommittees for environment, society, and governance. Each subcommittee acts as a driving force, working across departments to implement specific measures, promote awareness of KPIs, and encourage the understanding and participation of all employees.



Reporting Structure

To clearly communicate the Sekisui House Group's initiatives, we have reorganized our existing Value Report into three distinct publications starting this fiscal year. To remain a vital presence in society, we have embedded our vision, initiatives, progress, and achievements in these reports as part of our commitment to creating new value.

Value Report – Our Impact

This report shares our value creation story and the roadmap of our impact. It also introduces our journey, along with our ideas and initiatives for the future.



ESG Fact Book – Our Commitment

This report details our ESG initiatives and progress, highlighting specific activities that support corporate growth and contribute societal sustainability.



 ESG Fact Book

ESG Data Book – Our Progress*

This report presents the progress and achievements of our ESG initiatives, along with the impacts of our activities supported by concrete data and figures.

* Received third-party assurance



 ESG Data Book

Become a Leading Company in ESG Management

Forms of Happiness and FY2024 Results, Linked by the Three Subcommittees in Charge of Promoting ESG Management

E

Environmental Subcommittee

Addressing persistent and new issues in the environment

Decarbonization

- ☑ Promoting ZEH through detached houses
- ☑ Promotion of ZEB for non-residential construction
- ☑ Supply chain decarbonization
- ☑ Disclosure in Line with the Task Force on
* Climate-related Financial Disclosures (TCFD) Recommendations

Biodiversity conservation

- ☑ Wood procurement
- ☑ The *Gohon no Ki* Project, which is considerable of eco-systems
- ☑ Disclosure in Line with the Taskforce on Nature-related Financial Disclosures (TNFD) Draft Recommended Disclosure

Resource recycling

- ☑ Sekisui House Zero Emissions system
- ☑ Initiatives to Realize a Circular Economy

The happiness of people and the planet leads to a circular future



Yuki Isaka
Chairperson of the Environmental Subcommittee,
Operating Officer, and Head of the
Environment Improving Department

Our mission at the Environment Subcommittee is to create positive impact on society from an environmental perspective. In FY2024, the ZEH ratio for newly built detached houses reached a record 96%. We also made progress in expanding ZEH to multi-unit housing complexes and ZEB to non-residential buildings, thereby contributing to the realization of a decarbonized society. In biodiversity conservation, we achieved a cumulative total of 20,690,000 trees planted through the *Gohon no Ki* Project. To further enhance biodiversity in customer gardens, we jointly developed a visualization tool with Think Nature Co., Ltd. In June 2024. Additionally, to support the transition to a circular economy in the housing industry, we declared our 2050 target of achieving the “House to House” action of creating circular housing, where a house is reborn as someone else’s house. Moving forward, through co-creation with various stakeholders, we will continue to lead the creation of positive impact.

S

Social Improvement Subcommittee

Enhancing corporate value by Improving Human Capital Value and social value

Enhancing human capital value

- ☑ Supporting self-directed career development
- ☑ Promoting D&I
- ☑ Promoting diverse workstyles
- ☑ Building a foundation for well-being
- ☑ Alignment of efforts

Improving social value

- ☑ “Kids First”
- ☑ Respect for human rights
- ☑ Regional revitalization business
- ☑ Occupational health and safety
- ☑ Supply chain management

Aiming for workplaces that feel like home where everyone can feel happy and thrive



Hideaki Yasunobu
Chairperson of the Social Improvement Subcommittee,
Executive Officer, and Head of the
Human Resources Development Department

At the Social Improvement Subcommittee, we value creating an environment where everyone can work in their own unique way with peace of mind, and where individual growth contributes to greater value for society. With the aim of building workplaces where each employee autonomously envisions their own life and comfortably demonstrates their capabilities, just like at home, we have continued to support self-directed career development and diverse workstyles. At the Sekisui House Women’s College, which marked its 10th anniversary, more women are confidently stepping into leadership roles. In February 2024, we opened InnoCom Square, an open innovation facility. We have also launched initiatives that foster connections between people to address challenges related to housing and lifestyles. The happiness of customers, society, and employees is central to our ESG management, and going forward, we will continue creating new forms of happiness while diligently nurturing that value.

G

Governance Subcommittee

Strengthening corporate governance through senior management and business management

Senior management

- Corporate Governance
- Executive Remuneration
- Board of Directors
- Audit and Supervisory Board

Business management

- Strengthening Group Governance Systems
- Promoting Compliance
- Strengthening Risk Management

Sincere management builds trust and guides the future



Naoki Kawamura
Chairperson of the Governance Subcommittee,
Executive Officer, and Head of the
Corporate Institutional Management Department

“Integrity,” which represents sincere and elevated ethical standards, was established as a key concept in our governance reforms initiated in 2018. This concept aligns with our fundamental Corporate Philosophy, “Love of Humanity,” and the core values of “Truth and Trust,” Making it essential to the governance of the Sekisui House Group. In 2024, our Annual Securities Report, which focused on enhancing the disclosure of non-financial information, was selected by Japan’s Financial Services Agency as a best-practice example. The Governance Subcommittee, composed of Sekisui House and major Group companies’ corporate departments, discussed strengthening governance within the Sekisui House Construction Group following its adoption of an intermediate holding company structure. We also address the development and optimal allocation of governance talent, and reviewed the progress of post-merger integration (PMI) in our U.S. homebuilding business, all aimed at reinforcing governance at the business management level. Looking ahead, we will continue to prioritize integrity and advance the global expansion of governance across the Group.