

## INNOVATION AND COMMUNICATION

# People and Organizations— 04 Creating and Amplifying Happiness

### Sekisui House Group Employees—Creating New Value for a New Era

With “Innovation and Communication” as our guiding theme, we highlight the new value created through employee’s unique perspectives and sense of beauty. In this section, we also share the core values and outcomes of these efforts, along with our strategies for enhancing human capital and the progress achieved.

#### 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

### Our Foundational Values

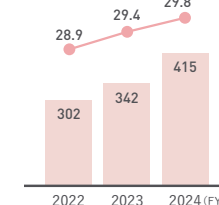
What all employees of the Sekisui House Group share is a passion for pursuing happiness. We firmly believe that those who hold this passion and leverage the resources of the Sekisui House Group to keep striving for happiness represent the Group’s true strength. What we value as members of the Sekisui House Group is “Innovation and Communication,” autonomy, and a sense of beauty. These values have been cultivated over many years as part of our organizational culture, forming the foundation of what makes the Sekisui House Group unique and shaping our identity. Employees with diverse perspectives and experiences share these values and align their efforts, continually creating new value.

### Highlights

#### Full-Time Female Employees/ Female Managers

- Group-wide\* female managers (Persons)
- Group-wide\* ratio of full-time female employees (%)

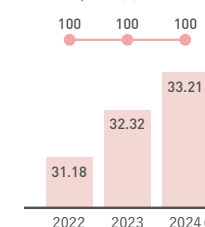
\* In Japan



In FY2024, the ratio of full-time female employees reached 29.8%, and the number of female managers also increased.

#### Paternity Program

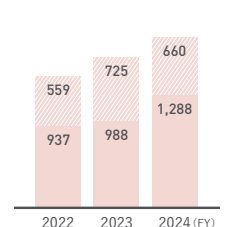
- Average days taken for Sekisui House, Ltd. (Days)
- Domestic Group-wide take up rate (%)



We have maintained a 100% paternity leave take up rate for six consecutive years, with an average of 33.21 days taken.

#### Number of SHIP Idea Entries

- Innovation category
- ▨ Performance category



In FY2024, employees submitted 1,948 ideas and initiatives.

# Our Foundational Values

Creating Happiness through

## SEKISUI HOUSE\_SHIP

### SEKISUI HOUSE\_SHIP

Creating new value through innovation.

Fostering ideas through effective communication and collaboration.

Taking proactive and independent action.

Continually refining our technology and sense of beauty.

Committing as professionals to making home the happiest place in the world.



#### Aspirations Embedded in SEKISUI HOUSE\_SHIP

**Based on the Corporate Philosophy and Global Vision**  
At Sekisui House, we are guided by our enduring Corporate Philosophy, "Love of Humanity," a value we have upheld across generations. We also aspire to realize our Global Vision, "Make Home the Happiest Place in the World." To achieve this, we believe in preserving what matters while embracing necessary change. It was from this belief that we formally defined the unique identity of Sekisui House as "SEKISUI HOUSE\_SHIP" in July 2024.

#### Inspired by SEKISUI HOUSE\_SHIP

People who truly understand their own identity and approach each moment with sincerity and unwavering dedication have a unique and compelling presence. We believe the same holds true for companies. By sharing and deeply understanding SEKISUI HOUSE\_SHIP among our colleagues, we can bring happiness to everyone we engage with. SEKISUI HOUSE\_SHIP is not a set of rigid rules or constraints. Rather, it serves as a source of inspiration—encouraging each individual to think freely and act with purpose.

#### Toward the Future, Together

Sekisui House began with just 34 colleagues. Today, we are a global group of 376 companies and 32,265 employees, united in pursuit of our Global Vision. We strive for every customer to feel, "Meeting Sekisui House was the best thing that happened," and for future generations to say, "We are grateful Sekisui House was part of our lives." Together with our colleagues across the Sekisui House Group worldwide, we will continue to deepen SEKISUI HOUSE\_SHIP and weave a future of continuous value creation.



#### Why I Relate to SEKISUI HOUSE\_SHIP

"Rather than being constrained by rigid ideas of what a company should be or simply carrying out daily tasks each day, I believe SEKISUI HOUSE\_SHIP serves as a guide that encourages us to think and act freely. It inspires us to take greater ownership of our work and our role within the Company."

An employee of Sekisui House, Ltd.

"From my own experience, I have learned that when we approach work with initiative and creativity, it fosters empathy and cooperation, allowing these connections to grow stronger over time. I believe that by learning, thinking, and creating proactively, rather than waiting for instructions, we can solve challenges and generate meaningful value."

An employee of Sekisui House Support Plus, Ltd.

"I felt that the motivations behind establishing SEKISUI HOUSE\_SHIP, such as "reflecting on our founding principles especially during times of growth" and "becoming a member of society means taking on the role of creating value to society," are perfectly expressed in this ideology. To me, it represents more than just being a homebuilder; it truly captures the unique identity of Sekisui House."

An employee of Sekisui House Remodeling, Ltd.

"I cherish the feeling of being part of a crew sailing on the same ship, united by shared goals and moving in the same direction. With this mindset, I am deeply committed to fulfilling my responsibilities. I have reaffirmed my determination to harness the strength of our unity and achieve our objectives together as one."

An employee of SH Hospitality Service Co., Ltd.

"I believe it is important to value both what we have built so far and new, forward-looking initiatives, and to take the lead in driving them forward. There are things we cannot achieve alone, but with colleagues who share our passion and commitment, even the seemingly impossible can become possible. This not only brings personal fulfillment, but also contributes to the happiness of our customers and society."

An employee of MARUHON INC.

#### Employee Reflections

## Our Foundational Values

## New Value Where

## Co-Creation

## Thrives

We believe innovation is the act of changing existing methods and practices to create new value for our customers and society. We believe communication is the act of opening your heart and sharing thoughts and ideas with others. By bringing these two concepts together, we will continue to create unprecedented happiness. Each person's small action when combined with the ideas of others, becomes a powerful force for shaping the future. We are committed to setting new precedents for what lies ahead.

## The Sekisui House Group's Innovation and Communication

## Keywords for internal transformation

In 2018, we established "Innovation and Communication" as key themes for our internal transformation. This reflected our desire for each employee to freely share ideas and engage in dialogues to create new value. Initially, led by top management, "Innovation and Communication" has, over six years, become a shared language embraced by employees across the Sekisui House Group, forming a culture where these principles are practiced voluntarily.

## Transformation into communication-based management

Ideas that spark innovation often come from employees who think about customers every day and stay closely attuned to their needs. Recognizing this, we shifted from our conventional directive-based approach to a communication-based management style that emphasizes dialogue. This transformation was driven by the belief that leaders who cannot communicate should be reassigned. Today, we have cultivated a culture where employees feel confident sharing their ideas freely.

## Our catchphrase: "Submit this idea to SHIP!"

One platform where we practice Innovation & Communication is the SHIP Awards. Employees can submit spontaneous ideas or actions they have taken, form teams with others who share their passion, and nurture their ideas. Award-winning ideas from a 6-month review process may lead to new businesses or systems. The phrase "Submit this idea to SHIP!" has become a Group-wide catchphrase that acknowledges each other's ideas and encourages ambition.

## Seeds of innovation nurtured with colleagues

## Growth is connected to innovation

Sekisui House's growth is driven by continuous innovation. But our innovation is not limited to major technological breakthroughs. "Maybe this would work better." "Could I try doing it this way?" These small insights and everyday improvements accumulate to create new value that aligns closely with our customers' lives.

## Ideas are nurtured with colleagues

Small ideas that emerge in conversations with customers or improvements discovered through discussions with colleagues all hold potential. But nurturing these seeds alone is difficult. Casual conversations often spark support, with comments like, "I've been thinking about this" or "In that case, how about trying this?"

## Creating unprecedented happiness

Our goal is not to follow a future defined by someone else. It is to create a happy future shaped by individual ideas. "I want to try this." "Wouldn't it be great if we had this?" These ideas contribute to a unique value that only the Sekisui House Group can deliver, contributing to a happier future for society as a whole.

## "My idea"

This initiative invites ideas from our partner building construction companies and on-site employees to improve construction quality and methods. A nationwide judging panel is held annually. These ideas have led to the development of specialized toolboxes, new equipment, and innovative methods now used by colleagues across Japan.

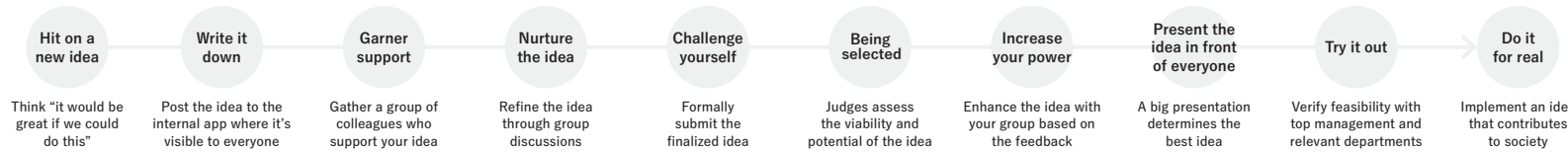
FY1988–FY2024: **60,147 ideas**



## Our Foundational Values

### Sekisui House Innovation & Performance Awards (SHIP)


SHIP empowers individual ideas to spark innovation through communication with colleagues



SHIP is an annual award program where any Sekisui House Group employee can submit new ideas or past achievements.

Total number of ideas and initiatives submitted to SHIP

**6,000** (FY2021 to FY2024)

 ESG Fact Book P.50



#### "This is SHIP, isn't it?"



A few years ago, I watched SHIP's final presentation and thought, "they all look so happy presenting their ideas." I never imagined I would present one myself. The turning point came during a conversation with colleagues. "Wouldn't this better convey the builders' intentions?" "Wouldn't this resonate more with tenants?" That's when I realized, "this is SHIP, isn't it?" Naturally, I submitted my idea.



We were inspired by the challenges our team members faced. Not being able to hear a fire alarm, not being able to tell if the bath is ready. We often thought, "it would be nice if it worked like this." Considering Sekisui House's technical capabilities and customer base as well as our own experiences and expertise from a different perspective, we realized this might actually be achievable.

#### Colleagues united by ideas, not titles



Our team came together through connections formed at an internal diversity conference. Rather than viewing the aging of society with anxiety, we focused on creating something that supports a future where people can live comfortably—even with hearing loss or reduced mobility.



I believe ideas are the heart of SHIP, not job titles or departments. As a group, we enjoyed discussing and refining ideas after work and on weekends, almost like a hobby.



Winning the Grand Prize and supplementary award was exciting, but the real award was being able to connect with people outside my department, to communicate with people we would not normally meet, and to gain experience in preparing to launch a new business.

#### Joy outweighed my nervousness



I'm not good at being the center of attention, so I planned to let someone else present. But thanks to the encouragement and kindness of many, I found the courage to prepare myself for the presentation. On the day of the final review, I felt more excitement than nervousness. The warm atmosphere, from top management to colleagues, made it enjoyable.



I imagined the final review panel as a massive arena with 100,000 people. But seeing the judges' and colleagues' faces from the stage brought joy. At that distance, you can truly communicate your idea. That feeling was incredibly rewarding.



I couldn't have come this far alone. I am deeply grateful to everyone and hope to evolve this idea into something we can realize—together with the same team.

## Our Foundational Values

### Topic | When an idea becomes new value

At the moment an idea connects with technology, it transforms into value. We introduce the new value created from an employee's idea to convert all GRANDE MAISON properties into long-life quality housing following the development of GRANDE MAISON (GM) SHEQAS.

#### It all began at a mere 1.1%

The certification rate of long-life quality housing in multi-unit buildings in Japan is only 1.1%. Compared to detached homes, converting condominiums into long-life quality housing presents significant challenges. We continuously considered how we could contribute to improving this situation and what measures would be most effective.



Note: SHEQAS is the Company's original seismic dampening structure that absorbs seismic energy by converting it into thermal energy, reducing building deformation to less than half compared to our standard earthquake-resistant structures. It is certified by the Ministry of Land, Infrastructure, Transport and Tourism and is highly effective against earthquakes with a seismic intensity of 7 as well as repeated tremors.

#### Turning technology and ideas into reality

Because Sekisui House developed the original seismic resistance technology SHEQAS, we arrived at the idea of applying it to GRANDE MAISON. A project team was formed and began development in collaboration with the Comprehensive Housing R&D Institute. This idea received the Grand Prize at the 2nd SHIP.



#### The beginning of a new norm

GM SHEQAS combines high seismic resistance performance and ease of maintenance with cost-effectiveness, making it easy to adopt. It offers a new option for condominiums to become long-life quality housing without compromising design flexibility. We are now preparing application procedures and construction manuals.



#### Resonance beyond organizations

Since receiving the SHIP Grand Prize in FY2023, GM SHEQAS has been adopted for two properties, with a third scheduled to begin construction in fall 2025. Internally, we have recognized the shared challenges of expanding GM SHEQAS and strengthening regional collaboration to promote long-life quality housing.

#### Ideas that set new precedents

Our ultimate goal is to provide housing that can be lived with peace of mind across generations. We aim to make long-life quality housing the new standard in the housing industry. Together with our colleagues, we will continue working toward making quality housing stock widely available in society.

#### Output

- Practical implementation of GM SHEQAS
- Used in 2 properties, planned for 1 more
- Generated internal interest
- Construction of operational framework

#### Outcome

- GM is recognized as long-life quality housing
- Enhanced safety, peace of mind, and asset value
- Increase in long-life quality housing condominiums

#### Impact

- Expanding quality housing stock across society
- Homes passed down across generations
- Raising the performance standard of Japanese condominiums

The idea came from my experiences during the Great Hanshin-Awaji Earthquake and the Great East Japan Earthquake and seeing earthquake-resistance construction firsthand. I kept thinking—could we incorporate these structures into GRANDE MAISON from the start? Another success was the cross-generational communication, involving colleagues from their 20s to their 60s. We are continuing to build on our ideas and deepen our passion.



Junshi Yamashita, Assistant Manager  
Tokyo Condominium Department, Sekisui House

The process of realizing a new idea was refreshing and different from my usual work. After winning the SHIP award and seeing the idea expand to other regions, I am excited about how it can enhance GRANDE MAISON's brand. I will continue to focus on Sekisui House's unique character and pursue individuality.



Atsushi Oshima, Lead Designer  
Tokyo Condominium Department, Sekisui House

Turning an idea into reality and presenting it to others was a valuable experience. The days spent preparing with the team for the presentation are a major asset for my career. Through this project, I gained a clearer sense of how far ahead we need to look and develop a longer-term perspective.



Yuki Murata, Design Office  
Tokyo Condominium Department, Sekisui House

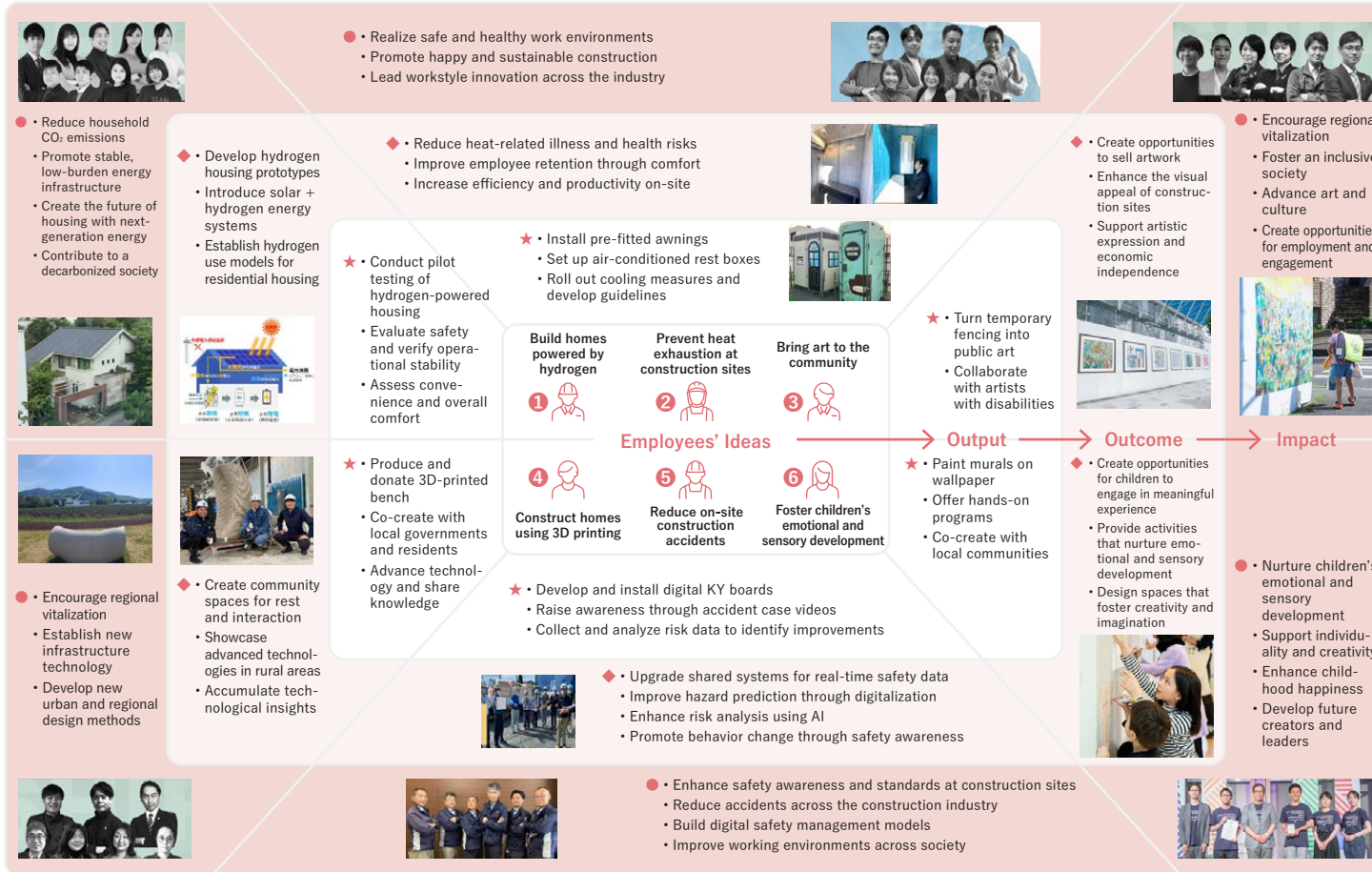
I was inspired by colleagues' passion for housing and dedication to their ideas through SHIP. I realized we have reliable, committed colleagues across Japan. That was the most valuable takeaway for me and motivated me to improve the quality of my work. As I reflected on the GM SHEQAS idea, a new perspective emerged—that it could be further developed and applied. This broadened the scope of my thinking.



Daiki Sekiguchi, Design Office  
Tokyo Condominium Department, Sekisui House

## Our Foundational Values

### Values created by employee ideas



We highlight select employee ideas that passed the final review from the 1st to 3rd SHIP Awards and have been pilot tested or implemented, showing the value created and the path to impact.

#### 1 Hydrogen housing (1st SHIP finalist)

Instead of waiting for hydrogen delivery infrastructure, this initiative creates and uses hydrogen on-site, marking the first hydrogen-powered home by a housing manufacturer to actively promote decarbonization.

#### 2 Recycled air conditioner (3rd SHIP Grand Prize)

Air conditioners originally scheduled for disposal are repurposed construction sites to support workers in extreme heat, improving comfort and safety.

#### 3 Sekisui art caravan (1st SHIP Second Grand Prize)

An art exhibition where art comes to the community: works by artists with disabilities are displayed on temporary fencing at construction sites, transforming everyday spaces into cultural experiences.

#### 4 3D printed housing projects (1st SHIP finalist)

As part of technical validation for construction-use 3D printers, a hollow bench was produced and donated to a mountain village, as a practical application of emerging technology.

#### 5 Digital Kiken Yochi (KY board) (2nd SHIP Second Grand Prize)

A digital danger prediction board introduced to raise awareness and prevent onsite accidents such as falls, trips, and injuries, aiming for zero incidents across construction sites.

#### 6 Indoor theme parks for infants and children (2nd SHIP Grand Prize)

Indoor playgrounds designed with housing expertise to bring joy to children and adults through activities, creating spaces that foster happiness and emotional and sensory development.

- ★ Activities and results from idea implementation (Output)
- ◆ Short- to medium-term effects and changes (Outcome)
- Long-term transformation and societal influence (Impact)

## Our Foundational Values

## Reforms Driven by

# Autonomous

## Employees

Make decisions about your own life and take responsibility to the very end. That is what we believe autonomy means. Make your own decisions on workstyle, lifestyle, and your version of happiness. You will be able to confidently progress forward because you contemplate how to lead a happy life and take ownership of your own life instead of merely trying to meet someone else's expectations.

## The Sekisui House Group's autonomy

### Autonomous employees amplify value

Autonomous employees are the driving force behind the growth of the Sekisui House Group. Our concept of “Enhancing Human Capital Value = Employee Autonomy × Alignment of Efforts” aims to maximize human capital value by encouraging employees to act independently, guided by their own values and beliefs, while remaining aligned with the Company's direction.

→ P.79 Enhancing Human Capital Value

### Making decisions about your own life

We believe that autonomy means pursuing and realizing your dreams and ideals while following your own beliefs and passions; not being controlled by societal or external expectations. It involves deciding what is important to you and living your life day to day while enjoying the journey to discover your own happiness. That is the vision of autonomy we aspire to.

→ P.80 A Company Where People Grow

### Embracing self-reflection

Autonomy begins with self-reflection and acceptance, rather than comparing oneself to others. The Company respects employees who make their own decisions and take initiative as well as closely supports those taking their first steps to ensure they make steady progress. We highly value the process by which employees make their own decisions and advance toward their goals.

### Supporting employee autonomy

Autonomy cannot be achieved simply because a company encourages it. Ultimately, it depends on the individual's own will. For this reason, we believe the Company should not take the stance of “developing” employees, but rather of “supporting” them. We are committed to providing ample resources and opportunities to those who seek to pursue autonomy.

→ P.74 Individual Paths to Autonomy

## History of autonomy that lives within Sekisui House

### Colleagues who ventured out of their own volition

Looking back on the Company's founding in 1960, the 34 founding members came together with a shared passion for unprecedented ambition. They each brought their own tightly held dreams and ideas—such as the housing industry overtaking the automotive industry, the desire to design residences, and pre-fabricated housing becoming mainstream. Sekisui House is a company built by individuals who made their own decisions, and that DNA continues today.



### Autonomy, not independence

In 2003, we began to ingrain self-directed career development based on the idea that what the Company needs moving forward is autonomy, not independence. What we have valued is not individuals trying hard all alone, but rather people making choices, based on their own values and identity, then acting with responsibility. It is colleagues moving forward of their own volition while supporting each other. We believe that kind of autonomy leads to happiness for employees, customers, and entire organizations. That is why we have valued supporting those who make their own choices and take the initiative rather than simply offering career options.

### Deeply reflective self-directed career development training

In 2003, we launched a self-directed career development training program<sup>1</sup>, allowing employees three days and two nights<sup>2</sup> to reflect on their lives and personal connections without discussing work duties. At the time, autonomy was a new concept. The training has been maintained as an opportunity to think about one's own life, not about the Company. Many employees see this training as a major turning point in their lives, as it nurtures their ability to pursue their own happiness and fulfilling workstyle.

Self-directed career development course attendees  
Cumulative total: **21,110** (FY2003–2024)

<sup>1</sup> Currently, it has been reorganized into the Self-directed career development course.  
<sup>2</sup> At the time of commencement.

### Discussions where topics are decided by employees

In 2021, we introduced employee-led career interviews that are held five times a year. Instead of supervisors giving direction, members use their own words to describe what they want to achieve, the obstacles they face, and the support they need. The role of supervisors is to listen attentively as supporters and help draw out thoughts and ideas. Through repeated discussions, employees envision their own careers, ideal career paths, and actions needed to achieve their goals. The actions that emerge from each person's imagination enhance employee autonomy and cultivate natural strength throughout the organization.

## Our Foundational Values

### Individual Paths to Autonomy

Self-directed career development is a fundamental principle at the Sekisui House Group. This means that each employee leverages our Group's resources to their fullest extent and makes their own paths.

For example: "This year, I will focus on caring for my parents." "This month, I will reduce working hours to spend time with my child." "This week, I will dedicate time to my hobbies." We recognize these choices as meaningful expressions of autonomy and proactive decision-making. Therefore, we are committed to fostering environments that support each individual's autonomy.

 ESG Fact Book: P. 47-66 Initiative Details

#### Valuing personal time

<b>Annual leave</b> Flexible options for half-day or hourly leave to accommodate various lifestyles FY2024 performance <b>Average of 15.7 days</b>	<b>Working hours</b> Initiatives to reduce working hours FY2024 performance <b>Average working hours per person/month: 170.17 hours</b>	<b>Sliding (flexible) work schedule</b> Adjustable working hours to balance departmental needs and personal life	<b>Remote work system</b> Available for any reason, not limited to childcare, caregiving, pregnancy, or illness	<b>Nursing care support</b> Options for split leave and flexible work hours to support caregiving responsibilities	<b>Child support leave</b> Leave available for child-related needs, including but not limited to illnesses or school absences	<b>Cancer care and fertility treatment leave</b> Flexible work hours to accommodate medical treatment	<b>Maternity and parental leave</b> Leave and financial support for childcare including assistance in securing childcare	<b>Paternity leave</b> Minimum one month of paternity leave for male employees FY2024 performance <b>Take-up rate: 100%</b>
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<h4 style="text-align: center;">Fulfilling aspirations</h4> <b>Women's participation</b> Female employees thrive across all roles, with annual training sessions available	<b>SHIP</b> An award program for submitting new ideas or past achievements FY2024 <b>Submitted ideas: 1,948</b>	<b>Self-Directed Career Development Course</b> Designed to foster awareness and motivation for continuous career development <b>Total participants: 21,110</b>	<b>Career interviews</b> Clarify goals and aspirations through discussions, supporting autonomous career planning <b>Held five times annually</b>	<b>Job rotation (for technical experts)</b> Opportunities to gain experience across various tasks and fields over set periods	<b>Self-directed career leave</b> Up to two-year sabbaticals for study at domestic or international institutions <b>13 recipients in FY2024</b>	<b>Human Rights and Compliance Training</b> Training for all Group employees emphasizing zero tolerance for human rights violations	<b>Well-Being Survey</b> Visualize individual and workplace happiness to enhance job satisfaction and increase employee happiness
<b>Internal job posting system</b> Open application system for internal recruitment across the Group FY2024 <b>60 people used the system</b>	<b>Qualification grants and support</b> <b>170 types of qualifications</b>	<b>Developing the next generation of leaders</b> SHINE, Keiei-juku, Women's College	<b>Training programs by job type and hierarchical level</b> Structured training programs tailored to job type and hierarchical level	<b>LGBTQ+ awareness</b> Training and inclusive HR and welfare programs	<h4 style="text-align: center;">Safe and secure working environment</h4>		

### Principles We Live by at Sekisui House Group

#### Versions of happiness you can choose for yourself

There is no single definition of happiness. Some people enjoy travel, some pursue learning, and others find joy in their work. By valuing their own source of happiness, individuals can also genuinely appreciate the happiness of others.



#### Deciding your workstyle in your own way

"Let's adjust the schedule because my child has an event." "I'll take an hour off because my parents are visiting." Our foundation is built on expressing what we value and aligning it with how we work and take leave.



#### Making the workplace the happiest place in the world

We aim to create an environment where employees communicate openly, build supportive relationships, and foster trust among colleagues. We want our workplace to be a comforting space—one that employees genuinely consider the happiest place in the world.



### What Autonomy Means to Me

"It's not about what I like or want to do. It means thinking and acting to fulfill my role and responsibilities at a high level after fully understanding the Company's strategic direction. I hope to actively engage with people outside the organization, absorb new ideas, use them to fuel my personal growth, and contribute through my work at the Company."

An employee of Sekisui House Support Plus, Ltd.

"I used to find comfort in seemingly kind words like, "someone else will do it for you" or "you can just wait until instructions arrive." But autonomy is a word that gives me confidence to think for myself. I realized that thinking is not a waste of time, and that I should keep thinking for myself and making my own decisions."

An employee of Sekisui House, Ltd.

#### Employee Reflections

"My environment has changed after getting married and having a child. I kept wondering who I wanted to become and what I could do now. "Think and act autonomously and proactively." These words really resonated with me. I will think about my life independently and take responsibility for my decisions. I will keep these words close to my heart."

An employee of Sekisui House, Ltd.

## Our Foundational Values

## Technology and Passion Shaped by Sense of Beauty

The warmth of the living room as gentle morning light filters in. The refreshing scent of the breeze on the wood deck. We hope to capture these subtle moments of emotion and simple joys found in daily life and quietly bring them to others. We remain deeply committed to nurturing each person's sense of beauty and sharing the value of these heart-stirring moments so that small joys may continue to accumulate for years to come.

### What the Sekisui House Group considers "sense of beauty"

#### Homes and communities as social capital

Homes and communities are valuable forms of social capital to be passed on to future generations. They also serve as the stage upon which people's happiness is built. To enhance that value, we have continuously pursued both technological advancements and aesthetic beauty. We treasure the heart-stirring moments of those who live, work, and pass through our spaces, and aim to create homes and communities where every individual can feel lasting happiness.

#### Embodying heartfelt ideas and realizing meaningful dreams

Rooted in the philosophy of tailoring the design of each and every home for the specific customer, we bring to life the worldview and sense of beauty held by each resident in every single house we create—making true happiness a reality. By combining advanced technology with a deep understanding of residents' ideals and hopes, we channel each person's unique sense of beauty and creativity into crafting original designs and subtle beauty that enrich both homes and communities.

#### Fostering a sense of beauty makes life more colorful

Having a sense of beauty means experiencing the world deeply through a uniquely personal perspective. These individual emotions bring color to life, and a rich sense of beauty naturally leads to happiness. True happiness goes beyond beauty and comfort; it is found in contentment and fulfillment. That is why we place great value on creating designs and spaces that nurture and reflect each person's sense of beauty.

#### Fostering a sense of beauty brings happiness

Beautiful homes and townscapes are born from each individual's sense of beauty. We believe that everyone possesses a personal sense of beauty, and that by experiencing heart-stirring moments, this sense can grow and deepen over time. Precisely because we live in an era of evolving AI and technology, we cherish these heart-stirring moments every day as they continue to refine our own sense of beauty.

### The sense of beauty that lives within Sekisui House

#### 1960s -

#### Combining functionality and beauty in homes

Homes are cherished spaces that embody our customers' hopes and dreams. In 1961, we transitioned from using plastic to wood materials for the interior of the Sekisui House Model B, achieving a design that embraces a sense of beauty. In 1984, we introduced exterior wall panels with exceptional durability and fire resistance, featuring deep carvings and intricate textures. We are committed to creating homes that blend functionality with beauty, carefully selecting materials and applying construction techniques to each and every residence.

1961  
Sekisui House Model B



1977  
Philosophy of the commons



1984  
Urban lots



2001  
Gohon no Ki Project



2006  
Condominiums



2006  
Shin-Satoyama



2009  
Urban development overseas



#### 2023-

#### Weaving fondness into homes over time

In 2023, we introduced "life knit design," a system for proposing designs aimed at working more closely with all customers to help them achieve lasting happiness. By combining simple and beautiful spaces with carefully selected furniture and accessories, we create interior and exterior designs that resonate with each individual's sense of beauty. We strive to create homes that grow more cherished over time.



## Our Foundational Values

## Professionals Who Create

## Happiness

Our starting point has always been a sincere commitment to the happiness of others. We approach each individual with care, asking ourselves, “What kind of happiness can be created in this home, in this town?” With this mindset, we carry out each task thoughtfully, keeping in mind the future of customers and residents as we create homes that help people live happily. From research and development to technology, sales, design, production, construction, and after-sales services—everyone works together to bring happiness to life.

## Strengths that Make the Sekisui House Group a Source of Happiness

## Corporate Values

Human Capital  
Unified Aspiration

Rather than working separately, each autonomous employee with diverse abilities moves forward with a shared aspiration. This collective mindset fosters trust and leads to the creation of the finest homes for our customers.

Technology/Expertise  
Human-centric Technique

We create homes that inspire our customers' sensitivities by combining happiness-driven ideas, refined aesthetic eye that captures the subtleties of daily life, and a spirit of inquiry—all brought together through advanced technology.

Relationships with Customers  
Unbreakable Bonds

Our work doesn't end when the home is built. From warranties and after-sales support to assistance with future relocations, we remain a lifelong partner—sincerely supporting our customers' homes and lives to ensure their continued happiness.

Knowledge/Research  
Well-being Science

Led by the *SHIAWASE SUMAI* Institute, we have spent many years scientifically analyzing the theme of happiness. Drawing on the insights accumulated through data, we offer proposals that help our customers achieve greater happiness.

Production/Value Offerings  
Evolving Spaces

Customer needs evolve with the times. By staying attuned to these subtle shifts, we have introduced innovations such as Family Suite and PLAT-FORM HOUSE (PFH). We will continue to create spaces that grow and evolve alongside our customers.



→ P.38 Management Capital

## Why I Relate to “Professionals Who Create the Happiest Places”

## Employee Reflections

“Simply following the instructions of our customers is something anyone can do. To me, being a true professional means offering more than what is asked. I will continue striving to make proposals that exceed expectations.”

An employee of Sekisui House, Ltd.

“Above all, making our customers happy is what matters. To achieve that, I believe we must first find our own happiness. It's important that we take ownership of growing and transforming our Company. I believe refining both our technical expertise and our sense of beauty is key to offering products and conduct that earn praise from society.”

An employee of Sekisui House Construction Holdings, Ltd.

“Customers often call us professionals. To live up to that, I believe creating the happiest place in the world is paramount. Hearing “Thank you,” “I really like this,” and “Everyone did a great job for me, and I'm so happy” from our customers means more than anything.”

An employee of Sekisui House Construction Kanto Co., Ltd.

“When Sekisui House, a team of true homebuilding professionals, built my family home, I was inspired to become one of them. That experience led me to join the Company. This phrase, “professionals who create happiness,” expresses the very foundation of my own professional mindset.”

An employee of Sekisui House Real Estate Holdings, Ltd.

“Today, Sekisui House has systems and a culture that allow employees to truly feel happy. It wasn't like this 25 years ago when I first joined. Seeing so many ideals come to life convinced me that Sekisui House can truly create the happiest place in the world—and made me feel strongly that I wanted to be a part of it.”

An employee of Sekisui House, Ltd.

## Our Foundational Values

### Topic | Deepening SEKISUI HOUSE\_SHIP through Dialogue

#### Resonance and action born from dialogue

In FY2024, we leveraged Company-wide ESG dialogues, which we have been conducting since 2020, to enhance understanding of and foster deeper resonance with SEKISUI HOUSE\_SHIP. Through employee dialogue, we aim to spark awareness and resonance that lead to action, cultivating a culture of independent-thinking and self-direction, promoting value creation.

#### Deepen understanding Awareness is created through exposure to diverse perspectives

Through dialogue, employees reflect on how SEKISUI HOUSE\_SHIP relates to their personal views and everyday lives. By engaging with the experiences and feelings of others, they gain new insights into their own values and discover what makes them unique.

#### Resonate Resonance forms and becomes embedded in our culture

SEKISUI HOUSE\_SHIP is not about top-down directives. Rather, it should organically spread and become deeply rooted in our culture. Dialogue fosters resonance, embracing SEKISUI HOUSE\_SHIP into each employee's values.

#### Leading to action Concrete practices take shape

Rather than focusing solely on what should be done, a deeper understanding of why it matters leads to action. Through ongoing dialogue among employees, new ideas and opportunities for co-creation emerge, and individual efforts contribute to meaningful value creation.

#### FY2024 SEKISUI HOUSE\_SHIP dialogues

1. Resonant phrases you want to cherish
2. Explaining your choice through personal stories
3. Challenges you want to tackle individually or with your team

Participants: All business sites of the Sekisui House Group  
(Excluding Konoike Construction)

Period: October to December 2024

Number of post-dialogue survey respondents: 18,191

#### It's about "dialogue," not "debate"

At the Sekisui House Group, dialogues are held in small groups of four to five employees with different roles and employment types. Led by an employee facilitator, participants engage in conversations that deepen awareness by sharing interpretations of SEKISUI HOUSE\_SHIP and discussing resonant phrases. The rules for these sessions emphasize "dialogue," not "debate," encouraging active listening, respectful engagement, and authentic self-expression. We believe that when each individual internalizes this mindset, it naturally leads to autonomous action driven by greater awareness.



#### Evolving through dialogue

In the post-dialogue survey, 16,267 respondents (93% of voluntary participants) said that the dialogue helped them feel greater resonance with SEKISUI HOUSE\_SHIP or inspired them to take action. Some employees are also participating in the "SEKISUI HOUSE\_SHIP Challenge," where they evaluate and provide feedback on actions that reflect the essence of Sekisui House in daily work. We will continue to share our thoughts and feelings through dialogue as we deepen our understanding and practice of SEKISUI HOUSE\_SHIP.

#### Employee understanding and resonance with SEKISUI HOUSE\_SHIP

(From the FY2024 Governance Awareness Survey; responses from 25,323 domestic Group employees)

I understand the importance of creating new value through innovation and communication

22,137 respondents  
(87.4%)

Strongly agree/  
Mostly agree

I value sense of beauty and strive to refine both my technical skills and sense of beauty awareness

21,969 respondents  
(86.8%)

Strongly agree/  
Mostly agree

SEKISUI HOUSE\_SHIP resonates with me and I strive to work with a professional mindset

21,997 respondents  
(86.9%)

Strongly agree/  
Mostly agree

#### Dialogue at Group companies

Dialogues aimed at deepening understanding of SEKISUI HOUSE\_SHIP were also held across Group companies. In FY2024, 6,000 employees from 36 companies participated, providing an opportunity to explore the essence of Sekisui House and share their awareness regarding various topics.

Our dialogues were held alongside independently organized Company-wide training programs and innovation conferences. When employees connected their daily challenges and tasks with the principles of SEKISUI HOUSE\_SHIP, we observed a natural spread of understanding and resonance.

In the dialogue I participated in, many ideas were shared about what it means to approach work with a professional mindset in the context of furniture sales. Using SEKISUI HOUSE\_SHIP as a guiding principle, we agreed to prioritize communication and strengthen team building moving forward.

We conducted dialogues at all hotels in FY2024. Going forward, we hope to foster deeper understanding and resonance with SEKISUI HOUSE\_SHIP by organizing more interactive opportunities for direct communication—such as event-style dialogues across hotels or gatherings that bring everyone together.



Yu Oyama  
Deputy Head of the  
Human Resources  
Division  
MARUHO INC.



Satoko Maruyama  
Director of the Board  
AIDA Co., Ltd.



Yuji Okamoto  
Representative  
Director of the Board,  
President  
SH Hospitality Service  
Co., Ltd.

## Our Foundational Values

Topic | Sharing Our Corporate Philosophy and Culture with Group Companies

### Sharing philosophies, creating happiness together

Employee  
Roundtable

The Sekisui House Group aims to realize the integration of diverse talent and organizational cultures across national and cultural boundaries, grounded in its Corporate Philosophy. This raises the important questions: How can the Japan head office and overseas Group companies effectively share and strengthen our Corporate Philosophy and the essence of Sekisui House? And what is needed for employees from different backgrounds to align and create happiness together?

Two employees responsible for promoting our Corporate Philosophy and culture overseas share the challenges and insights gained through dialogue with our U.S. Group companies. Our Corporate Philosophy cannot simply be explained—it must be experienced and genuinely felt. Building on these insights, we share how the Sekisui House Group is currently advancing our efforts toward integration.



Discussions between Group company employees and Japanese employees assigned overseas

### Bringing different cultures together: How to convey the essence of Sekisui House



At Sekisui House, we don't "teach" our philosophy, even in Japan. Instead, we live it through our daily work, allowing it to be shared and passed on naturally. Figuring out how to communicate this to our overseas Group companies presents a new challenge.



Exactly. Particularly in the U.S., we're working to integrate five companies with distinct corporate cultures, striving to unite them as "One Company." In this context, how to share the values of Sekisui House Japan has become a central challenge. U.S. employees noted that concepts from SEKISUI HOUSE\_SHIP, such as "autonomy" and "committing as professionals," are already familiar in their local culture—highlighting the cultural differences at play.



Right. In some cases, what we are now aiming to fully implement in Japan is already standard practice overseas. This underscores how Japanese employees often have limited awareness of the values held in other countries. First and foremost, mutual learning is essential. What has become clear through repeated dialogues is that sharing our Corporate Philosophy and the essence of Sekisui House is not about "imposing" them, but about thinking together and building understanding step by step. We see our philosophy not as mere words, but as deeply held values—values we aim to share with care and intent.

### Philosophies are not merely conveyed, they are felt



What I found particularly striking was the reaction of U.S. executives when they visited Sekisui House's construction sites and factories in Japan. Seeing the sites firsthand, they let us know they strongly felt that the Corporate Philosophy of "Love of Humanity" is truly embodied by our employees and across the organization. Additionally, when they observed our Carpentry Competition, WAZA, in Japan, they were impressed not only by the high level of skill but also deeply moved by the spirit and dedication of the carpenters. This resonated with them and they expressed astonishment at how deeply these values are embedded within our Group.



Philosophies cannot be conveyed by words alone. Even at Sekisui House in Japan, we emphasize employees internalizing the Corporate Philosophy, Global Vision, and SEKISUI HOUSE\_SHIP through dialogue, transforming them into personal commitments and translating shared awareness into action. Rather than a top-down directive approach, we focus on embedding our philosophies through mutual trust and gradually understanding the history and feelings behind them. I am truly pleased that our overseas Group companies were able to capture and feel this atmosphere firsthand.

### Towards integrating cultures



We have now begun gradually sharing Sekisui House's core philosophies and values in the U.S. Japanese employees who have been assigned overseas are actively engaging with local team members and demonstrating these values through their daily actions. What matters is not one-way communication, but deepening understanding together with top management and embedding these philosophies through dialogue with employees. This approach also resonated strongly with our U.S. counterparts.



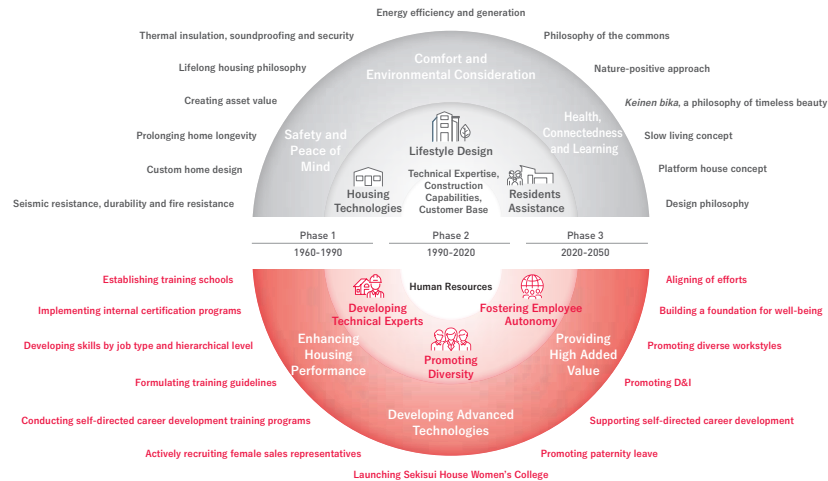
We believe that helping those at overseas Group companies understand Sekisui House's philosophy starts with our own efforts to understand local cultures. By learning from one another, deepening mutual understanding, and building trust, we aim to achieve true integration.



I believe that building resonance among local employees around the idea that "focusing on employee happiness leads to customer happiness" serves as an important starting point. I think it is meaningful to work toward sharing Sekisui House's Corporate Philosophy and values—such as our Global Vision to "Make Home the Happiest Place in the World"—across national and cultural boundaries. Embedding these philosophies doesn't happen overnight, but I genuinely feel we are making steady progress. Moving forward, we hope to deepen dialogue and build collaborative relationships where we grow together, while strengthening unity across the entire Sekisui House Group.

# Enhancing Human Capital Value

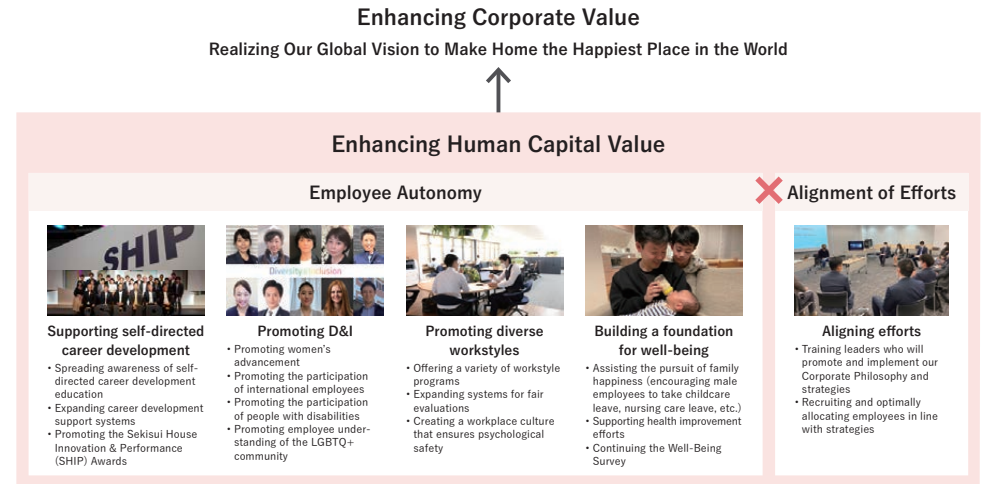
## Progress of Our Human Capital Value



As the concept of housing evolves with the times, our Group’s human capital management strategy continues to evolve as well. In Phase 1, from 1960 to 1990, we created value through housing safety and peace of mind by focusing on training skilled technicians. In Phase 2, from 1990 to 2020, we created value by improving the comfort of residents and becoming more environmentally conscious while also emphasizing diversity among employees with various experiences and specialties. In Phase 3, from 2020 onward, we aim to offer high added value that leads to happiness in the era of the 100-year lifespan, driven by autonomous employees who share ideas with one another. To achieve this, we are promoting initiatives to create an environment where employees with diverse personalities and values can autonomously take on challenges and drive innovation.

The Sekisui House Group positions our human resources strategy as a part of our business strategy and is working to foster an environment where anyone can thrive. What we seek across every era is a mindset where employees realize their own happiness, make their own choices, and take action. By harnessing their performance, built on mutual recognition and collaboration, we aim to strengthen the sustainable growth and competitive advantages of people and organizations, thereby enhancing corporate value.

## Enhancing Human Capital Value = Employee Autonomy × Alignment of Efforts



Enhancing human capital value is a key driver of growth for the Sekisui House Group. By investing in our employees, we aim to enhance their value, making both them and the organization stronger in providing new value to customers and society. To make this aspiration a reality, we believe it is crucial to first make the Sekisui House Group—the professional “home” of our employees—the happiest company in the world.

The Sekisui House Group believes that enhancing human capital value comes from employee autonomy and an alignment of efforts. We believe that if employees utilize Company resources to independently shape their own career paths while aligning their efforts with the Company’s vision and business strategy, the value created will result in significant growth.

The human resources strategy of our Sixth Mid-Term Management Plan (FY2023-FY2025) focuses on four important themes: supporting self-directed career development, promoting D&I, promoting diverse workstyles, and building a foundation for well-being. Through system revisions and the cultivation of a corporate culture conducive to these concepts, we support and facilitate employee autonomy. To accelerate an alignment of efforts, we develop leaders capable of properly promoting and implementing our Corporate Philosophy and strategies as we recruit and optimally allocate employees in line with these strategies.

 For details regarding initiatives, please see the ESG Fact Book (P48-66)

## Enhancing Human Capital Value

### A Company Where People Grow

The expectations felt on the first day at the Company, the sense of accomplishment from a first assignment, ideas nurtured with colleagues, seeing senior colleagues support others, and maintaining lasting connections even after leaving the Company—experiences through which the Group supports employee autonomy and new value creation while remaining aligned with each employee's aspirations and growth.

#### Join the Company

Understand the Company and feel inspired



Is there a place where I can be myself and make the most of who I am?

Every time I encountered the concepts of "Love of Humanity" and "Global Vision," I began to feel that I too could create something here. With the words of my senior colleagues and training alongside my peers, my excitement gradually overcame my initial anxiety.

We have established a framework that enables new employees to quickly thrive onsite by helping them fully understand the values the Sekisui House Group cherishes as well as the overall business.

- Hosting a welcome party for new employees
- Providing onboarding programs
- Sharing philosophies and corporate history

#### Autonomy

Make decisions about your own life



Am I creating my own meaning for being here?

I began working by taking the initiative. This led to being entrusted with responsibility and finding meaning in my work. Despite occasional setbacks, having people say, "You've got this," gave me the confidence to work on my own terms.

We have created environments that foster awareness of self-directed career development by offering career-stage-specific self-directed career development courses and providing easy access to consultations through various types of interviews.

- Conducting self-directed career development courses
- Conducting career and job interviews
- Implementing a career coach certification program

#### Growth

Strengthen your specialty and contribute



What am I capable of doing at this very moment?

Through gaining experience, I've become aware of the roles only I can fulfill. I challenge myself by pursuing certifications and learning skills from senior colleagues. Support from the Company and my supervisors encourage me to take the next step.

We have put in place support programs for developing skills and specializations, along with in-house award systems that allow employees to experience the rewards of their growth.

- Offering celebratory reward payments and assistance for qualifications acquired
- Conducting training programs by job type and hierarchical level
- Implementing an advanced learning support system and award system

#### Creation

Verbalize ideas and bring them to life



Is it really ok for me to share this idea?

When I casually shared an idea that popped into my head, someone said, "Let's give it a try." Opportunities are often closer than we think. The culture here is open and supportive, giving me the courage to speak up.

We encourage self-directed transfers and job type changes to foster new perspectives and synergies across departments.

- Hosting the Sekisui House Innovation & Performance (SHIP) Awards Program
- Encouraging internal mobility and overseas transfers
- Supporting employees who wish to advance their careers

#### Impact

Demonstrate leadership



What do my actions mean to others?

After taking on a leadership role, I realized that my attitude and words were encouraging others to take on new challenges. I've come to understand that leadership is built through consistent actions and trust.

We implement a wide range of development programs and initiatives not only for senior management but also to strengthen leadership among younger and mid-level employees.

- Offering the Sekisui House Women's College
- Offering the SHINE! Challenge Program
- Offering *Keiei-juku* and the multi-rater assessment

#### Resign from the Company

Maintain connections beyond employment



Might we one day reconnect and share our future aspirations?

When my departure from the Company was decided, many people said, "Let's keep in touch." I felt reassured knowing we could continue to connect as colleagues in a different way. This is a company that cared about my life even after leaving.

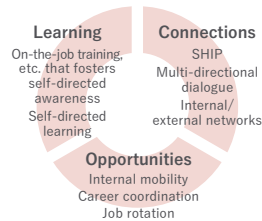
We share information and provide networking opportunities for former employees to maintain connections with the Group and promote initiatives that create opportunities for reemployment, continued engagement and collaboration.

- Offering the Welcome Home Program

## Enhancing Human Capital Value

### Self-Directed Career Development at the Sekisui House Group

We set “self-directed career development”—which means proactively shaping one’s own career, taking responsibility for one’s choices, and working to realize them—as our basic approach to management. In pursuit of achieving our Global Vision, we aim to build an organization where each individual thinks independently, continues learning, creates opportunities and connections, and grows through collaboration. As a foundation for this, we have established self-directed career development courses and built frameworks that provide diverse learning, opportunities, and connections through daily work, fostering an environment that supports autonomy.



### Leaders Who Support the Success of Each Individual

To advance our business strategies, it is essential to foster a culture of autonomy across the organization. At the center of this effort are leaders trusted by their team members. These leaders are expected to support each individual and help them maximize their potential. They are also tasked with nurturing next-generation leaders who may surpass them in capability. From a medium- to long-term perspective, cultivating an organizational culture where innovation can thrive is another vital responsibility. To nurture leaders capable of taking on these roles, we are pursuing various initiatives that support the growth of the entire organization and the realization of a more positive work environment.

**Embedding and implementing philosophies and strategies:** promoting strategic alignment and globally disseminating core philosophies

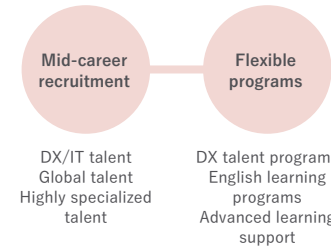
**Developing next-generation leaders:** succession planning and assigning challenging roles

**Fostering a culture of autonomy:** strengthening management and enhancing dialogue/interview skills

**Promoting innovation and communication:** advancing projects and cultivating a collaborative culture

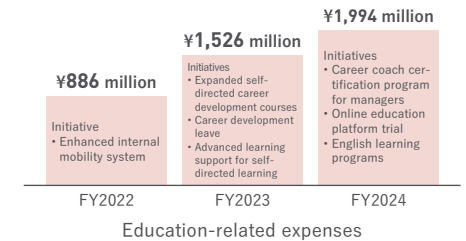
### Strengthening Mid-Career Recruitment and Flexible Programs

The roles of “DX and IT talent” who enhance value and streamline operations through IT, “global talent” who support overseas business expansion, and “highly specialized talent” who operate primarily in corporate divisions are gaining greater strategic significance. To this end, we are strengthening our efforts by simultaneously promoting mid-career recruitment and introducing flexible educational programs.



### Investing in Human Capital

We are increasing our education-related spending year by year as an investment in enhancing human capital value. Since FY2023, we have been promoting learning-centered initiatives, including self-directed career development training and leave programs, advanced learning support for self-directed learning efforts such as acquiring an MBA, and a career coach certification program aimed at improving managers’ interviewing and coaching skills.



## Challenges and policies for enhancing human capital value moving forward

### Boosting our competitive edge in hiring

As the working population declines and the construction workforce continues to age, it is becoming increasingly important for the Company to establish and communicate an employee value proposition (EVP) that highlights our Group’s unique strengths to remain a preferred employer. To that end, we are promoting not only competitive compensation levels but also the non-monetary aspects of our appeal—such as meaningful work, flexible workstyles, and environments that foster growth. We are also working to establish a framework that ensures stable talent acquisition by leveraging diverse recruitment channels, including employee referrals and alumni networks.

### Strengthening DX talent

We have been conducting DX training focused on IT literacy since FY2023. Looking ahead, we believe enhancing education in areas such as operational streamlining and data-driven business management is essential. Together with Sekisui House Innovation and Communication, Ltd. (InnoCom), established in February 2024, we will rapidly develop and implement a DX education program.

DX training participation rate (FY2023–FY2025)

100%


### Fostering a culture that embraces challenges without fear of failure

Various efforts to promote employee autonomy and alignment of efforts have contributed to a rising trend in the overall scores of the Governance Awareness Survey conducted among domestic Group employees. That said, compared to other items, the score for “a culture that takes on challenges without fear of failure” remains relatively low. Therefore, we intend to continue strengthening compliance-related initiatives, which have long been a focus, while also promoting organizational development to foster a culture “that embraces challenges without fear of failure.”

 ESG Fact Book P.59 Governance Awareness Survey

### Assessing the effectiveness of initiatives and expanding them across the Group

Following personnel system reforms in 2021, we have gradually introduced a variety of talent development programs and frameworks. Going forward, we will evaluate their effectiveness and strategically plan for the enhancement, discontinuation, or introduction of new programs. Additionally, it is essential to steadily improve human capital across the entire Sekisui House Group. We will further strengthen collaboration within the Group by expanding Sekisui House’s various initiatives to our Group companies.

 ESG Fact Book P.60-61 HR programs and processes

## Enhancing Human Capital Value

### Topic | Supporting Technical Personnel

At the Sekisui House Group, we are focused on creating an environment where technical personnel can enhance their expertise and build their careers autonomously in response to advancing technologies, diverse customer values, and increasingly complex social issues. Below are examples of initiatives undertaken in FY2024.

#### CA-PLACE, a platform for self-directed study and networking

In FY2023, we developed a platform that serves as a “place” where employees certified as Chief Architects (CAs) through the Company’s in-house certification system can pursue independent learning, take action, and foster connections within and beyond the organization. For FY2024, we have prepared 30 offerings related to skill advancement and human resource development, providing a platform where each person can pursue their career aspirations, whether to “refine their skills and sense of beauty as professionals” or “contribute to the development of the next generation.”



**Interior cafe:** Talks and workshops led by external specialists, co-hosted with interior coordinators to enhance specialized skills



**Specialized landscape training:** Workshops to strengthen landscaping expertise



Future vision development workshop



Dialogue-based art appreciation workshop



Group discussions



Collaborative workshops for certified individuals



Presentations



Future-focused dialogue to strengthen team capabilities



Panel discussion



Showing diverse role models and career paths



Specialty-based training  
 - Chief Architect (CA/Construction)  
 - PSP Construction Dojo  
 - KSP Dojo, etc.

CA-PLACE



Internal/external networking  
 Connecting with external lecturers

Career trial program  
 In-house certification program by specialty  
 ESG Fact Book P49

#### Chief Architects: 308 (FY2024)

Under a rigorous in-house certification program, carefully selected Chief Architects combine their refined sensibilities and skills to create one-of-a-kind homes.



#### Opportunities to obtain in-house certifications

**Detached Housing College**  
 Developing designers with advanced skills required of senior architects, enabling business contributions and talent development  
 Participants: 30  
 CA Mentors: 16



**Sha Maison College**  
 Developing designers who grow autonomously through lectures, workshops, and self-directed learning  
 Participants: 25  
 CA Mentors: 10



**Platinum College**  
 Equipping employees with knowledge and skills for design in medical and nursing care fields, while building connections through networking  
 Participants: 8  
 PSP Mentors: 3



**Townscape College**  
 Developing designers with townscape planning to drive the real estate business  
 Participants: 46  
 Mentors: 4



#### Career trial program

We implement initiatives across business divisions to promote self-directed growth and develop well-rounded technicians.

Onsite supervision



Construction Management

#### Contributions of Interior Coordinators (ICs)

To deliver homes of greater value to our customers, the importance of interior proposals is increasing. Starting in FY2024, we launched initiatives to further support the growth of outstanding interior coordinators.

#### Building a skill-based personnel system for interior coordinators

We are developing a new personnel system based on an evaluation sheet that maps required professional skills and expected performance levels in a matrix. This unique system will be used to determine career progression and compensation. We support our highly skilled interior coordinators to enable the delivery of high-quality proposals that exceed customer expectations.

Job type	Manager type	Skill-based type
Non-managers/specialists	Managers	Interior coordinators

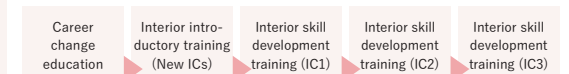
#### Educational programs

Skill development training is conducted according to career stage and hierarchy for employees newly assigned as interior coordinators and those currently performing in IC roles.



IC1: 28 participants  
 IC2: 100 participants  
 IC3: 38 participants

\*As of August 2024



#### Strengthening networks

We host networking events to help interior coordinators across Japan build connections and share best practices.



IC Employee Forum  
 Participants: 156

## Enhancing Human Capital Value

### Topic | Supporting Technical and Production Personnel

#### Women's Conference of the Four Technical and Production Headquarters

We held the first Women's Conference of the Four Technical and Production Headquarters in FY2024. The event was attended by over 300 female employees from different divisions across Japan, representing 90% of all female employees in the Division of Technology and Production. The conference was held under the theme "Connecting Faces, Names, and Work," and aimed to create new value by helping participants gain new perspectives and confidence while building relationships across departments.



I was deeply inspired by hearing about my colleagues' values, as well as the career journeys of my senior colleagues. What struck me most were the ideas that careers are often shaped by chance, the importance of leveraging one's strengths, and the notion that those who can adapt are the ones who thrive. Realizing that I'm not alone in my struggles was reassuring and will be useful to me moving forward.



Employee,  
Research and Development  
Headquarters

Talking with others about our work, sense of fulfillment, and aspirations made for a truly meaningful experience. I was quite nervous and unsure going into this first-ever gathering for women in the Division of Technology and Production, but it ultimately became a valuable chance to rethink my own career path. I will value these connections and hope to apply them meaningfully in my work.



Employee,  
Procurement Department  
within the Production and  
Procurement Headquarters

Engaging with individuals from different fields provided an opportunity to broaden my horizons. I received concrete advice through group discussions, and most importantly, benefited from building a network with my female technical colleagues. I'll continue to actively participate in these conferences and use them as opportunities to grow.



Employee,  
Technical Human Resources  
Development Department  
within the Technology  
Management Headquarters

Sharing career-related concerns provided me with a fresh perspective on my own career. Engaging with speakers and senior employees made me feel closer to them and inspired me to believe that I, too, could follow a similar path. I want to cherish this feeling and connection as I dedicate myself to my work.



Employee,  
Foundation Technology  
Center of the Construction  
Headquarters

#### Communication Among Employees Becomes the Source of Innovation



Masaru Noma  
Senior Managing  
Officer  
In charge of Division  
of Technology and  
Production

The Company values spaces and opportunities for employees to share their experiences and thoughts, learn from each other, and offer mutual support. With locations nationwide, connections across departments and regions provide valuable opportunities to broaden perspectives and possibilities. In the Division of Technology and Production, opportunities for employees to meet face-to-face and share their work and thoughts are equally essential. Women's Conference of the Four Technical and Production Headquarters was the initiative I most wanted to realize since taking charge of the Division of Technology and Production. Even before the event began, the spontaneous smiles and conversations clearly reflected its significance.

The four divisions—R&D, technical management, construction, and production procurement—are the departments that support the Company's core competencies of technical expertise and construction capabilities. I firmly believe that within these departments, cross-departmental collaboration and active communication serve as the wellspring of new ideas and innovation. This will eventually expand across all departments, contributing to the Sekisui House Group's competitiveness by enabling us to deliver the highest quality and technology. Moving forward, we will continue to advance initiatives that support and build an environment where every employee can independently realize their potential and thrive.

#### A Place for Learning and Growth Born from Connections

##### Activities

- Over 300 participants
- Conduct workshops and exchange opinions
- Network through personal introductions and sharing of responsibilities

##### Output

- Connect faces to names and roles
- Build networks beyond departments
- Share experiences and insights

##### Outcome

- Develop supportive relationships
- Broaden perspectives and increase motivation
- Heighten career awareness


##### Impact

- Participate autonomously
- Strengthen diversity within the Division of Technology and Production
- Enhance innovation and product quality



For this inaugural event, the main focus was on providing an opportunity for employees to discover shared strengths across job types, generations, and regions, leading to learning and awareness. To this end, the organizing team was also composed of diverse members who planned and managed the event while enjoying a sense of connection. We will also introduce a volunteer-based system for participating in planning, aiming to sustain and expand these connections.

# Employee Happiness



Short Essay

## Our Priority: Employee Happiness

The Sekisui House Group places great importance on the happiness of our employees. In 2020, we launched the Well-Being Survey\* using objective and scientific methods to assess each employee's level of happiness, recognizing that the definition of happiness varies from person to person. This survey is not intended as a means to deliver happiness to customers or society at large, but is driven purely by our desire to ensure the happiness of all Group employees.

### Purpose of the Well-Being Survey

The Well-Being Survey is conducted annually for all employees. It is not designed to measure employee loyalty or enthusiasm for work. Instead, it enables employees to comprehensively evaluate their subjective sense of happiness, self-fulfillment, and personal growth, and a sense of security, as well as their relationships with their jobs and workplaces. Through this survey, we provide employees with an opportunity to reflect on their careers and workstyles by expressing and visualizing their feelings and changes in their circumstances.

### Happiness through the Well-Being Survey

Over the course of several years since the Well-Being Survey began in FY2020, we have observed certain changes in how employees perceive happiness. We have also accumulated data on the relationships between employees' sense of happiness and factors such as job type, career stage, and company initiatives. These insights have allowed us to analyze the factors that enhance happiness and the impact of workplace environment changes on employee happiness.

\* This survey was developed by Professor Takashi Maeno, Dean and Professor at the Department of Well-Being at Musashino University and Special Guest Professor at Keio University. The Well-Being Survey consists of 72 questions related to individual happiness, known as the "Well-Being Circle," and 42 questions related to workplace happiness, known as the "Worker's Happiness and Unhappiness Diagnosis."

## The Sekisui House Group Through Well-Being Survey

Given the nature of the survey, we have taken a cautious approach to disclosing and utilizing the results. Maintaining an environment where employees can respond candidly is critically important, as any external pressure could influence the outcomes. In this section, rather than disclosing detailed data or individual analysis results, we present key trends, contributing factors, and organizational challenges identified through the survey. We believe that sharing these insights will help us foster an even happier workplace.

### Higher happiness among Sekisui House Group employees

The Well-Being Survey results indicate that Sekisui House Group employees generally report higher happiness scores than the national average. Based on data collected to date, this can be attributable to our deeply rooted Corporate Philosophy, "Love of Humanity," which permeates our workplace environment and organizational culture.

Additionally, the FY2024 survey showed that many employees scored highly in areas such as connectedness with their colleagues and altruism, reflecting a strong willingness to support others.

### Well-Being Circle total score

● Sekisui House Group

65.51pt 65.75pt 65.86pt 65.98pt 66.57pt

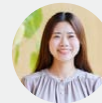
National average: 62.92pt

2020 2021 2022 2023 2024 (FY)

### A culture where employees express happiness

Although people may not always be fully aware of what happiness means to them, the implementation of the Well-Being Survey has encouraged our employees to habitually reflect on and verbalize their personal definitions of happiness. For example, many employees begin to ask themselves questions such as, "Why do I feel a greater sense of fulfillment than last year?" or "What factors have made my current work environment feel more secure?" In this way, organizing the factors that influence their sense of happiness becomes an opportunity to better understand themselves and reexamine the direction of their careers.

On the other hand, some employees feel that responding to the annual survey is bothersome. However, even this reaction can lead to self-awareness—such as realizing that nothing has changed since the previous year, or questioning why they find the process burdensome in the first place. In addition, post-survey team dialogues have helped foster a workplace culture where employees are more mindful of what contributes to happiness, and the word "happiness" now comes up naturally in everyday workplace conversations.



My personal definition of happiness

Sharing my desires



My personal definition of happiness

Having fun



My personal definition of happiness

Creating happy construction sites



My personal definition of happiness

Making someone happy



My personal definition of happiness

Making someone smile



My personal definition of happiness

Being someone others can rely on

### Five years of change

Over the past five years, we have seen improvement in 16 out of 34 items related to individual happiness, suggesting a steady enhancement of our organizational environment. At the same time, issues related to employees' intrinsic motivation have emerged. Regarding workplace happiness, we have seen significant improvements in areas such as recognition from others and teamwork. Similarly, there has been a positive trend in areas related to perceived unfairness and overwork—factors that correlate with workplace unhappiness. However, the most recent survey results still indicate that overwork remains a challenge.

#### Individual happiness: Changes from FY2020-FY2024

Feeling positive	↑ 3.28pt	Feeling healthy	↓ -1.31pt
Feeling encouraged to try new things	↑ 3.14pt	Wanting to grow	↓ -0.98pt
Using own strengths	↑ 3.06pt	Finding things interesting	↓ -0.49pt

#### Possible factors behind positive changes

- A workplace culture that encourages employees to take on new challenges
- Workstyles and support systems that help individuals make the most of their strengths
- Greater psychological safety and stronger awareness around preventing harassment

#### Possible factors behind areas of decline

- Fewer working hours and changes in personal lifestyles
- Fewer chances to feel successful or experience growth due to more stable, routine work
- Less stimulation at work as tasks become more familiar or repetitive

#### Workplace happiness: Changes from FY2020-FY2024

Feeling recognized by others	↑ 2.05pt	Feeling treated unfairly*	↑ -1.94pt
Feeling good about teamwork	↑ 1.27pt	Feeling overworked*	↑ -0.94pt
Feeling in control of own work	↑ 0.87pt	Feeling disconnected from others*	↑ -0.88pt


#### Possible factors behind positive changes

- A workplace culture that promotes psychological safety and collaboration
- One-on-one meetings and management that help employees use their strengths
- A co-creation culture where recognition from others supports happiness

#### Possible factors behind areas of decline

- Lack of personalized support and thoughtful feedback
- Challenges in reducing overwork and easing workload
- Reverse-scored items (Decreasing score indicates improvement)

## Employee Happiness

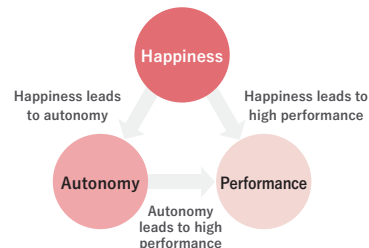
Short Essay 

## Relationship Between Autonomy and Happiness

The FY2023 Well-Being Survey revealed that employees who feel they are working autonomously tend to report higher levels of happiness. The same survey also showed that these employees are more likely to receive higher performance evaluations. Additionally, it became clear that while happiness may lead to better performance evaluations, high performance does not necessarily result in greater happiness. These findings suggest a mutual influence between employee happiness and autonomy. In particular, an increase in the number of employees working autonomously may lead to higher levels of happiness, which in turn positively impacts performance evaluations.

To understand what drives this relationship, we examined the impact of initiatives undertaken by Sekisui House. We identified three key factors: 1) Sekisui House's unique definition of "autonomy," 2) the presence of systems and programs that support autonomy, and 3) the power of diversity, which accelerates the development of autonomy. The following section explores how these factors influence the connection between employee happiness and autonomy.

## Results of the FY2023 Survey on Happiness Scores

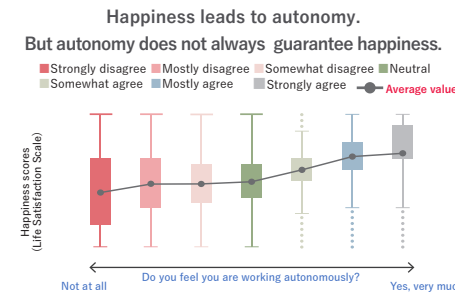


## Autonomy and support at Sekisui House

In general, "autonomy" is often interpreted as "self-responsibility," and thus tends to be entrusted to individual effort and ability. As a result, autonomy is frequently equated with freedom. However, without appropriate support or a well-prepared environment, greater autonomy can lead to increased stress and burden for employees. At Sekisui House, we define autonomy as the ability to make one's own decision and take full responsibility for them. Based on this definition, we have focused on providing organizational support that enables each employee to choose a career path and lifestyle that best suits their individual needs. We believe this approach is reflected in the results of our Well-Being Survey.

## Support over control

At Sekisui House, autonomy is not something that can be imposed by others. We believe that individuals should decide their own life and career paths. While the Company cannot force employees to act autonomously, we are committed to offering extensive support to those who wish to do so. For example, we launched our self-directed career development training program in 2003 and introduced career interviews in 2021 as part of our ongoing support initiatives.



## Programs that clarify values

Our self-directed career development program is a three-day training initiative, including a two-night stay,<sup>2</sup> designed to help participants reflect deeply on questions such as "What kind of life do I want to lead?" and "What do I truly value?" Rather than focusing solely on how to succeed within the Company, the program encourages employees to consider how their careers fit into the broader context of their personal lives. The program has been completed by 21,110 individuals since its launch in 2003. Many participants emerge from the experience with a renewed sense of ownership over their lives, embracing the belief that "I take ownership of my life and career."

<sup>1</sup> Currently, it has been reorganized into the Self-directed career development course.  
<sup>2</sup> At the time of commencement.

## Dialogues that empower choice

Sekisui House's career interviews are designed to empower employees to take the lead in shaping their own career paths. In these sessions, employees choose the topics they wish to discuss, while supervisors are expected to listen attentively and respond respectfully. Held five times a year, these regular interviews provide employees with the flexibility to reassess and realign their career direction in response to changing circumstances and evolving personal values.



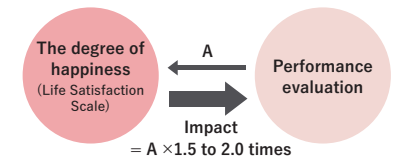
## Outcomes of supported autonomy

In conventional models of autonomy based solely on self-responsibility, a lack of support can lead to increased pressure, feelings of isolation, and a decline in overall happiness. In contrast, Sekisui House has established systems and environments that support autonomy, enabling employees to make choices at their own pace.

This approach has led to what we call "support-based autonomy," where appropriate support enhances satisfaction with personal choices and encourages greater autonomy. Our survey results show that employees who feel they are working autonomously also tend to report higher levels of happiness. This suggests that freedom of choice, combined with strong support, helps employees gain confidence in their decisions—contributing to their overall happiness.


Moreover, while it is commonly believed that strong job performance leads to happiness, results of the Well-Being Survey indicate the reverse: employees who feel happy tend to achieve higher performance evaluations. This relationship highlights the unique workplace culture at Sekisui House, where a supportive environment and the ability to choose one's own path foster a sense of security and personal growth. We believe this is a distinctive strength of our organization.

Happy employees often perform better.  
But high performance does not always mean they are happy.



Note: Based on the cross-lagged effect model

## Employee Happiness

Short Essay 

### Autonomous employees are our strength

For over 20 years, Sekisui House has developed systems to support employee autonomy. These efforts have helped each individual gain a real sense of control over their own life—the feeling that “I can choose my own path.” This sense of agency has led to greater happiness among our employees. This outcome is reflected in the results of our Well-Being Survey and has become a unique value that defines the Sekisui House workplaces. Looking ahead, we will continue to provide programs and options that support autonomy while promoting a work environment where even more employees can experience happiness in their careers.

#### Supporting autonomy leads to organizational growth

##### Impact

- Fostering Sekisui House’s unique culture of “support-based autonomy”
- Driving sustainable growth through a positive cycle of happiness and autonomy
- Creating a workplace where employees can work with greater happiness by supporting their ability to make life decisions independently

##### Medium-term outcomes

- Employees can choose their level of autonomy based on their situation
- Support for autonomy leads to higher employee happiness
- A clear link between self-directed happiness and job performance

##### Short-term outcomes

- Opportunities for employees to reflect on their career and life paths
- Career dialogue helps clarify available options
- Employees develop a mindset of ownership over their own lives

##### Key initiatives

- Self-directed career development course to reflect on life and career goals
- Career interviews held regularly to support career planning
- Clarify corporate policy and develop programs to support employee autonomy

### Embracing Diverse Perspectives Leads to Happiness

Diversity is closely tied to how Sekisui House supports employee autonomy and happiness. Specifically, we promote diversity to empower employees with varied perspectives and the autonomy to contribute ideas and opinions that drive innovation.

Well-Being Surveys conducted from FY2020 to FY2023 revealed that workplaces with female managers generally reported higher happiness scores than those without. Upon analyzing these findings,\* we concluded that employees who regularly engage with colleagues holding diverse values may experience greater happiness at work, as such interactions offer fresh insights and learning opportunities. The data also suggests that these workplaces benefit from a stronger sense of unity, supported by high-quality communication and a culture that encourages open dialogue and respect for diverse perspectives.

In summary, the survey results do not simply suggest that the presence of female managers increases happiness. Rather, they indicate that diverse leadership fosters a psychologically safe and inclusive workplace. In other words, employees reported higher happiness not merely due to gender diversity, but because they were exposed to a range of perspectives.

\* Sekisui House (non-consolidated)

#### The beginning of our diversity journey

Sekisui House’s workforce includes specialists from a wide range of fields. These individuals long collaborated across disciplines, contributing ideas and driving innovation. A symbolic example of this approach is the Shin Umeda City, an urban development project, which officially began in 1987. This initiative reflected our early recognition of the importance of diversity.

Typically, construction projects are led by experienced senior staff. However, Sekisui House took a bold step by appointing young employees as core members of the project team—a progressive initiative at the time.

The team developed the concept of “creating a playful office district like an upturned toy box,” and used this vision to guide the redevelopment of a 42,000-square-meter area. The result was a blueprint shaped by the fresh ideas and free thinking of younger team members. Shin Umeda City has since earned global recognition as a model for innovative urban development. This decision-making process exemplifies Sekisui House’s corporate culture—one that encourages employees to speak up and take initiatives, regardless of age or experience.

In March 2025, Shin Umeda City received the highest triple-star rating under the TSUNAG Certification System for Securing Quantity and Quality Urban Green Space sponsored by the Ministry of Land, Infrastructure, Transport and Tourism. Today, the area is a vibrant hub for office workers, local residents, and tourists alike. Its success is supported by features such as interconnected ultra-high-rise office buildings, the biodiversity garden known as “*Shin-Satoyama*,” and *Chu Shizen no Mori*, a greenery space surrounded by a large waterfall and mountain stream.

#### Supporting diverse values and autonomy

Sekisui House has developed workplace environments and programs that respect diverse values and support employee autonomy. As part of these efforts, we promote diversity to empower each individual to work in a way that suits them best. We are committed to

enhancing programs that help employees balance their careers and family responsibilities, while also providing environments that support self-directed life and career planning.

#### Selected programs offered by the Sekisui House Group to support employee autonomy

- Annual paid leave available in half-day or hourly increments
- Sliding (flexible) work schedule that allow employees to adjust their schedule
- Remote work system available for any reason
- Child support leave for parents caring for children with illness or school attendance challenges
- Nursing care support that can be taken in segments, with flexible work hour options
- Maternity and parental leave, including financial support for childcare and infertility treatment
- Internal mobility program that allows employees to take on new roles and challenges
- Qualification support and reward, including congratulatory bonuses for obtaining public qualifications and assistance for those pursuing them
- Self-directed career leave and advanced learning support to enable employees to pursue further education or reskilling

 Please refer to ESG Fact Book for more details.

#### Shin Umeda City: Innovation and impact born from diverse perspectives and values

##### A proposal on a new urban development

Led by a project team of young employees

##### Spatial design

Urban regeneration planning  
Development of greenery spaces  
Design of co-creation zones  
Environmentally conscious design  
Promotion of community interaction




##### Value created

Promotion of cultural innovation  
Redefinition of the value of work  
Economic ripple effects  
Reductions in environmental impact  
Community vitalization

##### Growing impact

Creation of a sustainable urban model  
Enhanced happiness for people and communities  
Promotion of economic growth  
Increased global recognition  
Formation of a blueprint for future cities

## Employee Happiness

Short Essay 

### Paternity Leave Designed to Support Family Happiness

As part of our commitment to support employee happiness, we introduced a paternity leave program in 2018. The initiative was inspired by our Representative Director's experience in Sweden, where he observed many fathers spending time with their children during weekdays. This led to the belief that it should be natural for all parents to want to be present in their child's early life. The program allows male employees to take a minimum of one month of paternity leave, fully paid for the first month, and offers the flexibility to divide the leave into up to four separate periods. Since FY2019, the program has maintained a 100% take-up rate among eligible employees.

#### First step was to shift managerial mindsets

Even when leave policies are in place, workplace culture can discourage employees from using them. Recognizing this, our first priority was to shift managerial and team mindsets to ensure that no employee would feel pressured or hesitant to take leave. We hosted internal forums that brought together managers and staff members, those eligible for leave, to foster open dialogue and build a supportive, inclusive environment.

#### Paternity leave as part of our business strategy

Today, Sekisui House actively promotes paternity leave as part of our business strategy. We share real stories from managers who have taken leave, helping normalize the practice and reinforcing the message that supporting work-life balance benefits the entire organization. This cultural shift, rooted in leadership engagement, has helped establish a workplace where taking childcare leave is not only accepted but expected. It has also extended to other types of leave, creating a culture of mutual support where employees feel confident stepping away from work, knowing their teams will step in to help.

#### Child-rearing and employee happiness

Paternity leave offers male employees meaningful time to bond with their families. Many have shared how the experience positively impacted their lives. One employee noted, "Taking paternity leave deepened my partnership at home and made me feel more fulfilled." Others share that being involved in their child's development changed their perspective on life and helped them realign their values—placing equal importance on family and professional responsibilities. These reflections highlight how supporting employee happiness not only enhances happiness but also encourages greater autonomy, engagement, and purpose at work.

#### Survey highlights on paternity leave at Sekisui House

Happy to be involved at home, male employees who took paternity leave

Sekisui House: **98.6%**  
National average: **81.4%**  
(White Paper on Paternity Leave 2022)

Positive about work, male employees who took paternity leave

Sekisui House: **89.0%**  
National average: **65.9%**  
(White Paper on Paternity Leave 2022)

Time spent helping at home on days off, male employees who took paternity leave

Sekisui House: **5.68 hours**  
National average: **3.14 hours**  
(White Paper on Paternity Leave 2022)

Colleagues who value parenting time

Sekisui House: **98.9%**  
National average: **80.5%**  
(White Paper on Paternity Leave 2023)



### Promoting Women's Advancement Through Self-Determined Growth

In 2005, Sekisui House began actively hiring female sales representatives. Over the past two decades, our focus has not been on simply increasing the number of female employees in these roles, but on providing thoughtful, individualized support that respects each person's aspirations. We believe this approach has contributed to positive outcomes, including higher happiness in workplaces led by female managers compared to those without.

#### A leadership development program built on autonomy

In 2014, we launched Sekisui House Women's College, a training program for female managerial candidates. While early participants were often nominated by their supervisors, today all participants apply voluntarily. This shift reflects a growing culture of autonomy and self-directed career development across the organization.

#### Key features of Sekisui House Women's College

- 1. Role model engagement:** Participants gain clarity on their career goals through direct interactions with female leaders and senior executives
- 2. Individual career dialogues:** One-on-one sessions with supervisors and D&I department staff help participants explore their strengths, address concerns, and define career direction
- 3. Supervisor involvement:** Supervisors participate in training and networking events to deepen their understanding and strengthen support systems, helping to embed inclusive practices across teams
- 4. Executive-level exposure:** Participants build confidence and leadership perspective through dialogue with Outside Directors of the Board and presentations to top management

#### Sekisui House employees: Embracing both work and life

At Sekisui House, many employees embrace a lifestyle that values both professional achievement and personal fulfillment. Balancing work with time for family and friends is not only encouraged—it is considered as essential to long-term success. This culture of happiness empowers employees to work in ways that feel authentic, leading to greater autonomy, engagement, and performance.

→ P58 Promoting women's advancement



I try to manage my work and personal life by keeping a healthy balance. This year, I took a week off to travel abroad and run in a local marathon. From experience, I have found that having short-term personal goals, like a fun trip or activity, boosts my motivation, helps me stay productive and sparks new ideas.




To me, the key to a successful "work-in-life" approach is blending work and personal time in a way that feels natural. Sometimes, even when I am with my family, work thoughts pop into my head. I don't force myself to shut them out, instead, I try to find a rhythm that works for me and supports both sides of life.



After returning to work from maternity and childcare leave, I felt unsure and anxious about whether I could perform as I had before. So I began exploring a work-style that truly fits me. That journey led to the approach I follow today. I am not trying to be a superwoman, but I do aim to be recognized each year by staying true to my own pace and working style.

## Employee Happiness

Short Essay 

### Summary

## Employee Happiness Drives Innovation and Communication

Based on findings from our Well-Being Surveys, we have confirmed that initiatives supporting employee autonomy have led to higher levels of happiness. We also found a strong interconnection between employee autonomy, happiness, and diversity, which foster innovation and communication across the organization. We believe that a work environment that respects individual decisions and empowers employees to succeed brings diverse perspectives, leading to the creation of new ideas. Building on these insights, Sekisui House is advancing to the next stage.

### Creating an environment that encourages innovation

- Encouraging a culture where employees freely share ideas through the Sekisui House Innovation & Performance (SHIP) Awards
- Offering programs that support flexible workstyles to match different lifestyles
- Promoting open communication and helping managers create a psychologically safe workplace
- Building a culture that embraces new challenges and changes

### Facilitating open communications

- Increasing opportunities for dialogue across roles and departments to boost collaboration
- Combining online and offline work to improve team connection
- Training leaders to adopt a communication-focused management style

 ESG Fact Book P.48 Enhancing Human Capital Value

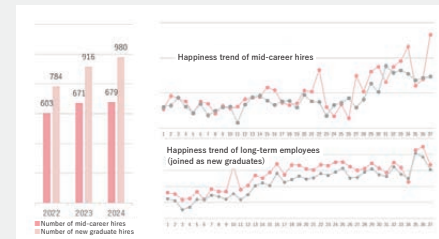
### Moving Toward the Next Stage

## Genuine Diversity as a Catalyst for Shared Values and Experience

At Sekisui House, we view genuine diversity not simply as differences in personal attributes but as a dynamic environment where people with varied backgrounds, perspectives, and experiences come together. This interaction fosters fresh insights and mutual learning. To make this possible, we are committed to building a workplace where every employee can grow and reach their full potential. We actively promote an inclusive culture that values contributions across gender, age, nationality, and career paths, and ensures fair recognition of individual efforts and achievements.

### The role and limits of critical mass

Historically, our diversity efforts have focused on achieving “critical mass”—the idea that when a certain number of people from underrepresented groups are presented, it can shift organizational culture. This approach has helped us reshape managerial mindsets and workplace norms. One clear success is our progress in advancing female employees, which has positively impacted team dynamics and communication, as shown in our Well-Being Survey results. However, we recognize that critical mass is just the beginning—it is a foundation for change, not the final goal.



### Challenges and potential of integrating career diversity

At Sekisui House, a strong culture of hiring new graduates directly from university has long shaped our workforce. These employees often follow a consistent, long-term career path within the Company. In contrast, mid-career professionals, those who join us from other companies or industries, tend to have different career trajectories and workstyles. We have observed that while long-term employees typically experience a gradual increase in happiness over time, mid-career professionals often show greater fluctuations in their happiness scores.

In recent years, as our business has expanded into new fields and global markets, we have welcomed more mid-career professionals with specialized expertise. Their diverse experiences and perspectives have the potential to bring new value to the organization and enhance our flexibility and adaptability.

However, even in this context, the concept of “critical mass” remains important. When mid-career professionals are in the minority, they may be perceived as outsiders, which can make it harder for them to integrate. That is why having a sufficient number of mid-career professionals is essential to fostering a more open and inclusive culture.

We also recognize that long-term employees and mid-career professionals adapt to the organization in different ways. Rather than allowing one group to dominate, we aim to integrate these differences to generate new value and evolve into a more inclusive and innovative organization.

### Supporting employee happiness across career paths

According to our Well-Being Survey, managers tend to report higher levels of happiness than non-managerial employees. However, differences are also observed across job type and age groups. Among managers, those in administrative roles tend to experience a steady increase in happiness as they age. In contrast, those in specialist roles show no significant change in happiness across age groups. These findings suggest that happiness is shaped by factors such as the accumulation of

specialized expertise and the nature of their work.

These differences appear to stem from varying levels of involvement in team operations, application of specialized expertise, and role expectations. In particular, for those in specialist positions, we found that even when the work environment enables them to fully utilize their expertise, a lack of psychological safety and mutual respect in the workplace can significantly diminish their sense of happiness.

This is why a uniform approach to employee support is not effective. It is important to tailor initiatives to each individual’s career path. For example, managers in administrative roles may benefit from opportunities for continuous learning across generations, along with measures to ease their workload. Specialists, on the other hand, may thrive when provided with a clear avenue for personal development and work environments that enable them to fully apply their expertise. These targeted efforts can significantly enhance employees’ sense of purpose and satisfaction in their roles.

### Advancing to a new stage of diversity

At Sekisui House, we are committed to moving beyond simply reaching a “critical mass” of diversity. Our vision is to become an organization where innovation is driven by employees learning from one another and contributing a wide range of perspectives. In the near term, we are focused on creating an environment that supports this goal. Over the medium to long term, we aim to foster a culture where diversity is not just encouraged but deeply embedded in our work culture. Ultimately, our goal is to create a workplace where everyone can thrive, regardless of their roles and backgrounds, and where inclusion is not an exception, but the norm.

We are advancing our efforts to support employee autonomy and enhance happiness, aiming to create a workplace where innovation and communication are naturally integrated into daily work. By embracing diversity in a broader and more meaningful way, we are stepping into a new stage of growth and inclusion.