

Homebuilding by Sekisui House

» Acting from a resident's viewpoint at all stages of homebuilding from first contact with customers to after-sales support

Essentially, homes should be built one by one in a manner specifically tailored to local conditions such as climate, geographical features and site conditions, as well as family structure, lifestyle and life stage of customers. At Sekisui House, customers are never asked to choose from among a limited number of pre-designed housing plans. Our "customer-specific design flexibility" concept ensures greater customer satisfaction across the entire homebuilding process from first contact, design, production and construction to after-sales support. Our commitment to serving customers under this concept is expressed in our motto, "Housing Consultation."

1 Before embarking on a homebuilding project

Maintaining contact points with customers nationwide

Attaching importance to "community based service," we believe that homebuilding sites should be opened to society as much as possible. Accordingly, we strive for disclosure of housing information and make our homebuilding sites open to the public to the fullest possible extent. These activities are mainly undertaken at our housing construction sites across Japan as well as model homes and hands-on learning facilities including the Large-scale Experience-based Facilities, all of which are important venues that connect customers with us. Through these activities, we ensure that visitors to these sites will learn about and develop a correct understanding of the advantages of our "customer-specific design flexibility" concept, as well as our state-of-the-art construction method and superior housing quality before starting a homebuilding project.

Construction sites

Homebuilding under our project accountability system



Needless to say, quality in construction holds the key to safe, durable and comfortable homes. We assume responsibility to ensure the highest possible quality over the entire process of homebuilding under our project accountability system, in cooperation with our wholly owned group company, Sekiwa Construction, and other partner building contractors. At our construction sites, the firm commitment to serving customers is shared by all persons involved in the homebuilding project. Both supervisors and construction workers are constantly striving to learn the latest construction techniques, ensure the succession of homebuilding skills from veteran to younger workers, and obtain relevant qualifications, while complying with the procedures set for each homebuilding process and internal regulations. In doing so, they bring greater satisfaction to customers and improve housing quality, the most important factor of our "customer-specific design flexibility" concept.

By strengthening our on-site competencies, we ensure complete separation of waste materials, keep construction sites tidy at all times, maximize the effectiveness of our safety measures and minimize impacts on neighborhoods. Our construction sites are the clear embodiment of our homebuilding policy. Subject to the consent of homeowners, we offer our construction sites and completed homes for public viewing to develop a connection with new customers.



All workers involved in a homebuilding project act from a customer's viewpoint.

"Sekisui House Visiting Day," a nationwide event to open a variety of housing products to the public

We launched our nationwide "Sekisui House Visiting Day" event in 1989 to let more people see our housing products firsthand, and have since continued this event for twenty-two years. In 2010, we held this event on the largest scale ever, at 2,511 locations around Japan, in commemoration of our 50th anniversary, and thanks to the cooperation of homeowners, had the participation of 136,332 groups of visitors.



Sekisui House Visiting Day held at residential subdivisions for sale



Training young construction workers to learn professional skills and instilling spirit

We have our own training education center (vocational training school approved by the Governor of Ibaraki Prefecture) to train construction workers. Here, trainees learn the professional skills and spirit necessary to achieve customer satisfaction and contribute to enhancing the construction quality of Sekisui House. (Graduated trainees: 2,131 workers)

Hands-on learning facilities

The Large-scale Experience-based Facilities allow visitors to check housing structures and performance that cannot be inspected at model homes

What is "Housing Consultation"?

The notion of "Housing Consultation" has remained at the heart of our homebuilding business since our inception. By this term, we refer to our commitment to maximizing customer satisfaction with our "customer-specific design flexibility" concept. Under this concept, we cater to individual needs of our customers with our proprietary construction method and production system and offer the best solutions in terms of both physical structure and comfort of living in a manner tailored precisely to the different conditions and needs of customers, such as geographical features, site conditions, family structure, lifestyle and life stage.

The Large-scale Experience-based Facilities * are hands-on learning facilities for better housing, where visitors can learn about various housing features that cannot be checked at model homes, such as housing structures, performance and the usability of housing fixtures. Here, visitors can test the strength of housing structures by applying pressure to walls and frames, as well as the fire resistance of outer walls by themselves. The Large-scale Experience-based Facilities offer visitors unique opportunities for enjoyable hands-on experiences to learn about Sekisui House homes with their eyes and hands.



Visitors checking the differences in joints designed using the SHAWOOD SMJ building method



Full-sized construction frames that cannot be seen from the outside on display

* Sekisui House runs six Large-scale Experience-based Facilities, in Tohoku, Kanto, Shizuoka, Kita-shinetsu, Kansai and Yamaguchi, as well as the Sumai-no-kagakukan experience-based facilities in several locations including Tokyo, Kanagawa, and Kochi.

The Large-scale Experience-based Facilities are visited by 116,990 people a year (total for the six facilities).

The Kanto Large-scale Experience-based Facilities with various theme pavilions



The museum is located in a vast site of 18,462 m².



Many people participate in bus tours to the museum every time a tour is organized.

In the Earthquake Resistance Pavilion, the ground motion of a strong earthquake is simulated to demonstrate the differences between earthquake-resistant and seismically-isolated structures.



The Kanto Large-scale Experience-based Facilities consist of various theme pavilions, including: the Housing Environment Pavilion where effective CO₂ reduction and energy saving measures are shown; the Be Tech Pavilion that gives visitors hands-on opportunities to learn about earthquake-proof and other housing structures; the Family Life Pavilion—the Kobayashi Family, which showcases innovative ideas that are useful for families with children; and the Housing Lighting Pavilion which shows a new lighting environment created by an all-LED home. Through these pavilions, visitors deepen their understanding of housing while having fun.

Model homes

Offering concrete images of lifestyles and ideal solutions while serving as venues for local events

As our contact points with customers, model homes embody the ideals of housing suited to individual regional characteristics and geographical conditions, while showcasing future lifestyles. They also offer solutions to meet specific site conditions and other requirements, thus providing visitors with useful ideas for their homebuilding projects. Our model homes encompass a wide variety, from one-storied to four-storied houses, both steel and wooden frame, and include urban, rural, and eco-friendly models as well as models designed for living with pets and for combined residential and commercial use. We have a total of 436 model homes throughout Japan.

We also use our model homes as venues for community events to deepen friendly ties with our customers and local residents.



A Christmas wreath making class is held for homeowners.



We organize seminars on handy everyday tips, such as gardening and storage, from time to time.



Sekisui House's first four-storied model home employs various innovations for residents to enjoy life using their five senses. (Shinjuku Model Home)



Our BeSai+e model, designed to encourage "slow living," is provided with large openings to create a sense of oneness between the outer and interior areas. (BeSai+e Model Home in Expo '70 Commemorative Park)

Providing information through our website

In February 2010, we opened a website titled "sumai smile" to explore ideal housing focusing on lifestyles. Through this site, we offer handy everyday tips and housing information based on our research results and expertise, while seeking the opinions of visitors to the site and making these opinions public to maintain interactive communications with users. We also provide housing seminar classes and Internet-based housing webinars, which attract many participants and are open to the public, including those who do not consider building their homes for the time being.



Sumai Smile
236,039 people visited the site in total.

Housing webinar
466 applications were received in a year.



Housing seminar
Special seminar:
54 participants attended in a year.

Public seminar:
730 participants attended in a year.

Regionally held seminar:
741 participants attended in a year.

2 Up to completion of a homebuilding project

Creating “only-one” homes with our experts and state-of-the-art technology

Since our inception, we have embraced the “customer-specific design flexibility” concept at the core of our homebuilding projects. Our goal is to deliver to customers homes tailored precisely to their individual needs through in-depth consultations. To achieve this goal, we have continued persistent research efforts to pursue perfection in both physical housing structure and comfort of living and to ensure higher quality at each step of our homebuilding process. We have developed proprietary construction methods and production and construction systems and brought them to a higher level of sophistication, thereby increasing the degree of freedom in design to better meet diversified customer requirements, while ensuring the safety of housing structure by leveraging the advantages of prefabricated housing.



Sekisui House has adhered to the “customer-specific design flexibility” concept through the “Housing Consultation” approach.

Customer-specific design

Catering to diversified customer needs with our “customer-specific design flexibility” concept



In a site survey, we check the exact gas and water pipe locations.



We use our SHIC system to discuss interior finish work with customers.

Our salespersons, serving as direct contacts with customers, first listen to customers’ needs in detail so that we can consider their varied range of requirements in drafting housing plans for them. During the process of discussing a housing plan with customers, we collect customer information, such as personal tastes and preferences, as well as lifestyle and life stage of respective family members, and also find out how they plan for their future and how they intend to manage their assets. When conducting site surveys, we make it a rule to closely inspect the buildings and environment in the vicinity as well. This is an important step for us, because by doing so, we can offer meaningful advice and proposals to customers to ensure they will continue to live a pleasant life into the future.

In the process of developing housing plans, we should be able to share the image of the house to be built with customers. While this process requires higher competencies of sales and design personnel, we also use the latest innovations to support them. For example, we employ an environmental simulation tool to determine which environmental technologies are best suited for the specific site conditions, family structure and lifestyle of respective customers.

The process of structural planning is of critical importance for safe and reliable homebuilding. We use a structural planning system of our own development that helps us determine where to place load bearing walls, beams, and posts, do structural calculations and confirm that these components are firmly in place. With this system, we can place structural components in the right positions, and handle highly complicated and unique housing plans with ease. The system also allows us to send digital data directly to factories. Thanks to this high-precision system, we can ensure maximum housing safety.

R&D

Conducting R&D on proprietary construction methods, new building materials and lifestyles at our Comprehensive Housing R&D Institute

As a housing manufacturer, we are responsible for achieving greater housing safety and comfort and improving housing quality. We opened the Comprehensive Housing R&D Institute in 1990 in Kizugawa City in Kyoto Prefecture, where consistent R&D efforts have been underway to enhance both the physical value and comfort of our housing products.

Here, vibration tests of building structures and durability tests of building components are conducted to ensure high levels of earthquake resistance and comfort of living. Internal testing of housing performances conducted at the R&D Institute allows us to quickly identify problems and take corrective measures, and has resulted in a number of our proprietary innovations, such as the β System three-storied housing construction method and the SHEQAS seismic damping system. Here, R&D efforts are also focused on universal design, new environmental technologies and lifestyles.

Research on comfortable living

Our research on universal design that has been carried out for more than thirty years under the “lifelong housing” concept has brought forth a number of innovations incorporating the results of ergonomic studies, and helped us build safe and comfortable residential environment for everyone. For example, our efforts to develop housing design from children’s perspectives resulted in our “Kids Design” concept which supports the healthy growth of children. Also, we have developed and offered attractive housing products designed for new lifestyles, such as the energy-saving and disaster-proof home, as well as the “Dear One” home for families living with pets and “Tomoie” home for dual-income households.



Residential space created under the “Kids Design” concept helps in the development of children. Developed based on the measurements of bodies and motions of children, this design minimizes the risk of unexpected indoor accidents.



Research is also conducted on the usability of bathrooms, toilets, and kitchens in consideration of bodily changes due to aging to offer more advanced “Smart Universal Design.”

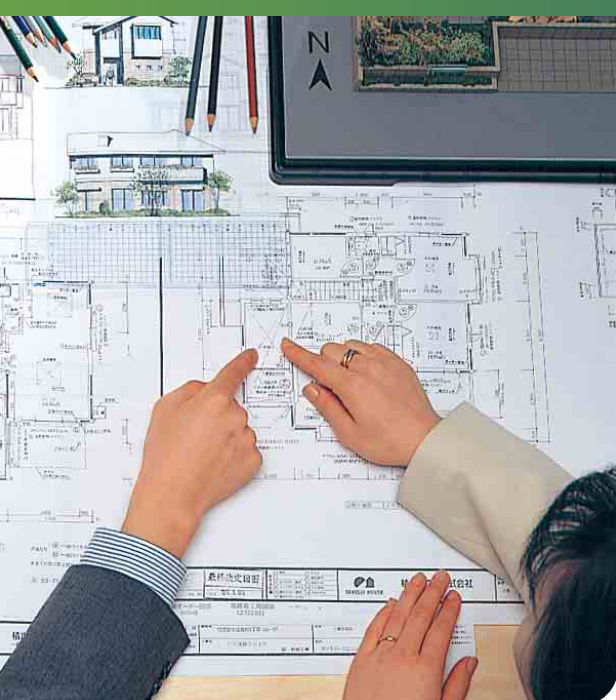
Encouraging employees to obtain national qualifications to enhance the ability to devise solutions

We encourage employees to obtain relevant qualifications as a means to enhance their ability to offer professional solutions to customers. Currently, 4,874 employees* are registered architects (2,157 are first-class and 2,717 are second-class) and 2,861 employees* are certified financial planners (total of first-class, second-class and third-class financial planners) who are capable of offering lifelong financial solutions.

*Holders of qualifications in multiple categories are multi-counted. Data as of April 1, 2011.

Prompting employees to acquire internal qualifications to increase customers’ trust

We have our own internal qualifications that require employees to meet higher standards. Currently, we have 70 Chief Architects selected, through a rigorous screening process, from among our first-class registered architects. They have a good track record and excel in building planning, designing, engineering and management skills. We also have 256 SH-UD Master Planners who have expertise and skills in universal design and play leadership and supervising roles in each business site; and 45 Green Experts who have advanced gardening and planting techniques.



(Forty-two patent applications were filed during fiscal year 2010, and 961 patents are held as of the end of the year.)



The Home Amenities Experience Studio that offers hands-on learning experiences is located on the premises of the Comprehensive Housing R&D Institute.

Research on physical housing structure

New technologies and materials are developed through performance testing and validation. To further enhance housing performance, we encourage R&D on construction techniques and methods by means of vibration and horizontal-pressing testing to inspect structural strength; interior system testing to optimize the allocation of components to reduce sound transmission; and weather-resistance testing conducted by exposing housing components to outdoor environments.



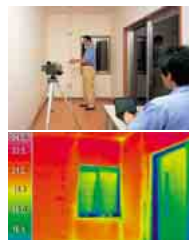
We became the first Japanese housing manufacturer to conduct earthquake-resistance testing using an actual sized home in 1979. Our continued testing and validation efforts led us to the development of advanced seismic solutions such as seismic-isolated and seismic-dampening structures.



and validation efforts led us to the development of advanced seismic solutions such as seismic-isolated and seismic-dampening structures.



The study on indoor VOC concentrations and allergenic substances has resulted in our Chemicare design.



Testing to validate heat insulation effect is conducted in an artificial weather control room.

Production

Sticking to the principle of limited production of diversified products under our policy of “customer-specific” design, and ensuring the supply of high-quality components while maintaining high production efficiency

At our factories, a meter module is used to produce main building components such as posts and beams and exterior wall materials, thus ensuring a stable supply of high-quality components. To start the production, we issue a production order to our factory in the name of each customer in line with our “customer-specific design flexibility” concept.

Furnished with well-organized production lines, an automation system, and advanced manufacturing equipment, our factories handle limited production of diversified products efficiently and in an orderly manner. Strict quality control measures are also taken under the supervision of dedicated quality assurance personnel, who are responsible for selecting raw materials that meet the rigorous standards and conduct sample inspections. With these measures, the factories support our “Housing Consultation” initiative.



We internally produce high-precision housing components of our own development.

Housing components are produced and shipped in the name of each customer, which motivates our production personnel to ensure higher quality for specific customers.



We introduced the industry's first automated production lines that can produce a wide range of housing frames entirely on a customer-specific basis.

New production line of Shizuoka Factory

In November 2010, automated production lines furnished with 127 robots were introduced to our Shizuoka Factory for production of steel frame systems for the BeSai+e home launched in commemoration of our 50th anniversary and other housing products. The introduction of these lines has increased the automation rate at our factories from 60% to 95%, and enabled us to produce housing components of our “design flexibility” homes entirely on a customer-specific basis. This factory also employs a laser sensor which is used to check the form and welding positions of components each time to ensure greater precision and higher quality.

Construction

Achieving higher construction quality backed by our specialized teams and technical excellence

Housing quality largely depends on how much accuracy is achieved at homebuilding sites. We employ our original construction method which requires specialized knowledge and skills. For this reason, we formulated construction teams involving our wholly owned group company, Sekiwa Construction, and partner building contractors under our project accountability system. These teams work consistent with our Construction Technology Manual in which work procedures and rules are specified in detail to ensure the highest possible accuracy in construction. In this way, we are constantly striving to devise measures to achieve greater accuracy and efficiency in construction, while developing our proprietary construction techniques and equipment. Additionally, we organize various training sessions and implement internal qualification programs for construction personnel to further develop their knowledge and skills, thereby better carrying out their work at construction sites.



Our construction team consists of Sekiwa Construction employees and other partner builders.



At Sekisui House, 1,428 employees hold the qualification of the first- and second-class construction management engineers (Holders of the qualification in both categories are double counted).

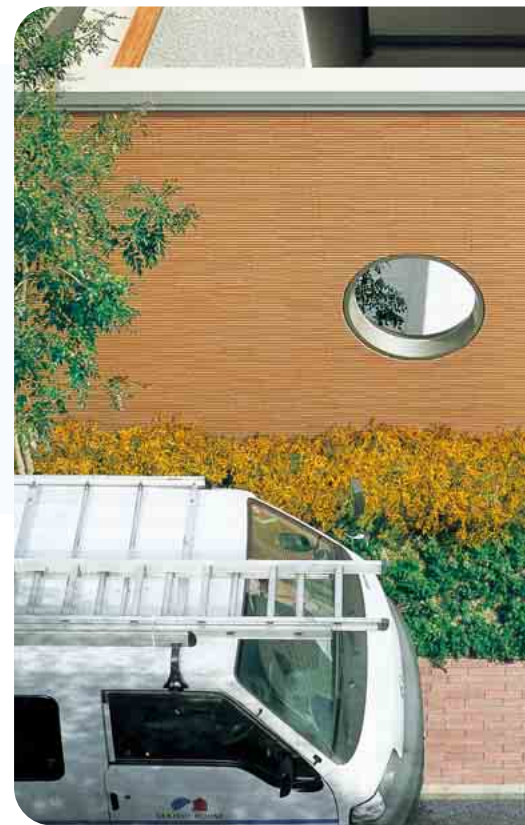
Implementing internal qualification and accreditation programs to maximize construction quality.

Ground and foundations are at the core of safe and reliable homebuilding. We organize specialized training for engineers engaged in ground surveys and foundation design and give them accreditation upon completion of the training. Currently, we have 228 Ground Survey Chief Engineers and 946 Foundation Design Chief Engineers. Also, we implement our internal test for construction workers engaged in foundation, exterior and interior works, called the “Sekisui House Senior Technician Test,” which is accredited by the Ministry of Health, Labour and Welfare. So far, a total of 13,872 workers have passed the test.

3 Ensuring permanent safety and comfort

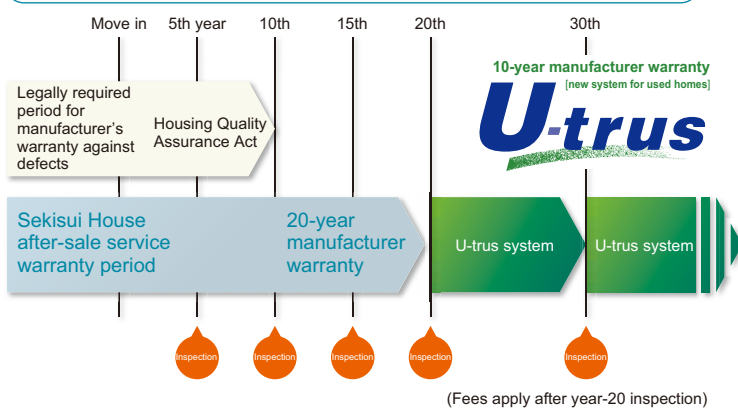
Supporting homeowners even after they have moved into their new homes

We have substantial warranty programs to ensure our homes last for generations. In addition to our 20-year manufacturer warranty program, we launched the U-trus system that provides extended manufacturer warranty at 10-year intervals. Also, we have allocated 10% of our employees to after-sales service at Customer Centers, who offer extensive support to our customers nationwide. In addition, we have put in place an efficient system to address our customers' remodeling, rebuilding and relocation needs. In doing so, we strive to ensure our housing will remain safe, durable and comfortable for as long as possible as part of our obligations to society.



Customer Center personnel provide regular inspection and maintenance service.

20-year manufacturer warranty and the U-trus system



Long-term warranty

Providing a manufacturer warranty for a longer period of time than the legally required term to ensure utmost longevity of our homes

We introduced a 10-year manufacturer warranty for structural, frame and water-proofing components in 1982 when the legally required period for a manufacturer's warranty against defects was only two years. In 2000, we launched our ongoing long-term manufacturer warranty*1 that provides warranty for 20 years, or twice the 10-year warranty period required under the Housing Quality Assurance Act that came into force in 2000.

Prior to unveiling this long-term warranty, we introduced the U-trus system*2 that provides extended warranty after the expiration of the initial warranty period of 20 years, provided that required inspection and maintenance/repairs are completed at homeowner's expense at 10-year intervals. These long-term manufacturer warranty programs have allowed us to reinforce our ability to offer sufficient after-sales support and ensure greater longevity and durability of our homes.

*1: At Sekisui House, a 20-year manufacturer warranty is applied to structural, frame and water-proofing components (water-proofing components are covered by an initial 10-year warranty plus another 10-year warranty) on condition that free inspection be conducted and maintenance/repairs be made at the homeowner's expense upon expiration of the first ten years.

*2: U-trus system provides extended warranty at 10-year intervals, subject to required inspection and maintenance/repairs to be completed at the homeowner's expense.

Meeting the criteria for the Long-term Quality Housing Certification with our standard housing features

Our new build homes are equipped with exquisite standard features* that meet the criteria for the Long-term Quality Housing Certification, which is granted to homes with superior housing durability, safety and energy saving efficiency. We also keep and update a detailed house history report "le-log" for homeowners which contains basic housing data such as structure, design, and certifications granted, as well as inspection results and a maintenance record and schedule.



"le-log" house history report

*Standard features that meet the criteria may vary depending on the housing model and plan as well as the location of the home.

Regular inspection and maintenance

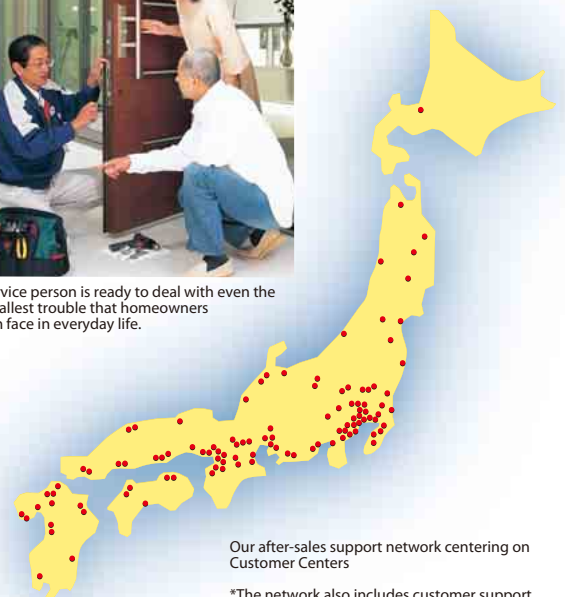
Ensuring housing safety with our community-based service offered by 1,400 Customer Center personnel

We provide after-sales support service to homeowners through our Customer Centers in 31 locations* all over Japan. As many as 1,400 dedicated service personnel, or 10% of all our employees, address various needs of homeowners and offer advice, while providing prompt and reliable support service. Basic regular inspection is conducted after 3 months, 12 months, 24 months and 10 years upon completion of the home. Additional inspection and maintenance service is also offered if requested by homeowners.

*The figure is as of April 30, 2011.



Service person is ready to deal with even the smallest trouble that homeowners can face in everyday life.



Our after-sales support network centering on Customer Centers

*The network also includes customer support bases of Sekisui House Remodeling Co., Ltd.



Remodeling

Achieving “comfortable living—now and always” by offering our proprietary remodeling solutions tailored to the needs of homeowners

Remodeling projects are undertaken by Sekisui House Remodeling Co., Ltd., our group company that has forty sales offices throughout Japan and shares our consistent homebuilding principles. Changes in families and lifestyles give rise to remodeling needs. We serve these needs by offering various solutions, such as changing room layouts and improving heat insulation efficiency and other housing features. Based on a detailed house history record, we implement remodeling to exacting Sekisui House standards, using high-quality housing components and the latest fixtures.



Our proprietary remodeling solutions not only renovate the interior design but also bring about changes in lifestyle.

Housing revitalization

Revitalizing our customers’ beloved homes as social assets under the Everloop home repurchase program

Under the Everloop program, we repurchase used Sekisui House homes at a fair price and completely renovate them to the latest standards for resale. Against the backdrop of increasing longevity of homes, we aim to accelerate the shift from disposal to recycling of homes to preserve them as social assets. (Refer to p.45.)



Structural, interior and exterior components, room layout and fixtures are renovated to the latest standards by our proprietary remodeling technology.



Being with customers for safe living

On the days when our Customer Centers are closed, our call center in the head office accepts calls from customers to offer advice.



Ensuring prompt disaster response

Upon occurrence of natural disasters such as an earthquake, typhoon and torrential rain, we promptly mobilize our group-wide forces to support our homeowners, for example, by sending aid supplies.

Learning from customer feedback to improve housing design and features

We conduct a questionnaire for homeowners a year after they have moved into their new homes. The questionnaire responses are used to review our services and housing products, and fed back to relevant departments. Customer feedback is helpful for us to improve our housing design and features. To be specific, it helped us optimize the size of kitchen space and improve the overflow pipe on balconies.

Sharing information and facilitating communication with homeowners

We maintain communications with homeowners through our members-only website and regular information magazines.

Information magazines



Kizuna for detached house owners (about 650,000 copies)

Maisowner for apartment house owners (about 100,000 copies)

gm for condominium unit owners (about 38,000 copies)

Net Owners Club Kizuna



The website offers useful information to enjoy life, such as eco-friendly lifestyles and gardening tips.

Conducting research and tests on the future of safe, secure and comfortable living from a long-term perspective

● Sustainable Design Laboratory

The Sekisui House Sustainable Design Laboratory, located in Kunitachi City, Tokyo, explores ideal future living environments that incorporate traditional Japanese lifestyle elements, placing emphasis on “efficient energy use,” “eco-friendly materials,” and “life in harmony with nature.” The most distinct characteristic of this laboratory is that they engage in research from a residents’ perspective and conduct tests on comfort levels, as well as analysis of experimental data.

(Visited by 5,181 people since its opening.)



This building is equipped with various measures to incorporate natural elements to create pleasant living environments, such as Japanese traditional *engawa* (veranda-like porch) space and skylight window to let air in.

● Home Amenities Experience Studio hands-on learning facility

Located on the premises of the Comprehensive Housing R&D Institute (Kizugawa City, Kyoto Prefecture), the Home Amenities Experience Studio allows visitors to check, compare, and better understand important homebuilding factors firsthand, using five senses. Questionnaire responses from visitors are used to develop new R&D plans and visions on future housing and lifestyles, and are also shared widely with society as firsthand feedback from citizens.

(Visited by 44,414 people a year.)



Questionnaire responses are shown in our booklet, *Data-Pal*. They also help us develop housing solutions to be offered to customers.



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These initiatives bring us a new customer and another homebuilding project.

Commitment to Group Companies and Building Contractors

» **Joining efforts with our business partners to improve construction quality and ensure succession of skills from construction experts to young workers to achieve greater customer satisfaction, while “working in unison for a common purpose.”**

The combined efforts of all of our Group companies and partner building contractors are behind the superior quality of Sekisui House homes. We share our vision with them with the awareness that all of us are united by a common destiny. In our unceasing pursuit of greater customer satisfaction, we have continued concerted efforts to enhance our expertise and technical levels and achieve higher construction quality while developing human resources for the future. We do this in cooperation with the Sekisui House Association consisting of thirty-one Sekiwa Construction companies and about 7,000 partner building contractors.



Interview with our partner building contractor:
Ichiko Construction, member of the North Branch of the Tokyo Sekisui House Association

Actively engaging in discussions from a customer’s perspective to devise improvement measures and enhance construction quality

Koichi Hasegawa

President, Ichiko Construction
Deputy Director, North Branch of the Tokyo Sekisui House Association

Involving all construction workers in our efforts to increase customer satisfaction

Ichiko Construction belongs to the North Branch of the Tokyo Sekisui House Association. All members of this branch share a firm determination and make concerted efforts to seek solutions to problems we encounter in the homebuilding process. Specifically, we established committees on technical and safety issues and hold meetings with a team leader acting as chairperson, where all construction personnel engage in discussions on problems and improvement measures. We convene construction quality meetings from time to time, in which representatives of all the building contractors involved in a homebuilding project discuss problems that have come to the attention of the Technical CS Committee in the daily course of their business. We also develop slogans to encourage improvement measures and produce posters carrying the slogans to draw the attention of construction workers. All the personnel of the branch offices of Sekisui House, Sekiwa Construction and the building contractors act in unison to implement improvement measures to the fullest extent, which accelerates the pace of improvement and allows us to achieve our goal earlier than expected. Among other things, we have a sure feeling that our shared commitment to “changing the construction site for good so that our homebuilding will garner greater customer

satisfaction” has strengthened our solidarity.

The ideas of “principal contractor” and “subcontractor” are irrelevant for Sekisui House’s homebuilding projects. Sekisui House has a corporate culture that places great value on mutual respect among workers involved in homebuilding projects. They recognize that we are united by the shared commitment to serving customers and also by the same destiny. Such a corporate culture has greatly motivated us to improve efficiency in construction work, keep construction sites tidy, act in a responsible manner, and increase safety, while giving construction workers greater confidence in themselves and encouraging them to act on their own judgment. Construction workers, both experienced and novice, have the growing awareness that they represent Sekisui House at the construction site, and on increasing occasions, are willing to receive customers on the construction site and offer detailed explanations when asked questions. We will continue our ongoing efforts to enhance customer satisfaction, for example, by holding study sessions at contractors’ sites by inviting chief inspectors and customers’ center personnel as lecturers.

Meeting the urgent need to train young construction workers by encouraging them to obtain internal qualifications

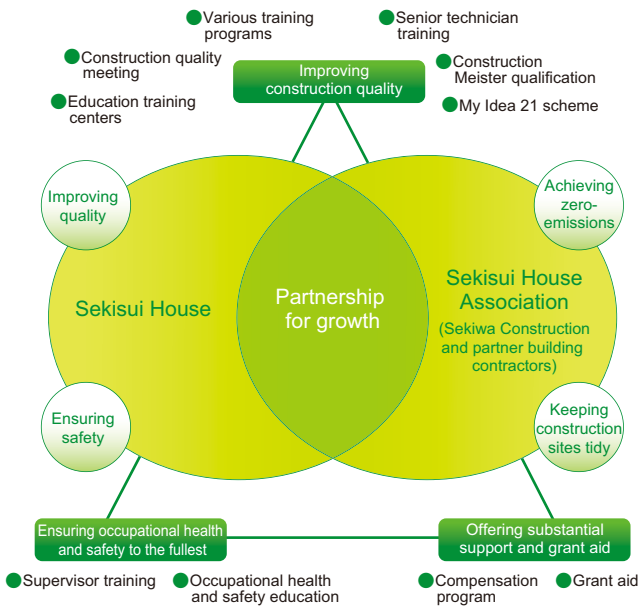
Currently, eight carpenters are working for Ichiko Construction. With thirty-three years’ history of partnership with Sekisui House, all our experienced carpenters have good knowledge about Sekisui House homes and give technical guidance to younger workers at construction sites. However, due to the aging of these seasoned workers, the smooth transfer of technical skills to young workers has become increasingly difficult. For this reason, I hope Sekisui House will continue to implement their training and qualification programs to a fuller extent across their Group companies, because these programs are highly effective in improving housing quality. Such programs include training at Sekisui House’s education training centers, the STEP training for novice construction workers, and the “Construction Meister” qualification that is especially appealing to young workers as a symbol of being a homebuilding expert.

Additionally, I would like to emphasize the importance of creating a stable work environment to attract and train young construction workers. In this sense, it is necessary to guarantee a steady income all year round by smoothing fluctuations in annual



work volume. The funded pension plan and other welfare programs offered by the Sekisui House Association are highly beneficial for us, the building contractors, and will be of great help to retain high-caliber personnel. We will remain committed to achieving higher customer satisfaction in close cooperation with Sekisui House and Sekiwa Construction.

Working for greater customer satisfaction with our partners “working in union for a common purpose”



Voice of a Carpenter

Instilling the mindset of a carpenter, an essential factor of homebuilding, in younger workers

Hirohide Otsu

Interior finish carpenter, Ichiko Construction



For thirty-three years, I have been engaged in homebuilding projects of Sekisui House and dedicated to improving construction quality. Interior finish carpenters are expected to master the basic techniques in the first three years, and then develop the ability to find optimal solutions on their own to cope with those parts of the interior finishing process, especially for Japanese-style rooms, for which conventional solutions are not applicable. In homebuilding projects, I work with young workers not as their instructor but as their colleague and try to instill the essential mindset of a carpenter in them. They are so quick to absorb knowledge and techniques that I look forward to seeing to what degree they will develop their skills.



Voice of a Carpenter

Broadening the range of what I can offer to customers to achieve greater customer satisfaction.

Nobuyuki Oki

Interior finish carpenter, Ichiko Construction

This is my fourth year as an interior finish carpenter. I keenly feel the need to improve my craftsmanship, especially when I am working on traditional Japanese-style rooms. I believe that only those who can finish their work to their complete satisfaction within the specified construction period deserve to be called professionals. There is always something new to be learnt from Mr. Otsu when we work together on homebuilding projects. I believe we, as carpenters, can make a meaningful contribution to the lives of our customers, and for this reason, I take pride in my work.

Employing a variety of construction techniques to cater to diversified conditions in construction sites to expedite the homebuilding process while ensuring greater safety

Urban construction projects are subject to various restrictions, e.g. those on road width, building frontage, and spacing between the construction site and adjacent sites. For this reason, extra ingenuity and care is required to ensure the efficiency and safety of the homebuilding process. In fact, Sekiwa Construction Higashi-Tokyo, Ltd. has seen an increase in the number of homebuilding projects that require special construction techniques. We visited a site where a construction project by Sekiwa Construction Higashi-Tokyo, Ltd. was underway to interview the following persons.

Each of our construction sites serves as a “real” model home site that brings us closer to customers

Tsuguo Takehana

President, Sekiwa Construction Higashi-Tokyo, Ltd.



We undertake 800 to 900 construction projects a year in our territory. What we do is not just sales of housing products alone, we also ensure that construction projects are implemented speedily and with utmost care, while placing importance on greeting homeowners and residents in the neighborhood and maintaining good communications with them. While paying close attention to safety and noise control, each worker is engaged in homebuilding work with the awareness that the construction site is a “real” model home site that appeals to customers.

For us, sales activities mean giving sufficient consideration to the neighborhoods and keeping our construction sites tidy.

Mitsuhiro Gen

Frame and Exterior Construction Department, Construction Division, Sekiwa Construction Higashi-Tokyo, Ltd.



Urban construction projects require extra consideration be given to neighborhoods. We take particular care not to disturb the lives of residents in neighborhoods, by refraining from working on Sundays as much as possible, and carrying out less noisy tasks such as loading and unloading of building components on Saturdays. Also, we strive to increase the safety of our workplaces by keeping construction sites tidy. I believe giving consideration to neighborhoods and keeping tidy construction sites are important “sales activities” that I can undertake as a construction manager. We will continue dedicated efforts to implement homebuilding projects in a manner which is satisfactory for our customers.

Our pursuit of utmost safety directly leads to superior construction quality.

Minoru Tsutsui

Supervisor, Tsutsui Kogyo



We use special caution when erecting scaffolding and operating cranes for the construction of three-storied or higher buildings in densely-populated areas because of the close proximity to neighboring buildings. As a supervisor, I place special emphasis on ensuring safety and will remain fully committed to safety measures, with the awareness that successful safety management leads to the enhancement of our construction quality, which eventually enables us to deliver high-quality homes to our customers.



We use our proprietary “girder crane” system on the construction site. We conduct frame construction and exterior work using an overhead crane that is temporarily installed on the upper part of scaffolding.

Introducing the “Construction Meister” qualification as a symbol of expert homebuilder

This program gives the qualification of “Construction Meister” to construction workers who have an outstanding track record, excel in technical competence or are skilled in offering technical guidance. It helps us motivate workers and enhance construction quality. During fiscal year 2010, forty-five workers were given the qualification.

Commitment to Employees

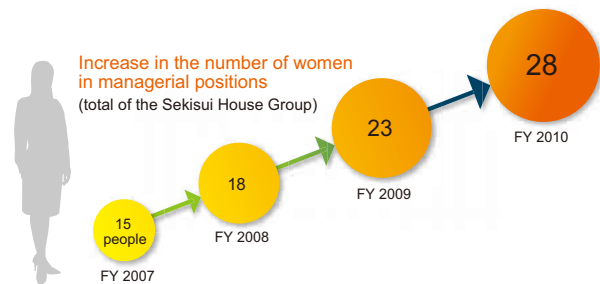
» Creating a work environment where all employees are given opportunities to demonstrate their competence and feel happy and motivated in their work

Since March 2006 when we announced the Declaration for Human Resources Sustainability as our basic personnel policy, we have continued dedicated efforts to develop work environment and workplace rules that enable employees to utilize their skills and abilities to the fullest extent. By promoting measures that focus on greater work-life balance and support for female employees, we aim to create a work environment where all employees feel happy and motivated in their work.

Developing workplaces that value the long-term contribution of female employees under the leadership of the Diversity Development Team

Our Diversity Development Team was established in 2006. Since then, various measures have been launched to assist the career development of female employees, such as organizing networking events for female sales representatives and model home attendants. As a result, many female employees take greater pleasure in working for Sekisui House today. We aim to not only develop working conditions better suited for female employees but also create a better workplace that offers opportunities for female employees to play leading roles in corporate activities and thus motivate them to make more meaningful contributions.

Additionally, members of the female sales promotion committees play a leading role in training younger female employees in their respective workplaces, by organizing study meetings tailored to the specific personnel structure of the workplace. With our support programs that are precisely aligned with the needs and competencies of female employees, we ensure that they can be successful, long-term contributors.



Supporting female sales representatives through networking events

I could smoothly return to the workplace after childcare leave.

Since returning to the workplace in April 2010, I have continued working as a sales representative leaving my two-year-old son at a day-care center. At first, I didn't have the confidence to successfully manage both work and childcare, but thanks to the support of the workplace, I am given a considerable degree of freedom in dealing with customers. I am also encouraged by the members of the Women's Sales Representative Association who meet occasionally and share their experiences. Being a mother has increased the range of ideas of home design I can offer to customers and brought me closer to them. Through this experience, I hope to deepen my relationships with customers and contribute more to sales success.



Meeting of the Women's Sales Representative Association



Shoko Kuroda
Takasaki Branch

Improving the skills of model home attendants

Sharing of successful experiences encourages us to advance forward.



Basic training course for model home attendants

Through role-playing exercises, we, model home attendants, constantly go back to the basics and discuss improvement measures to better serve visitors, so that we will be able to create the most welcoming setting for them and treat them with utmost hospitality.

We also share information useful for homebuilding among ourselves and produce presentation materials on our own. In addition, we participate in the basic training course for model home attendants where we share successful cases among us and inspire each other. My goal is to serve visitors in a more pleasing manner and help them nurture their homebuilding dreams.



Noriko Kenmoku
Utsunomiya Branch

Special recognition award for model home attendants

In fiscal year 2010, we introduced the "special recognition award for model home attendants" in our award program for sales personnel. Through this program, we recognize the contribution of model home attendants who have demonstrated outstanding performance in their efforts to serve customers with utmost hospitality, and motivate them further in their work.





Supporting work-style diversity and work-life balance

The number of women in managerial positions has grown from fifteen in 2007 to twenty-eight in 2010 on a group-wide basis. Going forward, we will continue to actively hire and promote females as we work to build a work environment that values the skills and long-term contribution of women in the workplace.

We also recognize the importance of developing and enhancing the programs for employee childcare, as well as encouraging the use of parental leave and shortened work hour programs, thereby ensuring greater diversity in work styles and work opportunities for high-caliber employees. For example, Sekisui House Remodeling actively hires "remodeling advisors" as sales personnel, and offers them the option to work four days a week to help them manage both work and childcare. Currently, this option is used by about 30% of the remodeling advisors.

We will continue our efforts to better support work-life balance by promoting diversity in work styles for both male and female employees alike.

Employees taking parental leave (including short-term usage)



Employees using the shortened work hour program



Supporting employees on parental leave on-line

To help employees return to work smoothly after parental leave and enjoy living with children, we introduced an Internet program named "wiwiw." This program reports on internal matters, information useful for a smooth return to the workplace and child-rearing tips as well as on-line lectures. This program connects employees with the company during their leave and alleviates employee concerns about taking leave.



Offering a wider variety of work style options

The four-day week system allows me to balance work with home.

I was attracted to the role of a remodeling advisor to help customers improve their housing environment at key stages of their lives, and therefore started working for Sekisui House Remodeling as a remodeling advisor. I opt to work four days a week and take time off work on two weekdays and Sunday. Thanks to this system, I have time to accompany my child to after-school lessons and can spend more time with my family. I can balance my family and work responsibilities. My workplace has many female employees who have small children and work four days a week, and this work environment allows us to openly discuss private matters such as children falling ill and aging parents in need of nursing care. I hope to maintain the right work-life balance to enjoy both my corporate and private lives.

Etsuko Okamoto
Osaka-Minami Branch,
Sekisui House Remodeling Co., Ltd.



Encouraging use of parental leave

I am encouraging male employees to take parental leave.

I was quick to jump on the opportunity to take parental leave and to encourage my male colleagues to follow me. Though I felt anxious at first, my boss and colleagues understood my decision and were willing to cover my work during my absence. The 20-day parental leave taught me the importance of effective time management, making me strive to streamline the work process and actively work for self-betterment. Today, I complete my day's work at my earliest convenience and spend as much time as possible with my children at home. I am ready to support male employees who are considering taking paternal leave and contribute to the creation of work environment conducive to a satisfactory work-life balance.

Masanori Kubomoto
Personnel Division,
Sekiva Real Estate Kansai, Ltd.



Implementing human resource programs to ensure the long-term contribution of employees

We implement the Work Category Transfer Program that allows employees to switch work categories after being hired as new graduates from either production or general administration to career track sales, as well as the Internal Open Recruitment Program to meet employees' desire to be assigned to a different position as much as possible to ensure their long-term contribution. In addition, our Retiree Reinstatement Registration Program allows employees who had to leave the company to return to work for Sekisui House at a later date. We also offer flexible employee leave programs, including the Voluntary Leave Program that supports employees who join international activities to make a social contribution and the Accumulated Leave Carryover Program where employees can carryover holidays for more than two years. The ratio of hires with disabilities fell to 1.66% as of February 1, 2010, due to a change in the calculation method. We will strive to improve the ratio in fiscal year 2011 by increasing the quota of each division.

Employees applying for work category transfers

Figures in white indicate the number of employees switching to a different category.



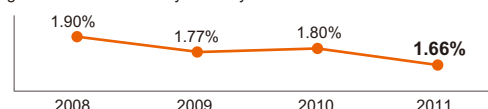
Employees applying for internal open recruitment

Figures in white indicate the actual number of employees assigned to a new position.



Ratio of hires with disabilities

Figures are as of February 1 each year.



Contributing to the Wellbeing of Society

» Developing programs to encourage voluntary social contribution activities focusing on “housing culture,” “sound growth of next-generation citizens” and “environmental preservation”

With the awareness that our corporate activities directly affect people’s lives and local communities, we have been promoting various social contribution activities as a member of the community and society. With a “love of humanity” at the core of our corporate philosophy, and placing emphasis on “housing culture,” “sound growth of next-generation citizens” and “environmental preservation,” we have developed programs to enable employees to voluntarily take socially meaningful action, while working for the wellbeing of communities as part of our core corporate activities. We also encourage employees to take part in volunteer and charitable activities, work in partnership with NPOs and NGOs and support their activities, and extend support to educational activities in cooperation with educational institutions.



Matching employee donations to NPOs that are striving for social good under the Sekisui House Matching Program

In fiscal year 2006, we launched the Sekisui House Matching Program (with membership of around 1,700 people), under which we match employee donations to NPOs and other organizations. Employees who join this program have an amount of their choice (in 100 yen blocks) withheld from their salaries for donations, and Sekisui House matches the donations and contributes the same amount as grants. Grant money is disbursed from two funds, Sekisui House Children’s Fund and Sekisui House Eco-fund, and the administrative board consisting of representatives of the program members determines recipient organizations.



Sekisui House Children’s Fund was given the fourth Kids Design Award* (in the category of social kids support) because “employees join efforts to create a social environment better suited to childrearing” and because “positive feedback has been given by recipient NGOs.” We are offering information on the program to appeal to more employees to join the program and work together for social good.

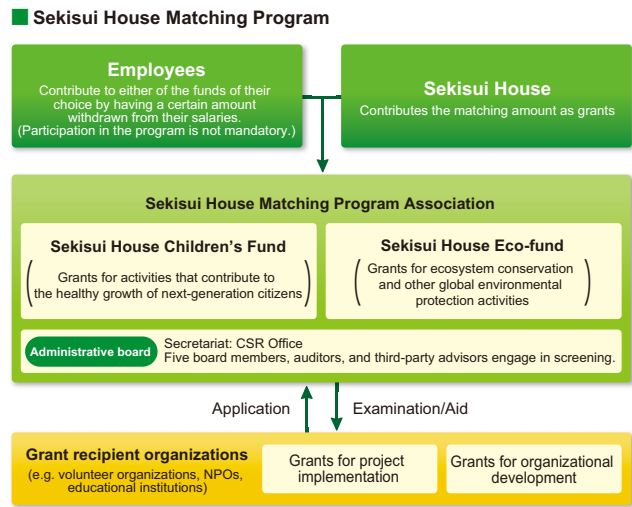
*The Kids Design Award is organized by the Kids Design Association.

Aid offered during fiscal year 2010

Grants for project implementation (¥ 14.03 million disbursed to 11 organizations)	Grants for organizational development (¥ 3.8 million disbursed to 19 organizations)
<ul style="list-style-type: none"> ● Children’s Fund: ¥ 6.95 million to 5 organizations ● Eco-fund: ¥ 7.08 million to 6 organizations 	<ul style="list-style-type: none"> ● Children’s Fund: ¥ 1.8 million to 9 organizations ● Eco-fund: ¥ 2 million to 10 organizations

Recipients of the grants for project implementation


- | | |
|---|--|
| <p>Children’s Fund</p> <ul style="list-style-type: none"> ● NPO Atopicco Chikyunoko Network ● NPO ADRA Japan ● NPO CAP Center Japan ● NPO Medecins Sans Frontieres Japan ● NPO World Vision Japan | <p>Eco-fund</p> <ul style="list-style-type: none"> ● NPO Asaza Fund ● NPO Shirakami Mountains Preservation Society ● NPO Japan International Volunteer Center ● NGO Nippon International Cooperation for Community Development (NICCO) ● NPO Midori Osaka ● NPO Green Earth Network |
|---|--|




Report from a recipient of a grant from the Children’s Fund

The grant money enabled us to build a new school building and improve the educational environments of elementary school children.

Ms. Ikuko Imamura
NPO World Vision Japan



New school building



Classroom

Before, children studied in a very poor environment, in a small school building. On rainy days, rainwater entered classrooms and made the earthen floors muddy. To improve the educational environment, we built a new school building with the grant money. The new building has an adequate number of classrooms to accommodate the children and allows them to concentrate on their studies. The completion of the new building has also increased interest in education on a community-wide basis.

Recipient organization:
NPO World Vision Japan

Project implemented with the grant:
Morazanni Elementary School Building Construction Project in the People’s Republic of Bangladesh

Implementing three environmental educational programs for children

Environmental education for children, the next-generation leaders, constitutes a critical part of our efforts toward global warming prevention and environmental preservation. We implement enjoyable hands-on learning programs through which children can learn about the three commitments we made with the Minister of the Environment as an Eco-First Company (p.29).

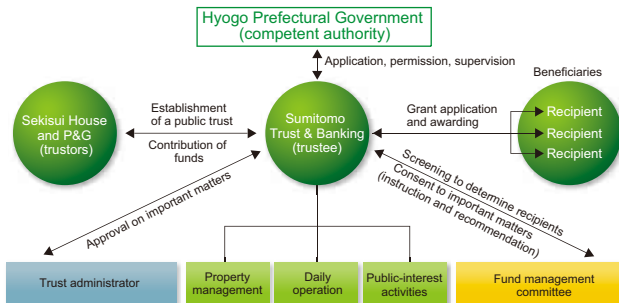
- “Energy Conservation Seminar (House-ecology)”—global warming prevention and our lifestyles
- “Letters from Dr. Forest”—importance of ecosystems
- “Treasure Hunt Tour”—resource recycling



Supporting the development of international and culture-rich communities with the Public Trust “Kobe Machizukuri Rokko Island Fund”

The “Kobe Machizukuri Rokko Island Fund” was established in 1996 jointly by Sekisui House and P&G, the companies closely associated with Rokko Island City (Higashinada-ku, Kobe City). Through this fund, we support projects and initiatives that can contribute to the process of creating international and culture-rich communities in Kobe City. Since the establishment of this fund, we have awarded grants to NPOs and many other organizations. In fiscal year 2010, we disbursed a total of 22 million yen in grants to 38 projects, and the cumulative total of the grants since the beginning has amounted to 325.78 million yen.

Structure of Funds



Extending cooperation to an NPO, the Uzo Nishiyama Memorial Library

We support the activities of an NPO, the Uzo Nishiyama Memorial Library (Kizugawa City, Kyoto Prefecture), and offer part of our Comprehensive Housing R&D Institute to them to house a life-long collection of approximately 100,000 books and research materials of the late Dr. Uzo Nishiyama, honorary professor at Kyoto University who pioneered research on housing. In 2002, we started co-hosting the “Housing and Community Development Forum Kansai 21” with the Uzo Nishiyama Memorial Library at the Umeda Sky Building (where our head office is located) or at the Comprehensive Housing R&D Institute, and the 27th round of the forum was held in fiscal year 2010. Through the partnership with them, we offer information that can help facilitate the process of developing sustainable next-generation housing and communities and contribute to fostering new relationships between citizens and researchers, between governmental agencies and private organizations, and between manufacturers and users.



Participating in Disabled Persons Week events

Since 2005, we have participated in the planning and implementation of “Disabled Persons Week events” (supported by the Cabinet Office) which are held in the Umeda Sky Building.

One of these events is “Symposium: Connecting people with disabilities to society,” in which we organized a discussion on “Hiring people with disabilities as part of management strategy.” This discussion involved the audience, and thus provided a meaningful opportunity for government personnel, business persons, NPO members and citizens to get together and share opinions.



Organizing the Earth-friendly Lifestyle Design Competition, with participation of sixty-three universities around Japan

Since fiscal year 2005, we have co-organized the “Earth-friendly Lifestyle Design Competition,” a product planning project held through an industrial-academic partnership to involve university students in our pursuit of ideal housing space design. The main purposes of this competition are to encourage product planning in a manner that increases awareness of environmental impacts in housing space and enhance the quality of life; reinforce the industrial-academic partnership; encourage interactions among students; and nurture high-caliber young designers.

The 2010 competition received 267 entries from sixty-three universities around Japan, among which one entry was awarded the Grand Prix and another entry won the excellence prize in each of the Kanto and Kansai blocks.



Grand Prix winning entry in the Kansai block
“Wall that catches raindrops”

Ms. Mami Naito and Ms. Umi Suzuki
Graduate school students at Osaka City University



Grand Prix winning entry in the Kanto block
“Traveling bathroom”

Mr. Kazuhito Konno, Mr. Yuya Takahashi, Mr. Ryuichi Nagashima
Graduate school students at Nihon University



Placing expectations on Sekisui House to continue “human resource development” activities for better lives

Sekisui House has been actively promoting social contribution activities based on their fundamental philosophy, “love of humanity.” In carrying out these activities, they place special emphasis on “participation” and “cooperation.” I believe their efforts will make a meaningful contribution to nurturing high-caliber personnel who can work for social good.

I think through involvement in various civil activities, a lot of things can be learned which will be helpful in facilitating the process of housing and community development to bring better lives. For this reason, I hope Sekisui House will continue their ongoing commitment to supporting civil organizations.

Ms. Aya Mizutani

Director
Osaka Voluntary Action Center

Ms. Mizutani often visits the project sites of NPOs to support project implementation, while working for the establishment of an NPO governance framework. She also focuses on working with governmental agencies and developing corporate CSR/social contribution programs. She has been active as a member of the domestic ISO26000 committee, the NPO accounting standards development committee, and various other committees.

