

02 Enduring Value

Fulfilling Our Promise

Our Commitment to the Future

In 2050.

People pursue what inspires them.

New experiences spark curiosity.

Everyone is free to live as themselves.

This is a future where home plays
a more active role, nurturing happiness in every life.

Connecting that happiness to society
and to future generations.

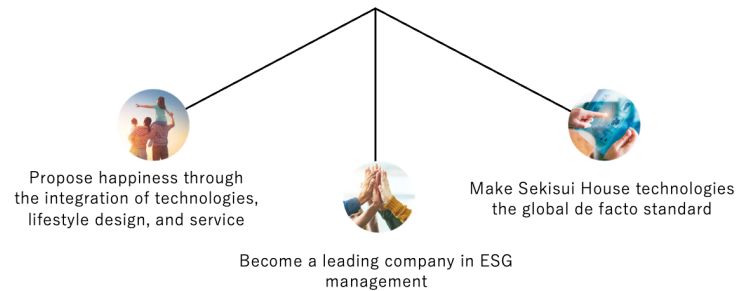
Make home the happiest place in the world.

That is our Global Vision.



Global Vision

The Sekisui House Global Vision Make Home the Happiest Place in the World



The Aspirations Embedded in Our Global Vision

Everyone wishes for happiness, yet its form differs from person to person. And as the times change, so too does the shape that happiness takes. At Sekisui House, we harness our aesthetic sensitivity and technical expertise to create homes that serve as the happiest places for those who live in them. What we create is not only the physical space of a home. It is the comfort, joy, and well-being found in the life lived within it. We foster human connections, instill a sense of security, and inspire hope for the future—values fundamental to all people. It is an irreplaceable home, one of a kind in the world, where coming back is always a joy—no matter the time, no matter the place.

Make Home the Happiest Place in the World

Shaping a Future Around Individual Happiness

The future we envision is one in which everyone can live happily. Yet what happiness means differs for everyone. The moments that bring us joy, the beauty we appreciate, and the connections we value are all unique. That is why we seek to help each person create and expand their own happiness. Our Global Vision begins with this aspiration. In the years ahead, values that cannot be seen or measured will become increasingly important. As this shift continues, how can we help people create and expand happiness? Our Global Vision points the way forward.

Our Global Vision and Three Sub-Visions

Progress toward our three sub-visions brings us closer to realizing our Global Vision.

Propose happiness through the integration of technologies, lifestyle design, and service

Building on our founding mission to protect lives and property through the home, we create new value by bringing together homes, lifestyle solutions, and services.

P.23 Value Creation Inspired by the Home



Become a leading company in ESG management

Through our business activities, we create new value that contributes to society while advancing both a sustainable society and sustainable corporate growth.

P.39 ESG Management



Make Sekisui House technologies the global de facto standard

By bringing the high-quality technologies we have developed since our founding to markets around the world, we aim to create new value rooted in each region.

P.98 Overseas Business



Global Vision

Happiness from Home in the 100-Year Life

As people live longer, the sources of happiness are changing. Beyond financial and real estate assets, intangible assets such as purpose, connections, and how we spend our time are becoming increasingly important. To live well throughout the 100-Year Life, we believe homes should support three essential values: health, connectedness, and learning.

Homes support well-being, strengthen relationships, and encourage personal growth. In this future, the home will become more than a place to return to. It will be a place where happiness is created.

Creating More Than Homes

The homes we aspire to create are not simply places to live. They support people through their lives, responding to changing needs while bringing family, community, and nature closer together. Encounters with people, places, and experiences become part of everyday life, creating opportunities for discovery and inspiration.

As these moments accumulate, happiness spreads naturally from one person to another. By 2050, we envision homes becoming places that continuously create happiness and enrich daily life.

Continuing Our Journey of Value Creation

Sekisui House was founded on a mission to create new value through better homes. Through innovation, research, and development, and a spirit of continuous challenge, we have continued to open the door to new possibilities. Our journey has expanded beyond homes themselves to encompass how people live and the future of the people who live there.

As we pass on beautiful homes and communities to future generations, we will continue creating new value and responding to society's evolving needs. Guided by this vision, we will keep moving forward.

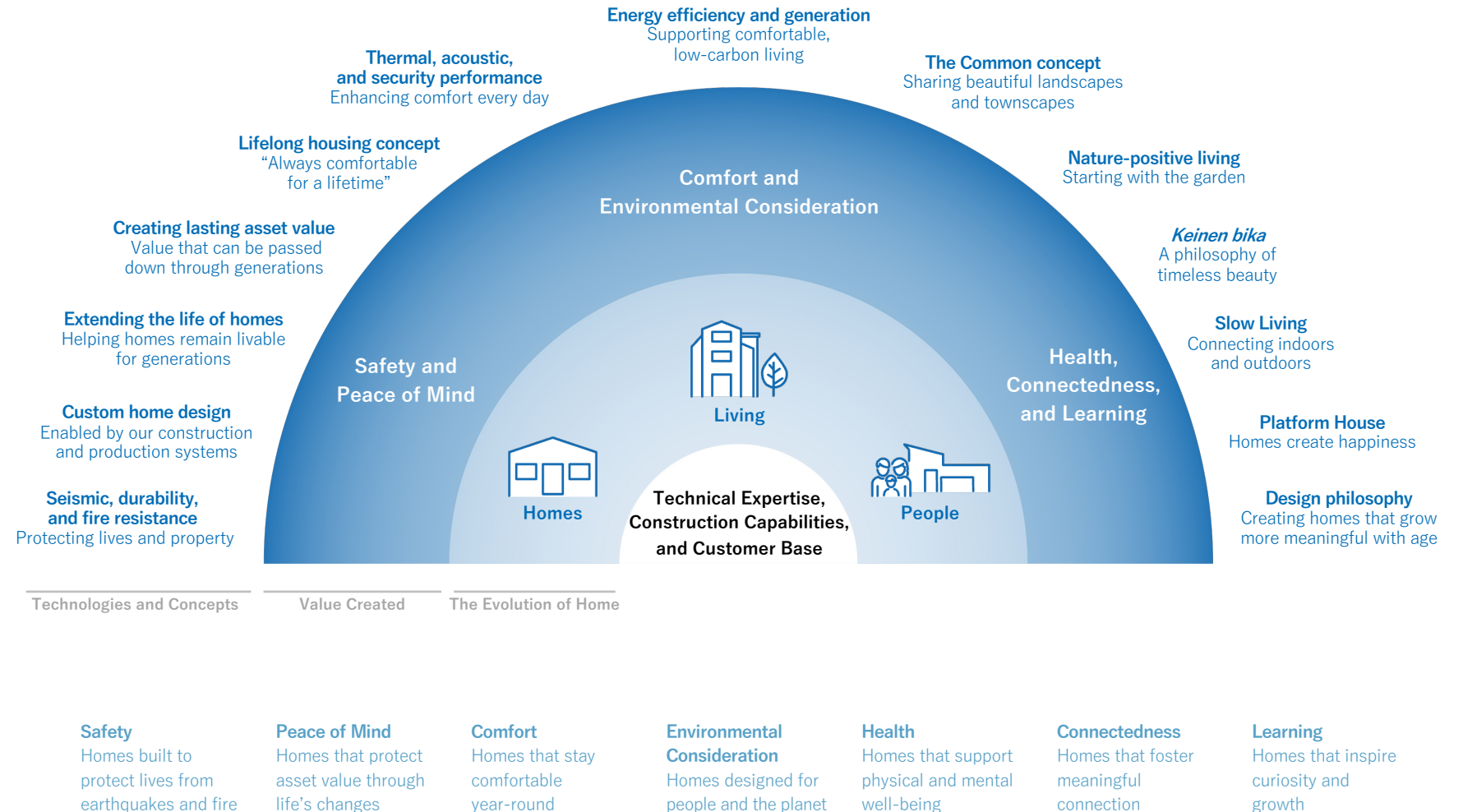
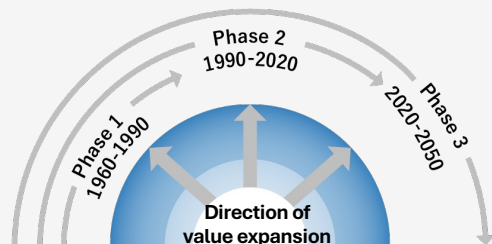


Value Creation Through Homes

The Sekisui House Group's value creation begins with reimagining what a home can be. Since our founding, we have pursued three phases of value creation: Phase 1, dedicated to protecting people's lives and property; Phase 2, focused on comfort and environmental consideration; and now, in Phase 3, which began in 2020, building on and expanding these foundations by creating new value in health, connectedness, and learning, helping create happiness in the 100-Year Life.

Understanding the Diagram

This diagram illustrates the Sekisui House Group's journey and direction in value creation. By leveraging our three core competencies—technical expertise, construction capabilities, and customer base—we continue to develop advanced technologies and ideas that create new value and new possibilities for homes, living, and people.



Value Creation Through Homes

Innovation That Creates Happiness in Many Forms

“Make Home the Happiest Place in the World.” Making this vision a reality will not be easy. To bring our Global Vision to life, we are integrating technology, lifestyle design, and services in new ways.

Building on the housing technologies we have developed over the years, the Sekisui House Group has expanded beyond housing technologies into lifestyle design. By combining these with services that support everyday life, we continue to create new value.



Improving housing performance | Phase 1



1961
Opened Shiga Factory, a production base



1962
Established the custom home design philosophy



1964
Established a direct sales and responsible construction system



1973
Founded a company specializing in foundation work



1987
Opened Customer Service Centers



1990
Established the Comprehensive Housing R&D Institute



1999
Announced the Environmental Future Plan



2003
Established Resource Recycling Centers



2009
Launched the Green First strategy



2018
Established Human Life R&D Institute* (*Now the SHIAWASE SUMAI/Institute)



2019
Announced the Platform House concept



2020
Began a demonstration trial of a network for early response to acute illness at home

Value Creation Through Homes

Homes Evolved to Create Happiness

The Sekisui House Group's homes have continually evolved to meet the needs of each era. We began by creating homes that delivered safety and peace of mind, then expanded our focus to comfort and environmental consideration. Today, we are creating homes that support health, deepen connections, encourage learning, and contribute to happiness in the 100-Year Life. Each step has redefined what homes can be for the next generation. As society continues to change, Sekisui House homes will continue to evolve alongside it.

2020-2050

Phase 3 | Health, Connectedness, and Learning

We create homes that support health, deepen connections, encourage learning, and contribute to happiness in the 100-Year Life.



2020

Created a wooden gable-roof home with generous spaces formed by sloped ceilings and deep eaves, evoking the feeling of being beneath a tree and harmonizing with the surrounding townscape



2021

Proposed a smart home that enables families to stay closely connected while remotely controlling and monitoring their homes and equipment from their smartphones



2023

Offered design proposals that "weave beauty over time," expressing residents' sense of beauty through interiors and exteriors that harmonize with the surrounding townscape



2024

The first SHAWOOD community in the U.S. received multiple housing awards for its safety, comfort, and beautiful design enabled by its unique construction method



1990-2020

Phase 2 | Comfort and Environmental Consideration

As society's expectations evolved, we created living spaces that balanced comfort, energy efficiency, and harmony with nature.



1995

Launched a new wooden housing series developed from the SHAWOOD construction method



1996

Improved thermal insulation and heat-shielding through the expanded use of double-glazed glass



1997

Introduced a new construction method for three-story homes, combining strength with design flexibility



1998

Created homes designed to last for generations through ceramic roof tiles and Dyne Concrete exterior walls



2000

Introduced a roof-integrated solar power system that combined aesthetics, comfort, and harmony with nature



2007

Standardized SHEQAS, a seismic force-absorbing system for steel-frame houses, to improve seismic resistance



2013

Achieved net-zero energy through energy-saving specifications and energy-generating equipment



2018

Created spacious living and an eave-covered outdoor space with high thermal insulation and seismic resistance

1960-1990

Phase 1 | Safety and Peace of Mind

When wooden homes were the norm, we built a reliable system for delivering high-quality housing that protected lives and property while supporting everyday life.



1960

Introduced Western-style kitchens and dining rooms to everyday living in Japan



1961

Adopted meter modules to create brighter, more spacious interiors with aluminum sashes



1962

Developed a flexible two-story home while maintaining structural strength



1978

Introduced homes with lofts and roof windows that bring natural light indoors



1981

Introduced a modern Western-style home designed to appeal to younger generations



1984

Adopted Dyne Concrete exterior walls for greater strength and long-term durability



1986

Introduced new living spaces featuring roof balconies and elevated ceilings



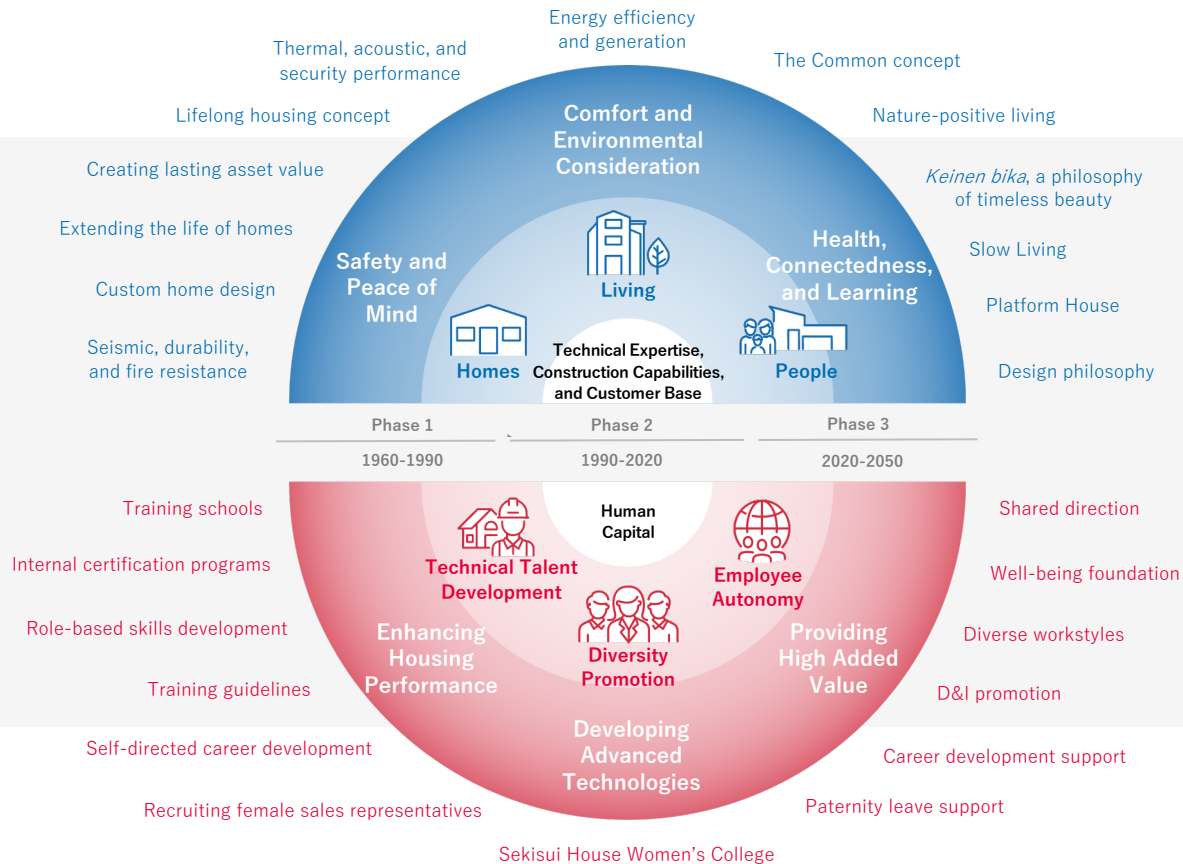
1987

Received the first Good Design Award for residential homes featuring Dyne Concrete

Value Creation Through Homes

Our Value Creation Journey Toward the Future

The Sekisui House Group's value creation journey has evolved through the combined growth of our businesses and the people and organizations that support them. The initiatives built across our three phases have created value in each era, while also shaping the material issues we must address and our commitments for the future.



Phase 1 | Safety and Peace of Mind

To protect lives and property, we focused on innovative technologies that enhanced housing performance and the talent needed to advance them.



Phase 2 | Comfort and Environmental Consideration

As climate change became a growing concern, we focused on developing advanced technologies and fostering a diverse workforce.



Phase 3 | Health, Connectedness, and Learning

To create new value that contributes to happiness, we focus on innovation driven by employee autonomy.



Our Promise for the Future

A Promise We Will Continue to Fulfill Over the Long Term

What can we leave behind for future generations? We believe a company's purpose is to answer that question through its actions. Through the Sekisui House Group's ongoing journey of value creation, three enduring promises have emerged: "Quality First," creating beautiful, high-quality housing and communities; "Green First," contributing to a sustainable global environment; and "Kids First," helping children thrive and realize their full potential. Together, these promises represent the future we are committed to creating.

Materiality That Brings Our Promise to Life

Materiality connects our promise for the future with the value we create. It is not simply a set of management priorities, but a framework that guides our long-term direction. The technologies we develop, the expertise we cultivate, and the businesses we grow all take shape through these material issues. By embedding materiality across our business activities, we create value for society while steadily advancing the future we seek to realize. In this way, materiality serves as the foundation for both our value creation and the fulfillment of our long-term promise for the future.

Materiality and Our Promise for the Future



Material Issues for Value Creation | Creation of High-Quality Housing Stock

Creation of High-Quality Housing Stock



Sekisui House's Journey

By providing high-quality, long-lasting homes, Sekisui House has enhanced the value of housing and helped shape Japan's supplied housing market. As an industry pioneer, we laid the foundation for a housing stock society. Today, we continue to strengthen our renovation and joint construction businesses while incorporating smart-home technologies to create greater housing value.

Background to Materiality Identification

In disaster-prone Japan, insufficient seismic and thermal performance in housing, together with an aging housing stock, remain significant challenges. Globally, demand is also growing for safer, more durable homes. Through the creation of high-quality housing stock, we aim to enhance quality of life, create asset value, and contribute to local communities and the environment.

Key Policy

By providing homes tailored to the evolving needs of people and communities, we seek to extend their lifespan and enhance their long-term value for years to come.

Our Journey and Key Themes

Drive Positive Impact

Create Happiness

Transform Society

Safety, Peace of Mind, and Comfort



1973

Founded a company specializing in foundation work



1967

Began preliminary ground surveys



1979

Conducted full-scale vibration testing



1992

Developed the 1660 Foundation



2003

Introduced seismic isolation homes



2007

Developed SHEQAS Seismic Control System



2021

Launched PLATFORM HOUSE touch



2023

Launched the Skeleton and Infill (SI) Business

Enhancing Housing Value



1976

Started rental housing management support



1984

Introduced Dyne Concrete exterior material



2000

Introduced Sha Maison rental housing



2001

Bellburn, a ceramic exterior wall



2005

Urban development under the concept of *Keinen bika*, a philosophy of timeless beauty



2009

Initiated urban development overseas



2024

Launched a lot-for-sale development in the U.S.

Extending the Useful Life of Housing

1982
Launched the 10-year warranty program



1985

Started homeowner visits



1999

Launched the U-Trus System, a long-term warranty program

2000
Launched the 20-year warranty program



2002

Opened the Remodeling Sales Office



2004

Established Sekisui House Remodeling



2020

Established the Customer Service Center Owner Desk



2025

Established Sekisui House Support Plus

Advancing safer, more comfortable living

- Continuous innovation and quality enhancement
- New value created through advanced technologies

A richer life with peace of mind

- Confidence in disaster-resilient homes
- Comfortable, sustainable living

Building disaster-resilient communities

- Disaster-resilient housing
- Strengthening community resilience through safer homes

Creating homes that retain their value

- Excellence in design and engineering
- Trust built through high-quality housing

A richer life made possible by housing

- Lasting value and peace of mind
- Fostering attachment through thoughtful design

A housing market where value endures

- Expanding regional value
- Supporting a sustainable society through lasting homes

Creating homes chosen for generations

- Higher performance and lasting value
- Growth in remodeling and renovation services

Happiness that spans generations

- Passing on memories and value
- Peace of mind through enduring homes

A circular housing society

- Reducing resource consumption
- Contributing to a circular economy through housing that lasts

Material Issues for Value Creation | Creation of High-Quality Housing Stock

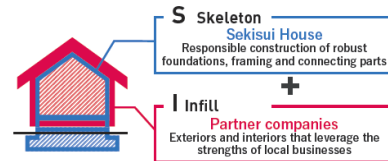
Earthquake-Resistant Homes

Of the approximately 8.4 million homes in Japan that do not meet current seismic standards, some 5 million are believed to have significant seismic vulnerabilities. In contrast, Sekisui House has maintained a record of zero total or partial collapses caused by major earthquakes to date.* A key reason is our proprietary “Foundation Direct Joint” technology, which directly connects foundations and columns to maintain the structural integrity of the home regardless of the direction of seismic shaking. Driven by our commitment to delivering high-quality wooden homes, we launched the SI Business in September 2023. Under this model, we provide the structural frame, while partner companies work with us to deliver high-quality housing.

* Excludes damage caused by ground displacement or tsunamis

Comfort and Peace of Mind

In the SI Business, Sekisui House designs the Skeleton, the structural framework responsible for earthquake resistance, while Sekisui House Construction carries out construction. Partner companies are responsible for the Infill, combining Sekisui House’s seismic and construction technologies with their local expertise and sales capabilities. By bringing together the strengths of Sekisui House and our partners, we deliver homes that offer both everyday comfort and long-term peace of mind.



* The division of roles between Sekisui House and partner companies may vary by region.

Building an Earthquake-Resilient Japan

Since the launch of the SI Business in September 2023, the number of partner companies committed to creating high-quality housing stock has grown to 9 as of June 2026. Together, these partners enable us to provide safe and dependable wooden housing across a broad geographic area, from Hokkaido to Kyushu. Going forward, we will continue strengthening partnerships across Japan, helping expand the adoption of high-quality wooden housing while contributing to the peace of mind of local communities and the happiness of future generations.



Sekisui House
Providing superior seismic performance, safety, and peace of mind

Partner companies
Creating comfortable and appealing living environments

Good Technology Should Reach More People

Koji Ueno

Skeleton and Infill Housing Business Strategy
Office Lead, Detached Housing Business
Strategy Department,
Sekisui House, Ltd.



Sekisui House has developed seismic and construction technologies over many years. We believe our role is not to keep these strengths to ourselves, but to share them more broadly and help raise housing quality across Japan. That belief led to the creation of the SI Business. Today, in addition to superior seismic performance, we are delivering new value, including spacious living environments and large openings. By sharing our technologies and expertise with partner companies, we will continue expanding the possibilities of housing and promote adoption of high-quality homes.

[SI-COLLABORATION](#)
[Construction examples and customer voices](#)

Value Created Through the SI Business

Drive Positive Impact

1973

Established Sekiwa Construction to strengthen construction quality and accountability

1974

Developed an integrated construction method to ensure consistent construction quality

1979

Verified the seismic performance of our homes through large-scale vibration testing

2004

Developed the “Foundation Direct Joint” to transfer seismic forces directly to the foundation

2022

Extended the adoption of highly earthquake-resistant wooden homes through SHAWOOD

Create Happiness

2023: Launched the SI Business

- Providing structural frames with proprietary seismic and construction technologies
- Strengthening collaboration and partnerships
- Addressing labor shortages in construction
- Delivering structural calculations based on allowable stress design

Collaboration with partner companies

- Establishing a housing supply network spanning from Hokkaido to Kyushu
- Helping to improve seismic performance in detached housing
- Expanding access to comfortable homes that offer peace of mind

Transform Society

Bringing more safe wooden homes to Japan

- Providing safe and dependable homes
- Improving housing seismic performance
- Enhancing housing asset value
- Expanding high-quality housing stock

Material Issues for Value Creation | Contributing to a Sustainable Society



Sekisui House's Journey

Committed to creating homes and communities that coexist in harmony with the environment, we have proactively addressed environmental challenges ahead of regulatory requirements while incorporating community-building principles into large-scale development projects. Today, we continue to advance the adoption of ZEH, decarbonize our business activities, and develop new technologies that help reduce environmental impact.

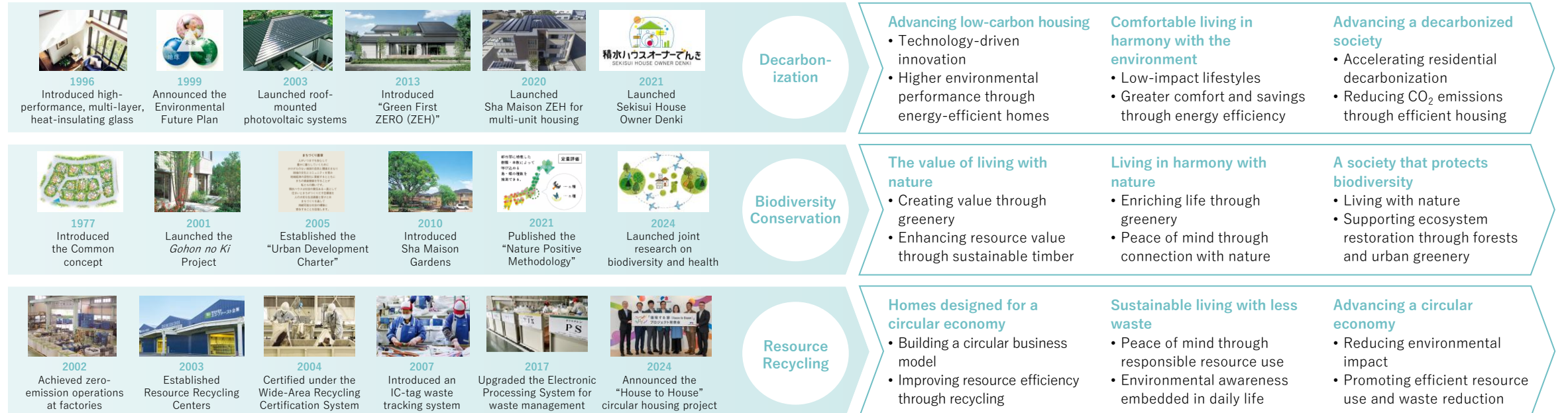
Background to Materiality Identification

As climate change intensifies and progress toward a circular economy remains slow, conserving biodiversity has become essential for businesses that depend on natural capital. In the housing sector, we are accelerating technological innovation to improve energy efficiency and support the transition to a circular society. By providing homes with high environmental value, we aim to contribute to a more sustainable future.

Key Policy

We strive to create harmony among people, communities, and the planet. Through our business activities, including initiatives across the supply chain, we are working to help build a more sustainable society.

Our Journey and Key Themes



Material Issues for Value Creation | Contributing to a Sustainable Society

Green First

Sekisui House's Green First approach is centered on creating homes that balance environmental responsibility with comfortable living while remaining in harmony with nature. Through our business activities, we have continuously advanced technologies that improve insulation performance and energy efficiency, while sharing their value with our customers. In doing so, we continue working toward a richer global environment through housing and community development.

Living with Nature and Conserving Biodiversity

One of the initiatives we have advanced together with our customers is the *Gohon no Ki* Project. By creating gardens with native tree species suited to local climates and natural environments, we have planted a significant number of trees over the years, contributing to biodiversity conservation. The philosophy behind this initiative has since been embraced in housing developments overseas as well, helping create sustainable communities where people and nature thrive together.

Value Created Through the *Gohon no Ki* Project

2001

Launch of *Gohon no Ki* Project

Centered on native tree species, the *Gohon no Ki* Project was built on the idea that “three trees are for the birds and two are for the butterflies.” With this, we began promoting biodiversity conservation in urban environments.

[The *Gohon no Ki* Project](#)

2021

Biodiversity conservation in urban areas

The cumulative number of trees planted exceeded 17 million.* Analysis of biodiversity data confirmed measurable increases in native plant species as well as visiting birds and butterflies.

* 21.43 million as of the end of FY2025

[Quantitative assessment of biodiversity](#)

2021

Sharing approach with society

We published the “Nature Positive Methodology” for evaluating urban biodiversity. By visualizing the outcomes of our initiatives and linking them to financial value, we are helping promote biodiversity conservation across society.

[Nature positive methodology](#)

2024

Biodiversity and well-being

Joint research with the University of Tokyo showed that gardens with native species can enhance happiness and reduce stress. The study confirmed the positive relationship between biodiversity conservation and well-being.

[Enhancing well-being](#)

2024

Biodiversity visualization tool

We developed a visualization and proposal tool that simulates optimal plants for individual development sites. By making biodiversity impacts visible at the design stage, the tool enables higher-quality greening proposals.

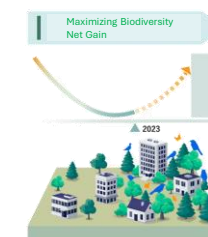
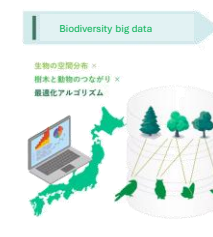
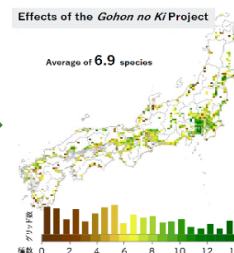
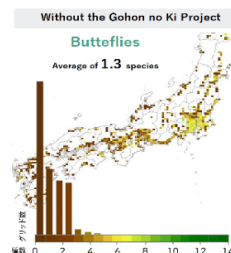
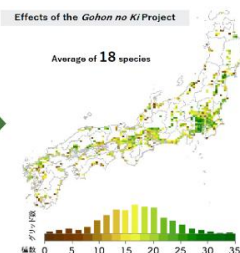
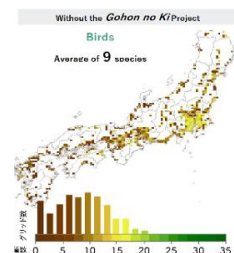
[Biodiversity visualization and proposal tool](#)

2030

Toward a nature-positive future

To help halt and reverse biodiversity loss, we aim to maximize ecosystem networks through our business activities and achieve DCF (Deforestation- and Conversion-Free) outcomes by conserving forests and local ecosystems.

[Biodiversity conservation](#)



Material Issues for Value Creation | Contributing to a Sustainable Society

Employees' Voice

The *Gohon no Ki* Project



Takashi Yagi
Environment
Improving
Department,
Sekisui House,
Ltd.

The *Gohon no Ki* Project:

From comfortable living to new value

When the *Gohon no Ki* Project began in 2001, its purpose was simple: to help bring a little more comfort and joy to our customers' lives through trees and garden design. Twenty-five years later, as environmental degradation and biodiversity loss have become increasingly urgent issues, the initiative has grown beyond garden-making into an effort that connects nature and people while creating new value for society.

When we observe how our customers live, we often feel that their gardens are no longer simply outdoor spaces but part of everyday life. People enjoy the changing seasons and notice the presence of birds and insects. We increasingly hear that these small experiences enrich daily life. This has led us to better understand how *Gohon no Ki* Project gardens support the health and happiness of those who live with them and enrich communities around them.



Koichiro Matsuda
Environment
Improving
Department,
Sekisui House,
Ltd.

Discovering the link to happiness

Joint research with the University of Tokyo found that people living in homes surrounded by native-species gardens created through the *Gohon no Ki* Project were 20 percentage points less likely to develop symptoms of depression than those without such surroundings or regular interaction with the wildlife they attract. The research also showed higher levels of happiness, life satisfaction, and environmental awareness.

What this research highlighted is that the question is not only how much greenery exists, but what kind of greenery it is. The *Gohon no Ki* Project contributes not only to biodiversity conservation but also to the well-being of the people who live with it. What began as a small-scale gardening initiative has expanded alongside changes in society, connecting with people's lives, greening local communities, and contributing to health, happiness, and society as a whole, while continuing to create new forms of value.



Takuji Sonoda
Environment
Improving
Department,
Sekisui House,
Ltd.

Envisioning the future through biodiversity

This year, we published a white paper that organizes the significance of the *Gohon no Ki* Project from an ecological perspective. This paper helps explain its value more objectively by highlighting its impact on biodiversity, ecosystem conservation, and ecological connectivity, while also serving as a guide for how we should engage with nature through housing and community development.

Looking ahead to 2030, we hope to contribute to a nature-positive future that not only halts biodiversity loss but also helps reverse it. The *Gohon no Ki* Project brings wildlife back into everyday environments and fosters connections between people and nature. Each tree may seem small on its own, but together they have the power to shape the future. Having been involved in this initiative for 25 years, we feel that potential more strongly than ever.

➡ [The *Gohon no Ki* Project: Creating a more harmonious future for people and wildlife](#)

The Idea Behind the *Gohon no Ki* Project Logo

"Make Home the Happiest Place in the World"

As a symbol of our commitment to realizing this Global Vision, we created a new logo for the *Gohon no Ki* Project. The logo expresses our belief that even a simple act of planting a tree has the power to spread happiness. Planting a tree brings benefits to birds, insects, and other living creatures that depend on it, while also creating

happiness for local communities, the nation, and ultimately the planet. Over time, this growing circle of happiness returns to the people who live there. Looking toward a future in which people, nature, and communities thrive together, this logo embodies our aspirations, determination, and the message we hope to share with future generations.

➡ [The *Gohon no Ki* Project, an ecosystem-conscious landscaping and greening initiative, marks its 25th anniversary](#)



Material Issues for Value Creation | Fostering a Refined Sense of Beauty and Happiness



Sekisui House's Journey

With the aim of creating homes where people can live fulfilling lives, we have embraced the lifelong housing concept, universal design, and community building, while incorporating insights from happiness research. Today, we are expanding opportunities for design and experiences that reflect diverse values and sensitivities, while promoting living environments that support a refined sense of beauty and happiness.

Background to Materiality Identification

As societies age and values become more diverse, the importance of environments that support healthy and fulfilling lives continues to grow. At the same time, loneliness and the weakening of social connections have become pressing challenges. We aim to create a society where people can connect, learn, and grow together, and where future generations can cultivate a rich sense of beauty and live happily as their authentic selves.

Key Policy

By integrating emotional value with scientific knowledge, we provide living environments and new experiential opportunities that enable people with diverse values and lifestyles to continue living fulfilling lives.

Our Journey and Key Themes



Drive Positive Impact

Evolving homes that support well-being

- Expanding products and services that support health
- Creating new value through wellness-focused design

Create Happiness

Living well while being yourself

- Peace of mind through healthy living
- Living environments that respect individuality

Transform Society

A society where children thrive

- Diverse and inclusive living environments
- Housing that supports healthy growth

The value of homes that foster connection

- Supporting community building
- Creating spaces that bring generations together

Peace of mind through human connection

- Security through relationships
- Intergenerational connections that enrich lives

Connected communities

- Contributing to supportive communities
- Helping build connections between people and communities

Creating homes that nurture sensibility

- Creating emotional value
- Expanding homes and services enriched by experience

A richer life through sensibility

- Environments that nurture sensibility and creativity
- Experiences that inspire learning and growth

A society enriched by sensibility and learning

- Creating environments that support lifelong learning
- Fostering a culture of beauty and happiness

Material Issues for Value Creation | Fostering a Refined Sense of Beauty and Happiness

Kids First

The happiness of children, our greatest treasure for the future, lies at the heart of Sekisui House's Kids First philosophy. Through our business activities, we have continued to advance initiatives that contribute to children's happiness. Safe and comfortable homes, spaces where children can grow freely, opportunities to nurture creativity and sensibility, and connections with family and local communities all play an important role in supporting children's lives and growth. As these efforts accumulate, they help foster rich emotional and sensory development, and, in time, contribute to children's future happiness. Moving forward, we will continue working together with society to expand opportunities for happiness through our Kids First initiatives.

Fostering a Refined Sense of Beauty and Happiness

Throughout our history, we have continued to ask ourselves what happiness truly means. One answer we have found is the idea that a rich sense of beauty nurtures happiness. Everyone possesses sensibility, which is shaped through a wide range of experiences and adds color and meaning to everyday life. Children who grow up with rich sensibilities discover their own sources of happiness, grow into confident individuals, and one day contribute new ideas and innovation to society. Guided by this belief, we value living environments and experiential opportunities that support children's happiness and growth, and together with people and communities, we will continue expanding that value into the future.

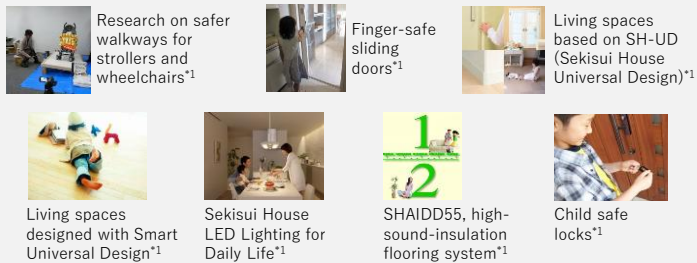
Our Kids First Initiatives

* 1 Received the Kids Design Award

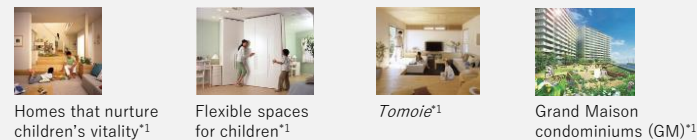
* 2 Received the Grand Award at the IAUD International Design Award 2025, hosted by the International Association for Universal Design (IAUD)

A safe living environment for raising children

Crime prevention, disaster resilience, and universal design

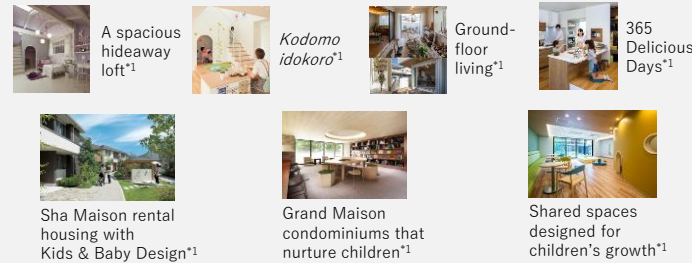


Promoting safe homes and communities throughout society

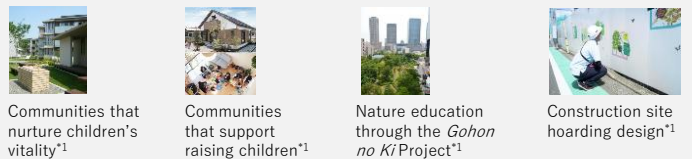


Living spaces that nurture children's sensibility and creativity

Family connections

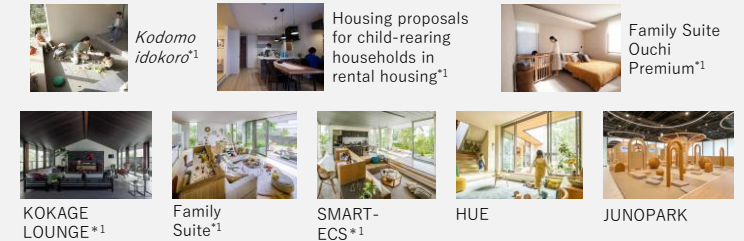


Growth and learning

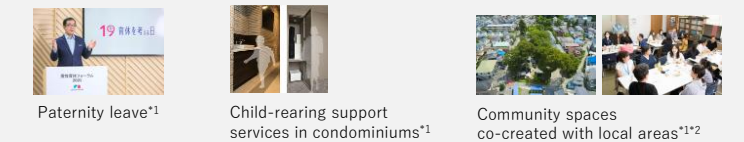


Cultivating children's happiness together with society

Discovering individuality



Co-creating the future with communities and society



Material Issues for Value Creation | Fostering a Refined Sense of Beauty and Happiness

Inspiring Moments for Children

One of the things Sekisui House can do for the children who will shape the future is help nurture a heart that can find happiness in everyday life. Wanting to create more moments that truly move and inspire children through meaningful everyday experiences, we opened JUNOPARK, a hands-on educational and entertainment facility for upper elementary school children in Kizugawa City, Kyoto Prefecture, in August 2025.

Since opening in August 2025, JUNOPARK has welcomed approximately 70,000 visitors (as of the end of July 2026).



Experiences that Nurture Sensibility

Designed primarily for upper elementary school children, JUNOPARK offers programs and exhibits based on Sekisui House's concept of the six sensibilities nurtured through everyday living. Through experiences that naturally spark feelings of fun and curiosity, children are encouraged to discover what they love, what matters most to them, and what makes them uniquely themselves, through hands-on exploration and discovery.



For a Kids First Future

As we move closer to a future in which AI may surpass human intelligence, the importance of sensibility, which begins with what each person loves, continues to grow. As a Kids First company, we hope to work with many partners to help children recognize the value of sensibility, develop confidence in their individuality, and carry it into the future, throughout every stage of life, while helping them discover what they truly value.



A Sense of Beauty Begins With What We Love

Eiji Hirata

Communication Design Department,
Sekisui House, Ltd.
Director, JUNOPARK



JUNOPARK is a place where children can discover what they love and what matters most to them, and develop their own sense of beauty. Through varied experiences rooted in everyday life, children interact with friends, explore, experiment, and move forward. Through these experiences, they gradually develop a genuine sense that it is okay to feel, think, and choose for themselves. Small discoveries and moments of inspiration that begin here connect to everyday life and the years ahead. We will continue refining JUNOPARK as a place where sensibility can grow naturally and flourish.

The Value Created by JUNOPARK

Drive Positive Impact

1990

Established *Nattoku Kobo Studio* at the Comprehensive Housing R&D Institute

1992

Launched *Sumaijuku* housebuilding seminars at *Nattoku Kobo Studio*

Early 2000s

Expanded hands-on housing programs nationwide through *Sumai-no-Yume-Kojo*

2006

Launched housing and environmental outreach classes for elementary and junior high school students

28,520 participants in school outreach programs (FY2008–FY2025)

[ESG Fact Book P.119](#)

Create Happiness

2025: Opened JUNOPARK

- Opened an experiential facility centered on sensibility for children
- Helped children discover what they love
- Encouraged discovery of what matters most
- Created experiences that nurture sensibility

Expanding experiential opportunities

- Help children discover what they love
- Foster emotional, sensory, and expressive development
- Reflect differences among friends
- Broaden pathways to happiness

Transform Society

Contributing to children's happiness

- Nurture emotional and sensory development
- Helping children make independent choices
- Foster diverse values
- Create new value and innovation

Material Issues for Value Creation | Fostering a Refined Sense of Beauty and Happiness

Valuing Every Person's Perspective

Sekisui House leverages the technologies and expertise developed through housing and community development to help address local challenges and strengthen connections among diverse people. What matters most in these efforts is listening carefully to those who have long called the area home and gaining a deeper understanding of the community's history, memories, and values. By respecting the aspirations rooted in each place and engaging in ongoing dialogue, we strive to create communities where people can truly feel at home and live happily for years to come, while passing local stories and aspirations on to future generations.

A New Community Hub

One example of this approach is the development of a maternity care facility in Arida City, Wakayama Prefecture. In response to the loss of local maternity services, the facility was realized through collaboration with local government and healthcare providers. Since opening in 2024, more than 300 babies have been born there. Beyond its healthcare role, the facility serves as a gathering place where families and residents connect naturally, creating happiness through everyday interactions.

The facility has also contributed to local employment, including approximately 30 nurses and midwives.



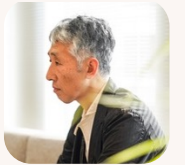
Happiness Through Connections

When people connect with one another, a community becomes a place where everyone can live with peace of mind. Sekisui House's approach to value creation goes beyond developing homes and facilities. We value the relationships that emerge, the interactions that take place, and the richness they bring to everyday life. These connections help foster happiness throughout the community and support a future where each individual can continue living in a way that feels true to themselves.



Weaving Connections into the Future

Satoshi Sato
Building Business
Strategy Department,
Sekisui House, Ltd.



Regional revitalization is not something that is completed once a building is finished. Its value continues to grow throughout ongoing use and engagement. That is why we focus not only on the buildings themselves, but also on designing the connections and interactions that emerge around them. As people gather and activities take root, these places generate new value within the community. Our role is to create places that continue to be used and loved over time. To carry forward what has been carefully nurtured in each community, we will continue working together with local stakeholders to turn those aspirations into reality.

"New Community Spaces" Created in Step With the Character and Aspirations of Each Region

A place that preserves history and nurtures connections

This facility was created by repurposing a forest grove that had long remained within a residential neighborhood. It brings together a group home, a café, and a gallery in a single place.

The approximately 300-year-old trees and the memories they hold have been preserved as part of the community's heritage, creating a welcoming gathering place where people of all generations can spend time together.



Open to the community, growing new connections

Since opening, the facility has evolved into a community hub centered around its café and gallery, where people naturally come together, with local residents and children taking part, new activities and relationships continue to emerge, creating a place where people across generations connect.



Expanding "happy community spaces" across Japan

Sekisui House is developing communication tools that help capture and share the insights gained through initiatives like this. By working with local governments and other partners to address similar community challenges, we hope to expand the network of "happy places" created through human connections and share experiences across Japan.



Refining Our Materiality Framework

Refining Our Materiality

Beginning in FY2026, we established “Fostering a Refined Sense of Beauty and Happiness” as a new material issue. This reflects our response to social change and diverse values. Through ongoing dialogue with stakeholders inside and outside the Group, we revisited the value we create through homes and communities. Building on the material issues identified in FY2022, we retained “Creation of High-Quality Housing Stock” and “Contributing to a Sustainable Society,” while adding “Fostering a Refined Sense of Beauty and Happiness” to more clearly express the value created through our businesses. We also repositioned “Diversity & Inclusion” as an important management foundation that underpins all value creation, rather than as a material issue in itself.

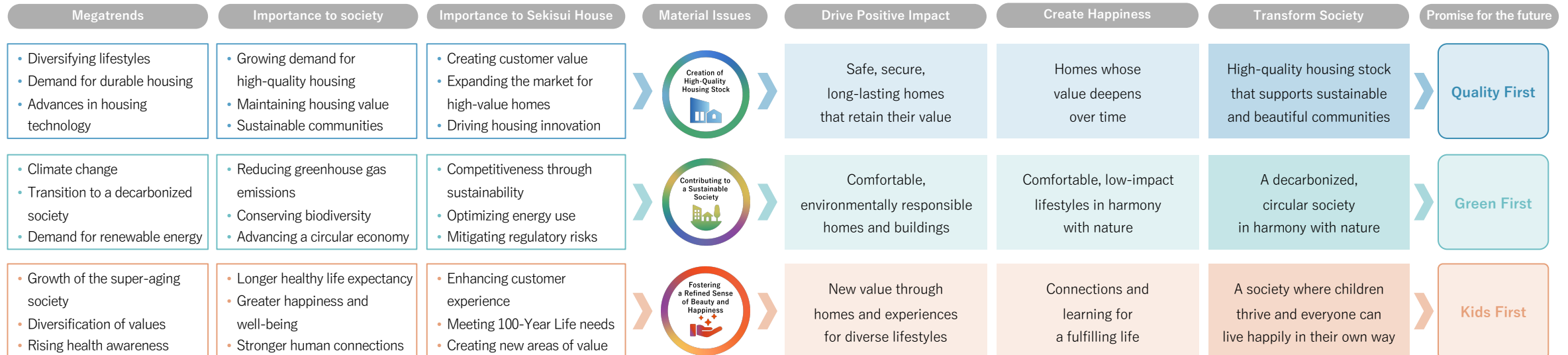
Expanding Value Creation

In refining our materiality framework, we considered not only the importance of each issue to society and the Sekisui House Group, but also how the value we create generates broader impact.

Starting with materiality, we create value (“drive positive impact”), contribute to happiness (“create happiness”), and help shape the future (“transform society”). We view value creation not simply as a set of outputs, outcomes, and impacts, but as a process through which value expands beyond our business activities to customers, society, and future generations. This perspective reflects how the value we create continues to grow and extend its impact over time. The accumulation of value created through this process brings our promise for the future to life.

 P.27 Our Promise for the Future

The Sekisui House Group’s Value Creation | This illustrates the expanded scope of value creation under the Seventh Mid-Term Management Plan (FY2026–FY2028).



Refining Our Materiality Framework

Identifying and Refining Materiality

The Sekisui House Group engages in ongoing dialogue with stakeholders, including relevant internal departments and external experts, to understand the impacts our business has on society, the environment, and corporate value, while also identifying medium- to long-term issues, risks, and opportunities that could affect future value creation.

Based on these discussions and deliberations within the ESG Promotion Committee, an advisory body to the Board of Directors, we identify and refine our materiality framework to ensure its continued relevance and alignment with our management strategy. Following approval by the Board of Directors, materiality is incorporated into management and business activities across the Group.

[Basic Policy on Corporate Governance](#)

Materiality Identification and Refinement Process

1. Review key themes: Assess the relationship between enduring themes rooted in our founding principles and our business activities.
2. Develop our corporate story: Identify key themes and value-creation priorities from a long-term perspective.
3. Assess priorities: Review key themes and priority issues through discussions involving management and the ESG Promotion Committee.
4. Determine materiality: Identify three material issues, approved by the Board of Directors in FY2022.
5. Refine materiality: Materiality framework refined in FY2025 through ESG Promotion Committee discussions.

[Material Issues of the Sekisui House Group](#)

Implementation and Governance

For each material issue, we establish key themes and KPIs and promote specific initiatives. Their progress is managed and evaluated through the ESG Promotion Committee. Discussions involving the Board of Directors and external committee members help drive continuous improvement.

KPIs are reviewed in light of changes in the business environment and social issues, and the results are disclosed through our website and other channels as appropriate. In addition, certain indicators are linked to executive compensation and the President's Award to enhance the effectiveness of our initiatives. By doing so, we seek to strengthen accountability and improve execution across the Group.

[Annual Securities Report](#)

External Perspective on Materiality Refinement

The refinement of materiality from a value-creation perspective, together with the addition of the new material issue, "Fostering a Refined Sense of Beauty and Happiness," clearly indicates the direction of value creation at Sekisui House. The relationship between materiality and management strategy has also been clarified, creating a framework that appropriately reflects the Company's distinctive strengths and approach to value creation.

More broadly, how to balance regulatory requirements with corporate value creation remains a challenge shared by many Japanese companies. The approach taken in this refinement can be viewed as a meaningful attempt to address both perspectives in an integrated manner.

The Connection Between Materiality and the Mid-Term Management Plan

1960–1990: Phase 1

Based on material issues identified through our long-term vision, we set priority areas and KPIs in each three-year Mid-Term Management Plan. Through the steady implementation of these initiatives and the delivery of results, we move closer to fulfilling our promise for the future.

1990–2020: Phase 2

Japan | Cultivating the Sekisui House Economic Sphere through Group-wide capabilities
Overseas | Building a growth platform to drive a game-changing transformation

2020–2050: Phase 3

2026–2028: Seventh Mid-Term Management Plan

Risks and opportunities
[Annual Securities Report](#)

Business and ESG strategy
[P.85](#)

KPIs
[Material Issues](#)

Our Long-Standing Mission and Promise for the Future

Quality First



Green First



Kids First



ESG Management

ESG Management that Creates New Value

In 2020, as part of our efforts to realize our Global Vision, we introduced the sub-vision of becoming a leading company in ESG management. For us, leadership in ESG management means responding to changes in society and people's daily lives and continuously creating positive impact through innovation. Guided by this belief, we are advancing ESG management that creates happiness as a form of value in itself and helps extend that value throughout society and into the future.

To put this commitment into practice, we advance initiatives aligned with the key themes identified through our materiality framework under the Mid-Term Management Plan. We monitor progress using indicators that measure both the outcomes of value creation and the strength of our management foundation. By managing these two dimensions in an integrated manner, we support sustainable value creation over the long term.

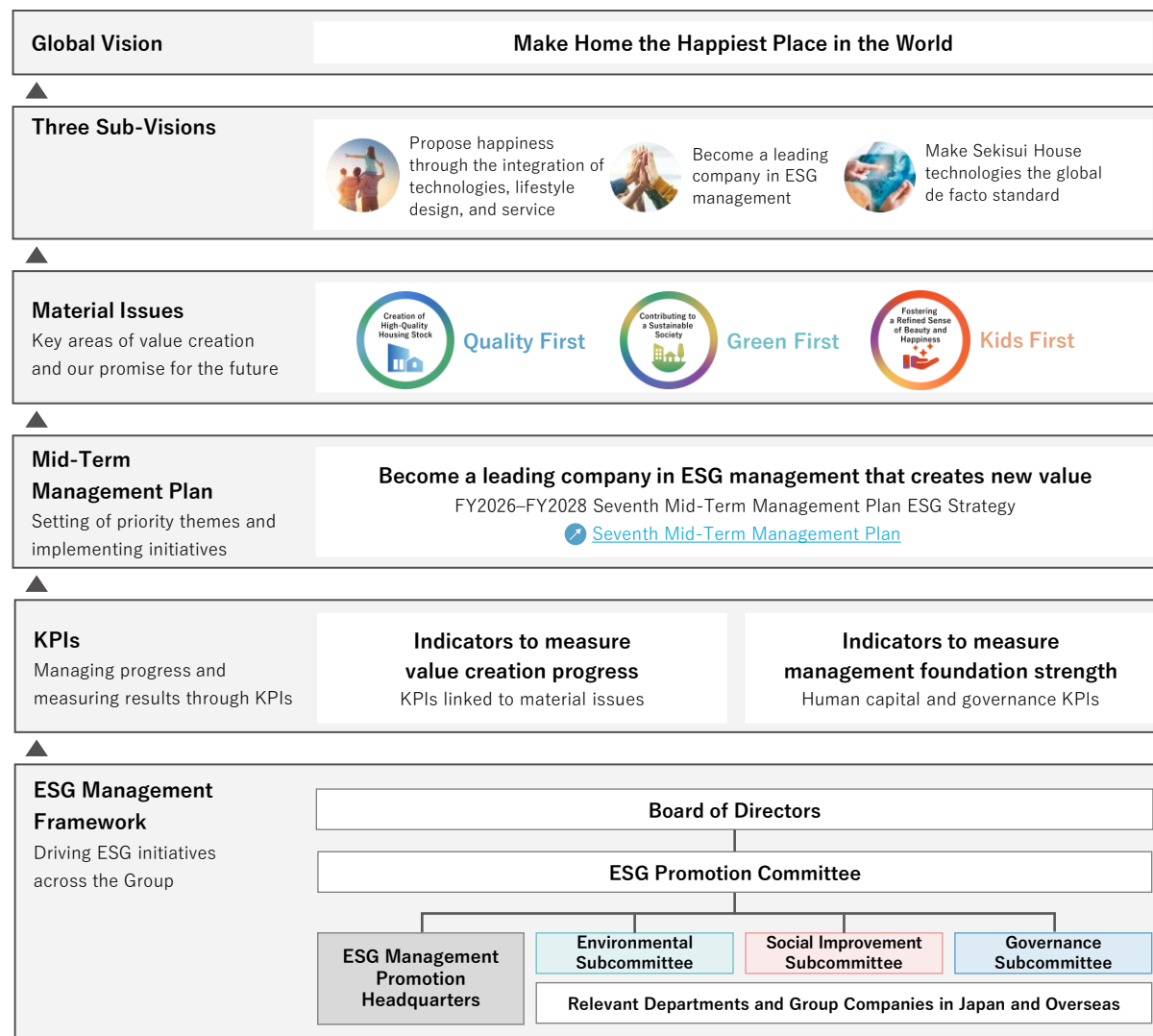
Under our ESG management structure, we connect these initiatives to the actions of each employee. By linking our business strategy directly to our Global Vision, we continue to advance ESG management that creates new value.

ESG Management Framework

To ensure the advancement of ESG management, the Executive Officer in charge of ESG Management Promotion provides oversight, while the ESG Management Promotion Headquarters leads the implementation of policies under the Mid-Term Management Plan and drives related initiatives across the Group.

In addition, the ESG Promotion Committee, an advisory body to the Board of Directors that includes two external experts, meets at least four times a year. The committee reviews initiative progress and discusses key challenges through ongoing dialogue. Discussion outcomes are reported to and reviewed by the Board of Directors, with Directors, Audit and Supervisory Board Members, and management attending as observers. To ensure transparency, meeting agendas and minutes are disclosed to all employees.

The committee is supported by three subcommittees covering environmental, social, and governance matters. They coordinate across departments to advance initiatives and embed KPIs throughout the organization. By fostering employee understanding and participation, they promote ESG management across the Group.



ESG Management

Our ESG Management Journey and Evolution

The Origins of Our ESG Management

The roots of the Sekisui House Group's ESG management lie in the business activities we have pursued since our founding. In the 1960s, amid a severe housing shortage, we developed prefabricated housing technologies to deliver safe and comfortable homes more quickly. By continuously improving housing quality, we created a new culture of living that has enriched people's lives. This commitment to creating value through housing has evolved into the ESG management we practice today.

Employee-Driven ESG Management

Guided by the belief that every employee plays a central role in creating value, we launched an ESG management approach involving all employees in 2020. By putting our Corporate Philosophy, "Love of Humanity," into practice and considering the happiness of customers, society, colleagues, and ourselves in our daily work, we have encouraged active participation in value creation. Through employee dialogue and the idea-sharing SHIP Awards Program, we have fostered a culture in which employees take initiative in creating value.

Value-Creation ESG Management

Building on these efforts, we began advancing ESG management focused on value creation in 2026. This approach goes beyond using ESG solely as a framework for managing risks and opportunities. Instead, it starts with the value and impact created through our business activities and places them at the center of business management, seeking to further expand them.

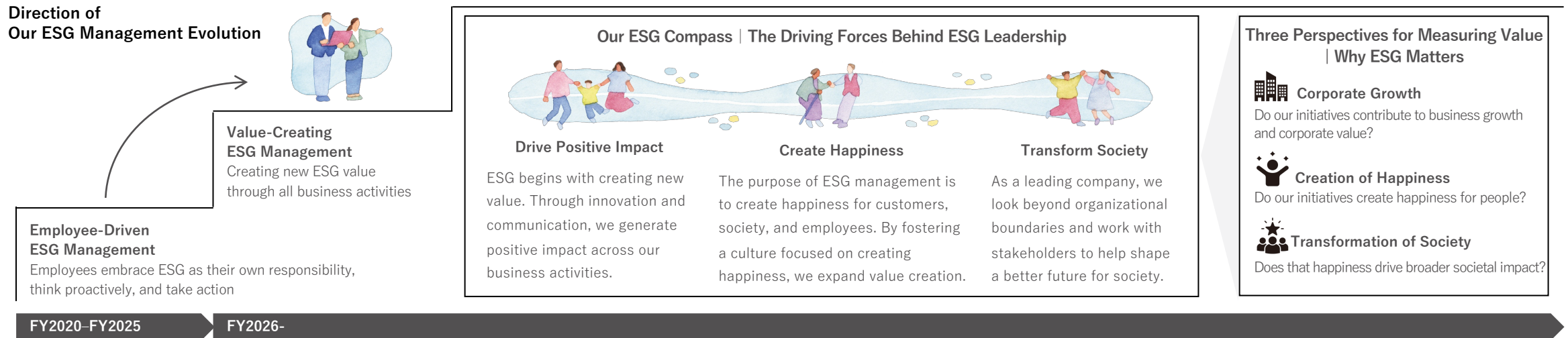
As a guiding concept for this approach, we have adopted our ESG Compass: "Drive Positive Impact, Create Happiness, and Transform Society."

Evolving ESG for Impact

Guided by our ESG Compass, we continuously examine whether each initiative is generating meaningful impact and optimize the allocation of our management resources.

Our goal is not simply to increase the number of initiatives, but to focus on value creation that contributes to corporate growth, the happiness of people and society, and a better future. By sharing this approach across the Group, we continue to deepen the value creation journey that has been part of our heritage since our founding.

Direction of Our ESG Management Evolution



ESG Management

ESG Strategy in the Seventh Mid-Term Management Plan

In our Seventh Mid-Term Management Plan for FY2026 to FY2028, we established “Become a leading company in ESG management that creates new value” as our core policy. Under this policy, we are advancing business activities that embody “Quality First,” creating beautiful, high-quality housing stock; “Green First,” contributing to a sustainable society; and “Kids First,” fostering a refined sense of beauty and happiness. We are also working to maximize value creation through an integrated, Group-wide approach that enhances human capital value, strengthens governance, and deepens dialogue and collaboration with stakeholders.

On this page, the chairpersons of the Environmental (E), Social Improvement (S), and Governance (G) Subcommittees present their strategies under the Seventh Mid-Term Management Plan. Further details on our human capital strategy and corporate governance can be found elsewhere in this report.

[Seventh Mid-Term Management Plan](#)

[P.74 Human Capital Strategy](#)

[P.121 Corporate Governance](#)

E Environmental Strategy

Creating environmental impact and expanding globally through stakeholder collaboration

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



Creating a positive environmental impact for society is the mission of the Environmental Subcommittee. Multiple departments work together across organizational boundaries to advance decarbonization, biodiversity conservation, and resource recycling in an integrated manner.

Specific initiatives include expanding the adoption of ZEH and ZEB in detached houses, multi-unit housing, and non-residential buildings; developing a proposal tool using research data from the *Gohon no Ki* Project, marking its 25th anniversary this year; and launching the House to House project through value-chain collaboration. Going forward, we will continue to lead the creation of environmental value that contributes to customers' well-being and happiness, while keeping global expansion in view and deepening collaboration and co-creation with stakeholders.

S Social Improvement Strategy

Creating value for a happier future and maximizing value creation through enhanced human capital

Kenichi Yamazaki
Chairperson of the Social Improvement Subcommittee
Operating Officer
Head of the Human Resources and General Affairs Department



The Social Improvement Subcommittee works to enhance human capital value and create social value. To enhance human capital value, we focus on “employee autonomy” and “alignment with the vector of our corporate direction,” strengthening each employee’s capacity to create value independently while fostering a workplace where diverse talent can realize its full potential.

To create social value, we pursue medium- to long-term value creation that begins with housing. Our initiatives include providing children with opportunities to cultivate a refined sense of beauty through experiences of housing and daily life, as well as creating new demand through co-creation with local communities. Going forward, we will further develop these initiatives as value creation integrated with our business and take the lead in generating positive impact for society.

G Governance Strategy

Strengthening governance across senior management, business management, and global management

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



Under the Seventh Mid-Term Management Plan, we are strengthening global management in response to the expansion of our overseas business, alongside senior management and business management, while reinforcing governance at every level. Specifically, we are further strengthening Group governance in Japan and overseas by designing governance structures suited to each Group company and enhancing the corporate functions of our overseas Group companies.

We are also strengthening global risk and asset management systems, while advancing risk management, including information security. In addition, we are working to embed the Sekisui House Group Integrity Code, established in February 2026, throughout the Group. Through these efforts, we will promote a corporate culture founded on integrity and respect for human rights.

ESG Management

The Three Subcommittees and Their Key Initiatives

At the Sekisui House Group, the Environmental, Social Improvement, and Governance Subcommittees are responsible for advancing ESG management across the Group. Working closely with departments and Group companies in Japan and overseas, they promote key initiatives and KPIs within their respective areas of expertise.

The Subcommittees also help deepen understanding of value creation while supporting the implementation of initiatives across the Group. In addition, they share progress and challenges with the ESG Promotion Committee and help drive continuous improvement through ongoing discussion and feedback.

This page provides an overview of the activities and initiatives led by each subcommittee, together with links to related information. Detailed data and policies can be found in the ESG Fact Book, ESG Data Book, and Annual Securities Report.

- [ESG Fact Book](#)
- [ESG Data Book](#)
- [Annual Securities Report](#)

E Environmental Subcommittee

We drive environmental initiatives across the Group, focusing on decarbonization, biodiversity conservation, and resource recycling. Working closely with relevant departments and Group companies, we help advance key initiatives and KPIs, while promoting collaboration with stakeholders inside and outside the Company. Through these efforts, we contribute to reducing environmental impact, managing business risks, and creating environmental value.

Main Initiatives and Related Pages

Decarbonization

- [Promoting ZEH through detached houses P.7](#)
- [Promotion of ZEB for non-residential construction P.12](#)
- [Decarbonizing our business activities P.13](#)
- [Supply chain decarbonization P.16](#)
- [Disclosure in line with the TCFD*1 Recommendations P.22](#)

Biodiversity conservation

- [Wood procurement P.33](#)
- [The Gohon no Ki Project for biodiversity conservation P.30](#)
- [Disclosure in line with the TNFD*2 P.40](#)

Resource recycling

- [Sekisui House Zero Emissions System P.58](#)
- [Initiatives to realize a circular economy P.55](#)

*1 Task Force on Climate-related Financial Disclosures
*2 Taskforce on Nature-related Financial Disclosures

S Social Improvement Subcommittee

We promote initiatives that enhance human capital value and social value. Working with relevant departments and Group companies, we monitor progress, share challenges and opportunities, and advance initiatives across organizational boundaries. We also facilitate discussions on human capital and social value creation, helping to deepen understanding, strengthen alignment, share risks and opportunities, and accelerate value creation across the Group.

Main Initiatives and Related Pages

Enhancing human capital value

- [Supporting self-directed career development P.80](#)
- [Promoting D&I P.87](#)
- [Promoting diverse workstyles P.98](#)
- [Building a foundation for well-being P.103](#)
- [Alignment of efforts P.109](#)

Improving social value

- [Kids First P.116](#)
- [Respect for human rights P.121](#)
- [Regional revitalization business P.127](#)
- [Customer initiatives P.132](#)
- [Occupational health and safety P.139](#)
- [Supply chain management P.146](#)

G Governance Subcommittee

We work with corporate departments and Group companies in Japan and overseas to strengthen governance across the Group. Our activities include assessing governance frameworks, monitoring compliance, and promoting risk management initiatives. We also support embedding the Sekisui House Group Integrity Code and human rights initiatives, while reinforcing governance practices that support sustainable growth and long-term corporate value.

Main Initiatives and Related Pages

Top management level

- [Corporate Governance P.123](#)
- [Executive Remuneration P.128](#)
- [Board of Directors P.138](#)
- [Audit and Supervisory Board P.139](#)

Business management level

- [Strengthening Risk Management P.131](#)
- [Promoting Compliance P.132](#)

Roundtable | Value-Creating ESG Management



Professor, Graduate School of Business, Doshisha University (Value Model Creator)
Philip Sugai

Professor, Graduate School of Business Administration, Kobe University (ESG Promotion Committee, External Member)
Katsuhiko Kokubu

Senior Managing Officer, Executive Officer in charge of ESG Management, Sekisui House, Ltd.
Haruhiko Toyoda

ESG Roundtable | Creating New Value through ESG

Rooted in our Corporate Philosophy of “Love of Humanity,” we have long pursued business practices that create social value. This mindset, reflected in the everyday actions of each employee, has shaped our approach to value creation before ESG became widely recognized. As ESG initiatives and disclosure expectations continue to expand, companies are increasingly expected to define the value they create, who benefits, and how it is delivered. To what extent can we answer these questions ourselves? This roundtable explores these questions, examining Sekisui House’s ESG management and what it means to pursue ESG that creates new value.

Sekisui House’s ESG Management

■ **Kokubu** | As an external member of Sekisui House’s ESG Promotion Committee since 2020, what I have strongly felt is the Group-wide commitment to ESG. Particularly notable is the deep and sustained involvement of top management. While many companies have active ESG departments, fewer have executives who remain strongly engaged over time. This is reflected in the employee-driven Sekisui House Innovation & Performance (SHIP) Awards Program and initiatives across the Group. From an external perspective, it is clear that ESG is deeply embedded not at the periphery, but firmly at the core of management strategy.

■ **Toyoda** | Internally, we are shifting beyond awareness and understanding of ESG toward value-creating initiatives. We are seeing more ideas from employees closest to our customers, and the value they create is beginning to reach communities and people beyond our direct customers. ESG is an extension of our Corporate Philosophy, “Love of Humanity,” and this way of thinking has naturally taken root across the organization. That may be one of the defining features of Sekisui House today.

■ **Sugai** | What I value is that ESG is viewed not as a compliance exercise, but as a driver of value creation. External evaluations and scores follow as results, but the fundamental purpose of a company is to create value. This perspective is consistently evident in Sekisui House’s initiatives.

■ **Kokubu** | Employees of Sekisui House engage with society directly in their daily work. In considering how to deliver better and happier homes, they naturally become aware of local and broader social needs. When each person encounters such issues and begins to think about what they can do and how they can make use of company resources, the quality of value creation can change significantly.

■ **Toyoda** | Many such ideas are reflected in SHIP. They often start from a sense of discomfort in daily work or issues in communities where our customers live, and gradually develop into new initiatives. Listening to SHIP presentations, employees naturally speak about value and happiness as inseparable concepts, while focusing on customers and society. Many employees now naturally think and speak this way, which marks a significant change over the past several years.

Roundtable | Value-Creating ESG Management

Connecting ESG and Happiness

■ **Toyoda** | ESG is often seen as separate from happiness. We see it differently. Rather than treating ESG as something to respond to, we see it as an active approach to management that creates value. Through ESG, we generate positive value and expand its impact across society. As Professor Kokubu has described it, “companies exist within ESG.” We see this perspective as the very approach to value creation that we have practiced through our business for years.



■ **Sugai** | That perspective gets to the core of the issue. ESG has evolved as a framework for understanding corporate activity from multiple

angles, but Sekisui House is focused on something broader. The question is how business contributes to the happiness of society and stakeholders as a whole. ESG is a structural concept, while happiness is a value-based one. These two have not traditionally been discussed on the same axis.

■ **Kokubu** | ESG was originally grounded in viewing the environment, society, and the economy as an integrated system. As frameworks have become more structured and standardized, sustainability disclosure standards have also tended to emphasize risk, making them easier to separate from value creation. This is why the question of how ESG connects to value creation is shared by many companies. It requires rethinking how social needs around the business can be combined with a company’s own resources to create value, and where new value can emerge.

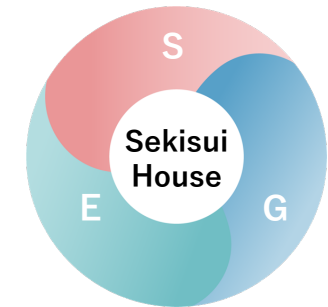
■ **Toyoda** | With this understanding, we define the value and impact created through ESG as “happiness,” and place it at the center of our management. From a conventional ESG perspective, this approach may appear somewhat unconventional.

■ **Sugai** | This uniqueness is exactly what matters. ESG that focuses only on responding to external expectations does not lead to a future-oriented approach. ESG gains meaning when companies create social value through their business and, in doing so, strengthen their own value. Only by creating such a virtuous cycle does ESG become truly meaningful. After all, companies exist to continually create value for all stakeholders.

■ **Toyoda** | This is how we have interpreted ESG. Value is created by each employee through company-wide participation. We are now evolving this into value-creating ESG management. The next question is who creates that happiness and how. Rather than discussing ESG as a concept, we must focus on how it is reflected in our everyday actions.



“Companies Exist within ESG”



Our ESG management puts our Corporate Philosophy into action. We view care for customers, collaboration, and responsibility for colleagues as the essence of ESG. From this perspective, we embrace the idea that “companies exist within ESG.” Introduced by Professor Kokubu at our first ESG Promotion Committee in July 2020, this idea places corporate activity within ESG, rather than treating ESG as an add-on. Since then, it has guided our ESG management. We believe that increasing ESG value also increases corporate value. We therefore evaluate our business not only through financial performance, but also through the happiness of customers, society, and employees, and embed ESG into strategy and decision-making.

Roundtable | Value-Creating ESG Management

Value Must Be Concrete

■ **Kokubu** | When advancing value creation, companies inevitably face the barrier of existing practices. The moment people believe an action could lower their evaluation, they hesitate to act. Under traditional, profit-focused metrics, ESG-driven value is hard to capture. Social value should be measured not by ratios, but by scale. What matters is the absolute amount of happiness created. Financial performance and social impact must be viewed as two axes.

■ **Toyoda** | A major challenge going forward is connecting this broader social value to our daily activities and businesses, and turning it into action.

■ **Kokubu** | What matters here is not asking, “What targets should you achieve?” but asking, “What do you think you can do?” When something is framed as a target, pressure to achieve it can discourage action and lead to conventional goals. Instead, individuals ask themselves what they can do, act regardless of evaluation, reflect on the results, and take the next step. This leads to value creation. In core business, goal-based management is essential. In ESG value creation, however, an effectuation approach, starting from resources individuals can control, is often more practical.

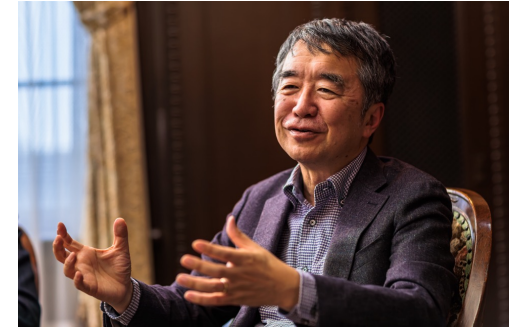
■ **Sugai** | If we ask, “What do you think you can do?”, the answer must be expressed as concrete value. Discussions that end with “That’s a good idea” do not lead to action or change. Value creation becomes real when we define who will benefit and what value will be created for them in concrete terms.

■ **Kokubu** | Around Sekisui House’s housing-focused business, significant untapped potential remains. Property management, for example, can create social value beyond building homes—such as creating local employment, providing work opportunities for

older people, and addressing community issues. Combining housing with property management broadens the scope of value creation. What matters is that each employee can clearly visualize the value potential beyond their own business. When social value is considered alongside profitability, business potential expands, and the value of housing itself increases. This gives greater depth to the Sekisui House Economic Sphere outlined in the Seventh Mid-Term Management Plan.

■ **Toyoda** | Looking at our business activities, value often extends to multiple stakeholders. It begins with the happiness of the customer in front of us, then connects to communities, society, and the future. We see this broader reach as value-creating ESG management.

■ **Kokubu** | In practice, how we engage with the brand cannot be avoided. By rethinking how businesses are named and positioned, and by creating new ways to deliver value, people who resonate with that value can engage with it in different ways. This outward expansion strengthens the value delivered to existing customers as well. How we think about targeting therefore also needs to change.



The people and communities that need ESG-created value are far broader than the boundaries businesses have traditionally defined as their target market. If we continue to focus only on conventional targeting, we may overlook opportunities for value creation. By extending value beyond the business, positive impact spreads across society. Only when this is practiced can ESG become a strategy that expands core business value creation. Over time, accumulated social value becomes a component of business value itself. This cycle ultimately reflects the idea that “companies exist within ESG.” We encourage employees at the Sekisui House Group to think about value not only through the lens of existing business targets, but also beyond those boundaries.



Roundtable | Value-Creating ESG Management



Who Defines Value

■ **Sugai** | Non-financial disclosure is shifting from voluntary to mandatory. At the same time, gaps are emerging between what companies disclose and the value they actually create. It is easy for a company to claim that “we are creating value.” But even the most advanced initiatives have no real meaning if they are not received as value. Even if I were to make the claim that I am a great professor, that judgment cannot be made by me alone. Instead, it must be made by my students as well. And they may think quite differently. Value exists only in the relationship between

those who create it and those who receive it.

■ **Toyoda** | Using the Value Model* as a lens to review our disclosures, we saw that while the policies and frameworks behind our initiatives are largely in place, it is not always clear who benefits from them, what value is created, and how that value is perceived. Information organized to align with external frameworks does not necessarily communicate value meaningfully to stakeholders. That disconnect became increasingly apparent through this process. For example, we have steadily advanced initiatives related to environment, human capital, and human rights, and have reported our progress through the ESG Fact Book. Quantitative data plays an important role in showing where we stand. Yet disclosures often focus on results at a single point in time. Numbers alone cannot tell the full story: why an initiative was pursued, why it has been sustained, what value it has created, who benefits from it, or what it may mean for the future.

■ **Sugai** | Scores are simply a snapshot of where you stand today. What matters is the process—what value has been built over time,

and what value was not chosen. Rather than trying to make everything look perfect, companies must be explicit about priorities and trade-offs. That, in itself, is a strategic management decision.

■ **Toyoda** | Within our ESG Promotion Committee, we are moving beyond tracking progress and placing greater emphasis on discussing who benefits from our initiatives and what value they create. It is important to compare the value we intend to create with the value stakeholders actually experience. A company that has endured over time has done so because it continues to serve a meaningful role in society. Sekisui House, too, has a long history of creating value through housing. Rather than viewing ESG as a collection of initiatives or evaluation metrics, we start from the value we have created throughout our history, draw on our strengths, and continue communicating the growth and value creation we seek to achieve going forward.

■ **Kokubu** | Viewed only through ESG frameworks, discussions can appear complex. But from the perspective of core business value and profit creation, competitiveness and

growth are relatively easier to organize. The key questions are: What value should be presented externally? And what value enhances core competitiveness? Based on the principle that ESG disclosure is principle-based, companies must decide for themselves what to prioritize, what to choose, and what to communicate. If these judgments are left to external standards, companies risk losing ownership of disclosure, and ESG management itself may become superficial.

■ **Sugai** | Organizing past disclosures and results is important. However, what investors and society truly want to know is what value Sekisui House will create going forward, what impact it aims to generate, and how that value will reach stakeholders. Continuing to claim value creation without understanding the current position may itself be the greatest risk. Making value visible, or achieving value visibility, may be the starting point for confronting rather than avoiding the question of who defines value and how.

* [Analysis of Outcome Indicators in ESG Evaluation Based on the Value Model \(in Japanese\)](#)

Roundtable | Value-Creating ESG Management



Speaking About Value in Our Own Words

■ **Sugai** | Looking globally, many people involved in ESG disclosure are not happy themselves. Under pressure to meet regulatory requirements and evaluations, the very purpose of value creation becomes hard to see. By contrast, although Japan accounts for only about 1.5% of the world's population, nearly half of all companies operating for over 200 years, so-called heritage companies, are based here. This is not by chance. Historically, these Japanese companies have looked beyond short-term profit and ratings to consider value for society as a whole. By placing value creation at the center of

business, sustainability has followed. This is sustainability in its truest sense. What impressed me about Sekisui House's "Value Report – Our Impact" was that it did not start from the premise of evaluation. Instead, it clearly explained—using its own words—how the company seeks to create value. Value creation is not something to be shaped to fit evaluation criteria. The thinking itself was clear, embedded in management and business practice, which I found genuinely encouraging.

■ **Kokubu** | At Sekisui House, the fire-resistant house did not emerge from setting a perfect goal. It emerged from a willingness to try what was possible. By starting with what could be done with the resources at hand, value expanded step by step over time.



However, as business models become fixed and KPIs strengthened, that founding spirit can become harder to demonstrate. This is why business targeting and ESG value-creation targeting do not need to be identical. Business requires strategic focus. ESG value creation, however, should remain open to society. If Sekisui House can continue to design these two approaches, connect them in practice, and demonstrate them through action, it can become a model of ESG management that leads not only Japan but the world. This reflects a unique strength and opportunity for Japanese companies, especially Sekisui House.

■ **Sugai** | When value creation is the objective, evaluations and rankings will inevitably follow. When evaluation itself becomes the objective, value does not emerge. Ratings tend to highlight what is lacking, but companies do not exist to catalog their shortcomings. What matters is whether a company can articulate, in its own words and narratives, what value it seeks to create, for whom, and for what purpose. That clarity will be increasingly tested. Initiatives built on

ambiguous value with only polished language eventually reach their limits. This is why Sekisui House's long-standing commitment to starting from value creation remains meaningful. In that approach, I see real promise for the future.



After the Roundtable

Through Value Report, we have traced the Sekisui House Group's value-creation journey and the future it points to. This roundtable reminded us that some forms of value cannot be captured by numbers alone. By shining a light on people, intentions, and challenges behind that value, we will continue telling that story in our own words.

02 Enduring Value

Summary | Keeping our promise to the future

Creating beautiful, high-quality homes that endure.

Protecting the natural environment.

Contributing to the well-being of future generations.

At the heart of Quality First, Green First, and Kids First
is a long-term promise.

Each step we take is part of fulfilling that promise to the future.



Reflection | Our promise for the future

Focusing on the customers in front of us.

Listening to the small voices of daily life.

Thinking about nature

and the well-being of future generations.

Each action, no matter how small,
can create happiness that does not yet exist.

Even our promise to the distant future
begins with the work we do today.