

Technological development for a sustainable society

Sekisui House is using unique research systems and technological capabilities to support sustainable lifestyles

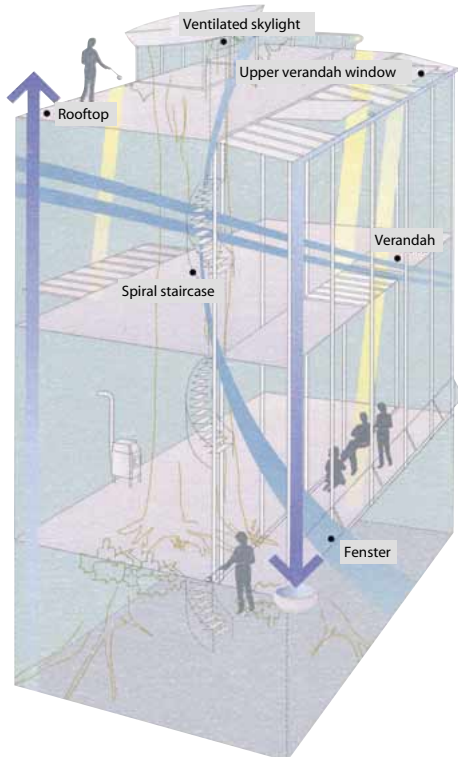
In order for housing to be passed down from generation to generation and lived in through the ages as good quality social stock, we are making use of the technological capabilities we have nurtured over many years, and continue to consider advanced lifestyles focused on the sustainable society of the future. Sekisui House is forging ahead with a number of initiatives on a simultaneous basis, either independently or via industrial/academic collaboration, covering themes such as living in symbiosis with nature, improving health-conscious living environments, and proposing new options for residents' lifestyles.

Numerous examples of advanced research conducted in collaboration with experts from various fields.

One example is our Sustainable Design Laboratory, where we conduct numerous field tests from the standpoint of global warming issues and the importance of sustainable design. In addition to announcing those results at academic meetings, we carry out joint research with researchers and experts from industry, government and academia, and undertake exchanges with opinion leaders as a basis for considering the housing and lifestyles of the future. Our activities have been highly appraised both in Japan and overseas.

Examining comfortable life styles from multiple angles

Effective research on comfort cannot be achieved by merely examining the numerical data; it requires the participation of people to experience and judge the practicalities of comfortable living. Since being established, the Sustainable Design Laboratory has accumulated results from countless field tests which have given expression to the unique characteristics of the research facilities. Through the implementation of such initiatives as a stay-over hospitality experience, which incorporates the use of biosensors, we are assessing and examining living comfort, sunlight on winter days, the comfort of pellet stoves and a host of other items.



Research and analysis of Children's Behavior

(In cooperation with Shibaura Institute of Technology)

Sekisui House, with the cooperation of the Shibaura Institute of Technology, between October and December of 2007 conducted research under the theme of assessing the comfort of adults and children living in symbiotic housing which makes full use of the natural environment. We surveyed the difference in assessments of comfort based on age, targeting parents and children living in the same household. As a result, we discovered that the brightness of natural light, ventilation from natural wind and the sense of airflow produced by convection within buildings impacted assessments of comfort, and that while adults attempt to create comfortable spaces by manipulating windows and light, children were more sensitive to the sense of things actually touching the skin, and tended to be influenced by the natural



warmth and smell of trees and the materials used in furniture. Through experiments such as these we will look to engage in the necessary technological developments for housing and lifestyles of the future.



Parents and children in behavioral surveys

Surveying the thermal environment

Experiments in floors designed to store heat using groundwater



Immediately following the start of the experiment

Ceiling panel cooling experiment



Uniform temperature distribution

Actions for sustainability



Sustainable Design Laboratory, Design Headquarters
Fumio Kimura Institute Head
Kazuaki Emi Manager

We have had in excess of 2,600 visitors and exchanged opinions with many researchers and local residents. We have gained a wealth of information, because we had people actually experience our experimental housing, with all their five senses. We would like to include these findings as we move ahead with the creation of sustainable housing.

Recycling oriented experimental facility, Sustainable Design Laboratory

The Sustainable Design Laboratory, which Sekisui House has established in Tokyo, is a facility to conduct research into lifestyles, and where people can learn about lifestyles which include the available nature in our cities, the wisdom of traditional lifestyles and the provisions made for living on a seasonal basis, as well as eco-friendly methods for living in harmony with the planet. Since commencing operations in 2006 as an open and participatory experimental facility considered unique in the housing industry, many individuals and organizations have both toured and used the facility, which is steadily producing results in field tests and other areas.



The pursuit of three topics that allow us to experience the four seasons, and exist in a symbiotic relationship with nature.

- ◆ Enjoying life in harmony with nature
- ◆ Making efficient use of energy
- ◆ Using eco-friendly materials

Sensory experiments

Environmental surveying of areas where people feel comfortable. Clarifying the conditions of comfort.



Assessing the comfort factor of the wind and measuring sound sleep using biosensors

(In cooperation with Nara Women's University)

Testing and assessing the ventilation obtained by opening various parts of the verandah during the daytime. Assessing bio-reactions and comfort factors via the use of biosensors at night.



Using the characteristics of the participatory, hands-on facility to send out a message both inside the company and beyond

Increases seen in visits from all quarters, with a total of 2,669

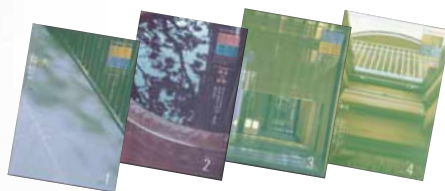
(As of January 2008)

visitors (some 1,547 from outside the company)

Many people have visited the Sustainable Design Laboratory since it commenced operations. Sekisui House has invited researchers and experts from various areas, along with local residents, and hosted seminars, forums and workshops for the active exchange of opinions.



Developing and publishing educational tools



Sekisui House periodically publishes *SD Lab Communication*, an information magazine about sustainable housing and living. A central theme is decided for each issue and special articles issued in line with this theme, along with reports on Sustainable Design Laboratory activities.

● Making bamboo chopsticks during winter vacation

Children from a neighborhood public elementary school attempted to make original bamboo chopsticks using waste bamboo. Almost all of the activities involved in making the chopsticks were a first for the children involved, including using a hatchet to split the bamboo, or the bladeless bamboo sword to remove knots, and they could be seen listening earnestly to explanations from their instructor from the Tokyo University of Art and Design, Mr. Otake.



Third-party comment

Sustainable housing and towns will be the standard of the future

We must make sustainable housing and towns the standard if we are to achieve a low carbon society to prevent global warming. It will probably be necessary for companies involved in building to supply, all their products in the format of sustainable building. It is my belief that a sustainable environment (sustainable housing and towns) is the proper nest for humans as animals of the planet. It is my desire to see Sekisui House provide housing that brings joy to us as human beings experiencing Japan's four seasons.



Sachiko Zenyoji

Architect and CEO of Organic Table Co., Ltd.

Ms. Zenyoji makes health, environmental and energy conservation oriented eco-housing proposals. She has been particularly active across a broad spectrum of topics in recent years as an eco-consultant, including making policy proposals to the Japanese government.

Sekisui House participates in the Chemi-less Town[®] project, which researches healthy lifestyles

*Five house makers participated in field tests for this project. "Chemi-less," "Chemi-less house" and "Chemi-less housing" are the registered trade marks of the NPO Next generation Health Science Center.



Sekisui House Chemi-less house[®]



Chemi-less town[®]

Air environment research at the Technology R&D Institute

Sekisui House also carries out inspections at the Technology R&D Institute in the Comprehensive Housing R&D Institute, including measuring the levels of chemical substances dispersed by our building materials, and resultant concentrations in the air. The results of these inspections have been used in our Chemi-less research.



Testing health improvement effects

Sekisui House participated in the Chemi-less Town project and conducted joint research with Chiba University in order to protect the health of future generations – the children. This project involved building a healthy lifestyle-oriented house in one corner of the Chiba University Center for Environment, Health and Field Sciences, Chiba, and having children at risk of sick house syndrome stay there for a period of time, aiming to improve their symptoms.

Achieving chemical concentrations 1/10 those of Ministry of Health, Labor and Welfare guidelines

Sekisui House designed the field test housing "Chemi-less House", targeting a reduction of chemical concentrations to 1/10 the guidelines laid down by the Ministry of Health, Labor, and Welfare. We are pleased to announce that we achieved those numerical targets. Moving forward we will aim for even further reductions in chemical materials using the results gained

through our research, and will medically test symptom-based improvement effects. We will also cooperate with nearby local governments, and have great expectations for urban development based on eco-universal design, making it possible for all people to live in a healthy manner, and not just families with allergies.

Using Universal Design in the pursuit of technology to increase occupant comfort



Sekisui House was an early adopter of Universal Design connected ideas, which is seeing increasing interest around the world, working to create housing that are easy to live in for an extended period for a variety of different people, regardless of age, body type or mental and/or physical functions. And based on our long-standing research and knowledge of how to produce easier life styles for the physically and mentally challenged and senior citizens, in 2002 we established a unique guideline, Universal Design in Housing, that we are using in our housing development.



Research and experiments on bathroom handrail supports

Sekisui House receives the first Kids Design Award presented for proposals from the standpoint of raising children and of children achieving growth independently.



The Sekisui House Kids Design is a proposal style for housing creation based on a standpoint which combines the existing idea of raising children from the parent's point of view, with the child's own life force and growth capabilities encapsulated in the idea of "kids growing up." This initiative has been in use since May 2006 with a prior deployment seen in the Saitama area, with the large-scale experience-based facility in the Kanto factory, and one concept model of the BECORD (steel-framed house) series. The company has taken its spatial designs and items and further developed them into a more systematic proposal tool, which has been deployed in all Sekisui House housing since September 2007.



A living space where the floor level has been purposely lowered.



Folding storage doors designed to prevent children from catching their fingers.

Sekisui House Cooperates and Contributes to the Construction of a Research Exchange Building. Joint Research with the Osaka University Sustainability Science Research Structure

The Sustainability Science Joint Institute of Research Structure (IR3S) has been launched, formed from a core of five universities including the University of Tokyo and Kyoto University, with the object of performing comprehensive research pertaining to sustainability. The Osaka University Sustainability Science Institute of Research Structure (RISS) has been launched as part of this initiative. Sekisui House is one of a number of private sector companies participating in this initiative, and constructed a research exchange building known as the Sustainability Design On-site Research Center (attached to the Osaka University Graduate School of Engineering Research) in Hyogo Prefecture for presentation to the university.



Osaka University Sustainability Design On-site Research Center (Image of completed facility)

Field Tests of Woody Biomass Gasification Power Generation System

Sekisui House is conducting field tests of a woody biomass gasification power generation system in cooperation with the New Energy and Industrial Technical Development Organization (NEDO) at our Azai factory in Shiga Prefecture. This is a facility to extract combustible gasses from wood and supply heat and electrical power, and is the focus of attention as a globally pioneering effort. This system makes efficient use of waste wood generated during the wood milling process, and uses the energy generated in production at the same factory.



Sawdust from timber processing and the resulting fuel bricks.



The woody biomass gasification power generation plant

● Annex Laboratory: Research model housing based on eco-friendly and health-oriented specifications

Sekisui House Annex Lab is a model housing research center we established within Comprehensive Housing R&D Institute, in Kyoto. It was constructed using advanced technology, with a focus on the future housing environment, and at this venue we conduct experiments into the latest eco-friendly and health-oriented technologies. Examples of research topics include the use of natural materials and healthy materials for indoor environments, the use of paint containing charcoal powder, the chemical absorption efficiency of various substances, and a range of other projects.



● Developing industrial and academic collaboration projects with students, focused on next-generation housing

Sekisui House has launched a product planning project to consider spatial design, targeting university students studying design. This project canvasses for novel housing creation initiatives and spatial creation proposals while hosting workshops and carrying out student guidance. We also consider the possibility of commercializing superior creations. We have carried out three collaborative efforts with Osaka University of the Arts, and will expand these efforts to other universities in the Kansai area from FY2008.



"Healing light" the Grand Prix Winner in 2007

● Workshop with the Massachusetts Institute of Technology

Sekisui House and the Massachusetts Institute of Technology jointly hosted a workshop focused on community design toward the year 2030. Through reviews of related anecdotal surveys and case studies both in Japan and overseas, we were able to accumulate new insights and expert technological knowledge, which we will apply in our housing and urban development efforts.



Sustainability-based procurement guidelines

We have established Sekisui House guidelines aimed at achieving sustainable wood procurement, and in collaboration with our trading partners are pursuing FairWood purchasing.

Illegal logging destroys the local infrastructure of people who have traditionally used forest resources. As a result of this kind of activity, we are faced with serious, ongoing destruction of eco-systems. In order to prevent the harvesting and procurement of environmentally unfriendly timber, Sekisui House has established an independent guideline for the procurement of socially just FairWood®, and together with our suppliers we are pursuing guideline-based wood procurement.

Ten principles aimed at achieving diverse, sustainable wood supply

Achieving proper wood procurement practices requires consideration of a variety of issues, including potential loss of natural eco-systems due to illegal logging and the decline of the domestic forestry business. Sekisui House has established ten principles that encompass not only the legality of timber supplies, but also the eco-system and impact on the lives of local communities. Under these principles we can assess wood procurement on a multi-lateral basis, while also dealing flexibly with changes in supply.

● Wood Procurement Guidelines: Ten principles

Sekisui House evaluates and awards ranking points to guide the procurement of wood products, with the aim of identifying and prioritizing:

1. Wood products that are sourced from areas where there is low risk of illegal logging.
2. Wood products that are sourced from areas that do not form part of ecosystems recognized as having outstanding value.
3. Wood products that are not sourced from ecosystems that are severely damaged or areas where large-scale logging of natural forests has occurred.
4. Wood products that are not sourced from endangered species.
5. Wood products that are sourced from areas close to where they will be used.
6. Wood products that are not sourced from areas subject to conflict or hostility with regard to wood production.
7. Wood products that are not sourced from areas where the amount of logging does not exceed the recovery rate of the forest.
8. Wood products that are sourced from domestic forests in Japan.
9. Wood products that are sourced from plantation forests that are managed according to methods that encourage the preservation and generation of a natural ecosystem.
10. Wood products that are made from previously used wood.

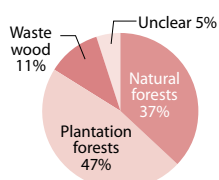
Guidelines created in cooperation with environmental NGOs

In order to bring objectivity to our company guideline, we sought input from FoE Japan, the international environmental NGO. Using survey data from a variety of environmental organizations as our criteria, we were able to establish a fair guideline with the cooperation of external third parties. As we continue with our program, we intend to retain this objectivity by maintaining ties with environmental NGOs.

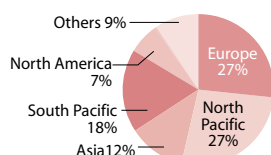
● Data from a total of 387,997 m³ of wood

(February 2006 – January 2007)

■ Procurement composition on a production basis



■ Logging area composition



NB: North Pacific: Russia Asia: Includes domestic timber
South Pacific: Indonesia, Malaysia, Papua New Guinea, etc.

Improving procurement standards through dialogue with suppliers

Based on these assessments, and in order to improve procurement standards, Sekisui House is engaged in efforts to change the types of trees and purchasing routes. We convey guideline criteria to suppliers, and suppliers consider and make proposals that include the quality and cost of wood procurement that can clear our conditions. In 2007 we reviewed our floor materials, as a result of which in 2008 we are making changes to the types of wood we purchase.



Sustainability in action

To ensure the highest possible quality of our housing, we assess housing materials based on a range of factors, including local conditions and how a home will be used. Meeting our performance targets while using FairWood Procurement is a challenge, but we view this as a priority issue and are actively engaged in day-to-day developments.

Masayoshi Ishii

General Manager
Exterior & Interior System Development Department

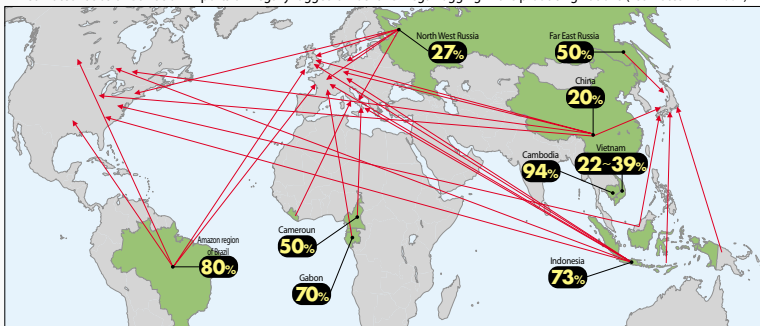


Using FairWood Procurement to achieve sustainable timber harvesting in the fight against illegal logging and other forestry problems

Illegal logging destroys precious eco-systems and impacts the lives of people who depend on forest resources. Along with global warming, this is a priority environmental issue. Data suggests that approximately 20% of the timber imported into Japan is illegally logged, and given the large amount of timber imported this means that Japan's efforts are particularly important. As a company that uses a significant quality of resources to provide society with housing, we are moving ahead with sustainable wood procurement.

* FairWood refers to eco-friendly, socially just timber, as proposed by the Global Environment Forum and the international environmental organization FoE Japan.

▼ Estimated ratios of G8 nation imports of illegally logged timber and illegal logging in the producing nations (Estimates from 2004)



Source: "Scale of illegal logging around the world: currently available estimates," WWF European Forest Programme, April 2004

"G8 imports of illegal timber during 2004," Global Timber, 2004

Prepared by Sekisui House based on the aforementioned sources

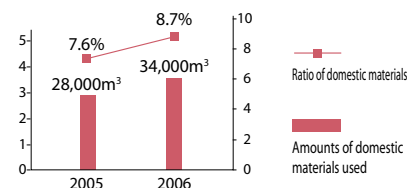


FoE Japan conducting site survey

Promoting the use of domestic resources

The Japanese self-sufficiency ratio in wood has declined to approximately 20%. If we do not revive the cycle of forestry → tree thinning → final cutting, Japan will be left with only poor quality tree stock. Sekisui homes use domestic materials in the interlining portion of plywood, and we are actively considering further use of these materials.

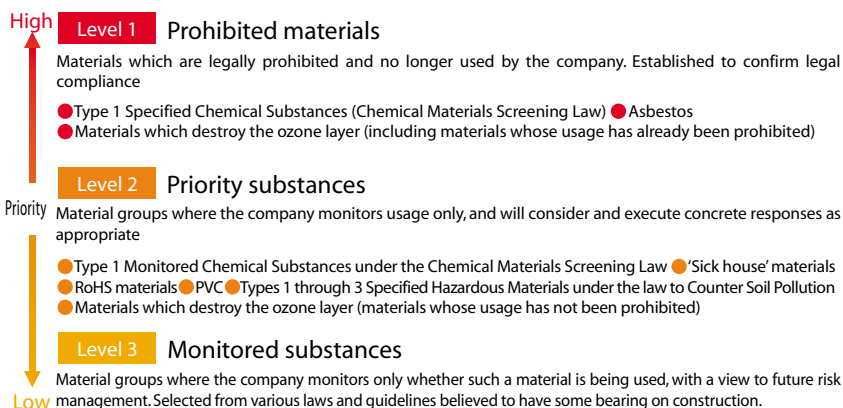
● Domestic material volume



● Guidelines for chemical substances

Sekisui House is implementing a variety of measures relating to chemical materials, including introducing exterior wall paint that does not use toluene or xylene, and shifting to non-chromium plating of screws and other fittings. In order to disseminate efforts based on these guidelines, we are engaged with our suppliers in the establishment of proper management systems, including investigating management formats for chemical material contents reports, and development flow auditing systems.

● Chemical substances guideline categories



Third-party comment

Sekisui House should steadily expand its FairWood purchasing

I imagine there were a number of challenges relating to product development and procurement in the first year of FairWood purchasing, but it is wonderful to have witnessed Sekisui House change its flooring materials, for which there is a high risk of illegal logging, and retroactively confirm the legality of its supply chain. FairWood purchasing practices are beginning to permeate down to suppliers, demonstrating once again the influence of Sekisui House as a major housing maker. By steadily continuing and promoting these activities, I would expect to see a positive influence exerted on the forests of the producing nations.



Kenichi Nakazawa

Director and Forest Program Manager
International Environmental NGO FoE Japan

FoE uses its global network to actively engage in the issues of climate change, forest destruction and aid for developing nations.



Alliances with partnering construction companies

Creating higher levels of customer satisfaction through the power of our Group, with every employee united in a common purpose

We build quality into our homes through the vision and concerted efforts of everyone connected with the building process. Every member of our nationwide Sekisui Housing Association shares the Sekisui House philosophy of pursuing customer satisfaction, passing on skills, fostering personnel, and engaging in a wide range of activities to achieve this. Now we are setting our sights even higher, strengthening our relationship with the Sekisui Housing Association as we pass the baton to the next generation.

Tochigi Prefecture

A visit to Hayakawa Building Contractors Limited

Sustainability
interview

Our operations and actions are based on the idea of demonstrating exemplary behavior

Sekisui House has partnered with Hayakawa Building Contractors for 29 years, building a strong track record through a shared approach of continually asking, "What can we do to better serve our customers?" We met with company president Teruo Hayakawa, who is chairman of the Ryomo Sekisui Housing Association.

Quality is created through the accumulation of our actions as individuals—President Teruo Hayakawa

Sekisui House meets with partnering construction companies on a regular basis to share information and exchange opinions regarding important issues and the direction of our current efforts, as well as our cooperative framework, safety issues and quality issues. These meetings help give a unity of purpose to everyone involved in the construction process, and serve as a driving force in our efforts to increase customer satisfaction. One of our key projects is the development of young carpenters. To this end, veteran carpenters manage our sites and focus is placed on improving the ability of new builders to adapt to working on-site. To improve technique, carpenters are required to pass an internal screening test, the Senior Technician Test, which thus far all our building staff have passed. Our training also includes initiatives to improve the manners of our workers, as well as their building skills.

If a customer visits a site, workers are encouraged to temporarily suspend their work and greet customers in a friendly manner. We make sure our workers try to understand the customers' perspective and behave in an exemplary manner, whilst always being grateful to the customer. This is because we believe that the cumulative efforts of this approach will lead to an increase in quality. We have also started a point card system in which Sekisui House site managers provide workers with a green card on which they can accumulate reward points for increasing customer satisfaction or working in a way that takes environmental considerations into account. We feel that this system will help to improve the attitude of our workers. Accumulated points can be redeemed against new equipment and other items of practical value.

This approach is also in line with our desire to contribute to the local community.



Teruo Hayakawa

President, Hayakawa Building Contractors Limited
Chairman of Ryomo Sekisui Housing Association

Through a collaboration between Sekiwa Construction and Sekisui House customer service centers, we have started a program to help disabled persons and a widespread voluntary program to help clean up parks. We plan to continue our efforts to contribute to work and society together with Sekisui House.



On-site meetings ensure housing quality

Sustainability
in action



Not solely concerned with providing quality housing, we are also making efforts in collaboration with the Sekisui Housing Association to help contribute to the community. From the teamwork we have cultivated through our profession we hope to expand these efforts internally and externally.

Makoto Mitsui

Ryomo Branch Technical Manager

We aim to realize mutual benefits through our unity and powerful teamwork.

The Sekisui Housing Association is comprised of 48 Sekiwa Construction Companies and approximately 7,000 partnered construction companies joined together on a voluntary basis. The Sekisui Housing Association, in collaboration with Sekisui House, organizes activities throughout the country. So far we have increased the quality of our construction, implemented safety measures, worked toward zero emissions, worked toward the beautification of our sites, and assisted the development of our young employees. We will continue to make unified efforts in these areas. As we pursue our goal of increasing customer satisfaction, we aim to contribute to higher regional confidence while undertaking mutually beneficial activities.

● Aims of Sekisui House and the Sekisui Housing Association



I work as an instructor for the young employees at our study groups. Sometimes customers commend certain contracting companies or carpenters, and it gives me great satisfaction when customers recognize our good manners and not just our technical skills. We are certainly going to continue building on our efforts to date.



Akira Hoshino

Senior Managing Director, Hayakawa Building Contractors Limited

We feel that providing services beyond our customers' expectations is what makes us professionals, so in our work we strive to make our customers say, "I'm so glad we chose Sekisui House." My aim is to contribute to building sites of such a high standard that customers can visit any time and be impressed.



Koichi Ito

Carpenter, Hayakawa Building Contractors Limited

Teaching specialist knowledge, construction skills and manners at three training colleges around the country.

Looking to a future where we can continue providing high quality housing, we have opened Education Training Centers in Ibaraki Prefecture, Shiga Prefecture and Yamaguchi Prefecture, which function as vocational training schools. This school accepts students from companies in our group and partnering companies, and not only teaches students basic foundation, framing, interior and exterior work skills, but also how to act appropriately as members of society. (Total number of current graduates from Training Schools: 1,698)



Training school activities include practicing building and safety skills both onsite and offsite.

Sekisui House receives the Incentive Award at the 2007 Nagasaki Union Leader's Health and Safety Awards

Our Nagasaki branch received a glowing commendation for efforts made to manage, simplify and record construction and safety processes, with the union noting that the branch's "efforts in health and safety education and safety policies are excellent and provide a good example for others."



Mr. Kawazu, Manager of Nagasaki branch receives the award (October '07)

● The unique Senior Technician Test, which supports quality improvements in housing construction. Total number of successful examinees: 11,710

This test promotes technical development and the desire to improve skills.

● Improving CS, quality and environmental issues management with My Idea 21

We have presented Environmental Awards since 2006 to recognize workplace innovations and improvements.

● Health and welfare support through Sekisui Housing Association

The Sekisui Housing Association, a voluntary organization comprising related companies and partnering construction companies nationwide, manages pension, health and other such programs so that our craftsmen can work with greater security and peace of mind.

Third-party comment

Bringing stability and sustainability to partnering companies and technicians

In the longer term a lack of skilled housing workers is an issue of concern, so this school is providing a valuable function by offering ongoing education, training and post-graduate career planning. It's no exaggeration to say that the teamwork and trust developed through the unity of the specialist Sekiwa Construction companies and the partnering construction companies leads directly to higher quality housing. From the perspective of quality management, we can expect higher technical and moral standards from the on-site technical managers.



Tetsukazu Akiyama

Professor at Toyo University
Engineering Department
Construction Faculty

Professor Akiyama's area of expertise is building production. Recently his research themes have included systems of training international and domestic building technicians, criteria for the treatment and recruitment of technical workers in specialist building operations, and productivity analysis based on entry/exit data analysis from detached house construction sites.



Adopting Human Resources Sustainability to create a fulfilling workplace

Enhancing training and policy with new initiatives to realize employee potential

A company and its employees can only continue to develop if the work environment enables individuals to express their capabilities and develop their potential. Recognizing this, in 2006 we adopted Human Resources Sustainability as our fundamental policy approach, under which we are actively supporting the participation of women in the workforce, fostering a new generation of employees, supporting career development, and pursuing a range of other initiatives.

Sustainability interview

Creating environments that facilitate the participation of women

Women's Sales Support Committee backs progress of female sales staff

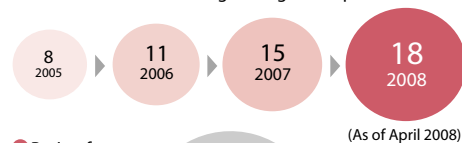
In 2004, only 15% of our offices had female sales employees. That number has now risen to 85%, and we are continuing to develop our work environments to support the performance and career development of female employees. Our aim is to help instill a career vision, so that female sales employees can develop on both the professional and personal levels.

Making the strength of women, the strength of the company

Sekisui House Women's Sales Representative Association

Through events such as the Women's Sales Representative Conference run nationwide and Women's Progress Meetings held by local sales offices, we are providing our female sales staff with an increasing number of opportunities to exchange information and ideas in a motivating environment, contributing to the development of working environments in which women can make best use of their capabilities.

Trends in women holding management positions



Ratio of men to women



Midori Ito

Group Leader
Diversity
Development Team



Sustainability in Action

My job is really fulfilling. My participation in the Women's Sales Representative Conference is highly motivating, and makes me want to develop the best possible customer service. I also hope to improve myself as a member of the promotions team in the Tokyo sales administration department.



Ayako Taniguchi
North Tokyo Branch

Self-directed career development courses proving popular

This Self-Directed Career Development course was created to help employees who have been with the company for seven years develop the professionalism required to prosper in these times of great change. More than 2,500 staff have already participated.



The content of the training I received two years ago was even better than I expected. My motivation increased and my interaction with the facilitator was a real highlight. There was so much I wanted to ask him. After the training I decided to switch from a technical role to a sales role, and every day has been very fulfilling. Getting enjoyment out of your job is up to you. For me, switching roles was a real turning point.

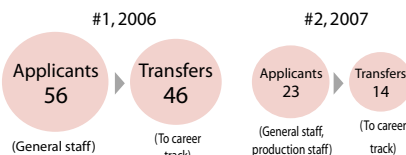


Toshiya Tajima
Machida Branch

Work category transfer system helps create a fair and dynamic workplace

Under this policy we enable employees from administrative or technical departments with Sekisui House to upgrade their skills by changing their work roles, through which we are able to provide challenges for ambitious employees in a fair working environment.

Work Category Transfer Results



Having studied product design and construction design at university, I wanted to undertake work that allowed me to see our customers' ideas take shape, so I applied under the Work Category Transfer System and transferred from general office work to the design field. My everyday routine changed and I have much more responsibility and a heavier workload, but the scope of my work has expanded and I find my job to be very satisfying. My four years of experience working in display homes has been very useful.



Maiko Iseki
Shiga Branch
Design Department

The key to being a good remodeling advisor is awareness of lifestyle needs

Because our company is pursuing the development of long-life housing, remodeling business is becoming very important. We actively hire women to provide regionally specific assistance and detailed assistance to ensure comfortable living. In order to make sure that women have time to take care of children and take care of the home after marriage, we have implemented a policy in which women are given the option of a four-day work week.

● Sekisui House Remodeling Co., Ltd. Shifting from contracting advisors to regular full-time employees

Of the 265 enrolled advisors, 127 are already working as regular employees. Of these, around 89% are female.

My previous role was in display homes. After that I used my qualification in interior coordination to work as a curtain planner. However, in 2006 I started working at Sekisui House Remodeling. One of the merits for me is that my work place is within my part of town, as this allows me to evaluate sites during my regular day. As I have three days off per week, I can learn new things and be with my family. At the same time, I'm on hand to help if homeowners temporarily can't use their kitchens during remodeling, or if other such matters arise.



Miyuki Inamura
Sekisui House Remodeling
Hiroshima Office

Recognized by Health, Labor and Welfare Ministry for child-care support program

In 2007, our company was recognized as “a company that makes active efforts to support child-care” based on the Law to Support the Development of the Next Generation. This recognition reflected the efforts we had made over the two years between April 2005 and March 2007 to develop and implement an action plan in support of this law.



Sekisui House initiatives contributing to the official recognition

- Establishment of the Diversity Development Team (August 2006)
- Revision of Rules for Child-Care Leave. (Including enabling child-care leave in excess of that prescribed by the law.) (April 2006)
- Creation and distribution of the Next Generation Development Support Guidebook (April 2006)
- Retiree Reinstatement Registration Policy (April 2006)
- Implementation of accumulated annual leave policy (Up to 100 days) (April 2006)



Building the Sekisui House fan base with housing seminars planned by general staff.

Our housing seminars were begun to enable the involvement of general staff who have relatively few opportunities to meet with customers. The seminars give customers the chance to have fun while satisfying their interest in home building. The creation of curriculums, instructor selection, post-event information and related gatherings are organized primarily around our general staff, which gives them the means of continuing to interact with customers and contribute to building the Sekisui House fan base.



Customers praise the fact that display homes and kitchen show rooms visits are part of the curriculum. In the future we hope to continue creating new projects and works to make our customer's desires come to life.



Hiromi Togawa
Kurume Branch
General staff

Winning a gold medal at the 7th International Abilympics.

At the 7th International Abilympics held in Shizuoka in November, one of our staff won a gold medal in the flower-arranging category. This was the first time in 12 years that a Japanese participant had won a gold medal.



My appointment as manager of the roof garden of the Comprehensive Housing R&D Institute led to my interest in flower arranging. Looking ahead, I'd like to incorporate plants and shrubs in order to make more comfortable living based on the *Gohon no ki* gardening concept. I'd also like to pursue self-development through housing tutorials and seminars for employees.



Yayoi Ugatani
Heart-ful Living R&D Institute

Third-party comment

Looking forward to further initiatives to promote the success of women in the workplace

The expansion of the areas in which females employees can work, the recruitment of female employees in managerial positions, improvements in support for career maintenance, and organized efforts to aid female career paths are all encouraging developments. We look forward to the results of participation in our Women's Career Progress Support Forum (which has women's success at work as its theme), training programs and the development of a network between female employees from different companies. We have also seen housewives rejoining the workforce to become remodeling advisors and opening up a path to becoming regular employees. This is a good example of the varied ways in which proactive measures can work, and I have high expectations for Sekisui House to pursue further developments in this respect.



Aya Murakami
Senior Director of the Japan
Institute of Workers'
Evolution (JIWE)

Using her experience working in Labor administration at the former Ministry of Labor, and experience working at the cabinet office of the Ministry of Health and Welfare, Aya Murakami is now Senior Director of the Women's Career Progress Support Forum, putting her efforts into helping women to be successful at work and also helping women to maintain a good work/life balance.

Social contribution and communications

As a company and as individuals, we are engaging closely with communities and regions

How deeply can we relate to people's lifestyles? At Sekisui House we are closely connected to local communities and society through our core business. In a broad range of areas, including the environment, welfare, nurturing the next generation and improving housing culture, the company also promotes the creation of structures that allow every employee to engage in voluntary initiatives. We are continuing to build strong community ties through our regionally based social contribution activities.

Planting and preserving 5,300 trees at the Sekisui House Forest in Wakayama

Sekisui House makes use of the "Company Forest"* system operated by Wakayama Prefecture to engage in forest conservation activities. The company leases approximately 2.6 hectares of forest land, which we have named the Sekisui House Forest, in Tanabe City, close to the Kumano-Kodo World Heritage Site. We participate in activities in this area in a voluntary capacity, and in April 2007 approximately 85 Sekisui House employees helped plant approximately 430 hardwood trees of the type selected in the *Gohon no ki* gardening concept, increasing the total number of trees planted by the company to 5,300. In September, around 100 employees



Tree planting
(April 2007)



Clearing undergrowth
(September 2007)

participated in cutting away the undergrowth, and we plan to continue with these kinds of conservation activities as occasions arise.

* A system designed to preserve forests, by having companies borrow land from forestry owners and engage in tree planting and undergrowth clearing in order to protect forests that have been allowed to fall into poor condition.

Experiencing rice planting and harvesting in the city. Contributing to education at the Shin-Satoyama

The Shin-Satoyama, an area of approximately 8,000 square meters created in the grounds of the Umeda Sky Building that houses our head office in Osaka, features a wooded area, bamboo forest and rice terraces, along with vegetable and tea gardens visited by wild birds and insects. It has become well known as a place for healing and repose in the inner city. The Shin Umeda City Satoyama Club, a volunteer organization for office workers, hosts activities such as rice planting and harvesting, vegetable farming and nature observation sessions. The group also conducts food education classes targeting nearby elementary school students, and hands-on teaching experiences, including having kindergarten children and their guardians grow sweet potatoes.



Kindergarten children growing sweet potatoes



Fifth year Oyodo elementary school students planting rice.



Essays submitted by elementary students who participated in growing rice from a single seed.

Sekisui House social contribution activities throughout Japan

● Local cleanup activities

At the Sekisui House Shizuoka factory our employees, their families and members of partnering companies gather together every year on the anniversary of the founding of Sekisui House to engage in a cleanup of local public facilities and the surrounding areas. This activity has been run annually for five consecutive years since 2003, and in 2007 a total of 701 people participated. Some 530 kilograms of rubbish was collected, and 275 people also participated in a beach cleanup organized by Kakegawa City.



Awarded the Third President's Special Prize for Social Contribution Activities (In-house citation)



Sekisui House awarded 5th Partnership Prize for adoption of handmade novelty goods produced by the disabled

Sekisui House, together with Nara-based NPO Together, jointly planned and have been executing a venture under which people with disabilities produce handmade novelty goods. This operation was awarded the Partnership Prize at the 5th Partnership Grand Prix, jointly sponsored by the NPO Partnership Support Center and the Nippon Foundation. This award was made in recognition of the active adoption of these products at the company's business offices throughout Japan.



Product example. Sekisui House has made use of a total of 49,250 eco-bags.

The 11th Eco-communication Grand Prix: Sekisui House is awarded the Outstanding Performance Award in the TV Eco-CM Division

A version of the Gohon no ki gardening concept TV commercial, which featured stag beetles, was highly commended by the Ministry of the Environment and the Global Environmental Forum, with commentators saying that the company's concept of planting trees in residential gardens would exert a positive influence on both people's health and the environment.



Supporting community organizations with an employee donation-matching program

In 2006, we began our Sekisui House Matching Program, under which we match employee donations to organizations that are promoting the establishment of a sustainable society. The 1,743 members of this program elect to have a certain amount of funds withheld from their salaries, in units of ¥ 100, for donation to various organizations, and Sekisui House matches these donations by the same amount. An administrative board assesses which groups and organizations are eligible for support, based on factors such as the continuity of the activities, their public good, and their economic viability. In FY2007 a total of ¥4.97 million was contributed to eight organizations.

A grant recipient in FY2007
NPO Center for Assault Prevention (CAP) Japan

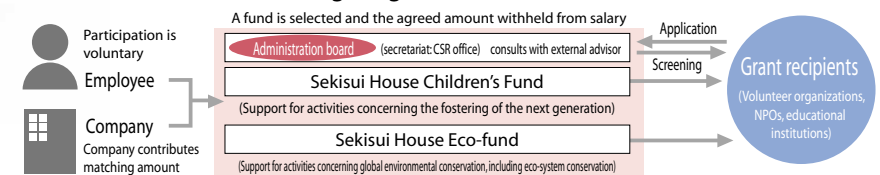


Members of the CAP Center Japan

We originally promoted activities designed to prevent violence towards children mainly at schools, but believed it was important to increase the number of adults who would support children, and as a result have in recent years also hosted local CAP workshops for adults. This was our first experience of benefiting from a corporate donation-matching program, and we are grateful for the opportunity of having more people get to know our organization.

Kyoko Sakuno CAP Center Japan

The Sekisui House Matching Program



Groups receiving grants in FY2007

- NPO CAP Center Japan (Hyogo Pref.)
- NPO Florence (Tokyo)
- Certified NPO World Vision Japan (Tokyo)
- Certified NPO Medecins Sans Frontieres (Tokyo)
- NPO Akame-Satoyama (Mie Pref.)
- NPO Sea Turtle Association of Japan (Osaka)
- NPO Osaka Midori and Tree Consultants Association (Osaka)
- Certified NPO Green Eco-network (Osaka)

Promoting interaction with our stakeholders

Sekisui House hosts informal meetings with CSR experts, and study tours at research facilities including the Sustainable Design Laboratory and Nattoku kobo (Home Amenities Experience Studio). The company calls on opinions from a broad spectrum of sources and applies them in forward-looking company activities.



Supporting events at the Disabled Persons Week



Sekisui House participated in an event, titled "Aiming for a symbiotic society - deepening connections between the physically disabled, society and regions", during the Disabled Persons Week. This event was hosted jointly by Sekisui House and the Cabinet Office, along with economic and NPO organizations in the Kansai area. Sekisui House presented exhibit booths for Universal Design and products made by people with disabilities.

Contributing publications to libraries and elementary schools



Sekisui House was fully involved in planning and editing during production of "The Secret of Housing," the 28th volume in the popular Manga de Yoku Wakaru (Learning through Comic Books) Series published by Gakken Co., Ltd. The company contributed the publication to elementary schools and libraries throughout Japan as teaching material for elementary school pupils.

Third-party comment

Sekisui House should take a leadership role in social contribution activities

The social contribution activities promoted by Sekisui House are easy for stakeholders and employees to associate with. These activities include the Sekisui House Forest, which relates deeply to the company's core business, the Donation Matching Program, which promoted employee participation from the planning stage, and the Shin-Satoyama, which makes use of the grounds that house the company headquarters. Sekisui House is seen as a leader in social contribution activities, and I am watching the company's initiatives closely. This includes playing a role on the secretariat, alongside NPOs, at events hosted as part of the Disabled Persons Week, which was organized with a planning committee comprised of economic organizations, numerous companies and NPOs. More and more consumers are actively selecting companies that take a forward-looking stance to improving CSR. My sincere hope is that Sekisui House will integrate CSR into its core business activities on an ongoing basis, rather than considering CSR as a fad that will soon pass.



Noboru Hayase

Standing Director and Director General of the Secretariat, Osaka Volunteer Association

Mr. Hayase vigorously promotes volunteer and civil activities and partnerships with companies and NPOs. He is active in a broad range of areas, including serving on committees such as the Cabinet Office Consumer Commission and working with universities.