

Contents

Editorial Policy..... 3
 Sekisui House Group Outline..... 4
 A Decade of Financial and Non-financial Highlights..... 5

I. ESG Initiatives / Vision & Policy 6



Message from Management 7



Yoshihiko Nakai
 Representative Director, President & Executive Officer, CEO 7
 Yosuke Horiuchi
 Representative Director, Vice Chairman & Executive Officer
 Finance & ESG Division, TKC Project..... 9
 Group Overview..... 11
 NEXT SEKISUI HOUSE 30-year Vision 13
 Risks and Opportunities for 2050 14
 Material Issues 16
 Sustainability Vision 2050 18
 ESG Management Promotion Structure..... 19
 Stakeholder Engagement 20
 Major Initiatives & Participating Organizations..... 22
 FY2020 Accolades and Achievements 23
 Responding to the COVID-19 Pandemic 25

II. Environmental **E** 26



Addressing Material Issue ①
Leading the Way to a Decarbonized Society..... 27
 Contributing to the Emergence of a Decarbonized Society 28
 Biodiversity Conservation 36
 Resource Recycling (Circular Economy)..... 42
 Environmental Management 46
 Eco-First Promise..... 50

III. Social **S** 51



Addressing Material Issue ②
Pursuing the Potential of the Home..... 52
 Deeply Cultivating and Expanding Basic Technologies 53
 Improving Construction Quality and
 Boosting Construction Capabilities..... 65
 Maintaining and Increasing Housing Asset Value..... 68
Addressing Material Issue ③
Coexisting with Local Communities..... 72
 Harmony with Local Communities through Business 73
 Harmony with Local Communities through Social Activities..... 76
 Protecting Life and Property from Natural Disasters 80
Addressing Material Issue ④
Bringing Together Diverse Capabilities 81
 Understanding and Implementing ESG 82

Developing Human Resources 84
 Diversity and Inclusion..... 87
 Workstyles, Motivation and Smart Work 90
 “Happiness” Health Management 93
 Respecting Human Rights 95
 Occupational Health and Safety 97

IV. Governance **G** 99



Addressing Material Issue ⑤
Embodying Integrity 100
 Strengthening Our Corporate Governance System 101
 Promoting Compliance 106
 Risk Management..... 109

V. ESG Initiatives / Overseas Business 112

Activity Reports..... 113

VI. ESG Data 119

Environmental Data 120
 Social Data..... 135
 Governance Data 138
 GRI Content Index 140
 Independent Third-Party Assurance Report..... 148

Editorial Policy
 Sekisui House Group Outline
 A Decade of Financial and Non-financial Highlights

I. ESG Initiatives Vision & Policy

Message from Management
 Group Overview
 (Our corporate philosophy and history of value creation)
 NEXT SEKISUI HOUSE 30-year Vision
 Risks and Opportunities for 2050
 Material Issues
 Sustainability Vision 2050
 ESG Management Promotion Structure
 Stakeholder Engagement
 Major Initiatives & Participating
 Organizations
 FY2020 Accolades and Achievements
 Responding to the COVID-19 Pandemic

Editorial Policy

Editorial Policy

..... Sustainability Report 2021: Key Editorial Concepts

This report is intended as an engagement tool for informing our various stakeholders. We hope our readers find it useful for learning about our efforts to promote the emergence of a society committed to sustainability through environmental, social, and corporate governance (ESG) initiatives.

The purpose of ESG management is to identify and address material issues. The first half of this report reveals our approach to these issues, while the second half presents our ESG Data, which serves as a medium of ESG information disclosure.

In an effort to enhance our digital presence and contribute to the environment, we are publishing this report first as an online digital document. We are re-examining the need for a printed edition and are placing more importance on online disclosure.

The following publications were used as references for identifying and compiling the information presented in this report.

- Environmental report: The Environmental Reporting Guidelines 2018 published by the Ministry of the Environment
- CSR report: Guidance on Social Responsibility ISO 26000




Moreover, this report complies with the GRI Core Standards by including general disclosures (those whose publication is required to ensure compliance with the Core Standards) as well as the material disclosures required under the standards.

[Content of Report and Applicable Scope]

In principle, this report encompasses Sekisui House, Ltd. and its 280 consolidated subsidiaries. Any instances of departure from this scope are indicated as such in the text.

- Period covered: FY2020 (February 1, 2020 to January 31, 2021)
Note: Some activities undertaken in FY2021 are covered in this report.
- Date of publication: Published annually as an annual report; for 2021, the English-language and Japanese-language editions were published in June.

Summary of Information Communicated

	Financial information	Non-financial information
Dialogue	<ul style="list-style-type: none"> • Release of financial results • Management plan briefing • Meetings with analysts and institutional investors • General meeting of shareholders 	<ul style="list-style-type: none"> • ESG management briefing • Stakeholder meeting
Reports	<ul style="list-style-type: none"> • Securities Report • Business Report  <ul style="list-style-type: none"> • Integrated Report A report that integrates important financial and non-financial information; it also incorporates TCFD Report section. 	 <ul style="list-style-type: none"> • Sustainability Report • Corporate Governance Report
WEB	 <p>Information for Shareholders & Investors</p>	 <p>Sustainability and ESG Information</p>

Third-Party Assurance

To enhance the credibility of the information in this report related to our environmental and social performance indicators, we received third-party sustainability report assurance from KPMG AZSA Sustainability Co., Ltd. that this information complies with ISAE 3000 and ISAE 3410, the International Standards on Assurance Engagements issued by the International Auditing and Assurance Standards Board, as well as with the Sustainability Information Examination Practice Guidelines issued by the Japanese Association for Assurance Organizations for Sustainability Information.

Editorial Policy

Sekisui House Group Outline

A Decade of Financial and Non-financial Highlights

I. ESG Initiatives Vision & Policy

Message from Management

Group Overview
(Our corporate philosophy and history of value creation)

NEXT SEKISUI HOUSE 30-year Vision

Risks and Opportunities for 2050

Material Issues

Sustainability Vision 2050

ESG Management Promotion Structure

Stakeholder Engagement

Major Initiatives & Participating Organizations

FY2020 Accolades and Achievements

Responding to the COVID-19 Pandemic

Sekisui House Group Outline

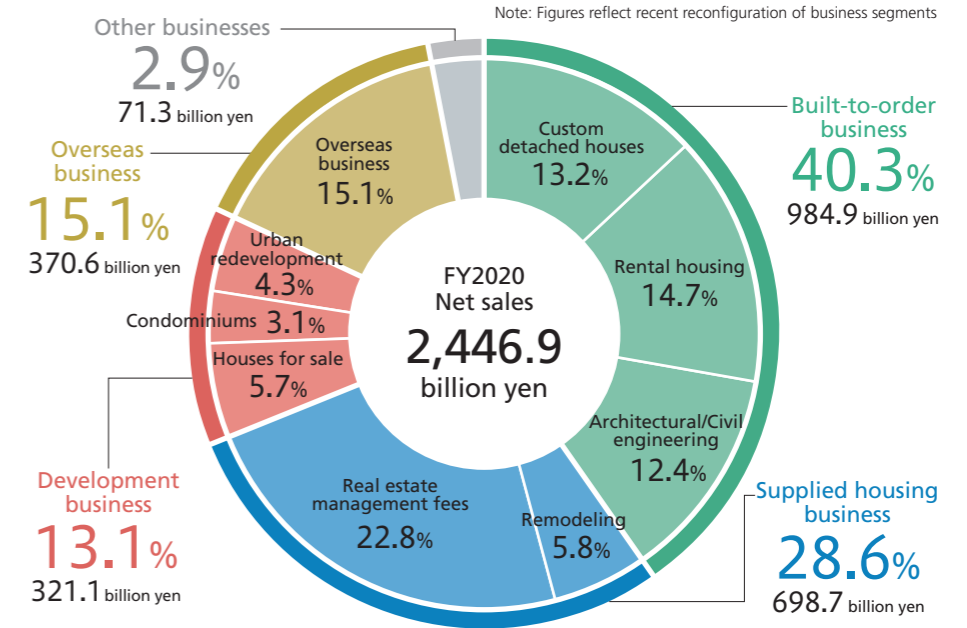
Corporate Profile

Sekisui House makes possible the lifestyles that our customers desire in safe, secure, and comfortable homes built with design freedom and advanced technology. In addition to offering innovative R&D, novel designs, quality construction, maintenance services, and opportunities for remodeling, the members of the Sekisui House Group provide customer support with products and services of consistently high quality. With the technology and expertise we have gained from our years of experience in the industry, we provide enhanced living environments in the form of rental housing and condominiums while also engaging in town planning, urban development, and international business projects.

(As of January 31, 2021)

Corporation Name	Sekisui House, Ltd.
Head Office	1-1-88 Oyodonaka, Kita-ku, Osaka 531-0076, Japan
Date of Establishment	August 1, 1960
Capital Stock	¥202,591.20 million
Number of Employees	15,071 (28,362 on a consolidated basis, comprising 27,310 in Japan and 1,052 outside Japan) Authorized 1st Class Architects: 3,283 (consolidated)
Factories	Tohoku (Miyagi), Kanto (Ibaraki), Shizuoka, Hyogo and Yamaguchi factories
Laboratories	Comprehensive Housing R&D Institute and Human Life R&D Institute
Offices	Branches & Sales Offices: 119 (117 as of February 1, 2021) Customer Service Centers: 30 Display House Locations: 333
Group Companies	280 consolidated subsidiaries (54 in Japan, 226 outside Japan) Sekisui House Real Estate Group: 6 companies Sekisui House Remodeling, Ltd. Sekiwa Construction: 17 companies (15 as of February 1, 2021) Sekisui House noie Limited Konoike Construction Co., Ltd., and others. 33 companies accounted for by the equity method (10 in Japan and 23 outside Japan)

FY2020 Sales by Segment (consolidated)



Built-to-order business

Custom detached houses
Contracted design and construction of custom detached houses

Rental housing
Contracted design and construction of rental housing, commercial buildings, and others

Architectural/Civil engineering
Contracted design and construction of building projects and civil engineering projects such as rental housing and commercial buildings of reinforced concrete

Supplied housing business

Remodeling
Housing extension and renovation

Real estate management fees
Real estate subleasing, management, operation and brokerage, and others

Development business

Houses for sale
Sale of housing and residential land; contracting of design and construction of houses to be located on the land

Condominiums
Condominium sales

Urban redevelopment
Development of office buildings, commercial facilities, and others; management and operation of real estate holdings

Overseas business

Overseas business
Contracting of custom detached houses; sale of ready-built detached houses and residential land; and development and sale of condominiums, commercial facilities, etc. in overseas markets

Business regions:
United States, Australia, United Kingdom, Singapore and China

Other businesses
Exterior business, etc.

Editorial Policy

Sekisui House Group Outline

A Decade of Financial and Non-financial Highlights

I. ESG Initiatives Vision & Policy

Message from Management

Group Overview
(Our corporate philosophy and history of value creation)

NEXT SEKISUI HOUSE 30-year Vision

Risks and Opportunities for 2050

Material Issues

Sustainability Vision 2050

ESG Management Promotion Structure

Stakeholder Engagement

Major Initiatives & Participating Organizations

FY2020 Accolades and Achievements

Responding to the COVID-19 Pandemic

A Decade of Financial and Non-financial Highlights

10-year Trend in Typical Financial and Non-financial Indicators

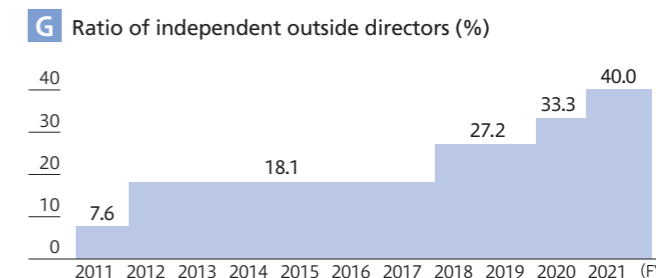
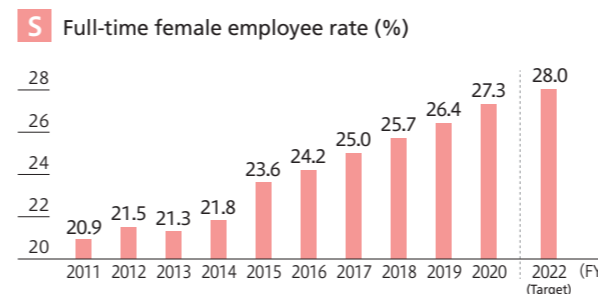
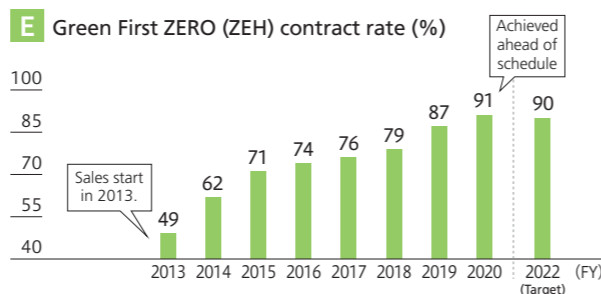
Contributing to business progress by improving representative ESG non-financial indicators

(millions of yen)

(FY)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net sales	1,530,577	1,613,816	1,805,102	1,912,721	1,858,879	2,026,931	2,159,363	2,160,316	2,415,186	2,446,904
Operating profit margin (%)	4.6	5.3	7.3	7.7	8.1	9.1	9.1	8.8	8.5	7.6

Sales by segment Note: A segment of "Architectural/Civil engineering" was added beginning in FY2020; the figures for 2019 have been reconfigured to include this segment as well.

Built-to-order business										
Custom detached houses	475,330	465,149	517,691	427,044	393,786	383,129	371,171	357,944	390,995	323,332
Rental housing	289,027	303,712	356,202	398,483	400,601	440,312	442,845	416,062	360,026	358,745
Architectural/Civil engineering	—	—	—	—	—	—	—	—	120,986	302,837
Subtotal	764,358	768,862	873,894	825,527	794,388	823,442	814,017	774,006	872,008	984,915
Supplied housing business										
Remodeling	102,180	111,548	125,046	134,166	134,458	133,498	136,843	141,416	152,729	141,090
Real estate management fees	378,247	393,978	408,403	428,227	448,751	469,132	489,891	514,035	534,876	557,632
Subtotal	480,427	505,527	533,450	562,393	583,210	602,631	626,735	655,452	687,606	698,722
Development business										
Houses for sale	127,123	127,810	133,405	118,730	137,484	142,014	155,481	148,880	151,268	139,151
Condominiums	39,681	52,538	63,083	56,699	81,470	66,125	77,497	89,581	103,984	77,091
Urban redevelopment	37,720	45,528	42,428	178,344	93,038	130,491	103,777	173,391	131,920	104,953
Subtotal	204,524	225,877	238,917	353,774	311,993	338,631	336,756	411,853	387,173	321,195
Overseas business										
Overseas business	24,264	54,844	85,392	79,835	89,522	182,127	306,716	245,953	389,866	370,686
Other businesses	57,002	58,704	73,447	91,190	79,764	80,099	75,137	73,050	78,531	71,384



- Editorial Policy
- Sekisui House Group Outline
- A Decade of Financial and Non-financial Highlights
- I. ESG Initiatives Vision & Policy
- Message from Management
- Group Overview (Our corporate philosophy and history of value creation)
- NEXT SEKISUI HOUSE 30-year Vision
- Risks and Opportunities for 2050
- Material Issues
- Sustainability Vision 2050
- ESG Management Promotion Structure
- Stakeholder Engagement
- Major Initiatives & Participating Organizations
- FY2020 Accolades and Achievements
- Responding to the COVID-19 Pandemic