

Sekisui House pursues sustainability at various points of contact with society when carrying out its corporate activities

Developing overseas business p. 27
Promoting eco-conscious housing and community development projects in overseas markets

Implementing the Wood Procurement Guidelines p. 55
Encouraging procurement of FairWood products in cooperation with suppliers

Comprehensive Housing R&D Institute p. 06

Large-scale Experience-based Facilities p. 05

Home Amenities Experience Studio p. 08

Commitment to stakeholders p. 65
Fostering relationships of trust with stakeholders in various sectors by promoting communications

Contributing to the wellbeing of society p. 71
Acting in cooperation with various sectors with a "love of humanity" as our guiding principle to continue working for the wellbeing of communities and addressing social challenges

Building a recycling-oriented society p. 57
Building a recycling-oriented industrial system with our own innovative resource recycling solutions

SUMUFUMULAB p. 33

Continuing group-wide efforts to achieve post-earthquake rehabilitation and reconstruction p. 09

Mobilizing manpower from all over Japan to accelerate the restoration and rehabilitation of the stricken areas

Coping with changes in the social structure to better meet emerging needs p. 61

Offering living environments where all people, including the elderly, children, and people with disabilities can live healthy and comfortable lives

Implementing the smart town project p. 23

Promoting creation of "smart common cities" with townscapes that grow more attractive over time, which encourage friendly neighborhood bonds

Preventing global warming p. 49

Contributing to a reduction of CO₂ emissions steadily and promptly by promoting our Green First design

The "Gohon no ki" landscaping concept p. 53

Preserving biodiversity p. 53

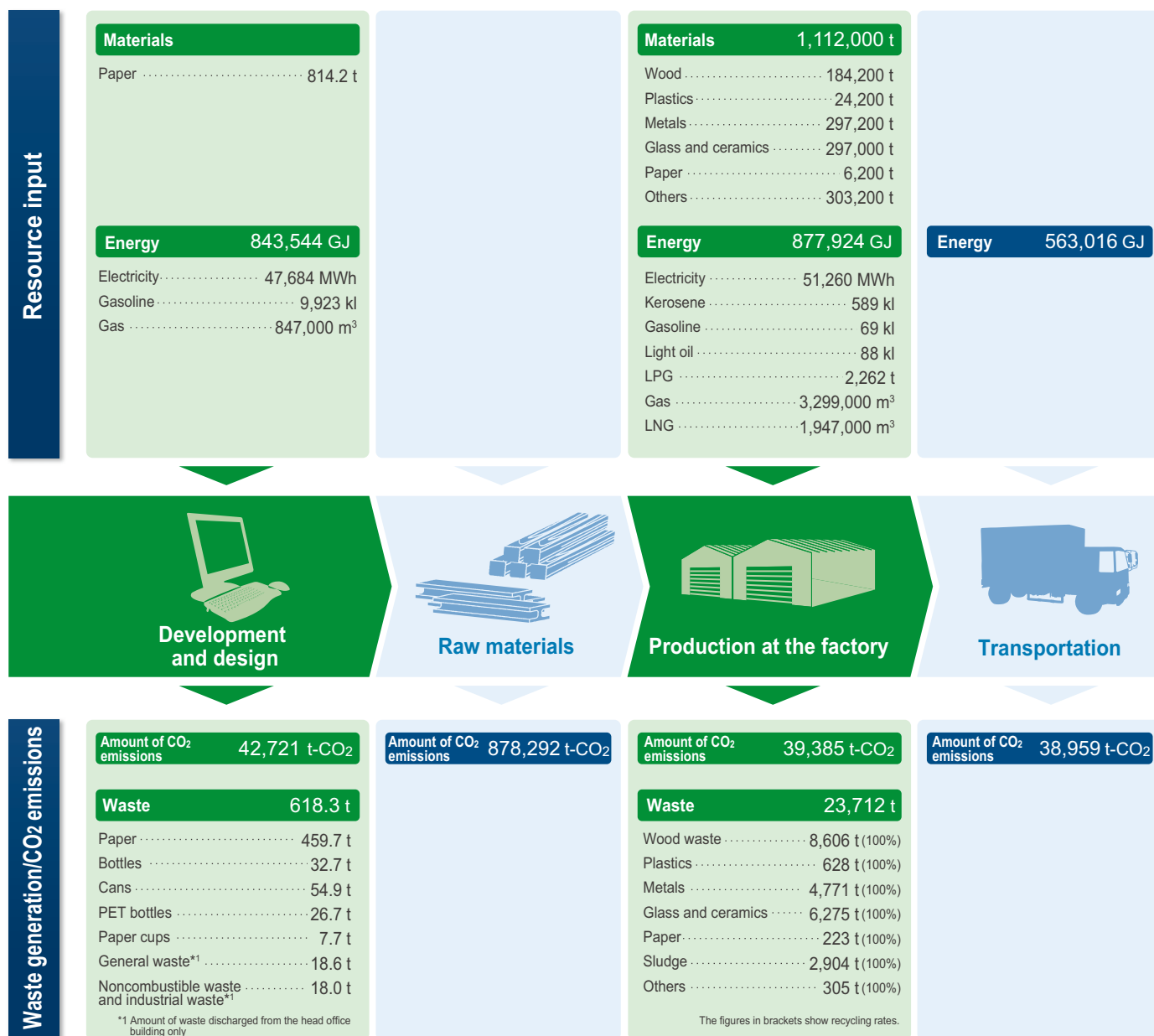
Planting 1,000,000 trees a year under our "Gohon no ki" landscaping concept to create gardens in a manner that preserves ecosystems and sustains the lives of wild creatures

Material Balance

Collecting accurate data on the environmental impact caused by our corporate activities

We are collecting accurate data on the environmental impact caused by our corporate activities at each stage of the lifecycle of our housing products from development and design to raw material procurement, production at the factory, transportation, construction, occupancy, and demolition and disposal, all in cooperation with our group companies and business partners.

Environmental impact caused by our corporate activities during fiscal year 2012

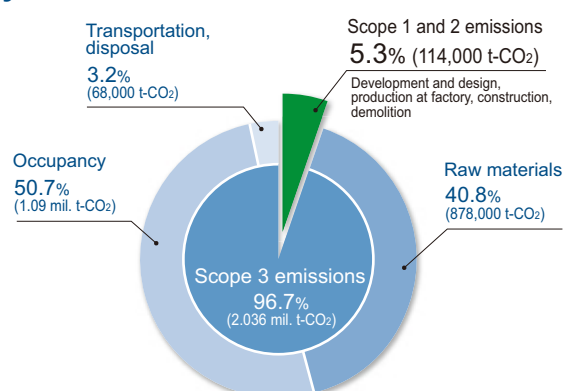


Amount of CO2 emissions by Scope (1-3) in fiscal year 2012

Starting from fiscal year 2012, we have disclosed our CO2 emissions by Scope (1-3) in line with the methodology of the Greenhouse Gas Protocol. To reduce Scope 3 emissions, we are promoting the sales of the eco-friendly "Green First" model that contributes to reducing residential CO2 emissions. It should be noted that we count only emissions attributable to detached houses as Scope 3 emissions, which are from materials and residential sources. Also, note that Scope 1 and 2 CO2 emissions from construction and demolition include emissions from construction and demolition undertaken by partner building contractors that are not members of the Sekisui House Group. These emissions should have been counted as Scope 3 emissions, but due to the difficulty of distinguishing between the work undertaken by our group companies and that of non-group companies, we include them in Scope 1 and 2 emissions for the sake of simplicity.

Scope 1: CO2 emissions resulting from the use of fuels by the Sekisui House Group
 Scope 2: CO2 emissions resulting from the use of electricity and heat purchased by the Sekisui House Group
 Scope 3: CO2 emissions resulting from the use of energy for mining, producing and transporting raw materials and disposing of waste by non-Sekisui House Group companies or customers, and from the use of energy while at home

*Greenhouse Gas Protocol "Corporate Value Chain (Scope 3) Accounting and Reporting Standard"
<http://www.ghgprotocol.org/standards/scope-3-standard>



We conducted an internal audit in fiscal year 2012 to check compliance with applicable laws and regulations at each division, and found no material breach of greenhouse gas-related laws and regulations. (There was no single case for which criminal punishment, administrative penalty, or administrative guidance was imposed.)



Notes on the data

○ Scope of coverage: We considered the data of Sekisui House, Ltd. on a non-consolidated basis and Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd., provided that in calculating the emissions from construction and demolition, we also considered the data of companies of our subsidiary, Sekiwa Construction and our partner building contractors, and that Scope 3 CO₂ emissions include those attributable to parties other than the Sekisui House Group companies.

○ Period covered: In principle, data during fiscal year 2012 (from February 2012 to January 2013) is considered, including some estimated figures due to unavailability of final data.

■ Development and design (including the data of sales and administration divisions and model homes)

Materials: paper purchased for use with OA equipment
Energy and CO₂: the amount of energy consumption and CO₂ emissions by our offices and model homes
Waste: the volume of waste generated by our offices and model homes

■ Raw materials

CO₂: the estimated amount of CO₂ emissions resulting from production of raw materials used for manufacturing detached houses

■ Production at the factory

Materials: the amount of raw materials used for manufacturing detached houses
Energy and CO₂: the amount of energy consumption and CO₂ emissions by the five Sekisui House factories and Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd.

Waste: the volume of waste generated by the five Sekisui House factories

■ Transportation

Energy and CO₂: the amount of energy consumption and CO₂ emissions by specified consigners under the Act on the Rational Use of Energy

■ Construction

Energy and CO₂: the estimated amount of energy consumption and CO₂ emissions resulting from construction

by Sekiwa Construction companies and partner building contractors

Waste: the volume of waste generated from new build construction, after-sales maintenance, and remodeling sites

■ Occupancy

CO₂: the estimated amount of CO₂ emissions during occupancy at detached houses built in FY 2012 (The estimation is calculated assuming an occupancy of 30 years.)

■ Demolition

Energy and CO₂: the estimated amount of energy consumption and CO₂ emissions resulting from the use of heavy machinery by Sekiwa Construction companies and partner building contractors for the purpose of demolition
Waste: the volume of waste generated from demolition by Sekiwa Construction companies and partner building contractors

■ Disposal

CO₂: the estimated amount of CO₂ emissions resulting from the disposal of waste generated from demolition by Sekiwa Construction companies and partner building contractors

Summary of the Results of Fiscal Year 2012 and

Social Targets and Actual Performance

Plan

	Major Focus	Fiscal Year 2012 Target
CSR Policy and Structure	CSR promotion structure and penetration	<ul style="list-style-type: none"> Continue group training and e-learning programs to raise CSR awareness Implement the PDCA cycle more effectively focusing on the targets and results of each business site. Raise the level of initiatives
	Compliance management	<ul style="list-style-type: none"> Ensure proper management is in place at each branch office. Further enhance compliance awareness among all employees using various tools Continue efforts to develop a work environment where human rights are respected and employees are free to exercise their skills and abilities, under the lead of business site managers Continue to implement the internal control system to the fullest and reinforce our risk management ability
	Communication with society	<ul style="list-style-type: none"> Provide opportunities for dialogue with stakeholders, such as a venue to exchange opinions concerning the sustainability report
For Our Customers	Customer satisfaction	<ul style="list-style-type: none"> Encourage communications with customers and achieve greater customer satisfaction
	Safe, reliable, healthy and comfortable homes	<ul style="list-style-type: none"> Offer housing components and living spaces incorporating Smart Universal Design to ensure "comfortable living—now and always" for residents of all ages Promote the "SHEQAS" original seismic vibration absorption system to bring greater comfort Support safe, reliable and comfortable homebuilding by effective use of our innovative hands-on learning facilities such as the Home Amenities Experience Studio and Large-scale Experience-based Facilities Encourage communications with tenants of low-rise apartments to enhance their satisfaction
	Community development and local culture	<ul style="list-style-type: none"> Organize the "Community Visiting Day" and "Community Fair" events in an increasing number of locations to encourage local community building efforts and the continuation of local culture
For Our Employees and Business Partners	Commitment to employees	<ul style="list-style-type: none"> Improve employee interview and personnel assessment systems and take other appropriate measures to create a corporate environment where employees feel happy and motivated in their work in line with our Declaration for Human Resources Sustainability Create a work environment where female employees are fully motivated in their work and can make meaningful contributions to the company; promote career development options for female employees by increasing awareness of the principle of equal opportunities Leverage our pool of diverse human resources by promoting the use of various internal work programs and systems; take immediate measures to increase the number of persons with disabilities employed by the company Ensure best practices in labor management compliance to support work style diversity and work-life balance Encourage the health and safety committees in respective business sites to take positive measures to further enhance occupational health and safety
		<ul style="list-style-type: none"> Ensure full compliance with our Corporate Ethics Guidelines and other rules across all Sekisui House and group company employees and maintain good relationships with our business partners
	Commitment to partner building contractors and business partners	<ul style="list-style-type: none"> Ensure an average dividend payment ratio of at least 40% over the medium term so that we will be able to offer a high dividend yield to our shareholders and maintain sound management on a medium- and long-term basis. The target dividend is ¥25 per share; namely, ¥12 midterm dividend and ¥13 year-end dividend.
For Our Shareholders and the Community	Commitment to shareholders and investors	<ul style="list-style-type: none"> Focus on enhancing housing culture through the utilization of our facilities and expertise as a company open to the local community Further enhance educational initiatives through our hands-on learning and other facilities and expand workplace visits and teacher dispatch programs
	Housing culture improvement and education support	<ul style="list-style-type: none"> Increase the activity level of social contribution programs through improved information sharing and dissemination
	Contribution to society	<ul style="list-style-type: none"> Disburse ¥16.6 million to 21 organizations including NPOs for the seventh round of grant aid under the Sekisui House Matching Program; take measures to deepen understanding of the program among employees and encourage the participation of employees in the program Support activities that can contribute to creating international and culture-rich communities in Kobe City through the Kobe Machizukuri Rokko Island Fund charitable trust

Targets for Fiscal Year 2013

Do	Check	Action
Results of Fiscal Year 2012	Reference page no. Rating	Fiscal Year 2013 Target
<ul style="list-style-type: none"> We worked with each of our employees to engage in CSR activities with the use of our e-learning tool. 	35–36	<ul style="list-style-type: none"> Continue group training and e-learning programs to raise CSR awareness
<ul style="list-style-type: none"> We reexamined the targets and results of CSR initiatives in respective areas and took improvement measures, thereby eliminating discrepancies in performance among business sites. 		<ul style="list-style-type: none"> Implement the PDCA cycle more effectively focusing on the targets and results of each business site; raise the level of initiatives
<ul style="list-style-type: none"> All employees were made to submit a pledge to comply with our Corporate Ethics Guidelines. We conducted a Governance Awareness Survey and used the survey results as a tool to review our management style. 	35–38	<ul style="list-style-type: none"> Ensure proper management is in place at each branch office; further increase compliance awareness among all employees by using various tools
<ul style="list-style-type: none"> Business site managers conducted human relations training sessions involving all employees. We assigned personnel tasked with addressing sexual and power harassment problems to all business sites and conducted training to improve their skills. 		<ul style="list-style-type: none"> Continue efforts to develop a work environment where human rights are respected and employees are free to exercise their skills and abilities, under the lead of business site managers
<ul style="list-style-type: none"> We implemented new work rules correctly. No serious compliance problem arose during fiscal year 2012. 		<ul style="list-style-type: none"> Continue to implement the internal control system to the fullest and reinforce our risk management ability
<ul style="list-style-type: none"> We offered various venues for communications with a wide range of stakeholders to share our vision of sustainable living, including our Zero Emission Center, Sustainable Design Laboratory and Kankan kyo. 	05–08 33–34	<ul style="list-style-type: none"> Promote communications with a wide range of stakeholders in various ways to explore sustainable living, by using SUMUFUMULAB, which opened in April 2013, and other facilities
<ul style="list-style-type: none"> Our customer survey on satisfaction showed that 95.7% of responders are satisfied with our products and services. We updated the contents of our website "Net Owners Club Kizuna" twice a month to bring the latest information to customers, while publishing a regular magazine for them. We also conducted questionnaires, analyzed the results and took improvement measures. 	37	<ul style="list-style-type: none"> Encourage communications with customers and achieve greater customer satisfaction
<ul style="list-style-type: none"> Our "Sekisui Nattoku Kobo Studio experience training and SH-UD Master Planner Programme" won the Grand Award/Minister of Economy, Trade and Industry Award at the IAUD Awards 2012. In recognition of our efforts in a wide array of fields, we were also given prizes for our six initiatives in the "6th Kids Design Award," including two Special Chief Judge's Prizes. 	63	<ul style="list-style-type: none"> Offer housing components and living spaces incorporating Smart Universal Design to ensure "comfortable living—now and always" for residents of all ages
<ul style="list-style-type: none"> The ratio of Sekisui House homes equipped with the "SHEQAS" system reached 75.0%. 	59	<ul style="list-style-type: none"> Continue our efforts to promote SHEQAS
<ul style="list-style-type: none"> Our Home Amenities Experience Studio was visited by 33,377 people, the Large-scale Experience-based Facilities by 95,421 people, and Sumai-no-kagakukan (medium-sized experience-based facilities) by 87,691 people. 	05	<ul style="list-style-type: none"> Support safe, reliable, healthy and comfortable homebuilding by effective use of our innovative hands-on learning facilities such as the Home Amenities Experience Studio and Large-scale Experience-based Facilities
<ul style="list-style-type: none"> We handled the subleasing and management of a total of 506,353 residential units and the occupancy rate reached 96.0%. The MAST Club service for tenants gained a membership of approximately 484,000 individuals. 	—	<ul style="list-style-type: none"> Encourage communications with tenants of low-rise apartments to enhance their satisfaction
<ul style="list-style-type: none"> We held a "Community Visiting Day" event twice a year, involving a total of 529 detached houses at 134 locations and 170 condominium residential units in nine locations. We also held 54 "Community Fair" events. 	23–26	<ul style="list-style-type: none"> Organize the "Community Visiting Day" and "Community Fair" events in an increasing number of locations to encourage local community building efforts and the continuation of local culture
<ul style="list-style-type: none"> We revised our personnel assessment system in part in a manner to enhance employee motivation and satisfaction. Our vigorous corporate culture is being further reinforced in line with our corporate philosophy. 		<ul style="list-style-type: none"> Improve employee interview and personnel assessment systems and take other appropriate measures to create a corporate environment where employees feel happy and motivated in their work in line with our Declaration for Human Resources Sustainability
<ul style="list-style-type: none"> We were chosen from among companies in the housing and construction industry to be part of the "Nadeshiko" list by the Tokyo Stock Exchange. We saw a steady increase in the number of high-caliber married female sales personnel who successfully balanced work and family life/motherhood. The number of female managers increased to 52 within the Sekisui House Group. (1.21% of all managers) 		<ul style="list-style-type: none"> Create a work environment where female employees are fully motivated in their work and can make meaningful contributions to the company; promote career development options for female employees by increasing awareness of the principle of equal opportunities
<ul style="list-style-type: none"> Twenty-one employees were assigned to a different work category under the Work Category Transfer Program, and 13 employees returned to work under the Retiree Reinstatement Registration Program. The employment rate of persons with disabilities increased to 1.90%. 	67–69	<ul style="list-style-type: none"> Leverage our pool of diverse human resources by promoting the use of various internal work programs and systems; take immediate measures to increase the number of persons with disabilities employed by the company
<ul style="list-style-type: none"> We were granted the "Kurumin" certification (for the third time) for our significant support to employees with children. The number of female employees taking parental leave increased to 131, while the number of employees using the Shortened Work Hour Program increased to 223. Productivity was increased through training programs that encouraged improvement in working styles and work processes. Out of all female employees taking parental leave, 94.1% returned to work after the expiration of the leave period. 		<ul style="list-style-type: none"> Ensure best practices in labor management compliance to support work style diversity and work-life balance
<ul style="list-style-type: none"> Thirty-seven occupational accidents (an increase of 7 cases from the previous year) and 9 commuting accidents (a decrease of 9 cases from the previous year) took place. Human relations training was held focusing on mental health. 		<ul style="list-style-type: none"> Encourage the health and safety committees in respective business sites to take positive measures to further enhance occupational health and safety
<ul style="list-style-type: none"> We checked our subcontracting practice as part of our internal control inspections to ensure fair business dealings were in place. We held policy meetings twice a year. 	65–66	<ul style="list-style-type: none"> Ensure full compliance with our Corporate Ethics Guidelines and other rules across all Sekisui House and group company employees and maintain good relationships with our business partners
<ul style="list-style-type: none"> We ensured an average dividend payout ratio of 40.5%. Annual year-end dividend was ¥28 per share, up by ¥3. We continued to implement the Shareholder Preferential Points Program and Shareholder Preferential Gift Program. 	70	<ul style="list-style-type: none"> Ensure an average dividend payment ratio of at least 40% over the medium term so that we will be able to offer a high dividend yield to our shareholders and maintain sound management on a medium- and long-term basis. The target dividend is ¥36 per share; namely, ¥18 midterm dividend and ¥18 year-end dividend.
<ul style="list-style-type: none"> Our housing seminars attracted 729 participants, while 225 applications were received for our Internet housing webinar. The Real Size Thinking competition for ecological living space design, held to encourage industrial-academic collaboration and interactions among universities received 222 entries from 51 universities around Japan. 		<ul style="list-style-type: none"> Focus on enhancing housing culture through the utilization of our facilities and expertise as a company open to the local community
<ul style="list-style-type: none"> Student visitors totaled 5,947 at our Home Amenities Experience Studio, Large-scale Experience-based Facilities and Sumai-no-kagakukan (medium-sized experience-based facilities). A hands-on agricultural program was implemented for elementary school and kindergarten children on the Shin-satoyama grounds. We also continued the implementation of three other environmental educational programs, including an energy conservation seminar (Houseology) and "Letters from Dr. Forest." 		<ul style="list-style-type: none"> Further enhance educational initiatives through our hands-on learning and other facilities and expand workplace visits and teacher dispatch programs
<ul style="list-style-type: none"> We purchased 35,045 "SELP product" pieces made by persons with disabilities which we used as promotional merchandise, and organized Disabled Persons Week events in cooperation with governmental agencies, economic bodies, NPOs and other companies. We continued our volunteer activities in the "Company Forest" in Wakayama Prefecture. We have implemented a total of 2,283 volunteer programs, joined by 16,665 employees in total. Six employees have taken volunteer leave. 	71–73	<ul style="list-style-type: none"> Increase the activity level of social contribution programs through improved information sharing and dissemination
<ul style="list-style-type: none"> The Momo-Kaki Orphans Fund Program established to offer financial assistance to children orphaned by the Great East Japan Earthquake made a second donation of ¥9.5 million. The seventh round grant aid of the Children's Fund and Eco-Fund totaled ¥16.60 million, which was disbursed to 21 organizations, while 139 programs applied for the eighth round grant aid. The number of members of these funds reached 2,614. We also donated about ¥220 million for the construction of Child Chemo House. 		<ul style="list-style-type: none"> Disburse ¥20.4 million to 22 organizations for the eighth round of grant aid under the Children's Fund and Eco-Fund, which will make the total amount of grant exceed ¥100 million; take measures to deepen understanding of the program among employees and encourage the participation of employees in the program
<ul style="list-style-type: none"> We awarded ¥19.8 million to 34 programs during fiscal year 2012. The amount of grants we have offered since the establishment of this fund totals ¥365.96 million. 		<ul style="list-style-type: none"> Award ¥19.7 million to 36 programs during fiscal year 2013

[Rating legend] ○...Achieved target; △...Did not achieve but came close to target; ✕...Unable to make improvements toward achieving target

Environmental Targets and Actual Performance

Plan

	Major Focus	Fiscal Year 2012 Target
Reducing CO ₂ Emissions	Reducing residential CO ₂ emissions	<ul style="list-style-type: none"> ● Orders for 12,000 photovoltaic systems for detached houses ● Receive orders for 6,000 houses with fuel cell systems ● Increase the rate of the Green First model to all Sekisui House detached homes to 80% ● Increase window and door insulation updates to 74,400 m²; install high-efficiency water heaters in 4,700 homes; install photovoltaic systems in 3,500 homes; sell 3,500 sets of energy-efficient bath fixtures (The social target to “actively promote eco-friendly remodeling solutions to add to the capability to conserve and produce energy for existing homes” shown in our 2012 Sustainability Report was included here.) ● Ensure all the ready-built houses newly offered for sale are certified to be environmentally symbiotic ● Promote sales of the “Sha-Maison Green First” eco-friendly model and increase its rate to 30% of all orders received for low-rise apartments for leasing (This target was moved from the “Social Targets” category.)
	Reducing CO ₂ emissions from business activities and production process	<ul style="list-style-type: none"> ● Achieve 6.2% and 3.0% reduction in CO₂ emissions per square meter of floor area shipment at the production and transportation stages respectively, from the fiscal year 2011 level ● Increase the rate of fuel-efficient vehicles and that of low-emission vehicles to all company-owned vehicles to 94% and 98% respectively
Ecosystem Protection	Reduce impact on ecosystems during procurement	<ul style="list-style-type: none"> ● Begin full implementation of the new Wood Procurement Guidelines ● Increase the rate of S-rank and A-rank wood products as defined by the Wood Procurement Guidelines to 90% ● Continue to consider acquiring the Chain-of-Custody (CoC) certification that verifies that wood products come from certified forests
	Preservation of ecosystems through landscaping	<ul style="list-style-type: none"> ● Plant one million trees a year ● Plant trees under our “Gohon no ki” landscaping concept in all ready-built houses newly offered for sale
Resource Recycling	Recycling at factories and construction sites	<ul style="list-style-type: none"> ● Achieve a 3% reduction of waste per square meter of floor area shipment at the production stage at factories from the fiscal year 2011 level ● Achieve 100% introduction of an electronic manifest system by the end of July 2012 ● Reduce waste at the new build construction sites to 1,200 kg per house (per 145 m²)
Others	Recycling at offices	<ul style="list-style-type: none"> ● Increase the green purchasing rate to 95%
	Control over chemical substances	<ul style="list-style-type: none"> ● Encourage the installation of the “Airkis” high-quality indoor air system in our major steel-frame homes
	Environmental activities by employees	<ul style="list-style-type: none"> ● Continue to take electricity-saving measures, especially during the summer and winter seasons

Do

Check

Action

Results of Fiscal Year 2012

Reference
page no. Rating

Fiscal Year 2013 Target

<p>We received orders for photovoltaic systems for 11,920 detached houses.</p> <p>● Though the result was slightly below the target, the rate of houses with a photovoltaic system increased by 3% to 74.9% from the previous year.</p>	50	○	<p>● Achieve 80% in the rate of houses with a photovoltaic system</p>
<p>● We received orders for fuel cells for 8,095 houses.</p> <p>We received 35% more orders than our target. As a result, the rate of houses equipped with fuel cells exceeded 50%.</p>	50	○	<p>● Achieve 60% in the rate of houses with fuel cells</p>
<p>● The rate reached 83.8%, 3.8% higher than the target.</p>	22 49	○	<p>Promote the Green First ZERO model instead of the Green First model and achieve 40% in the rate of this model</p>
<p>We installed 44,052 m² of window and door insulation, high-efficiency water heaters in 3,887 homes, and photovoltaic power generation systems in 6,058 homes, and sold 3,513 sets of energy-efficient bath fixtures.</p> <p>● Though we achieved a dramatic increase and met the targets in the installation of photovoltaic systems and the sales of energy-efficient bath fixtures, we failed to achieve other targets. In the installation of photovoltaic systems in Sha-Maison low-rise apartments for leasing, we achieved an impressive seven-fold increase from the previous year.</p>	52	△	<p>Increase window and door insulation updates to 52,000 m²; install high-efficiency water heaters in 4,200 homes; install photovoltaic systems in 6,100 homes; sell 4,000 sets of energy-efficient bath fixtures</p>
<p>● Only 80% of the ready-built houses offered for sale were certified to be environmentally symbiotic.</p> <p>● Though we strived to obtain the environmentally symbiotic house certification for our ready-built houses offered for sale, only 80% of them were granted the certification.</p>	—	△	<p>● Ensure all our ready-built houses newly offered for sale are certified to be environmentally symbiotic</p>
<p>● The rate of the Sha-Maison low-rise apartments for leasing with photovoltaic systems increased to 44.6%.</p> <p>We achieved a result 1.5 times higher than the target, partly due to the feed-in tariff system.</p>	49	○	<p>● Achieve 60% in the rate of the Sha-Maison low-rise apartments for leasing with photovoltaic systems</p>
<p>We achieved 1.3% and 2.2% reduction in CO₂ emissions per square meter of floor area shipment at the production and transportation stages respectively, from the fiscal year 2011 level.</p> <p>● To reduce CO₂ emissions from production at our factories, we changed fuel from heavy oil (Bunker A) to gas at our Hyogo Factory. We also took measures to improve the transportation efficiency between our factories and logistics centers to reduce CO₂ emissions from transportation. Despite these efforts, however, we failed to meet the targets.</p>	—	△	<p>● Achieve 1.0% and 1.3% reduction in CO₂ emissions per square meter of floor area shipment at the production and transportation stages respectively, from the fiscal year 2012 level</p> <p>Target for our Bellburn production lines will be set separately, when regular shipment begins at the Shizuoka and Tohoku factories.</p>
<p>● The rate of fuel-efficient vehicles and that of low-emission vehicles increased to 94.1% and 97.6% respectively.</p> <p>● We achieved the target for fuel-efficient vehicles, and almost achieved the target for low-emission vehicles, as well.</p>	—	○	<p>● Increase the rate of fuel-efficient vehicles and that of low-emission vehicles to all company-owned vehicles to 95% and 98% respectively</p>
<p>We implemented the revised guidelines.</p> <p>● We conducted a survey on the actual situation based on the revised guidelines.</p> <p>To ensure continuity, we used the existing procurement ranks from S to C, while introducing a point-addition scoring system.</p>	55	○	<p>● Give specific guidance to each supplier</p>
<p>● The rate increased to 89%.</p> <p>We almost achieved the target.</p>	55	○	<p>● Increase the rate to 95%, provided, however, that we will consider indicating the rate of socially conscious wood products separately</p>
<p>Discussions were held by relevant departments on the acquisition of CoC certification.</p> <p>● As a result of the discussions, we came to the conclusion that we were not ready to take action to acquire the certification, and decided to put this issue on hold for the time being. As a contractor, we undertook some CoC-certified projects.</p>	—	△	<p>● Continue to consider obtaining CoC certification</p>
<p>● We planted 1,010,000 trees a year.</p> <p>We ensured full implementation of the management indicators to increase orders for tree planting at each business site and shared these indicators on a company-wide basis.</p>	54	○	<p>● Plant 1,100,000 trees a year</p>
<p>● We planted trees under our "Gohon no ki" landscaping concept in all the ready-built houses offered for sale.</p> <p>Trees were planted in all the ready-built houses offered for sale, in addition to those offered for sale on the "Community Visiting Day."</p>	—	○	<p>● Plant trees under our "Gohon no ki" landscaping concept in all our ready-built houses newly offered for sale</p>
<p>We achieved a 1.7% reduction from the fiscal year 2011 level.</p> <p>● While we achieved reduction in wood, metal, and concrete waste, the use of a wider variation of paints resulted in an increase in sludge. Consequently, we failed to meet the target.</p>	—	△	<p>● Achieve a 2.2% reduction from the fiscal year 2012 level</p> <p>Target for our Bellburn production lines will be set separately, when regular shipment begins at the Shizuoka and Tohoku factories.</p>
<p>We achieved 100% introduction of an electronic manifest system by the end of January 2013.</p> <p>● The rate of business sites with an electronic manifest system increased from 9.6% in fiscal year 2009 to 100% by the end of fiscal year 2012. We will promote the implementation and improvement of this system to enhance its usability.</p>	57	○	<p>● Continue efforts to develop a more effective and reliable waste management system using advanced information technology</p>
<p>● 1,441 kg</p> <p>We introduced a collective target to replace the individual target set for each housing type.</p>	—	×	<p>● Continue efforts to achieve a reduction in waste to 1,200 kg</p>
<p>● The green purchasing rate increased to 93%.</p> <p>The rate remained unchanged from the previous year at 93% despite our continued efforts to encourage green purchasing.</p>	—	△	<p>● Increase the green purchasing rate to 95%</p>
<p>● About 80% of our major steel-frame homes have been equipped with the "Airkis" high-quality indoor air system by the end of the fiscal year.</p> <p>Dramatic progress was achieved in the adoption of this system backed by increasing health awareness.</p>	—	○	<p>● Promote the introduction of the "Airkis" system in the Sha-Maison low-rise apartment for leasing</p>
<p>● We continued efforts to reduce electricity consumption, especially during the summer and winter seasons.</p> <p>We achieved a 26% reduction of electricity consumption from the fiscal year 2010 level at our offices and model houses during the summer season.</p>	52	○	<p>● Continue company-wide efforts to reduce electricity consumption during the summer and winter seasons</p>

[Rating legend] ○...Achieved target; △...Did not achieve but came close to target; ×...Unable to make improvements toward achieving target

Preventing global warming

Against the backdrop of the aftereffects of the Great East Japan Earthquake that are still being felt today, Japan's energy policy is now undergoing a drastic change. To meet our responsibility to society as a leading company in the housing industry, we continued concerted efforts in fiscal year 2012 to contribute to a stable supply of electricity and prevent global warming by reducing CO₂ emissions. Specifically, we took steady and prompt action to encourage wider use of renewable energy through our Green First initiative and increased the rate of the Green First homes to all Sekisui House homes, both newly built detached homes and low-rise apartments for leasing. We also focused our group-wide efforts on installing and retrofitting photovoltaic power generation systems. As a result of these efforts, the number of houses furnished with a photovoltaic power generation system grew to 21,305, with total generation capacity amounting to 86 MW, exceeding the capacity of Japan's largest mega solar power plant. With these achievements, we are outperforming our competitors in the industry.

In April 2013, we launched the "Green First ZERO" home that enables energy-neutral living, thereby leading the initiative of the Japanese government to create a sizable market for the net zero energy house by 2020.

Contributing to a reduction promptly by promoting our

Reducing CO₂ emissions

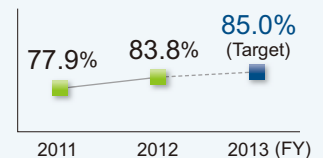
The rate of the Green First home to all Sekisui House newly built detached homes increased to 83.8%.

Newly built detached homes

Leading the eco-friendly home market by offering an optimal combination of solutions to meet individual user needs

Our Green First eco-friendly model is equipped with a highly efficient heat insulation system that meets the next-generation energy-saving standard, as well as the latest housing features such as a photovoltaic power generation system, fuel cells, and a high-efficiency water heater which are combined in a manner best suited to the respective lifestyles, family structures, and site conditions of customers. By bringing the highest level of comfort, cost performance and environmental friendliness in a well-balanced fashion, the Green First model allows residents to enjoy comfortable lives while reducing CO₂ emissions, thus contributing to the creation of a low-carbon society. The ratio of Green First homes equipped with either a photovoltaic power generation system or fuel cells to all the newly built Sekisui House homes increased from 77.9% to 83.8% in fiscal year 2012.

Growth of the ratio of the Green First home to all the Sekisui House detached homes



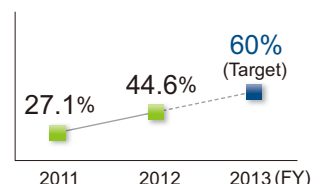
The ratio of the Green First home in fiscal year 2012: **83.8%**

Sha-Maison low-rise apartments for leasing

Backed by a growing popularity among owners and tenants, photovoltaic power generation systems are installed in an increasing number of our low-rise apartments—the "Sha-Maison Green First" model.

We have been promoting the sales of the "Sha-Maison Green First" model, a low-rise apartment for leasing, equipped with a photovoltaic power generation system. This model allows tenants to reduce their utility costs with its photovoltaic power generation system, and brings a competitive advantage to owners with its environmental friendliness that can appeal to people looking for houses for leasing. In fiscal year 2012, we installed photovoltaic power generation systems in 44.6% of our low-rise apartments for leasing (2,136 apartments).

Ratio of the Sha-Maison Green First model to all Sekisui House low-rise apartments for leasing



of CO₂ emissions steadily and Green First design



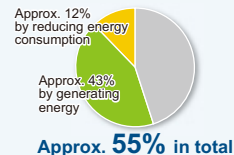
We will take positive measures to achieve reduction of CO₂ emissions from residential and industrial sources.

Green First

Equipped with a highly efficient heat insulation system that meets the next-generation energy-saving standard, and either a photovoltaic power generation system or ENE FARM fuel cells.



In comparison with ordinary homes, residential CO₂ emissions* can be reduced by:

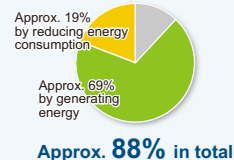


Green First Premium

Equipped with both a photovoltaic power generation system and ENE FARM fuel cells, which together bring greater comfort, economy and environmental friendliness.

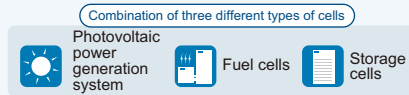


In comparison with ordinary homes, residential CO₂ emissions can be reduced by:

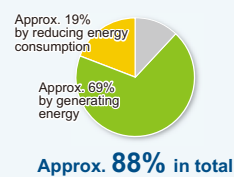


Green First HYBRID

Developed as an upgraded version of the Green First Premium model by adding storage cells. With the world's first housing design that combines three different types of cells, this model meets basic living needs even in the event of an emergency, while ensuring the same level of environmental friendliness as the Green First Premium.



In comparison with ordinary homes, residential CO₂ emissions can be reduced by:



*Data is based on a five-person household (consisting of an adult man, an adult woman who stays at home all day, an elementary school pupil, a high school student and an elderly woman aged over 70) living in Tokyo in a house of 155.78 m² (of which the living, dining and kitchen space accounts for 35.5 m²). The amount of electricity consumed for each use is calculated based on the "Schedule" published by the Society of Heating, Air Conditioning and Sanitary Engineers of Japan. The amount of electricity generated by a photovoltaic power generation system is calculated based on the "National average solar radiation data map" issued by the New Energy and Industrial Technology Development Organization (NEDO). The CO₂ emission coefficient is taken from the Monitoring and Reporting Guidelines (ver. 2.0) for Japan's Voluntary Emissions Trading Scheme issued by the Ministry of the Environment.

Further strengthening the Green First initiative to reduce CO₂ emissions from residential sources

With the successful implementation of our Green First initiative, we reduced CO₂ emissions from newly built Sekisui House detached homes by 42,074 tons in fiscal year 2012, up by 9% from 39,372 tons in fiscal year 2011. In the wake of the Great East Japan Earthquake, a major shift in public awareness has been occurring in Japanese society. Today, housing and energy issues are no longer addressed in the context of reducing CO₂ emissions to prevent global warming alone; instead, we recognize these issues as our own everyday problems that can threaten the stable supply of electricity and lead to a rise in electricity rates. It should also be noted that while energy-saving efforts have contributed to curbing the increase in energy consumption at home to some extent, these efforts have not resulted in a substantial reduction of CO₂ emissions because of an increased dependence on thermal power generation. Against this backdrop, we have been promoting passive design solutions to enhance heat insulation efficiency and better control wind and sunshine with an aim to bring greater comfort while reducing CO₂ emissions and utility costs at the same time. Under this concept, we developed the "Green First ZERO" model and launched the model onto the market. This new model helps residents significantly reduce energy consumption at home with its high-efficiency heat insulation system combined with energy-saving equipment. Furthermore, this model allows residents to generate electricity at home with its photovoltaic power generation system and fuel cells, and thus enables residents to live an energy-neutral life. With the new Green First ZERO model, we took the initiative in developing the predecessor to the net zero energy house, which the Japanese government is promoting to capture a sizable share of the market by 2020. We will promote sales of the Green First ZERO model to increase the ratio of this model to all Sekisui House detached homes to 40% and 60% in fiscal years 2013 and 2014 respectively.

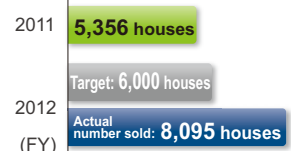
Growth in sales of newly built detached homes with photovoltaic power generation systems

Due mainly to growing public interest in natural energy following the suspension of nuclear power plant operations, we sold a total of 11,920 houses equipped with photovoltaic power generation systems, an increase of 106% from the previous year.

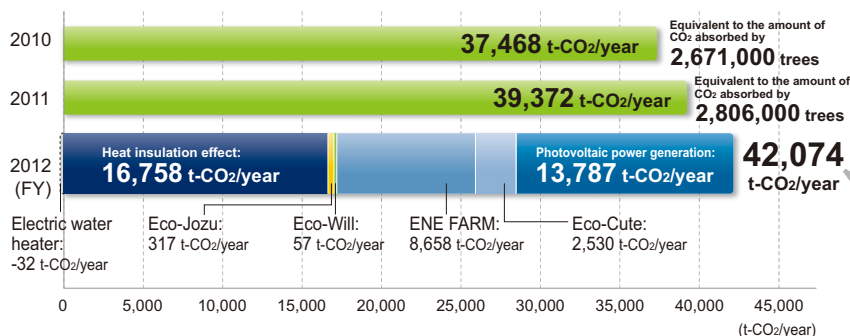


Growth in sales of the ENE FARM fuel cell system

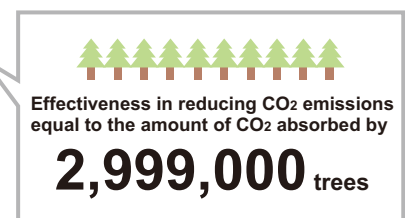
We have successfully increased the sales of our fuel cell system, which is receiving increasing attention as a new energy-producing device. We installed the ENE FARM system in 8,095 houses, an increase of 151% from the previous year, backed by growing concerns over the stable supply of electricity.



Reduction of CO₂ emissions from newly built Sekisui House detached homes



As a result of these measures, the total amount of residential CO₂ emissions reached 42,074 t-CO₂/year, which is equivalent to the amount of CO₂ absorbed by 2,999,000 trees.

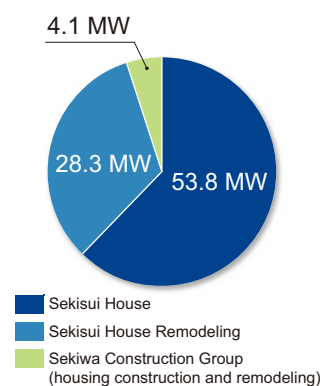


Continuing group-wide efforts to promote the installation of photovoltaic power generation systems

Total capacity of photovoltaic power generation systems installed by Sekisui House Group during fiscal year 2012 amounted to 86 MW

At the Sekisui House Group, concerted efforts are underway to increase the adoption of photovoltaic power generation systems. Specifically, we furnish new houses built with Sekisui House's standard components with photovoltaic power generation systems. We also promote remodeling of existing Sekisui House and non-Sekisui House homes by retrofitting photovoltaic power generation systems. The former task is undertaken by Sekisui House Remodeling, Ltd. and the latter by the 19 companies of the Sekiwa Construction Group operating nationwide.

The total capacity of photovoltaic power generation systems installed during fiscal year 2012 amounted to 86.2 MW, which is equivalent to the combined capacity of 86 mega solar power plants.



Growing number of Sekisui House and non-Sekisui House homes retrofitted with photovoltaic power generation systems

During fiscal year 2012, we promoted the installation of photovoltaic power generation systems on both existing Sekisui House and non-Sekisui House homes. The total number of houses retrofitted with a photovoltaic power generation system reached 7,249, a dramatic increase of 282% from the previous year, assisted by the feed-in tariff system.

The introduction of Sekisui House's proprietary solar panel mount system that boasts higher construction and cost efficiency encouraged a sharp increase in remodeling projects undertaken by our group company, Sekisui House Remodeling, to retrofit Sekisui House homes with photovoltaic power generation systems. The increase was especially evident in the Sha-Maison low-rise apartments for leasing.

The Sekiwa Construction Group, which has a nationwide network, promoted the installation of photovoltaic power generation systems on existing non-Sekisui House homes, while expanding their services to meet the needs of industrial users by installing larger photovoltaic power generation systems on rooftops of factories and warehouses, each with a capacity of generating more than 10 kW of electricity.

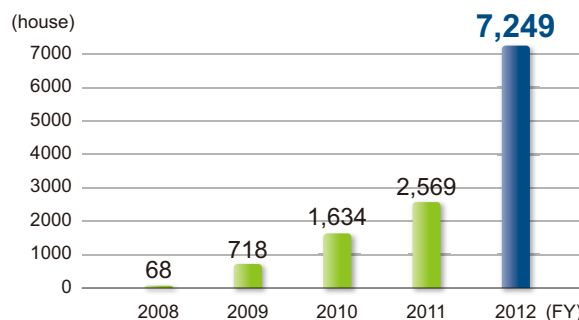
Also, we continuously provide a number of training sessions on photovoltaic power generation to better serve our customer needs. As a result of these efforts, we achieved a total power-generation capacity of 34 MW during fiscal year 2012.

■ Sekisui House's original solar panel mount system



Ceramic roof tiles Aluminum mount

■ Increase in the number of existing houses retrofitted with a photovoltaic power generation system



Installing mega solar power plants

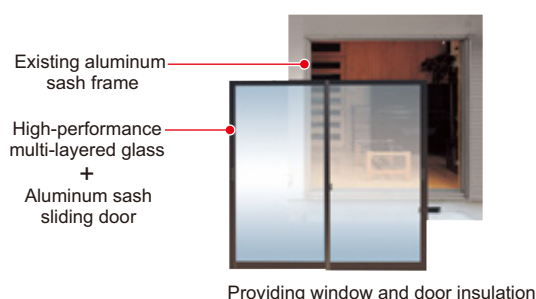
As part of our efforts to achieve greater environmental performance in factory operations, we opened a photovoltaic power generation system (mega solar power plant) in each of our five factories located in various parts of Japan in line with the policy of the Japanese government to encourage the use of renewable energy. On January 29, 2013, the Hyogo Factory began generating electricity under the feed-in tariff system, followed by the Tohoku Factory, the Kanto Factory, the Shizuoka Factory and finally the Yamaguchi Factory. With a combined generation capacity of 6.7 MW (or 6,070,000 kWh a year), these mega solar power plants contribute to reducing CO₂ emissions to an amount equivalent to the amount of electricity consumed by about 1,200 standard households a year.



Promoting housing remodeling to bring greater energy-saving efficiency

Remodeling existing houses by introducing higher energy-efficient equipment

We are encouraging housing remodeling through the installation of window and door insulation, high-efficiency water heaters, and energy-efficient bath fixtures, which is undertaken mainly by Sekisui House Remodeling. To enhance the energy-saving efficiency of a bathroom, for example, we replace a conventional water heater with a more efficient one, while installing three energy-saving devices; namely, a bathtub with higher thermal insulation effect, a water faucet with a thermostat, and a showerhead with an on/off switch, as one set. In fiscal year 2012, we encouraged remodeling by taking advantage of the housing eco-point system implemented by the national government, coupled with our original W (double)-eco-point program. In 2013, when the housing eco-point system is no longer available, we will address remodeling needs under the long-term quality housing support program (refer to p. 59).



Remodeling options to increase energy saving efficiency	Results achieved in fiscal year 2012
Window and door insulation	44,052 m²
Eco-Jozu	2,871 units
Eco-Cute	1,016 units
Energy-efficient bath	3,513 sets

Grand Maison Ohori Park, Japan's first condominium with an ENE FARM system installed in all the housing units

Our Grand Maison Ohori Park condominium (located in Fukuoka City, with nine residential units) is Japan's first condominium with an ENE FARM fuel cell system installed in all the residential units. This eco-friendly condominium brings a higher level of comfort as well as a greater energy-saving effect with its ability to produce more electricity for family consumption.

Each residential unit is furnished with LED lighting equipment and multi-layered insulating window glass, while room ceilings and walls have a coating that absorbs formaldehyde to maintain a pleasant indoor air environment.



Grand Maison Ohori Park (Artist's rendering)

Continuing efforts to reduce electricity consumption at workplaces during the summer and winter seasons

Amid lingering concern over shortages of electricity supplies, the Sekisui House Group continued the measures launched in fiscal year 2011 to reduce electricity consumption at offices and factories all over Japan during the summer and winter seasons. Our offices set targets for reducing the amount of electricity consumed, while our factories strived to cut peak electricity consumption. Both achieved their respective targets and contributed to the improvement of electricity supply-demand balance.

Specifically during the summer season, we set a target to reduce electricity consumption by 15% from the level of fiscal year 2010 at our offices and model homes, and achieved a 26% reduction, far surpassing the target. At the same time, we promoted the replacement of office lighting with LED lighting on a group-wide basis, which also helped us reduce electricity consumption.

Our five factories strived to reduce peak electricity consumption by more than 10% from the level of fiscal year 2010 and achieved reduction rates ranging from 10.4% to more than 24%.

Preserving biodiversity

From the initial preparatory stage to the final stage where tangible results are achieved, the process of biodiversity improvement requires a long period of time. This is because we have to take into consideration the time required for living things—trees and plants—to grow when developing projects that focus on preservation of biodiversity. Focusing on biodiversity also allows us to differentiate our projects from our competitors', but such projects, once started, cannot be interrupted halfway even if they don't directly lead to economic benefits.

We, at Sekisui House, recognize the importance of developing practical projects that incorporate biodiversity elements at an early stage, with the understanding that the benefits provided by ecosystem services and biodiversity are the basis of our social life and corporate activities. Based on this recognition, we have been promoting our projects from a long-term perspective.

For example, we propose to customers how biodiversity-oriented design adds value to their lives, while seeking the long-term cooperation of our suppliers to continue our projects for an extended period of time. This section highlights the results of our efforts to preserve biodiversity as part of our corporate activities.

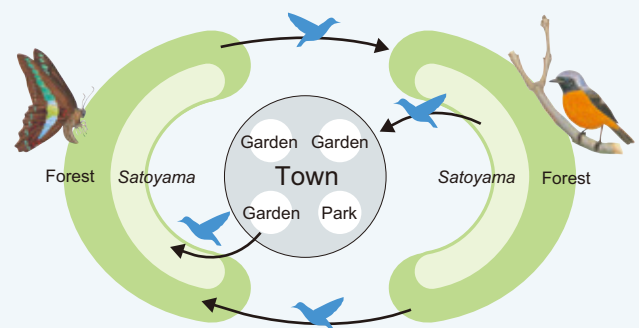
Planting 1,000,000 trees under our “Gohon no ki”

The “Gohon no ki” landscaping concept

Carrying out a tree planting project since 2001, learning from the *satoyama* environment

The “Gohon no ki” landscaping concept is an initiative we have been promoting since 2001 to create home gardens and community environments in a manner that preserves the local ecosystem. Drawing inspiration from the *satoyama* environment that has long been part of Japan's rural landscape where ecosystems have been preserved by modest intervention by humans, we create and maintain home gardens by promoting the planting of native and indigenous tree species that are best suited to the local climate. Since 2001 when this landscaping concept was introduced, we have planted 9,130,000 trees in total.

We remain committed to the creation of home gardens and community spaces that can sustain the lives of creatures, such as wild birds and butterflies, in an urban area. Such gardens and spaces may be small in size, but combined together, they can constitute an extensive green network that nurtures small animals, thus helping to preserve ecosystems and allowing homeowners to enjoy interactions with nature at the same time.



Network of *Satoyama* Landscapes

Planting 1,000,000 trees annually in the 12th year after the introduction of the “Gohon no ki” landscaping concept, with the total reaching 9,130,000 trees

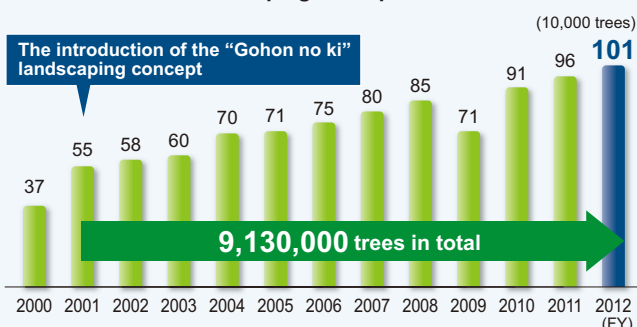
When we launched the “Gohon no ki” landscaping concept in 2001, artificially modified “gardening species” and rare foreign species were mainly used in home gardens. Though these species are beautiful to look at, many of them are not suited to the Japanese climate or lack resistance to disease and pests.

While most wild birds and insects have long maintained mutually beneficial relationships with indigenous plant species, some newly developed species do not even produce nectar and therefore are of little use to wild creatures and biodiversity preservation.

Therefore, we built a network encompassing approximately 80 tree growers who share our vision of the “Gohon no ki” landscaping concept and began our initiative by growing native and indigenous tree species. Working in close cooperation with these tree growers, we could achieve the milestone of 1,000,000 trees a year.

a year to preserve the local ecosystem landscaping concept

No. of trees planted a year since the introduction of the "Gohon no ki" landscaping concept



A total of 145,000 copies have been distributed.

Garden Tree Select Book

We distribute a booklet titled *Garden Tree Select Book* to homeowners. This booklet contains color photographs of more than 300 tree species planted under the "Gohon no ki" landscaping concept and the creatures these species attract; and offers information useful for landscaping home gardens.

This booklet is our "hidden bestseller" with a huge number of copies distributed since its publication in 2001.



Birdsong can be heard.

"Gohon no ki" mobile phone website

This website allows users to search the names of birds, butterflies, and trees by specifying shape, size and/or color. It also contains audio examples of birdcalls and helps users identify bird species.

- 24 bird species (including birdcalls)
- 24 butterfly species
- 92 tree species

Access the site through the top page of the "Gohon no ki" website
<http://5honnoki.jp>

Access the site by scanning this QR code



Tracking the benefits of the "Gohon no ki" landscaping concept through a biodiversity survey since 2008

The "Gohon no ki" landscaping concept was an original approach designed by our arborists in partnership with experts in biodiversity and NPOs to provide the best mix of plant species for local bird and butterfly species.

While promoting this concept, we conduct a biodiversity survey to track the benefits of "Gohon no ki" by examining fauna and flora populations before and after our community development projects that employ this landscaping concept and identifying the changes in such populations in comparison with nearby environments and over time.

In surveys conducted in fiscal year 2012 in Fukuoka Island City, sparrowhawks and Japanese grass lizards, which prey on small birds and insects respectively, were observed for the first time in this area, indicating an increase in populations of biological species.

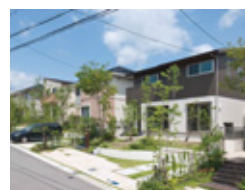


Example Common Stage Hidamari no Oka (Kuwana City, Mie Prefecture)



Located in a hilly area in the western part of Kuwana City, Common Stage Hidamari no Oka is a large new town with 183 houses developed under the concept of creating an eco-friendly community. This town is conveniently accessible from Nagoya, and boasts beautiful natural surroundings, such as the greenery of Mt. Tado and the waterfront area of the Kiso Three Rivers. The entire community is located on a pleasant sloped area that faces south.

The exterior space of each house is paved with natural stones and interlocking blocks, and green areas and promenades were developed under the "Gohon no ki" landscaping concept. These features, together with a main road, community paths and landmark trees, create a pleasant, relaxing atmosphere. Currently, a project is underway to capture fireflies on the Oyamada River, grow them artificially, and release them in a "firefly channel" developed by local residents.



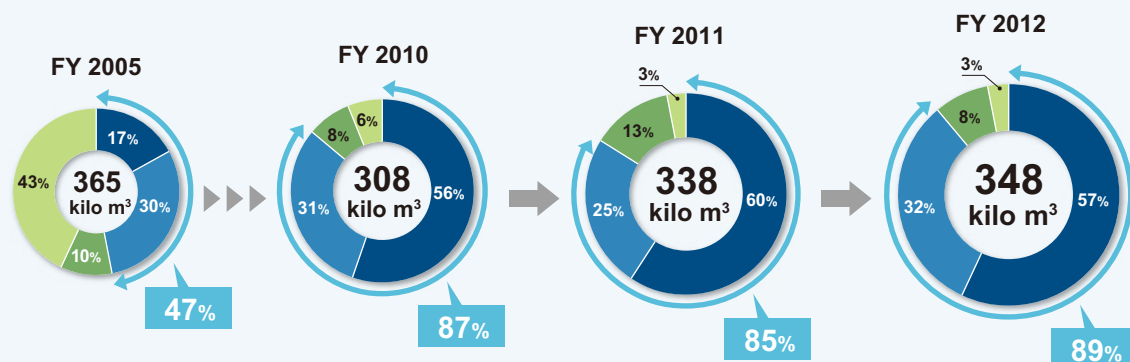
Enhancing our wood procurement level by managing progress through numerical scores

Wood Procurement Guidelines We are promoting the procurement of the following wood products.

Wood Procurement Guidelines: 10 Principles (Revised in fiscal year 2012)

- 1 Wood products sourced from areas where there is low risk of illegal logging
- 2 Wood products sourced from areas that do not form part of ecosystems recognized as having outstanding value
- 3 Wood products not sourced from ecosystems that are severely damaged or areas where large-scale logging of natural forests has occurred
- 4 Wood products not sourced from endangered species
- 5 Wood products that contribute to reducing CO₂ emissions at the production, processing and transportation stages
- 6 Wood products that contribute to the stability of local communities by removing conflicts with local residents with regard to logging and eliminating unfair labor practices
- 7 Wood products sourced from areas where the amount of logging does not exceed the recovery rate of the forest
- 8 Wood products sourced from domestic forests where well-planned forest management is in place to preserve ecosystems
- 9 Wood products sourced from plantation forests that are managed according to methods that encourage the preservation and generation of a natural ecosystem
- 10 Wood building materials that contribute to resource recycling

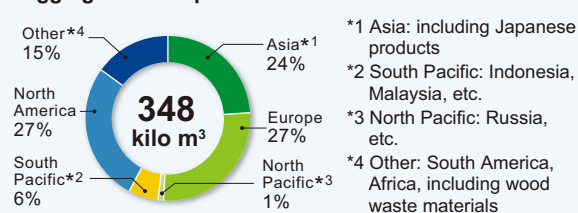
Procurement Level Assessment



Determining procurement rankings

Total Points (maximum of 43 points)	Procurement ranking	Using total procurement guideline points, products are classified as S, A, B, or C level, with S being the highest, while a separate borderline is established for guidelines ① and ④, which are particularly important.
34–43 S	
26–33 A	
17–25 B	
0–16 C	

Logging area composition



Revising the guidelines by incorporating ethical considerations for local residents in logging areas in line with the concept of ethical procurement*1

In 2007, we developed our own “Wood Procurement Guidelines” comprised of 10 principles, under which we have selected wood products focusing on their sustainability and improved our wood procurement practice in cooperation with about 60 manufacturers of wood building materials. While the Wood Procurement Guidelines place importance on consideration of biodiversity, we have also been striving for the improvement of the social aspects of our wood procurement practice since the introduction of these guidelines in partnership with an international environmental NGO, FoE Japan.

In fiscal year 2012, we revised the guidelines partly in response to growing public interest in the ethical aspects of corporate activities. In rating wood products under the new guidelines, we also consider the extent that the supplier has documented their corporate policy or procurement guidelines concerning human rights and fair labor practices; the extent that they share such a policy or guidelines with their employees and business partners; and the extent that they procure wood in a manner that contributes to the forest management efforts led independently by local residents of the logging area, such as community forestry and agroforestry*2 initiatives.

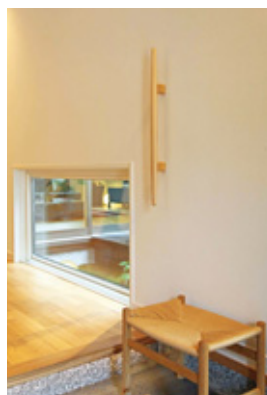
*1 Ethical procurement concerns taking into consideration ethical factors of the supply chain as well as the environmental factors of products when making procurement decisions.

*2 Agroforestry is a form of forest management combined with small-scale production of cash crops.

Increasing the use of wood products from domestic forests to contribute to preserving Japanese ecosystems and forests

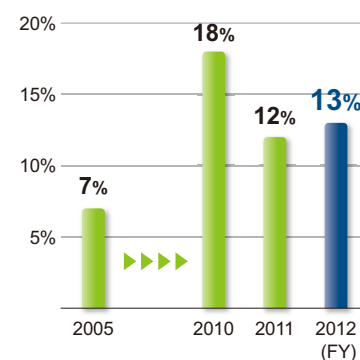
Upon establishment of the Wood Procurement Guidelines, one of the factors to be taken into consideration to determine the procurement rankings that we adopted was that wood products should be sourced from domestic forests. In doing so, we hope to contribute to enhancing the sustainability of domestic forestry by recognizing the value of wood products sourced from domestic forests where sound management is in place focusing on long-term preservation of ecosystems and resource recycling, and by encouraging procurement of such wood products.

As our business requires large quantities of high-quality wood products, we procure FairWood (wood products sourced in a fair, sustainable manner) from Northern Europe, where it can be stably procured, to build the structures of our SHAWOOD homes. At the same time, we are ready to use building materials made from trees of local species in various parts of Japan upon request by customers, thereby offering a diverse range of options.



A handrail made from a domestic broadleaf tree

Ratio of domestic woods to all woods used by Sekisui House



Committed to building a sustainable wood procurement process through “co-creation” efforts with our supply chain partners

Shifting to a procurement strategy focusing on biodiversity in order to grow with our supply chain partners, in response to the changing needs of the market

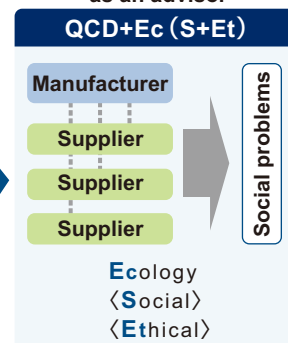
Homebuilding requires large quantities of wood materials. Therefore, seeking the understanding and cooperation of suppliers is a critical part of our thorough efforts to preserve ecosystems. If we are to work in harmony with our suppliers, we should refrain from making one-sided requests. Instead, we should foster relationships of trust by offering them extensive support on a wide range of aspects, such as acting on behalf of a supplier to deal with an international environmental NGO to verify the sustainability of new wood products the supplier is about to procure; and working with the supplier to select alternative wood products.

In particular, we are working to deepen our ties with about 50 manufacturers of major wood building materials to the extent that we can disclose information essential for our procurement operations that are at the core of our corporate activities. As part of these efforts, we strived to build a sustainable wood procurement process in fiscal year 2012 and achieved greater accuracy through our investigations on the sustainability of wood products than the previous year.

Shift from confrontations in negotiations



To cooperation as an advisor



No manufacturer can truly establish relationships of trust with suppliers if they only make one-sided requests for quality, cost and delivery time.

With the recognition that the role of a manufacturer must change over time, we are promoting efforts to deepen cooperative relationships with our suppliers so that we can share a common sense of purpose and work together to address social problems, such as loss of biodiversity, through our business activities.



VOICE

Sekisui House's firm determination to contribute to environmental wellbeing is behind the progress of their efforts.

As the proverb goes, persistence does pay off. Sekisui House has continued sincere efforts to implement their Wood Procurement Guidelines since 2007. Today, their initiative has sufficient weight to exert considerable effect on the upper reaches of the long supply chain of wood products. In fiscal year 2012, Sekisui House further enhanced their efforts by launching an ethical procurement practice that focuses on human rights and social impacts on areas producing natural resources: issues that will take on greater importance in the business world. If we are to give sufficient consideration to social aspects in our business activities, we have to seek information not only from suppliers but also from governmental agencies and NGOs. I think what prompted Sekisui House to embark on the ethical procurement process is their firm determination to contribute to environmental wellbeing, as well as their willingness to listen sincerely to the voice of environmental NGOs and other external bodies.

I hope Sekisui House will remain faithful to their guidelines in carrying out their core business activities, without being swayed by trends.



Mr. Junichi Mishiba
Secretary General
FoE Japan, an international
environmental NGO

Building a recycling-oriented society

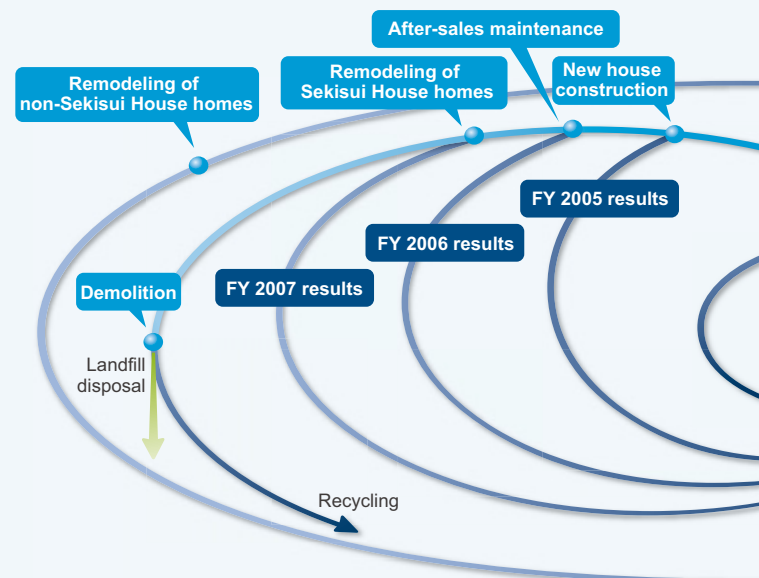
The Sekisui House Group was among the first in the construction industry to start resource recycling efforts and has since achieved zero waste at production, construction, after-sales maintenance and remodeling sites, developed new products using recycled raw materials, introduced an IC tag-based system that enables accurate measurement and proper management of waste volume, and attained a higher level of waste risk management by means of an electronic manifest system. In so doing, we have been promoting innovations to build a recycling-oriented industrial system.

We will continue our efforts in partnership with our suppliers to optimize the use of materials by improving the efficiency of our construction process and achieve zero waste at demolition sites.

Building a recycling-oriented our own innovative resource

Committed to building a recycling-oriented industrial system

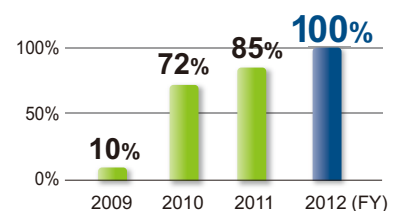
As a homebuilder continuously engaged in many different housing construction projects, we have been implementing various initiatives to minimize consumption of limited resources in our homebuilding projects. These include prolonging the lives of our homes; promoting the remodeling of homes to address changes in



Introducing an electronic system to ensure proper waste disposal management on a group-wide basis

We have replaced the conventional paper manifest (industrial waste control manifest) with an electronic manifest on a group-wide basis, which allows us to exchange data via the Internet. This system also enables us to expedite and streamline the waste management process and trace the movement of waste, while ensuring that waste is properly recycled and each construction project is carried out according to the design.

■ Rate of Sekisui House facilities with an electronic manifest*



*On a non-consolidated basis





**ECO
FIRST**

the lifestyles of homeowners; and renovating existing homes. We think it is our responsibility to society to use resources (housing components) that constitute social stock for as long as possible, and promote the recycling of waste for efficient reuse while minimizing waste generation. By fulfilling this responsibility, we have been leading the environmental efforts of the industry. As the first company to achieve zero waste at four stages in the industry; namely, production, construction, after-sales maintenance, and remodeling, we will continue our pursuit of the important corporate mission to enhance the resource recycling system.



Sekisui House Sustainability Report 2013 | 58

Ensuring a higher quality and increasing the longevity of our housing products with our technical excellence and group-wide cooperation

Offering higher-level durability and earthquake-resistance technology

Our steel-frame homes employ structural components that are provided with three rust-proof layers and air-circulation walls that prevent dew condensation within walls by air flows, which together with other innovations, ensure outstanding housing durability.

In addition, our earthquake-resistant, seismic-dampening and seismically isolated structures contribute to unparalleled seismic performance. Especially important is "SHEQAS," our innovative seismic vibration absorption system accredited by the Minister of Land, Infrastructure, Transport and Tourism, which converts seismic wave energy into heat energy to absorb building movement and reduces building deformation by approximately 50%. The number of homes equipped with this system has been drastically increasing since the Great East Japan Earthquake.



Homes equipped with SHEQAS account for 75.0% of all Sekisui House homes.

Allocating approximately 10% of all our employees to Customer Centers to offer a full range of support services

We offer extensive after-sales services to promptly and efficiently cater to the needs and requests of homeowners concerning various aspects of living. We have Customer Centers in 100 locations (30 business offices) throughout Japan, where about 10% of all our employees are working as dedicated service personnel.

Providing manufacturer warranty for a longer period of time than the legally required term to maximize reliability for homeowners

At Sekisui House, we implement long-term manufacturer warranty programs, including a 20-year warranty applied to structural frames, to assure the quality of our housing components for the prescribed periods of time. After the expiration of the initial warranty period, our own U-trust system provides an extended warranty at 10-year intervals.








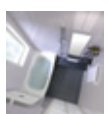








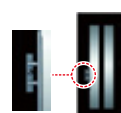


Implementing the long-term quality housing support program through Sekisui House Remodeling

To bring "comfortable living—now and always" to as many homeowners as possible and extend the longevity of housing, Sekisui House Remodeling implements the long-term quality housing support program.* Aimed at providing energy conserving and producing solutions and prolonging the lives of our housing products, this program covers a certain percentage of remodeling expenses of houses that meet the criteria of earthquake resistance, durability, and energy-saving efficiency, thus contributing to the process to fully realizing a recycling-oriented society.

*This program applies to houses for which remodeling contracts are to be concluded by January 31, 2016.



Eligibility for the long-term quality housing support program

Mandatory renovation work (All six required)		Optional renovation work (At least three of these options required)				Other renovation work
<p>Installation of high-efficiency windows and door insulation in all rooms</p> 	<p>Termite control</p> 	<p>Roof renovation (covering the roof with a new surface or replacing the roof)</p> 	<p>Painting of outer walls</p> 	<p>Replacement of kitchen fixtures</p> 	<p>Installation of a photovoltaic power generation system</p> 	
<p>Enhances comfort and energy-saving efficiency</p>	<p>Extends housing longevity</p>	<p>Improves housing durability</p>	<p>A wide variety of color options available</p>	<p>Increases usability</p>	<p>Change of floor layout</p> 	
<p>Replacement of bath fixtures with newer ones (with a heater)</p> 	<p>Installation of pre-track electric outlets</p> 	<p>Installation of a high-efficiency water heater</p> 	<p>Installation of a home security system (ALSOK)</p> 	<p>Installation of a stair lift</p> 	<p>Addition of storage space</p> 	
<p>Prevents thermal shock accidents and enhances comfort</p>	<p>Prevents a "tracking phenomenon" that can cause fire</p>	<p>Increases energy-saving efficiency and eco-friendliness</p>	<p>Provides security and emergency services</p>	<p>Enhances safety and convenience</p>		
<p>Installation of electric shutters</p> 	<p>Installation of handrails</p> 	<p>Installation of a floor heating system</p> 	<p>Replacement of the entrance door</p> 	<p>Installation of disinfection and deodorization equipment</p> 	<p>Renewal of landscaping and gardening</p> 	
<p>Enhances ease of operation and security</p>	<p>Enhances safety and prevents accidents</p>	<p>Enhances comfort during winter months</p>	<p>Increases usability and security</p>	<p>Creates a germ-free clean indoor environment</p>	<p>Renovation work other than those listed on the left are also acceptable.</p>	

Promoting the Everloop home repurchase program to maintain and further enhance the value of housing

The Everloop program is our new housing distributing system, under which we repurchase existing Sekisui House homes from the homeowners, completely renovate them using our proprietary technologies, add high-efficiency insulation and other advanced housing features, and then offer them for resale. To ensure the safety, reliability and comfort of homes offered under the Everloop program, Sekisui House personnel are in charge of the entire process of the program from appraisal of the value of homes to relocation. This program has also proven highly effective in promoting the recycling of homes and lengthening the lifecycles of homes. In 2012, we expanded the area covered by the Everloop program to the entire country, thus serving the needs of customers nationwide. (Under the Everloop program, 144 homes have been sold in total.)



Sekisui House Revitalized Homes

Due to their special value, Everloop homes are eligible for some privileges, such as a housing loan with a repayment period of up to 35 years, fire insurance, and preferential taxation.

Everloop home buyer

We sold our Sekisui House home and purchased an Everloop home.

While we were living in a Sekisui House home for many years in Saitama Prefecture, we were considering returning to our hometown of Kobe, after the retirement of my husband. We found several potential properties but none of them seemed to match our tastes. One day, we were offered an Everloop detached home by Everloop Club. We visited the home and found that it was just as expertly finished as a newly built Sekisui House home. We liked the home and decided to buy it. We are especially fond of the spacious living room on the first floor. The room has such good sun exposure that my husband's friends who visited us marveled at the brightness of the room. We are satisfied with our new home that has brought us a high level of comfort.



The T family
(Hyogo Prefecture)



Everloop home seller

We sold our home under the Everloop program and built a Sekisui House home.

As our three children got jobs and left home, we decided to purchase a residential lot and build a new home so that three of us—my wife, and my mother, and I—could live comfortable lives without the trouble of renting a temporary home or further relocation. We learned about the Everloop program from *Kizuna*, Sekisui House's magazine for homeowners. We were very pleased that, under the Everloop program, we could sell our Sekisui House home where we had spent so many years and build another Sekisui House home in the residential lot we purchased. We are thankful that we could move out after the completion of the new home, and appreciative of the way the value of our home was appraised. All in all, the Everloop program gave us a sense of reassurance, which differentiates Sekisui House from other homebuilders. We are glad that we can continue to use Sekisui House's extensive after-sales service for many years to come.



The K family
(Yamaguchi Prefecture)

Coping with changes in the social structure to better meet emerging needs

We believe that housing can be part of the solutions to various challenges arising from changes in social structure.

To meet the emerging needs of an aging society, for example, homebuilders are required to ensure healthy and comfortable lifestyles for elderly people by offering a wide range of housing options to cope with physical decline, while creating a community environment more supportive to lives of the elderly and preparing for the changes in social structures. At the same time, we should be able to create living environments ideally suited to households with children to encourage efforts to overcome the challenges arising from a falling birthrate.

To cope with changes in the social structure, we have continued R&D efforts on cutting-edge technologies jointly with universities, and incorporated the achievements of these efforts in our “lifelong housing” concept that aims to bring “comfortable living—now and always.” We remain committed to meeting the emerging needs of society by offering various housing products and facilities, including welfare facilities for people with disabilities, detached houses for the elderly to spend the rest of their lives, medical and nursing care facilities, “clinic malls” (a variety of medical clinics located in one center), residential care homes for the elderly, kindergartens and day-care centers for children.

Offering living environments and people with disabilities

Sekisui House’s commitment to catering to various social needs arising from an aging population and a falling birthrate



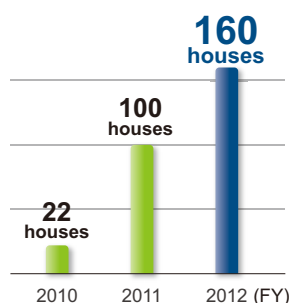
Introducing CELEBLIO, the first residential care home in the industry for the elderly, as part of our increased focus on the construction of medical and nursing care facilities and housing for the elderly

Against the backdrop of the rapid increase of the need for versatile facilities and housing products for the elderly, we launched CELEBLIO, a residential care home for the elderly, in September 2012. This rental home ensures safe and secure living for the elderly by providing support services tailored to the specific needs of elderly households. This is the first residential care home in the industry for the elderly.



With the universal design and low-formaldehyde-emitting materials employed throughout, this home offers a high-quality living space developed under our “lifelong housing” concept.

Growth in the number of houses for the elderly built by Sekisui House (including former rental homes exclusively for the elderly)



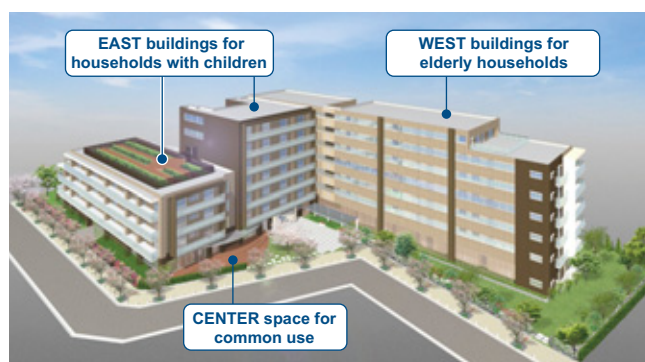
where all people, including the elderly, children, can live healthy and comfortable lives

MAST Life Furukawa Teien (Kita-ku, Tokyo), an apartment with an ideal environment for multigenerational interactions

As part of our efforts to address social problems stemming from an aging society and falling birthrate, we opened a rental apartment, MAST Life Furukawa Teien, in March 2012. With 62 residential units with care services for elderly households and 66 units for younger households with children in the same premises, this apartment is designed to encourage cross-generational communications among residents. The apartment is furnished with various facilities to meet the needs of households with children, such as a multi-purpose free space and a kids' room provided with picture books and toys. It ensures safety and comfort for elderly households by employing a barrier-free design, offering security and food delivery services, and equipping each residential unit with an emergency call device.

In addition to increasing convenience, we also put emphasis on fostering neighborhood bonds. In this apartment, opportunities for neighborhood communications have been provided through gatherings such as a "Happy Halloween Party" and various other events staged on the wood deck in the common space. These gatherings provide venues for friendly interactions among residents of the apartment of different generations, where conversations are triggered by, for example, a senior couple talking to a child and the parents accompanying the child responding to the couple, and also for interactions between residents of the apartment and local residents in the neighborhood who participate in the event.

Due to different lifestyles, it can be difficult for households of varying generations to live together. Therefore, MAST Life Furukawa Teien is drawing increasing attention as a new model for apartments for its ability to meet the needs of an aging society with a falling birthrate by creating a lively community with pleasant interactions between families with children and elderly households, and between its residents and neighbors.



I like the concept of elderly and younger households living together. I also enjoy friendly interactions with the neighborhood communities as a natural part of our lives. (A man in his 70s)



We are fond of community events that provide us with valuable opportunities to befriend elderly residents as well as families of our age group. (A family relocating from Nagoya)

Cross-generational events held in MAST Life Furukawa Teien



Tohoku Fair, a small scale market where fresh vegetables direct from farms in the Tohoku region were offered for sale. Many neighboring residents as well as residents of the apartment participated in this event, and participants of different generations shared a pleasant time together.



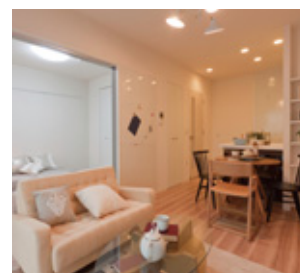
Planting sweet potato seedlings in the rooftop garden

Residential units for an elderly household and a younger household with children



Residential unit for an elderly household

A range of useful services are provided, such as a manned security service, food delivery service and an emergency response service.



Residential unit for a younger household with children

The unit incorporates designs to maximize the safety of children, such as rounded wall corners to prevent children from getting injured. Residents can also use the kids' room and breakfast service.

Pursuing “Smart Universal Design” to bring greater safety, user-friendliness, and comfort

Winning the Grand Award/Minister of Economy, Trade and Industry Award at the IAUD Awards 2012 for our universal design research and the awareness-raising efforts we have continued for almost 40 years

Since the 1970s, we have been engaged in the construction of housing for people with disabilities to bring “comfortable living—now and always,” not only to people with disabilities and elderly people, but also to all families under our “lifelong housing” concept, while striving to develop human resources, create ideal living environments, and pursue innovations in manufacturing to better implement this concept.

For example, we continued to provide hands-on-experience opportunities and training at the Lifelong Housing Zone of our Home Amenities Experience Studio in the Comprehensive Housing R&D Institute in fiscal year 2012. We also implemented the SH-UD master planner program to train personnel capable of playing leading roles in the promotion of universal design, and 17 employees were newly qualified as SH-UD master planners during this year, with the number of employees holding this qualification reaching 299 in total.

In recognition of our efforts over the years to raise awareness of universal design, we were given the Grand Award/Minister of Economy, Trade and Industry Award at the IAUD Awards 2012. Dr. Roger Coleman, Chair of the Selection Committee and Professor Emeritus of the Royal College of Art, London, commended our efforts to develop sophisticated universal designs with an increased level of comfort by incorporating the experience and data gained from various experiments, as well as the opinions of users. As shown by their remarks, the jury had a high opinion of the overall aspects of our sincere commitment to the “lifelong housing” concept.



IAUD Award

This award is presented by the International Association for Universal Design (IAUD) in recognition of groups and individuals who have conducted or proposed particularly noteworthy activities aimed at realizing a UD society in which everyone can live comfortably without feeling any undue inconvenience.

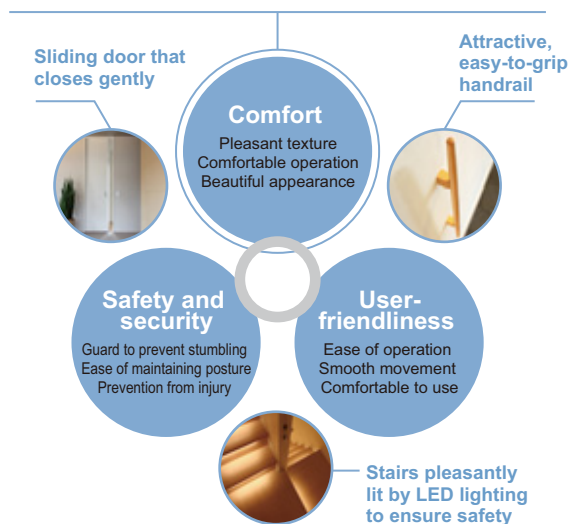
Winning the Special Chief Judge’s Prize in the 6th Kids Design Award for our “Smart Universal Design for Children” program and other initiatives

We have developed a number of universal design items and incorporated them in our housing to bring a higher level of safety and security. In promoting universal design development, we place special emphasis on the wellbeing of children who are full of hopes for the future. Specifically, we developed a program for parents and children to learn about “smart universal design for children” with an aim to promote the healthy growth of children by developing an independent mindset while ensuring safety, and we have been encouraging wider adoption of this program.

In 2012, we produced check cards designed to make people aware of dangers hidden in living spaces that could potentially be the cause of accidents through interactive communications. We also produced explanatory boards and installed them in our model homes for parents and children visiting the model homes to learn about safety measures incorporated in our housing design first-hand. By offering these hands-on learning opportunities, we aim to help people to understand that children have the ability to turn “can’t do” into “can do” step-by-step by themselves, if we remove dangerous factors from their living environments, and take into consideration the mental and physical abilities of children at each stage of their growth.

At the 6th Kids Design Award, we were commended in four categories for our six initiatives including the “Smart Universal Design for Children” program. We take pride in having won prizes at the Kids Design Award for six consecutive years since its establishment. We will remain committed to our efforts to raise public awareness of universal design and promote our kids design concept to create safer living environments for the healthy growth of children.

Smart
Universal Design
UD



KIDS
DESIGN
AWARD
2012



Loft steps employed in place of a ladder ensure greater safety. Going up and down the steps is an exciting experience for children. Also, children can naturally develop their physical strength by doing so.

Smart universal design for children = Greater safety + Development of an independent mindset

Incorporating the achievements of industry-academia research efforts into our “lifelong housing” design

“Airkis” high-quality indoor air system for children, our hope for the future

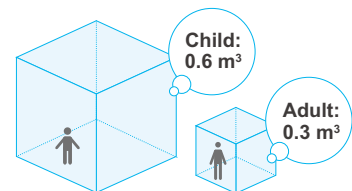


Though not visible to the naked eye, we take in more air than any other substance, including food and water, in our everyday lives. We began R&D on indoor air quality about 20 years ago when the threat of sick building syndrome became apparent. Since 2007, we have been involved in the Chemi-less Town Project, an industry-academia project led by Chiba University, through the construction of the Chemi-less House, a test home free from sick building syndrome. Based on the results of this project, we developed the “Airkis” high-quality indoor air system, and have been promoting the adoption of this system in our steel-frame detached houses since 2009. This system can reduce indoor concentrations of five chemical substances that cause sick building syndrome to less than 50% of the guideline value set by the Ministry of Health, Labour and Welfare, and thus is effective in protecting children who are at a greater risk if exposed to these substances than adults. Since 2011, we have been accelerating the introduction of the Airkis system to a wider range of homes by expanding the lineup of building materials and reducing costs. Upon completion of an “Airkis” home, we measure concentrations of the chemical substances in the indoor space and issue an Air Quality Certificate based on the results of the measurement to the homeowner.

At the end of 2012, we began promoting the Airkis system for the Sha-Maison low-rise apartment for leasing and the Grande Maison condominium for sale.

■ A child needs about twice as much air as an adult per 1 kg of body weight.

Source: “Guidelines for Chemical Substances to Protect Health of Children,” Bureau of Social Welfare and Public Health of Tokyo Metropolitan Government



Air sample being taken upon completion of an Airkis home



Air sample being analyzed by a third-party laboratory



An “Air Quality Certificate” is issued

Cooperating with the Eco & Child Study to protect the health of future generations



In 2011, the Japanese Ministry of the Environment embarked on a “National survey on the health of children and the environment” (Eco & Child Study). As a housing manufacturer that has long been addressing the issue of sick building syndrome, we agreed with the purpose of this project, and have undertaken the PR activities for the project as its corporate supporter. Specifically, we engage in publicity activities in our offices and model homes throughout Japan to increase public recognition and deepen understanding of this project, while posting our messages to encourage the project and show its logo on our website and in-house magazine. Through these activities, we are striving to create an ideal living environment for the healthy growth of children.

Taking part in demonstration experiments on BMI commissioned by the Ministry of Internal Affairs and Communications to enable control of residential equipment and household appliances by a person’s thoughts

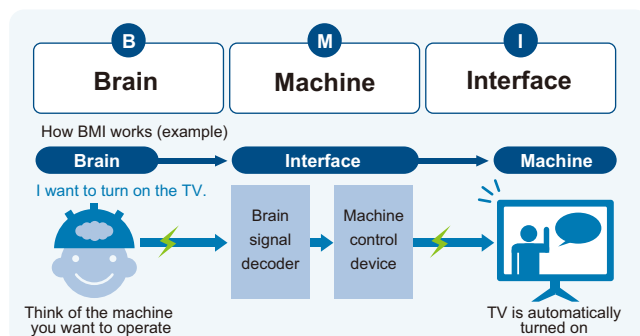
Starting July 2011, we have been engaged in an R&D project on the BMI network as a member of a joint research group together with the Advanced Telecommunications Research Institute International (ATR), Nippon Telegraph and Telephone Corporation (NTT), Shimadzu Corporation, and Keio University. BMI stands for Brain Machine Interface, and is a system that controls a computer or mechanical device by signals from the brain. As the BMI system has already proven effective in laboratory tests, the ongoing project aims to make the system workable in an ordinary residential setting.

During the project, we built a “BMI House” furnished with residential equipment for everyday life, as well as various kinds of sensors and automatically controllable devices that are necessary for a BMI-enabled environment. A lot of demonstration experiments have already been launched with a view to enabling the elderly and people with light to moderate disabilities to live independent lives.



©2012 ATR, NTT, Shimadzu Corporation, Sekisui House, Keio University

At the BMI House, a demonstration experiment is underway under the leadership of the Technical Research Division of Sekisui House’s Comprehensive Housing R&D Institute. (The BMI House is an experimental facility not open to the public.)



Source: FY 2012 Research project commissioned by the Ministry of Internal Affairs and Communications: “R&D on innovations utilizing the brain mechanism (high-precision brain signal sensing technology and brain signal transmitting technology; real-time brain signal extracting and decoding technology; and technology to control life support devices based on brain signal decoding)”

VOICE

Pursuing the ultimate universal design

Controlling equipment and devices just by thinking about them—it may sound like science fiction, but our efforts to make it a reality are steadily making progress, though there still remains a lot of work to be done. By participating in this project, we hope to offer the “ultimate universal design” that gives a new meaning to healthy and comfortable housing and ensures pleasant lives for all.



Masayuki Kondo
Manager
Comprehensive Housing R&D
Institute

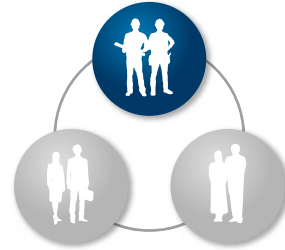
Commitment to stakeholders

As a company striving to contribute to society through the housing business, the Sekisui House Group is committed to dealing with customers and all stakeholders in good faith to achieve co-prosperity.

Specifically, we conduct fair and equal transactions with our partner building contractors and business partners and work in tandem with them to achieve our common goal of maximizing customer satisfaction. By doing so, we have fostered amicable partnerships in order to grow together and enjoy mutual benefits. We are also striving to enhance a workplace environment and employee programs to ensure that employees can fully demonstrate their competence and achieve creative growth through meaningful work. For our shareholders, we ensure fair and transparent corporate management to improve our profitability and corporate value through healthy growth.



Dealing with all stakeholders relationships of trust with



Commitment to our partner building contractors and business partners

The Sekisui House Group engages in operations that encompass the process from production, construction and after-sales service to remodeling, which requires cooperation from many people outside our group, including suppliers and building contractors. Unless every individual involved in the process is working with the same intention, we cannot fulfill our mission to protect the lives and possessions of our customers by creating comfortable and healthy living environments with the highest quality products and state-of-the-art technology.

This is why the Sekisui House Group is fostering relationships of trust among all our partner building contractors and business partners, as a community united by a common destiny,* regarding these bonds as extremely important. We will continue to increase the level of trust in our relationships, implementing supply chain management with the aim of overall optimization.

*In Japanese, this term, *unmei kyodotai*, is usually rendered with characters that literally mean "group with a collective destiny," but as the corporate philosophy of the Sekisui House Group incorporates the ideal of working by joining forces and helping each other, we write with characters meaning "group with a cooperative destiny."

Deepening cooperative ties with business partners to improve performance levels together

We, at the Sekisui House Group, established a purchasing policy focusing on achieving top quality, best cost, optimum supply, and environmental awareness, and have since been striving to adhere to and further promote this policy to ensure that our procurement operation is in compliance with our corporate philosophy and Corporate Conduct Guidelines. We believe that fair and honest implementation of this policy helps us deepen trust with our business partners and facilitate smooth and mutually beneficial transactions with them.

Twice a year, we convene a Policy Meeting, which is attended by approximately 200 business partners, with a view to deepening mutual understanding of the procurement principles and harmonizing our

associated with our business in good faith and fostering them to grow together and achieve co-prosperity

purchasing policy with the corporate policies of our business partners. At the meeting, we present a business overview of the Sekisui House Group and explain our medium-term management plan, purchasing policy, and other related matters. The meeting also provides a venue for exchange of opinions among participants. A Kaizen (improvement) Case Studies Workshop is held at the same time where we hear presentations on good examples of the activities undertaken by our business partners to improve corporate health, with the aim of enabling both Sekisui House and our suppliers to raise performance standards further.

Soon after Business Continuity Management (BCM) had been taken up as an important theme of the Policy Meeting, the Great East Japan Earthquake occurred in March 2011. Thanks to the efforts of our business partners we were able to continue our business activities without suspending work even for a day (excluding a few extraordinary circumstances). To further cement these alliances, we implemented initial response training and comprehensive disaster response training sessions to better cope with emergencies during fiscal year 2012, through which we checked how prepared for BCM our business partners were and identified and resolved problems, thus improving the efficiency and practicability of our BCM system. Furthermore, we started reinforcing the coordination of policies between Sekisui House and our business partners to ensure that all our business partners will have a correct understanding of our intentions and take action with the same amount of focus. In particular, we convene Policy Coordination Meetings to discuss the process through which each business partner implements their policy with a view to deepening mutual understanding.

Also, we visit our leading suppliers regularly for factory inspections and quality control assessments in order to identify practices that need improvement, suggest and follow up on measures for dealing with them, and promote corporate health. In fiscal year 2012, we held Policy Management Training sessions for senior management at our suppliers, following-up on the previous year. In these sessions, we introduced a practical program covering all aspects of business management, including improving corporate health and formulating corporate policies.

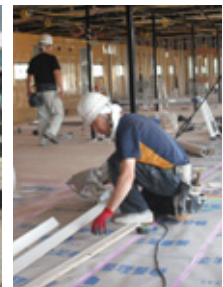
The Sekisui House Association is the driving force behind our efforts to shorten construction periods and accelerate the restoration of the earthquake-stricken areas

Under our project accountability system, we have been working closely with partner building contractors with an aim to achieve co-prosperity and mutual benefit as a community united by a common destiny. As such, partner building contractors are an indispensable part of our operation. It is no exaggeration to say that we could not have developed our various construction technologies (efforts in which we have been industry pioneers), engaged in activities to promote customer satisfaction (CS), or achieved zero emissions without the collaboration of our building contractors. Behind all these efforts are the contributions by the Sekisui House Association. The Sekisui House Association is a voluntary organization composed of the Sekisui House Group companies responsible for construction and partner building contractors. The 20 Sekisui House Group companies (19 Sekiwa Construction companies and Landtech Sekiwa), together with around 7,000 partner building contractors, are active in their respective regions. Sekisui House and the Sekisui House Association work together to promote various initiatives, such as enhancing construction quality, shortening construction time, reinforcing health and safety management, developing human resources through training, and implementing various compensation and aid programs for employee welfare.

To maintain and further improve our construction capabilities and quality into the future, we run Sekisui House Training School (a vocational training school approved by the governor of Ibaraki Prefecture) to train young construction workers who will play important roles as future

leaders. A total of 2,208 workers have completed the training course, who, with their professional skills and mindset, are working in various parts of Japan to bring greater satisfaction to our customers.

Two years have passed since the Great East Japan Earthquake occurred. In the stricken areas where construction demand is growing, shortages of building materials and construction workers have caused serious delays in the supply of housing. Under these circumstances, our partner, the Sekisui House Association has continued to make meaningful contributions as a group of construction professionals. The nationwide network of the Sekisui House Association enables us to mobilize teams of workers, who are well experienced in the construction of Sekisui House homes, from all over Japan to engage in the entire housing construction process in the stricken areas. To ensure that our construction quality is constantly kept at a high level, we have specified the number of houses to be constructed in the stricken areas per month and have sent construction personnel from various parts of Japan to the construction sites to reinforce our construction capabilities. These efforts have enabled us to start housing construction and deliver high-quality housing to our customers earlier than usual. In doing so, we have been able to meet the growing demand for housing and help the people affected return to their normal lives.



A total of about 230,000 workers have been sent to the stricken areas since the earthquake, and about 300 are engaged in restoration work each day, still today.

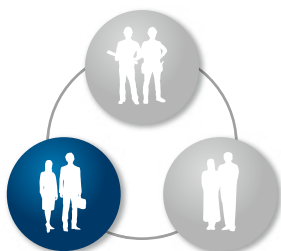
VOICE

Delivering high-quality housing to customers by strengthening construction capabilities and mobilizing our manpower

In the Tohoku region, especially Iwate, Miyagi and Fukushima prefectures, demand for construction has been growing on an unprecedented scale. We are doing our utmost to offer the highest-quality housing built with the best of the technologies, assisted by member companies of the Sekisui House Association all over Japan. Even today, many people are living inconvenient lives as refugees. To cater to the demand for housing, which is likely to continue to increase, we have reinforced our corporate strength to ensure that we can start construction work soon after an order is placed with Sekisui House and complete the work without delay. Under the motto, "Sekisui House—Your only home," we will remain fully committed to starting and completing construction as early as possible with a view to bringing safe, secure and high-quality housing to our customers.



Mr. Teruo Hikichi
President
Tohoku Sekisui House
Association (Hikichi
Construction Co., Ltd.)



Commitment with employees

In 2006, we announced the Declaration for Human Resources Sustainability as our basic personnel policy to develop workplaces and work rules that enable all employees to demonstrate their competence and explore possibilities to the fullest extent. We are striving to create a work environment where all employees feel happy and motivated in their work by promoting the career development of female employees and supporting work-life balance.

Growth of female sales and technical personnel in terms of both number and competence since the establishment of the Diversity Development Team

Since its establishment in 2006, the Diversity Development Team has been promoting training of female employees and contributed to their career development. As of fiscal year 2012, 52 female employees are in managerial positions nationwide, while the number of female sales persons who have returned to work after parental leave is increasing. Backed by a wealth of experience, these female employees are capable of offering practical housing plans from the viewpoint of a wife, expectant mother, and a parent and have earned greater trust from customers. Besides these female sales personnel, female technical personnel are also increasing in number, and are being given more opportunities at work. In 2012, the "Working Group to Promote Career Development of Female Technical Personnel" was established, and various measures have since been taken to ensure that female employees in technical positions are fully motivated to pursue higher career goals and make long-term, meaningful contributions to the company. In recognition of these efforts, we were chosen by the Tokyo Stock Exchange to be part of their women-empowering roster named the "Nadeshiko" list* in February 2013. We will continue our commitment to encouraging female employees to pursue their career development, while creating workplace environments that further motivate them at work.

No. of female sales personnel

As of the end of
January 2006

153

As of the end of
January 2013

222

No. of female technical personnel

As of the end of
January 2006

163

As of the end of
January 2013

359

Supporting female sales personnel

Since 2007, a "Female Sales Personnel Meeting" has been convened annually. This meeting is attended by female sales persons from all over Japan, and is intended to inspire them through interactions with the top sales personnel, and information exchanges among themselves.

Supporting female technical personnel

The "Working Group to Promote Career Development of Female Technical Personnel" is endeavoring to develop workplace environments that enable female technical personnel to continue to work after marriage and childbirth and make long-term contributions to the company. Specifically, meetings for female technical personnel to get together and study technical issues are held regularly to help them deepen technical knowledge and improve skills, while keeping them motivated at work.

Working successfully as a branch manager

Striving to create a pleasant workplace environment where employees enjoy their work while achieving higher performance

I took maternity and parental leave twice and returned to work after each leave to continue my career as a sales person. In February 2013, I was appointed branch manager, and have since been striving to balance work and motherhood so that I can be a role model for other female sales persons to follow. As I have to fulfill my parental responsibilities such as taking and picking up my children from a day-care center, I have renewed my awareness of the importance of setting priorities for work to be done effectively in a limited time. Now, as a branch manager with additional duties, I am further pressed to improve work efficiency in order to juggle work and family responsibilities as a mother. With the assistance of the members of my branch office, I will work for the creation of an ideal workplace environment where employees enjoy working while achieving good performance levels.



Fumiko Kuroki
Tokyo North Branch

Working as the first female "Chief Architect"

Building deeper relationships with customers as a professional

Thanks to the support of my colleagues at the branch office and homeowners, I was qualified as the first female chief architect under Sekisui House's internal qualification program. This qualification is granted to individuals with outstanding design capacity and a high level of trustworthiness. Since acquiring this qualification, I have relished the chance to negotiate with prospective customers, most of whom expect me to act in a professional capacity as chief architect. Encouraged by this, I now focus more on efforts to foster relationships of trust with prospective customers. As a chief architect, I will continue to offer attractive design ideas to customers while flexibly addressing their needs.



Tomoko Tonomura
Nara Branch

Work-life balance

In order for employees to constantly perform at their best, it is important for them to succeed at work and enjoy their private lives. At Sekisui House, we take various measures to help employees strike a work-life balance and make enough time for their families and for themselves.

For example, we implement extensive programs to support employees with children, as well as the retiree reinstatement registration program that allows employees who left the company due to marriage, childbirth, childcare, nursing care, or other family reasons to return to work. We also relaxed the criteria to be met to take nursing care leave, while introducing the accumulated annual leave program. By catering to the needs of individual employees through these programs, we are striving to create workplace environments that enable employees to perform to their fullest potential.

Returning to work after parental leave

Grateful for the company for this once-in-a-lifetime experience

I decided to take parental leave when asked by my pregnant wife to take care of our first daughter (a first-grade pupil at elementary school) and our newborn baby girl (second daughter) after she had left hospital and until her physical condition had restored. I myself did not want to miss this once-in-a-lifetime chance to take care of my newborn baby. When I consulted with my boss, he readily accepted my request to take the leave, and my colleagues were also willing to cover for me in my absence. I am very thankful for the cooperative culture of my workplace. During the parental leave, I spent a very meaningful time and had an invaluable life experience. Now, it is my turn to lend a hand to colleagues considering taking parental leave.



Kiyohisa Kayano
Keijina Customer Center

Promoting diversity of human resources

To create workplaces where a diverse range of employees can demonstrate their respective competence, we implement various programs such as work category transfers and internal open recruitment. These programs are designed to encourage motivated employees to develop their career paths and achieve higher performance.

In fiscal year 2012, we began nationwide implementation of the "Chief Constructor Program." Under this new program, 21 high-caliber on-site supervisors were awarded the designation of "Chief Constructor." They passed very high criteria in terms of the trust placed on them by customers, employees and partner building contractors and the ability to cope with difficulties at construction sites and improve work processes. These chief constructors are now being role models for on-site supervisors in construction sites all over Japan.

We will continue our efforts to maintain the corporate culture that allows each employee to remain enthusiastic and motivated about their work by promoting these programs.

Becoming qualified as a "Chief Constructor"

Contributing to the growth of younger construction workers with focus placed on customer satisfaction

I qualified as a chief constructor in April 2012, as a result of the questionnaire responses given by customers, branch offices, Sekiwa Construction, partner building contractors, and Customer Centers, as well as the evaluation of my ability to conduct quality control in the construction works in my charge, contribute to corporate performance in quantitative terms, and introduce innovations in work processes. I am very happy that the efforts I have been making as an on-site supervisor have been rewarded in this manner. I constantly ask myself if I can do more than is required of me, if I am attentive to every detail and how I can contribute to the company and society. With these questions in mind, I perform tasks assigned to me, however difficult they may be, steadily and in a methodical manner, while focusing on customer satisfaction. I will continue efforts to show that I deserve this qualification, while striving to create an environment that facilitates the growth of younger construction workers.

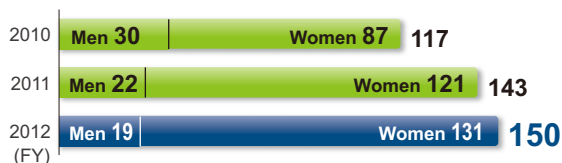


Kenichi Sakamoto
Aomori Branch

Increase in the number of women in managerial positions (total of the Sekisui House Group)

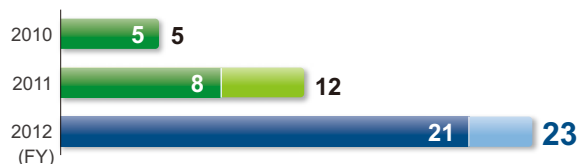


Employees taking parental leave (including short-term usage)



Employees applying for work category transfers

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



Employees using the shortened work hour program



*Selected as one of the "Nadeshiko" companies by the Tokyo Stock Exchange in recognition of our extensive support to female employees

In February 2013, we were chosen by the Tokyo Stock Exchange to be part of their women-empowering roster named the "Nadeshiko" list. On the Nadeshiko list are 17 companies, selected from among about 1,700 companies listed on the first section of the Tokyo Stock Exchange. Selection took into consideration the degree of the commitment to promoting female employees to important positions and contributions to work-life balance as well as return on equity. In Japan, the empowerment of female workers is deemed critical to reviving the domestic economy and maintaining the working population. Against this backdrop, our efforts to create workplace environments which are supportive to female employees and promote their career development are highly commended.

Promoting initiatives on human rights and labor practices

Sekisui House has been working to create a corporate culture of zero tolerance for infringements of human rights, by ensuring that all employees correctly understand and practice compliance and our Corporate Ethics Guidelines. Since 1980, we have engaged proactively with a range of human rights issues, including the so-called Dowa issue (discrimination against descendants of former outcasts) and discrimination against women, foreign residents, and people with disabilities, while continuing efforts to raise the awareness of every individual employee. In view of our intended business expansion overseas, we remain committed to putting our resources into human rights initiatives to build up a corporate climate in which all associates respect each other's human rights, while understanding the necessity to respect international laws and differences between cultures.

Human relations training (for all employees)

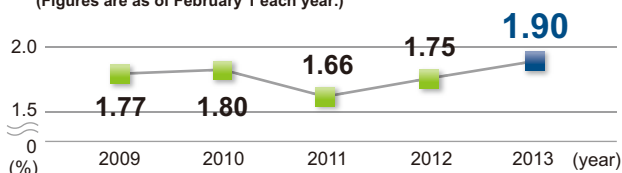
In fiscal year 2012, the training focused on "assertion," a communication style that allows for a good balance of respect for others and oneself, with the aim that every employee would raise human rights awareness and would not be involved in any human rights violations, whether as an offender or a victim. The training also addressed the issue of stereotyping to encourage trainees to think about what causes people to discriminate. Based on actual cases of stereotyping, trainees engaged in group discussions to deepen their understanding and awareness.



Initiatives toward hiring people with disabilities

As a company committed to the "lifelong housing" concept, we place special emphasis on hiring people with disabilities by way of performing our responsibility to society, and for this purpose, we participate in joint recruitment events held in various parts of Japan as much as possible. The ratio of employees with disabilities to all Sekisui House employees has reached 1.9% as of February 2013, above the legal requirement of 1.8%. Starting from fiscal year 2012, we implemented an internship program for people with disabilities, and accepted university students with developmental disorders as interns. We will continue our efforts to offer greater opportunities for all people, whether with disabilities or not, to help increase their opportunities and contribute to society with confidence.

Ratio of hires with disabilities (Figures are as of February 1 each year.)



Offering job opportunities to people with disabilities

Striving to increase what I can do encouraged by the warm support of my colleagues

Before I began working at Sekisui House, the fact that I am visually impaired was communicated to everyone in my department and also all over the office, which made it easier for me to speak about the disability when introducing myself. I am now engaged in R&D on services that enhance living comfort, and use various support devices such as a magnifying reading aid while working. For me, operation of a copying machine was an especially difficult part of my work. To overcome this difficulty, I learned by heart the layout of the operation panel so that I can make copies without any problems. At first, my colleagues used to tell me to be careful whenever they saw me using a box cutter or half-running in the office, but today no one takes excessive notice of me. Instead, they show me consideration, as they would to any other colleague, quite naturally and warmly. I believe that by working just like my colleagues, I can prove that even with a disability, I can be a productive part of society. With this belief in mind, I will continue to strive to enhance my skills, step by step.

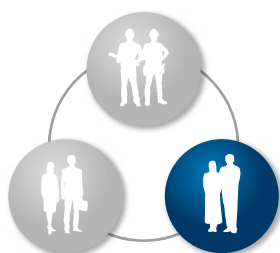


Minami Yamamoto
Comprehensive Housing
R&D Institute

Promoting initiatives toward occupational health and safety

At housing construction sites, it is of utmost importance to ensure the safety of construction workers as well as their mental and physical health, as this is critical to maintaining high construction quality and achieving customer satisfaction. At Sekisui House, we are focusing our efforts on providing a consistent system covering not only employees of the entire group but also staff of associated companies and those working for our partner building contractors.

To minimize risk factors, we are implementing and expanding our own proprietary Sekisui House Zero Risk System as part of our health and safety management efforts to make sure that employees of Sekisui House and partner building contractors can work safely with no risk to their health. We also carry out the Construction Health and Safety Yearly Plan for all people associated with construction work, both Sekisui House employees and those of building contractors, to reinforce measures to prevent accidents, while offering a wide range of guidance and training sessions such as the Health and Safety Education and Training session, to maximize occupational health and safety.



Commitment to shareholders and investors

At Sekisui House, we not only disclose our business information to shareholders and investors in accordance with legislation, but also proactively and fairly release voluntary information that might be of their interest via a range of media, including press releases and on our website. We also strive to promote dialogue with shareholders and investors by means of direct communications and value their opinions as a useful reference for our management decisions. Through these activities, we are doing our best to ensure that our corporate value is assessed properly.

Encouraging communications with shareholders and investors

In fiscal year 2012, we renewed our website to offer more detailed corporate and IR information, make information more easily searchable and the website more user-friendly. We also issue "BUSINESS REPORT" to shareholders biannually in which our business strategy and plans are clearly explained and easily understandable.

To facilitate direct communications with investors, we also participate in seminars for private investors from a variety of perspectives, offering opportunities for participants to have a better understanding of our company.



Corporate and IR information offered on our website

<http://www.sekisuihouse.co.jp/english/index.html>



BUSINESS REPORT

Increasing shareholder satisfaction

Shareholders who are unable to attend the Annual General Meeting may exercise their voting rights not only on paper but also via the Internet, in an attempt to make the process more convenient.

In some cases, Unuma Koshihikari rice sent to shareholders under the Shareholder Preferential Gift Program has been returned to the company because it has been refused or the recipient has moved and their location is unknown. In such cases, since the Preferential Gift Program was introduced, this rice has been donated to welfare facilities and organizations for people with disabilities and the elderly, with the understanding of shareholders.

Donations in fiscal year 2012 are shown below.

Recipients

- Social Welfare Corporation Kochi Parents' Association for the Intellectually Challenged (Nankoku City, Kochi Prefecture)
- Unoura Hospital (Rikuzentakata City, Iwate Prefecture)
- Medical Corporation Heart (Hitachinaka City, Ibaraki Prefecture)
- Medical Corporation Shojinkai (Hitachi City, Ibaraki Prefecture)

Returning profits to shareholders

To enable a high distribution of profits over the medium and long term and maintain its business health, Sekisui House is allocating a minimum 40% mean dividend payout ratio for the medium term. When necessary, the company will also engage in the buyback or cancellation of shares, endeavoring to return profits to shareholders through improvements in capital efficiency.

For the fiscal year ending January 2013, we issued a midterm dividend of 12 yen and a year-end dividend of 16 yen for a yearly dividend of 28 yen, up from the previous year by 8 yen.

Yearly dividends per share

(year/January quarter)	2009	2010	2011	2012	2013
Dividend (¥)	24	10	21*	20	28
Dividend ratio (%)	140.8	—	46.6	46.6	40.5

*Including 5 yen dividend to commemorate the 50th anniversary of the company's establishment

Preferential treatment for shareholders

Sekisui House has established two programs offering preferential points and preferential gifts to shareholders, to encourage them to hold onto the company's shares for the long term.

Shareholder Preferential Points Program

Points are allocated every half-year according to the number of shares and the length of time they have been held, and can be used when doing business with Sekisui House (new construction or remodeling, etc.).

Shareholder Preferential Gift Program

Shareholders who hold more than one share unit (1,000 shares) at the end of the accounting period receive a gift of 5 kg of Unuma Koshihikari rice every year.

Contributing to the wellbeing of society

With the awareness that our corporate activities directly affect people's lives and local communities, we have been promoting various social contribution activities as a member of the community and society.

With a "love of humanity" at the core of our corporate philosophy, and placing emphasis on "housing culture," "sound growth of next-generation citizens" and "environmental preservation," we have developed programs to enable employees to voluntarily take socially meaningful action, while working for the wellbeing of communities as part of our core corporate activities. We also encourage employees to take part in volunteer and charitable activities, work in partnership with NPOs and NGOs and support their activities, and extend support to educational activities in cooperation with educational institutions.

Acting in cooperation with as our guiding principle to addressing social challenges

— Principles of our social contribution activities —



Housing culture



Sound growth of next-generation citizens



Environmental preservation

- Employees' volunteer activities
- Participation in charitable activities
- International cooperation
- Emergency assistance
- Partnership with NPOs and NGOs
- Support for the activities of NPOs and NGOs
- Support for educational activities in cooperation with educational institutions
- Contribution to society as part of core corporate activities

"Love of humanity," at the core of our corporate philosophy

Collaborating with NPOs to support the independence of people with disabilities

At Sekisui House, we have been working with NPO Together (Nara City) since 2000 in proactive initiatives to support the independence of people with disabilities. As part of this support, we use SELP products* made by people with disabilities as novelties to give out to visitors at Sekisui House Visiting Days and model homes nationwide. In fiscal year 2012, we purchased 35,045 items.

*SELP products: Products made in welfare facilities by people with disabilities with the aim of job training and social inclusion.



A pot stand and cell-phone straps made of waste wood from the construction of our wood-frame house, SHAWOOD

Participating in Disabled Persons Week events

Since 2005, we have participated in the planning and implementation of "Disabled Persons Week" events (supported by the Cabinet Office) which are held in the Umeda Sky Building, where our head office is located.

In the Symposium Connecting People with Disabilities to Society, we hosted a keynote lecture and a panel discussion on the enactment of the Act on Promotion of Preferential Procurement of Goods Made by People with Disabilities. This discussion involved the audience, and thus provided a meaningful opportunity for government personnel, business persons, NPO members and citizens to get together and share opinions.



The symposium was attended by 150 people, where both the panelists and audience were involved in discussion.

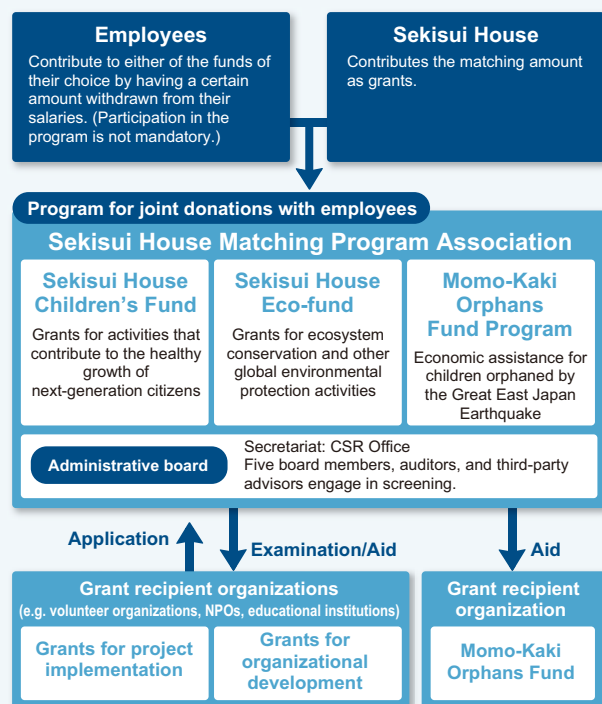
various sectors with a “love of humanity” continue working for the wellbeing of communities and

Supporting NPOs and other organizations working to meet social challenges

Sekisui House Matching Program

Since fiscal year 2006, we have been implementing the Sekisui House Matching Program (with membership of approximately 2,600 people), under which we match employee donations to NPOs and other organizations engaged in activities to benefit society. Employees who join this program have an amount of their choice (1 unit = 100 yen) withheld from their salaries for donations, and Sekisui House matches the donations and contributes the same amount as grants. Grant money is disbursed from two funds, Sekisui House Children's Fund and Sekisui House Eco-fund, and the administrative board consisting of representatives of the program members determines recipient organizations. We also established the Momo-Kaki Orphans Fund Program to support the Momo-Kaki Orphans Fund (chaired by architect Tadao Ando), which provides financial assistance to children orphaned by the Great East Japan Earthquake. In fiscal year 2012, we donated a combined total of 16.6 million yen to 21 organizations from our Children's Fund and Eco-fund. Under our Momo-Kaki Orphans Fund Program, we are planning to donate 100 million yen over the next ten years.

■ Sekisui House Matching Program



■ Grants for project implementation (awarded to organizations upon application)

Children's Fund

¥8.6 million donated to 7 organizations

- NPO International Children's Action Network
- NPO ADRA Japan
- NPO Shonan DV Support Center
- NPO Japan Good Toy
- NPO Kokkyo naki Kodomotachi
- NPO Childline Support Center Japan
- NPO Florence

Eco-fund

¥6.4 million donated to 6 organizations

- NPO Kamiechigo Yamazato Fun Club
- NPO Eco-works
- Steering Committee for the Chikugo River Preservation Project
- NPO Shirakami Mountains Preservation Society
- NPO Eco Future Fund
- NPO Japan International Volunteer Center

*In addition, we implement the “grants for organizational development” program to help organizations improve their internal infrastructure and quality of their activities in anticipation of their future development. Under this program, we offered grants to eight organizations (five organizations from our Children's Fund and three organizations from our Eco-fund).

Supporting the creation of local communities with the Kobe Machizukuri Rokko Island Fund charitable trust

The Kobe Machizukuri Rokko Island Fund was established as a charitable trust in 1996 jointly by Sekisui House and P&G, both of which are closely associated with Rokko Island City (Higashinada-ku, Kobe City), with a view to supporting projects and activities that can contribute to the process of creating international and culture-rich communities in Kobe City.

Through this fund, we have awarded grants to many NPOs and organizations to support their community-building efforts, and by fiscal year 2012, had awarded 496 grants totaling 365.96 million yen.

Supporting the Real Size Thinking competition for ecological living space design, with entries from 51 universities nationwide

Since fiscal year 2005, Sekisui House has been participating in the planning and management of the Real Size Thinking competition for students, for which entrants must construct a scale model of a living space that can fit within a volume of 2.4 cubic meters. Its main objectives are to raise awareness of the importance of environmental consideration in designing living spaces, strengthen collaboration between industry and universities, promote communication between students, and foster young designers. In fiscal year 2012, 222 models from 51 universities nationwide were entered.

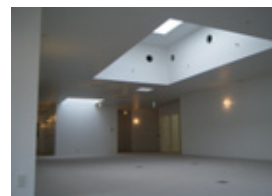
Collaborating in the construction of Child Chemo House, a medical facility where children with cancer can receive treatment in a home-like setting

Child Chemo House is a care home for children with cancer, and is a vision that NPO Child Chemo House has been striving to materialize since 2006. This facility is more like a home than a hospital or clinic, where children can spend time with their family while undergoing therapy. We, at Sekisui House, have been supporting the activities of NPO Child Chemo House through our Matching Program (see p. 72). To support the Child Chemo House construction project, we donated approximately 220 million yen, while undertaking total design, planning and construction of the facility. After the opening of the Child Chemo House, we will continue to offer administrative support in various ways.



Outline of the Child Chemo House facility

Construction site: 8-5-3 Minatojima Nakamachi, Chuo-ku, Kobe City (in the KOBE Biomedical Innovation Cluster in Port Island)
Client: Child Chemo Support Foundation
Total design and planning: Takaharu and Yui Tezuka, Tezuka Architects, and Sekisui House, Ltd.
Construction: Sekisui House, Ltd.
Structure: Heavy-steel one-story building (BEREO model)
Total floor area: 1,931.50 m²



The building is provided with several skylight windows to let in plenty of natural light, and furnished with the "Airkis" high-quality indoor air system to maintain a clean air environment to protect the health of children (see p. 64).

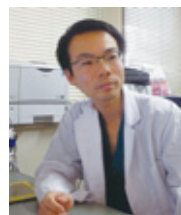


VOICE

I am grateful for the generous support of our efforts to create an ideal treatment environment for children with cancer

In June 2005, medical personnel and parents of children with cancer met together to discuss how to create an ideal environment for children with cancer and their families. This meeting was the beginning of the Child Chemo House initiative. Typically, treatment of childhood cancer requires long-term hospitalization, while the use of anticancer drugs weakens the immune system and can expose the patient to life-threatening risks if an infection, including a cold, is contracted. Taking into consideration these two factors, and also the mottoes, "children can grow with a smile even with cancer" and "the ideal hospital is our home," we have been exploring how we can provide an environment where children receiving treatment can live normal family lives and grow soundly.

I am pleased to note that thanks to the kind donations of many people and the dream collaboration between Sekisui House and Tezuka Architects, we could make our hope a reality. The completed facility has been built with state-of-the-art technologies including an advanced air conditioning system that is critical to protecting children against infectious diseases. I would like to take this occasion to extend my heartfelt gratitude to Sekisui House for their donation of more than 200 million yen for the construction of the facility and for their continued support to our research activities. Encouraged by the warm support of everyone involved in this initiative, we will continue our commitment to developing new medical practices to ensure the greater wellbeing of children with cancer.



Dr. Shigenori Kusuki

Head Doctor
Child Chemo Clinic

Participating in the "Bento Day" promotion project to instill confidence and appreciation in children

The "Bento Day" or "lunch box making day" program is designed to educate children to be self-reliant by making their *bento* (lunch box) on their own. Through this program, children are expected to become aware of the importance of foods, develop an attitude of appreciation, and discover the joy of cooking by doing everything themselves from shopping for ingredients to clearing the kitchen after use. We agreed with the purpose of the Bento Day program and participated in the project to promote this program. Specifically, we hosted a seminar inviting Mr. Kazuo Takeshita, an advocate of this program, as a lecturer, and organized a *bento* cooking event for children at our Comprehensive Housing R&D Institute in August 2012.



Twenty children enjoyed making lunch boxes during our event.

For more information, refer to the official website of the Bento Day program.

<http://d.hatena.ne.jp/bentounohi/>
(Japanese only)

Implementing the environmental education programs at schools and event venues throughout Japan

We implement three enjoyable hands-on learning programs throughout Japan as extension classes at schools and as part of events, focusing on the three commitments we made with the Minister of the Environment as an Eco-First Company—reduce CO₂ emissions, restore ecosystem networks, and promote resource recycling. Through these programs, children can learn about energy-saving measures they can take at home, and increase awareness of the importance of preservation of the natural environment and efficient use of resources.



Focusing on the joy of learning, our programs are designed for children to deepen understanding of the environment as the next-generation leaders.