

Changing the World

Underpinning the Sekisui House Group corporate philosophy is a love of humanity.

Desiring happiness for all our stakeholders and the realization of a sustainable society, we strive to create and share four key values: environmental value, economic value, social value and homeowner value.

Today, we are surrounded by a variety of accumulating social issues, including energy challenges and the problem of low birthrates and aging populations.

Because the Sekisui House Group develops housing-based growth strategies, we will resolve social issues and create new value through housing.

This is how we create shared value (CSV).

Our stance
Truth and trust

Our
fundamental
philosophy:
Love of
humanity

Our objective

Superior quality
and leading technology

Our business focus

Comfortable housing
and ecologically sound
communities

Corporate Philosophy

Our fundamental philosophy, a love of humanity, means doing all things in good faith and with a spirit of service. It means desiring happiness for others, and treating their joy as our own, with the awareness that each and every human being has irreplaceable value. This was formulated in 1989 based on discussions with all employees.

Through Living



Toward Business Creation through the Development

Since our founding in 1960, the Sekisui House Group has developed housing-related businesses that have come to lead the housing industry.

With beginnings in detached homes, we have expanded into business domains including rental housing, ready-built homes, condominiums, remodeling, real estate, urban redevelopment and overseas business. Going forward, we will continue to provide new value to society and people's day-to-day lives through the utilization of various business technologies, expertise and achievements grounded in our SLOW & SMART brand vision.

Built-to-Order Business

Custom detached houses, rental housing



IS ROY+E steel-framed two-story house



Gravis Villa SHAWOOD wooden-frame detached house



BIENA steel-frame three- to four-story homes

Custom Detached Houses

Design, construction, and contracting of detached houses

[Main Affiliates]

© 18 Sekiwa Construction companies (housing construction, etc.)



BEREO three- to four-story rental housing



Celeblio assisted-living complex for senior citizens

Rental Housing

Design, construction, and contracting of rental housing, medical and nursing care facilities, and non-housing such as commercial facilities and hotels.

[Main Affiliates]

© 18 Sekiwa Construction companies (housing construction, etc.)

Custom Detached House Sales

12,570 houses

No.1 among prefabricated house manufacturers *

*(FY2016) Source: Housing Industry Express, Jutaku Sangyo Kenkyusho Co., Ltd.

Total number of orders received for net-zero-energy housing

34,648 houses

No.1 in Japan

Number of three-story rental housing starts

1,650 buildings

No.1 in Japan *

*(FY2016) Source: Data provided by Jutaku Sangyo Kenkyusho Co., Ltd.

Development Business

Houses for Sale, condominiums, urban redevelopment



Seaside Momochi (Fukuoka City)



Grande Maison Yamaashiya (Ashiya City, Hyogo Prefecture)



Umeda Sky Building (Osaka City)

Houses for Sale

Sale of houses and residential land; design, construction, and contracting of houses on residential land for sale

[Main Affiliates]

© 7 Sekiwa Real Estate companies (purchase/sale of real estate, etc.)
© 18 Sekiwa Construction companies (housing construction, etc.)

Condominiums

Sale of condominiums

[Main Affiliates]

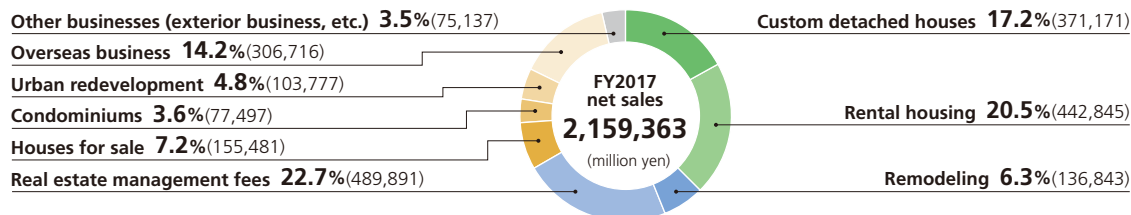
© 7 Sekiwa Real Estate companies (purchase/sale of real estate, etc.)

Urban Redevelopment

Development of office buildings and commercial facilities; management and operation of real estate in possession

of Growth Strategies in Various Domains

Consolidated Sales by Segment



Supplied Housing Business

Remodeling, real estate management fees



Renovation work example



Remodeling

Remodeling and renovation of houses, etc.

[Main Affiliates]

- ◎ 3 Sekisui House Remodeling companies (Sekisui House detached housing expansion and renovation, etc.)
- ◎ 18 Sekiwa Construction companies (housing and condominium remodeling and extension, etc.)
- ◎ 7 Sekiwa Real Estate companies (remodeling and extension of rental housing, etc.)



Pro+Nube two-story rental housing



BEREO three- to four-story rental housing

Real Estate Management Fees

Subleasing, management, operation, and brokerage of real estate, etc.

[Main Affiliates]

- ◎ 7 Sekiwa Real Estate companies (purchase/sale, brokerage, leasing, and management of real estate, etc.)
- ◎ Sekiwa Grand Mast, Ltd. (operation and management of rental housing for senior citizens)

Total number of houses constructed

2,381,637 houses

No.1 in the world

Remodeling business sales

136.8 billion yen

No.1 in Japan

Total number of registered residential units in assisted-living complexes for senior citizens

14,411 units

No.1 in Japan

Overseas Business



Central Park, Australia

Overseas Business

Condominium and building complex business, sales of ready-built detached houses and residential land, and detached housing business in overseas markets

[Main Affiliates]

- ◎ Sekisui House Australia Holdings Pty Ltd.
- ◎ Woodside Homes Company, LLC

Other Businesses



Example of Gohon no ki exterior construction and landscaping

Other Businesses

Exterior construction work, etc.

[Main Affiliates]

- ◎ 18 Sekiwa Construction companies (exterior construction, landscaping, etc.)

Exterior business sales

67.8 billion yen

No.1 in Japan

Note: Cumulative figures are all as of January 31, 2018.

Creating the Value that Society Demands and

In pursuit of our four key values established in 2005—environmental value, economic value, social value and homeowner value—we have achieved continual growth while developing our business activities and generating products and services that provide solutions to current issues and meet individual customer needs.

In fiscal 2017, we achieved record profit for the fifth consecutive year and increased profit for the eighth consecutive year.

Going forward, we will continue to strive for balanced management policies that allow for the realization of sustained growth and create the value that society demands.

		FY2007	FY2008	FY2009	FY2010
Business performance	Net Sales	1,597,807	1,514,172	1,353,186	1,488,369
	Operating Income	109,727	73,960	△ 38,754	56,354
	Ordinary Income	114,086	77,072	△ 38,758	56,271
	Net income attributable to owners of parent	60,352	11,516	△ 29,277	30,421
	Earnings per share (EPS)	88.70yen	17.04yen	△ 43.32yen	45.02yen
	Return on equity (ROE)	7.7%	1.5%	△ 4.0%	4.2%
	Operating margin	6.9%	4.9%	△ 2.9%	3.8%
Financial status	Total assets	1,349,441	1,387,237	1,353,946	1,341,308
	Net assets	770,963	754,130	716,295	738,029
	Capital ratio	57.1%	54.3%	52.9%	54.9%
Dividend	Annual dividend	24.00yen	24.00yen	10.00yen	21.00yen
	Total dividends	16,233	16,227	6,759	14,193
	Dividend payout ratio	27.4%	140.8%	—	46.6%
Shared value	Total market value (year-end)	836,365	520,525	578,737	540,831
	Average sales of detached houses (10,000 yen)	3,105	3,164	3,115	3,172
	Average sales of rental housing (10,000 yen)	4,156	4,552	5,116	5,138

Corporate Profile (as of January 31, 2018)

Corporation name Sekisui House, Ltd.
Head office 1-1-88 Oyodonaka,
Kita-ku, Osaka 531-0076, Japan
Date of establishment August 1, 1960
Capital stock issued ¥202,591,200,000
Employees 24,391 (consolidated);
14,482 (non-consolidated)
Total number of 2,381,367
houses built

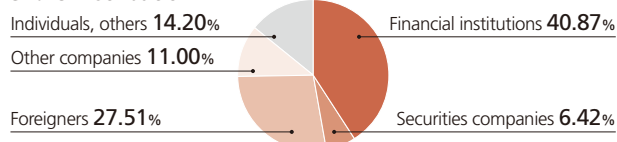
Sales and Service Offices (as of January 31, 2018)

Branch and sales offices: 123
Customer service centers: 29
Model homes: 386
Factories: 5
R&D institute: 1
Consolidated subsidiaries: 256
Companies accounted for under the equity method: 29

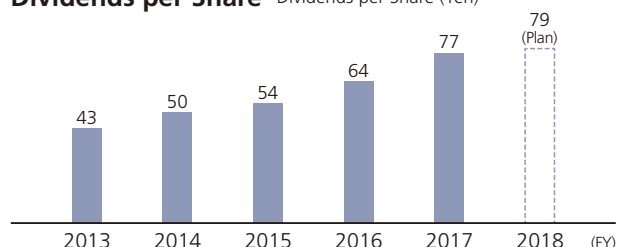
Share Information (as of January 31, 2018)

Number of shares outstanding: 690,683,466
Number of shares per share unit: 100 Number of shareholders: 86,484
Listed stock exchanges: Tokyo and Nagoya

Share Distribution



Dividends per Share Dividends per Share (Yen)

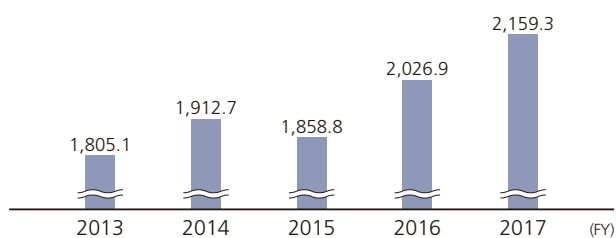


Realizing Sustainable Growth

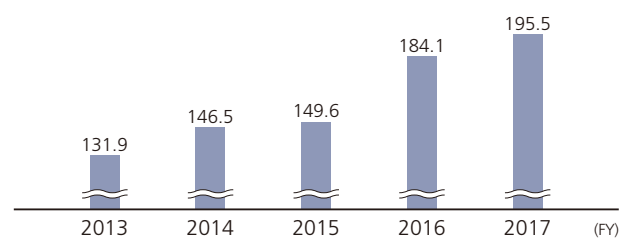
(Million yen)

FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
1,530,577	1,613,816	1,805,102	1,912,721	1,858,879	2,026,931	2,159,363
70,897	86,196	131,930	146,595	149,645	184,164	195,540
70,075	91,767	137,794	156,426	160,589	190,989	203,678
28,962	46,458	79,801	90,224	84,302	121,853	133,224
42.90yen	69.17yen	118.63yen	130.91yen	120.16yen	175.48yen	193.06yen
3.9%	6.0%	9.2%	9.0%	7.9%	11.3%	11.6%
4.6%	5.3%	7.3%	7.7%	8.1%	9.1%	9.1%
1,445,828	1,539,272	1,769,005	1,929,409	2,029,794	2,184,895	2,419,012
750,374	814,063	941,415	1,079,064	1,068,428	1,118,264	1,208,121
51.4%	52.4%	52.6%	55.4%	52.1%	50.5%	49.4%
20.00yen	28.00yen	43.00yen	50.00yen	54.00yen	64.00yen	77.00yen
13,477	18,811	29,200	34,799	37,832	44,243	53,151
46.6%	40.5%	36.2%	38.2%	44.9%	36.5%	39.9%
484,650	680,946	985,007	1,059,072	1,329,946	1,297,656	1,379,985
3,311	3,344	3,450	3,565	3,700	3,729	3,807
5,263	5,519	6,128	6,854	7,677	8,361	9,395

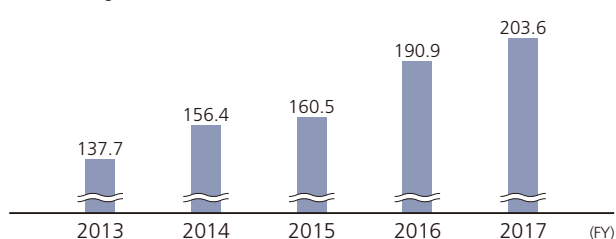
Net sales (Billion yen)



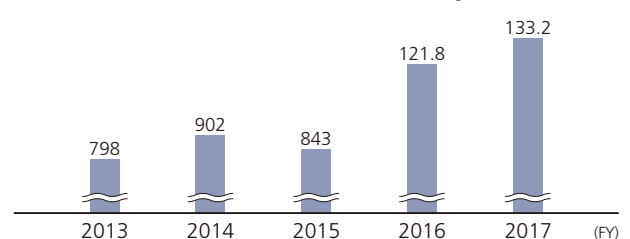
Operating income (Billion yen)



Ordinary Income (Billion yen)



Net income attributable to owners of parent (Billion yen)



Editorial Policy

The purpose of this report is to educate the general public about initiatives the Sekisui House Group engages in to help build a sustainable society, while also encouraging reader feedback as a means to improve these initiatives going forward.

In selecting topics to be reported and formulating an editing policy, we referred to the 2012 Environmental Reporting Guidelines of Japan's Ministry of the Environment. The selected topics are reported in accordance with ISO 26000, an international standard providing guidance on social responsibility.

Furthermore, this report has been prepared in accordance with the Core options of the Global Reporting Initiative's (GRI) Sustainability Reporting Standards (GRI Standards).

Energy usage, waste and greenhouse gas emissions, water used in factory production and social reporting (accidents resulting in lost worktime and job-related illness frequency rates) disclosed in Sustainability Report 2018 are assured by third-party institutions to heighten reliability (see page 75, Independent Third-Party Assurance Report). Furthermore, with regard to the reliability of greenhouse gas emissions data disclosed herein, the symbol on the right indicates this report meets greenhouse gas reporting examination and registration mark standards established by The Japanese Association of Assurance Organizations for Sustainability Information.



Features of the Sustainability Report 2018

- The content of this report was determined by the Sekisui House CSR Committee, taking into consideration social conditions and survey responses to the Sustainability Report 2017.
- In accordance with the GRI Standards "core" option, all general disclosures ("core" items required for disclosure compliance) as well as topic-specific standards and 17 material topics narrowed down into six CSV strategies are disclosed in this report and online.
- As an annual report, this publication contains a summary of our corporate activities during FY2017, which can be found in the "CSV Strategies" pages. This report also includes a self-evaluation of our performance towards achieving our goals.
- This report shows changes in key performance indicators (KPI) in important areas, such as in the progress of our Eco-First Promise.
- The report also includes comments from stakeholders in various sectors, including our customers and external experts, who provide objective third-party views on our corporate activities.

Areas of Business

This report covers Sekisui House Limited and 256 consolidated subsidiaries.

Areas of Business Activity

This report covers the business operations of the Sekisui House Group, which include custom detached houses, rental housing, remodeling, real estate management fees, houses for sale, condominiums, urban redevelopment, overseas business, and others (e.g. exterior construction work).

- Period covered: FY2017 (February 1, 2017 to January 31, 2018)
Note: Some activities undertaken in FY2018 are covered in this report.
- Date of publication: This report is published annually in Japanese in June.
Note: English and Chinese versions are published annually in July.
- Direct Inquiries about This Report to:
Corporate Social Responsibility Department Tel:
+81-6-6440-3440
Environment Improving Department Tel:
+81-6-6440-3374

Online inquiries > <http://www.sekisuihouse.co.jp/mail/>

Contents

Value Creation Vision and Strategy

Sekisui House Group Business	03
------------------------------------	----

Financial Data from the Past 11 Years and Corporate Profile	05
---	----

Top Management Commitment



Personally Leading the Push Toward Thorough Governance Reforms

Toshinori Abe Chairman & Representative Director	09
--	----



Creating New Business with a New Management Structure. Continuing to Target Sustainable Growth

Yoshihiro Nakai President & Representative Director	11
---	----

Development of Value Creation	13
-------------------------------------	----

Promoting Sustainable Management through Our Four Key Values

Vision and Goals

Toward 2050	15
-------------------	----

Promoting the CSV Strategy	17
----------------------------------	----

Medium-Term Management Plan and CSV Strategy	18
--	----

The Sekisui House Group's Unique Strengths	19
--	----

Value Creation Process	21
------------------------------	----

CSV Strategies

1



Promoting net-zero-energy housing 23

2



Preserving biodiversity 29

3



Maximizing Customer Value through the Value Chain 33

4



Extend lifespan of houses and enhance after-sales support 41

5



Promoting diversity and developing human resources 47

6



Developing overseas business 53

ESG Information

Value Creation Foundation

G Governance

Strengthening Our Corporate Governance System	57
Compliance and Risk Management	60
CSR Management Promotion	63
Specifying Material Topics	64
Stakeholder Engagement	65
Comments from External Members of the CSR Committee	66
Occupational Health and Safety Management	67

Environmental and Social Activities

E Environmental

Environmental Management	68
Material Balance	69

S Social

Post-Disaster Restoration and Reconstruction	71
Contributing to local Communities	73

Third-Party Opinions and Evaluations

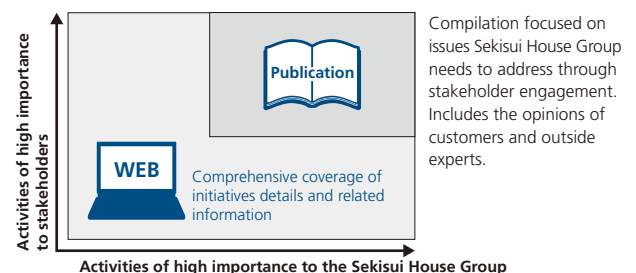
Independent Third-Party Assurance Report	75
Summary of Initiatives	76
GRI Content Index for "In Accordance" Items	77
Honors from Third Parties during FY2017	79

Reporting Media Approach

This publication compiles information selected due to its importance and presented in a format that is easy to read and understand. To meet our responsibility for full accountability to a wide range of shareholders, comprehensive information is disclosed on our website.

We also issue a separate publication that focuses on information of particular importance to customers.

Note: Our CSR website is only available in Japanese



<http://www.sekisuihouse.co.jp/sustainable/>



Toshinori Abe
Chairman &
Representative Director

Personally Leading the Push Toward Thorough Governance Reforms

**Attaining the Top Position with a Renewed Sense of Responsibility.
Returning to the Starting Point, It Is Time to Demonstrate Our Revitalization**

Pursuing a Thorough Image of Moral and Ethical Perfection

"Economics without morals is criminal, and morals without economics is nonsense." I always quote these wise words from Sontoku Ninomiya in my conversations with employees. As a company, it is natural to pursue profits. However, if not accompanied by morality as a major principle, a company has no existential value. This attitude is the starting point for the governance reforms we are now relentlessly pursuing.

There is a word that conveys an even stronger awareness in terms of promoting governance reforms. Sekisui House uses the word "integrity" as a sincere and high-minded morality. This can be interpreted as "an image of moral and ethical perfection." This way of thinking is the basis of legal compliance and corporate governance. Going forward, it is our intention to give overriding priority to integrity in all corporate activities.

Since the establishment of Sekisui House, we have promoted human resources without favoritism on the basis of fairness and impartiality. However, this alone has a tendency to prioritize sales above all other concerns, running the risk of placing a disproportionate emphasis only on sales figures in individual

evaluation criteria and certain abilities of technical staff. As a result, this leads to the rise of managers lacking morality and ethics. This proliferates the erroneous thinking that "since the results are good, it is alright to overlook certain things." For the Sekisui House Group to achieve sustainable growth and maintain its indispensable presence in society, erroneous thinking is impermissible. Going forward, we will thoroughly conduct truly fair and impartial evaluations that place the greatest importance on integrity as the most critical requirement for managerial appointments. We will also incorporate customer satisfaction, operational precision and other factors that are difficult to quantify into division assessment evaluation criteria. Of course, we will focus on expanding education and training for the executives who will lead these efforts. The creation of an environment in which a diverse array of human resources, including women as well as foreigners, are able to actively participate is also an important task.

Governance reforms are not a hindrance to employees. A free and vigorous corporate culture is another key element. To share and increase governance awareness in an open organization, an atmosphere of flexible acceptance with regard to differing opinions is also important in the workplace. Employees playing an active role on the frontlines of their workplaces should have constructive opinions, ideas and hints useful for operational

reforms. It is also the manager's job to listen seriously to these opinions, examine them carefully and make use of them in the future. If not accompanied by the creation of Company-wide culture or environment where differing opinions are tolerated, individuals with useful ideas may be ignored. We must not be satisfied with creating formal rules. There is no end to governance reforms.

Six Items for Strengthening the Governance Structure Devised by the Management Team

The Sekisui House Group will engage in initiatives positioning 2018 as "year one" of governance reforms. With a renewed sense of responsibility, the new management team has adopted six items for strengthening the governance structure as a concrete plan for leadership initiative.

(1) Introduction of a mandatory retirement age of 70 for representative directors. This will encourage a generational change in management and develop human resources for management positions. (2) Appointment of women as outside officers. This will ensure diversity in the officer structure, and create a mechanism for reflecting diversity in management policies. (3) Transparency and invigoration of Board of Director meeting operations. This will establish a principle preventing concurrent positions as chairperson and/or person who convenes Board meetings, ensuring that decisions are made through transparent and active discussions to facilitate the constructive exchange of opinions at Board meetings. (4) Establishment of the Management Meeting. This will ensure opportunities for the sharing of information among officers and the expression of opinions from various perspectives on important investment projects, future management policies and other matters. (5) Clarification of departments under the control of directors. This will clarify the responsibilities and authority of directors and executive officers in charge of multiple departments in an attempt to thoroughly strengthen cooperation between departments and develop human resources. (6) Evaluation of Board of Director efficacy. This will establish self-evaluations conducted in cooperation with attorneys and other experts on the efficacy of the Board of Directors aimed at continuously strengthening, reforming and improving the function of the Board of Directors.

These initiatives, devised by the directors themselves, will facilitate more open Board of Directors meetings. Going forward, we will promote the improvements to this system and create mechanisms in accordance with our Basic Policy on Corporate Governance. The new management team will continue to regularly convey in an easily understandable way their strong intent to bring about positive changes in the Company, create a healthier corporate culture and pursue "an image of moral and ethical perfection."

We must share an awareness of this being year one of governance reforms throughout the entire Sekisui House Group, including everyone in the Sekisui House Association and all our contractor partners. This also applies to employees at local subsidiaries engaged in overseas business. In order that, 10 to 20 years from now, society looks back and says "the Sekisui House Group has changed, and 2018 was the turning point,"

we will continue to expand efforts that are effective with determined resolution.

Promoting Management with a Strong Awareness of ESG

Meanwhile, if we shift our attention to the global stage, we see the national interests of one country colliding with the national interests of another country both politically and economically, with a global flurry of daily news that completely changes what was formerly considered common sense. Amid these circumstances, a consensus transcending national borders is forming with regard to efforts toward the realization of sustainable societies that are both diverse and inclusive. The 193 nations comprising the United Nations adopted the Sustainable Development Goals (SDGs) as an action plan for the period from 2016 to 2030. These 17 extensive and lofty goals are focused on health, educational issues, the securing of safe water, meaningful work and economic growth, the creation of infrastructure for industrial and technological innovations, and the urgent issues of climate change and energy measures. Overall, these correspond substantially with the Sekisui House Group's "Declaration of Sustainability" concept, which in 2005 pledged to make four key values: economic value, environmental value, social value and homeowner value, the basis of our corporate activities. Going forward, with a continued focus on "sustainability" as the benchmark, we plan to contribute to the achievement of the SDGs, which are a global lingua franca, through business that creates housing environments based on the four key values that we have confidently and proudly worked toward up to now.

In addition to using financial information as material for investment target selection criteria and the measurement of corporate value, there have been accelerated efforts to emphasize environmental management, improvement in sociability and governance (ESG) to promote the realization of a sustainable society. With respect to these ESG investments, Sekisui House has gained a strong reputation in Japan and overseas, including being selected as a top-ranked "Gold Class" company for the third consecutive year by RobecoSAM, a company that evaluates global socially responsible investing (SRI). To live up to this reputation, we will increase efforts toward initiatives pledged in the "Declaration of Sustainability" and promote management with a strong awareness of ESG.

Ultimately, the meaning of the SDGs and ESG comes down to a "love of humanity," which is the Sekisui House Group corporate philosophy; we wish for the wellbeing of others and rejoice in their happiness. Now is the time for each of us to once again take this starting point to heart. To achieve global growth, it is vital that we discipline ourselves strictly and establish a solid footing. Reaffirming the Sekisui House Group's goal of "superior quality and leading technologies" and the SLOW & SMART brand vision, we will thoroughly promote governance reforms while resolving to completely devote ourselves to continuously enhancing the value of the Sekisui House brand.



Yoshihiro Nakai

President &
Representative Director

Creating New Business with a New Management Structure. Continuing to Target Sustainable Growth

Middle- and High-Class Lines, Non-Housing Areas and the World's Best Customer Base. Overseas Housing Stock Will Also Become a Future Advantage

Comprehensive Strengths, Innovation. Sekisui House Group Positioned to Make a New Leap Forward

At present, we are proceeding on track with business having the basic objective of building a foundation for the residential businesses toward BEYOND 2020, the Sekisui House Group's Fourth Medium-Term Management Plan. With the launch of a new management team in FY2018, we will further promote the break-even point management thoroughly implemented up to now and strive to achieve the Medium-Term Management Plan by FY2019. We will also accelerate the creation of a foundation for realizing innovations that will drive sustainable growth from 2020 onward. 2020 is a milestone year commemorating 60 years since the establishment of Sekisui House. I want to present the new Sekisui House Group, which will pioneer a new era, in a visible and concrete form both internally and outside the Company.

When considering leaps forward from 2020 onward, it is

important to maintain the perspective of "providing new value through new housing." Since its establishment, the Group has provided "safe and secure" high-quality housing that has improved the performance of structures and exterior walls and enhanced earthquake and fire resistance as shelter achieving the most important basic performance of housing, namely, to protect the lives of family members and property. This was the first phase. In the second phase, we pursued "comfort" and made an effort to create environmentally friendly housing. Examples of these proposals include "slow living" that seamlessly connects indoor and outdoor areas, the Airkis high-quality indoor air system, the *Gohon no ki* project realizing living spaces surrounded by greenery, and "Green First Zero" Net Zero Energy Houses with excellent thermal environments realizing high-quality lifestyles unrestricted by energy concerns.

Now, with the advent of a super aged society referred to as the "100-Year Life Society," we enter the next phase in which we will pursue "happiness." Under the keywords of "health," "happiness" and "familial bonds," we will enhance the richness of housing and communities. We must approach both physical housing structures and comfortable living standards

by freely utilizing the latest technologies, such as IoT and AI, further increasing performance and quality and moving into services. To do this, it is critical that we broaden our perspective and build alliances and collaborative relationships with a variety of partners. I believe that the coming mission of the Group, which has been a driver of the housing industry, lies in the next expansion of new development methods and businesses.

In recent years, a negative view has been taken of the number of new housing starts, but in terms of the Group's housing business, there is nothing at all to worry about. The Japanese government has indicated a shift from quantity to quality in relation to housing policies, enabling us to further expand market share by making full use of our technical, design and construction capabilities in regard to demands including the reconstruction of houses having a low resistance to earthquakes. I think expanding our stock of quality housing is a socially significant act that will also enable us to contribute to national policies. From the aforementioned perspective of "providing new value through new housing," we can say that housing is an industry filled with dreams.

Making Every Effort to Achieve Medium Term Management Plan Objectives

Supporting our current favorable performance are solidly balanced earnings with a 4:3:3 business model consisting of the built-to-order, supplied housing and development businesses, as well as steady growth in the overseas business, our fourth business pillar. Furthermore, while developing growth strategies specialized in "housing" and seeking to create business in related businesses, new signs of growth and specific movements have come into view.

In the built-to-order business, we launched sales of the "flexible β system," a new construction method for three and four story houses that increases the degree of freedom in design and strengthens space proposal capabilities. Offering rapid construction through the use of materials supplied by our own factories, excellence in terms of both performance and design, and design capabilities that are strongly supported by the market, we are achieving results that are better than forecasts, not only in the conventional rental housing area, but also in non-housing areas including nursery schools, medical facilities, commercial facilities and hotels responding to inbound tourism demands. This is an area where further market expansion is expected in the future. We plan to conduct organizational reforms to strengthen our sales capabilities to further increase the number of orders received.

Regarding the maintenance and improvement of our construction capabilities, based on a strong sense of solidarity and "common destiny" with Sekisui House Association building contractor partners, we have established a system offering detailed support for a variety of issues, including labor condition improvements, retaining and developing workers and business succession.

Regarding supplied housing, with a cumulative total of 2.38 million houses built, it can be said that Sekisui House also has an asset in the form of the world's number one customer base. While maintaining bonds with owners through real estate

management fees and the remodeling and renovation business, we will attempt to use our comprehensive strengths to our advantage through collaborations with Group companies including Sekisui House Remodeling, Sekiwa Construction and Sekiwa Real Estate to attempt further expansion.

In the development business, which is focused on a balance between growth investments and the asset turnover ratio, big projects focused on 2020 and beyond are moving forward, including the development of a Marriott International "W Hotel" located on Midosuji Street in Osaka that is scheduled to commence operations in 2021.

The overseas business began with the launch of the development business in Australia. In March 2017, we purchased Woodside Homes, which is engaged in the sale of detached homes to individual customers in the United States, where we are advancing onto a new stage with our entry into the B2C market. Going forward, we will promote the rollout of the same supplied housing business we conduct in Japan based on our track record up to now. We will pursue further growth while strengthening our financial strategy in consideration of the balance between investment and return based on business development in four countries including Singapore and China. As with the "4:3:3" stable earnings in Japan, we plan to achieve the well-balanced growth of the built-to-order, supplied housing and development businesses.

Valuing Intangible Assets, Leveraging Psychological Satisfaction in Work

Workstyle innovations and the promotion of diversity are extremely important management issues that affect the sustainable growth targeted by the Sekisui House Group. I think it is important for future leaders to listen carefully to the opinions of their subordinates. Accepting different opinions is literally the promotion of diversity. We will incorporate this into the training of division headquarter and branch managers, starting with the Board of Directors. Workstyle innovations are a way to value intangible assets. I want employees to value things that are not visible, such as health, family harmony, high-quality sleep and skills. Rather than work only, we must enable fulfillment both on and off the clock. As a result, there are a variety of ways to leverage the intangible asset of psychological satisfaction in work.

Being excited to go to work gives rise to fruitful collaborations and strong performance. The spirit and character of such an employee is connected to governance reforms. It is my firm conviction that, ultimately, it is people who support the growth of the Sekisui House Group.

Promoting Sustainable Management through

The Sekisui House Group creates and provides value in response to societal changes and needs based on its corporate philosophy. Our Sustainability Vision has always been the base of our value creation since it was established in 2005. The vision, a pioneering idea in Japan at the time, focused on tackling issues of sustainability head on in order to establish sustainability as the basis of company management, similar to the SDGs*, which are considered a common goal for the international community.

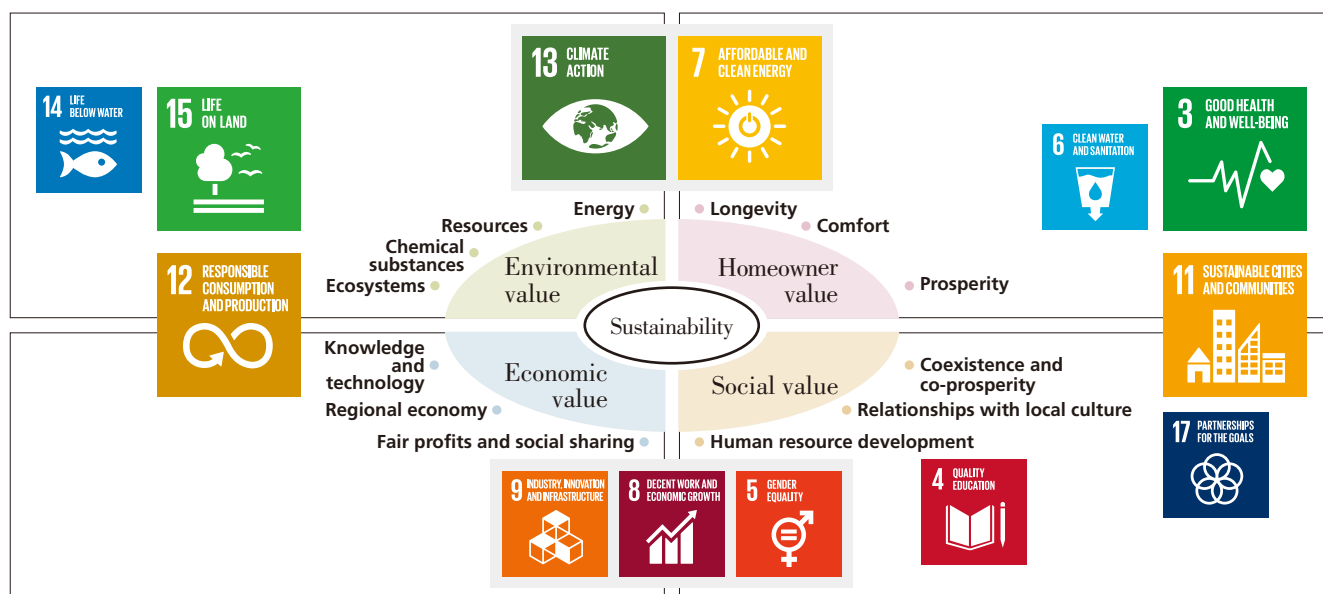
With management that balances our four values—environmental, economic, social and homeowner—based on the 13 guidelines that embody them, we confidently make use of synergies to generate a major driving force. To deal with an increasingly globally expanding and increasingly complex social problems, we will engender further value creation steadily and innovatively while broadening our field of vision on sustainability.

(To learn more about our vision, our objectives and the SDGs, please see pages 15–16)

*SDGs: Sustainable Development Goals

Common goals for the international community, including both developed and developing nations, that aim for sustainable development with respect to society, the economy and the environment, adopted by the General Assembly of the United Nations in September 2015.

The Four Key Values, 13 Guidelines and SDGs (Direct and indirect contributions made through our business)



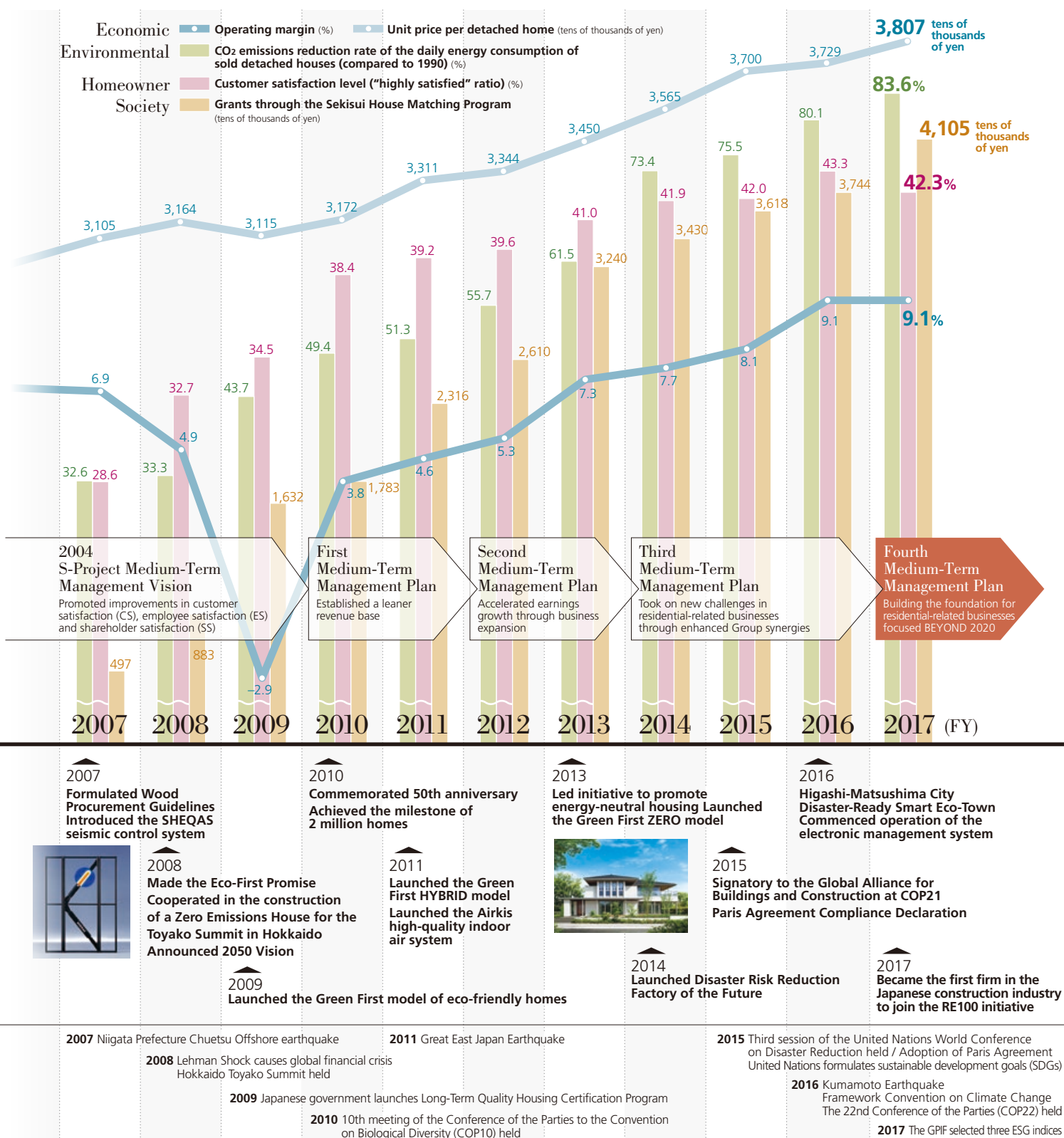
The sizes of the pictographs conceptually represent the degree of relation to our Group's four values.

Actions taken by Sekisui House	1960 Sekisui House established	1982 Launched the PSH-21 (passive solar house) utilizing natural energy	1999 Announced the Environmental Future Plan	2003 All newly built detached homes incorporated next-generation energy-saving systems as standard equipment
	1979 Conducted the housing industry's first full-scale vibration experiments	1989 Formulated a corporate philosophy	2001 Launched <i>Gohon no ki</i> project as a sick building syndrome countermeasure unifying Fc0 and E0 interior finishing material specifications	2004 Began systematic initiatives toward disaster-ready housing, launched sales of energy-saving and disaster-ready housing
Social trends, etc.	1981 Built Japan's first model house for people with disabilities	1996 Launched the Centrage Σ model, first in the housing industry to provided multi-layered high-performance heat insulating glass as a standard component	2002 Achieved zero waste at all of our factories, Incorporated standardized crime prevention specifications in all homes	2005 Announced the Sustainable Vision Formulated the Urban Development Charter
	High growth period of Japan Oil shock 1981 New seismic design standards introduced in Japan	1985 Vienna Convention for the Protection of the Ozone Layer adopted 1992 Earth Summit held in Brazil 1993 Environmental Basic Act comes into force in Japan	1995 Great Hanshin-Awaji Earthquake 2000 Housing Quality Assurance Act comes into force in Japan 2002 "New National Biodiversity Strategy" determined Construction Materials Recycling Act comes into force in Japan	2004 Niigata Prefecture Chuetsu earthquake 2005 Kyoto Protocol takes effect 2006 Basic Act for Housing comes into effect in Japan

Our Four Key Values

Shared Value Created by the Sekisui House Group

Indices representative of the four values created by Sekisui House Group are demonstrated by trends over the past 11 years. This chart shows that promoting initiatives focused on environmental, social and homeowner values are linked to improved economic value.



Toward 2050: Creating Environmental and Social Value, Leading

In 2008, the Sekisui House Group announced its “2050 Vision” aiming to eliminate CO₂ emissions from housing, quickly shifting management focus to decarbonation. Amid accelerating changes to social systems and rapid technological innovations, in FY2016 we formulated a long-term vision aimed at 2050 conscious of the time axis within a broader business domain in preparation for further environmental changes in the future.

In FY2017, we revealed medium-term initiatives focused on 2030 to share our path of progress with stakeholders including customers, employees, long-term investors and suppliers who are concerned about long-term value realization by the Sekisui House Group.

Sustainability Vision 2050

Our Goals	Main Actions Taken
 <p>Leading the Way to a Decarbonized Society</p> <p>Climate change attributed to global warming is beginning to have a visible impact on our lifestyles. Secure, high-quality lifestyles will realize a sustainable society that is not dependent on fossil fuels or constrained by energy problems.</p>	<ul style="list-style-type: none"> ● Announced the Eco-First Promise (2008) ● Launched the Green First model of eco-friendly homes (2009) ● Launched sales of Green First Zero net-zero-energy housing (2013) ● Paris Agreement Compliance Declaration ● Joined RE 100 international initiative, announced commitment (2017)
 <p>Leading the Way to Societies in Which Humans and Nature Coexist</p> <p>Rich natural networks contribute to the protection of biodiversity and alleviate climate change, contributing not only to the protection of ecosystem services that support our lifestyles, but also to improving the quality of people's lifestyles and strengthening connections between people. We will maximize this network function to realize coexistence between humans and nature.</p>	<ul style="list-style-type: none"> ● Launched <i>Gohon no ki</i> project (2001) ● Formulated Wood Procurement Guidelines (2007)
 <p>Leading the Way to a Recycling-Oriented Society</p> <p>Amid increasing demand for resources and energy in line with the growing world population, we will realize a recycling-oriented society that uses recycled resources sustainable without depending only on natural resources through technological and economic system innovations to enable all people to live a stable lifestyle.</p>	<ul style="list-style-type: none"> ● Achieved zero waste emissions at all of our factories (2002) ● Achieved zero waste at each stage, from production, new home construction, and after-sales maintenance to remodeling (2005–2007) ● Transitioned to next-generation system compatible with big data utilization (2017)
 <p>Leading the Way to Society with Advanced Longevity and Diversity</p> <p>We aim to create a society in which the elderly are healthy and proudly participate actively (advanced longevity society) as well as a society in which people of every generation and nationality with disparate values work to realize mutual benefit while realizing sustainable innovation (diverse society).</p>	<ul style="list-style-type: none"> ● Built Japan's first model house for people with disabilities (1981) ● Defined “lifelong housing” as the ideal for Sekisui housing construction (1989) ● Established “Sekisui House Universal Design” (2002) ● Announced “Human Resource Sustainability” (2006) ● Began proposing “Smart Universal Design” in pursuit of “comfort” (2010) ● Launched the Airkis high-quality indoor air system (2011)

the Way to Sustainable Societies

Promoting Initiatives from the Perspective of “Scenario Planning”

In 2005, Sekisui House made a “Declaration of Sustainability” positioning sustainability as a management criterion with the following statement:

“Sekisui House believes the corporate responsibility for building sustainable societies involves clarifying what kind of society will be created and what kind of ‘role’ the Company will play and then communicate those efforts to society.”

Thus, for this purpose, we employed a method called “backcasting” whereby we worked backwards from our image of the future. As this is a consistent and unchanging concept, to further clarify our vision of the future amid increasingly complex social movements and rising uncertainties, we are promoting a more specific “scenario planning” method in recognition of the potential for multiple future scenarios.

2030 Goals	Corresponding SDGs	2050 Challenge Objectives	Corresponding CSV Strategy
Achieving SBT Goals With the goal of achieving zero CO ₂ emissions throughout the housing lifecycle, we aim to reduce emissions 45%, 35% compared to FY2013 for Scope 1&2 and Scope 3 (category 11: Housing) emissions, respectively (SBT goal*). Also, as an RE 100 member company, we will ensure 50% of the electric power consumed by our business activities is from renewable energy sources. *See page 28	Goal 7 Energy Goal 11 Sustainable cities Goal 12 Consumption and production Goal 13 Climate action Goal 17 Partnerships	Zero CO₂ Emissions within the Housing Lifecycle As a leading company, with respect to our housing products, we will eliminate CO ₂ emissions from the entire house lifecycle, from the purchase of materials to manufacture, sales, occupancy and demolition, including renewable energy usage.	CSV Strategy 1 CSV Strategy 6
Leading the Mainstreaming of Biodiversity Regarding the number of trees planted based on the <i>Gohon no ki</i> project, which proposes the planting of mainly native tree species in consideration of local ecosystems, we will maintain the pace of planting 1,000,000 trees each year and promote the further expansion of urban greening while also aiming for 100% procurement of FairWood fair lumber products for use in all standard Sekisui House homes.	Goal 6 Water and sanitation Goal 11 Sustainable cities Goal 12 Consumption and production Goal 14 Life below water Goal 15 Life on land Goal 17 Partnerships	Maximizing Ecosystem Networks through Business We will procure 100% FairWood products to realize Zero Deforestation, which is linked to the destruction of ecosystems. We also aim to become Japan's number one corporation in terms of urban greening contributions intelligently utilizing green infrastructure functions such as ecosystem conservation, disaster prevention/reduction and comfortableness through green housing construction and community development.	CSV Strategy 2 CSV Strategy 6
Recycling Business System Development Acceleration We will expand the targeted scope of the Wide-Area Certification System, a special system of the Waste Management and Public Cleansing Law, which Sekisui House was first to acquire in our industry, while enhancing support for housing stock-related businesses. At the same time, we will accelerate the use of IT technologies, increase the accuracy of waste recovery management and electronic management systems mainly using cloud computing and promote efficient and smooth management.	Goal 11 Sustainable cities Goal 12 Consumption and production Goal 17 Partnerships	Expanding Zero Emissions Initiatives within the Housing Lifecycle To cultivate housing as a quality asset, the Sekisui House Group provides apposite remodeling and renovation in response to housing styles and societal changes. With regard to the waste generated from these activities, we will expand our industry-leading zero emissions initiatives to realize zero emissions at the social infrastructure level through industry alliances.	CSV Strategy 4
Provision of New Value in Housing We will focus on tangible assets such as structure, interior and eco-friendliness as well as intangible assets including “health” by providing happiness well into the 100th year of life through the creation of homes that support a long and healthy life. Specifically, we will tackle the prevention of injuries and disease by preventing in-home accidents, providing support in times of emergency, monitoring lifestyle diseases and enabling stress reduction.	Goal 3 Good Health Goal 4 Education Goal 5 Gender Goal 8 Decent work Goal 9 Innovation Goal 11 Sustainable cities Goal 12 Consumption and production Goal 17 Partnerships	Maximizing Abundance in Housing and Communities Positioning the abundance of safety, security and comfort, enjoyment of new technologies, health, long life, happiness and a familial bonds as a positive element of people's lifestyles, we will pursue the potential for these elements from every angle. We will continue to develop new technologies and pursue open innovation, making abundance our main mission.	CSV Strategy 3 CSV Strategy 5 CSV Strategy 6

Promoting the CSV Strategy

The Sekisui House Group considers housing to be positioned at the center of social issues, thus the CSV strategy was established as a priority theme to realize a sustainable society. Seventeen material topics selected from GRI Standards are grouped into specific activity levels as six CSV strategies in accordance with the Medium-Term Management Plan.

CSV Strategy Value Creation Priority Themes

		Relationship to 2050 Challenge Objectives
1	Promoting net-zero-energy Contribute to customer healthy life expectancy and the environment by realizing high-quality living not constrained by energy problems	Zero CO ₂ emissions within the housing lifecycle
2	Preserving biodiversity Protect ecosystem networks through use of sustainable natural capital that considers impacts on business	Maximize ecosystem networks through business
3	Maximizing customer value through the value chain Attain superior quality and leading technology through use of big data and collaboration with stakeholders	Maximizing abundance in housing and communities
4	Extend lifespan of houses and enhance after-sales support Long-term support of customer lifestyles through Group company collaborations. Link to improved value of housing and resource recycling	Expanding zero emissions initiatives within the housing lifecycle
5	Promoting diversity and developing human resources Aim to become a sustainable corporate group generating high added value through sensitive response to diversifying needs and creative ways of thinking	Maximizing abundance in housing and communities
6	Developing overseas business Promote housing and urban development that will contribute to resolving regional social issues while acknowledging diverse climates, cultures and lifestyles throughout the world	Zero CO ₂ emissions within the housing lifecycle Maximize ecosystem networks through business Maximizing abundance in housing and communities

CSV Strategy and Material Topics Indicated in GRI Standards

CSV Strategies	Correlation with Specific Material Topics Identified in GRI Standards
1 Promoting net-zero-energy	▶ • Energy • Emissions • Marketing and Labeling
2 Preserving biodiversity	▶ • Biodiversity • Supplier Environmental Assessment • Procurement Practices
3 Maximizing customer value through the value chain	▶ • Customer Health and Safety • Socioeconomic Compliance • Occupational Health and Safety
4 Extend lifespan of houses and enhance after-sales support	▶ • Effluents and Waste • Marketing and Labeling • Customer Health and Safety • Socioeconomic Compliance
5 Promoting diversity and developing human resources	▶ • Diversity and Equal Opportunity • Occupational Health and Safety • Training and Education • Employment • Human Rights Assessment
6 Developing overseas business	▶ • Energy • Biodiversity • Customer Health and Safety • Economic Performance

Medium-Term Management Plan and CSV Strategy

Viewed as the standard for sustainability, CSV strategy functions effectively by aligning with the direction of management policies and planning.

Business strategies built into the Medium-Term Management Plan and the positioning of CSV strategy within ESG initiatives targeting sustainable growth are indicated below.

Fourth Medium-Term Management Plan (FY2017–2019) Business and CSV Strategies

1-6 = Corresponding CSV strategy

Business Strategies		Built-to-Order Business	Supplied Housing Business	Development Business	Overseas Business
Growth strategy	Basic Policies	1,2,3 Supplying high value added houses	4 Enhancing cooperation within the Group	1,2,6 Creating asset value at present and in the future	
	Priority issues	Increasing profitability through break-even point management <ul style="list-style-type: none">• ZEH• 3- and 4-story houses• Rental housing of income generating properties• Exterior business• Trip Base business*• CRE/PRE business	<ul style="list-style-type: none">• Securing high occupancy rates• Energy-saving remodeling• Renovation• SumStock• Distribution of existing houses	Increasing growth investments and the turnover ratio <ul style="list-style-type: none">• Acquiring land for custom detached houses• Community and town development focusing on townscape• Trip Base business*• Bolstering exit strategies• Pursuing B2C business in the United States• Promoting community and town development focusing on the environment	
Management foundation	Core Competencies	1,3 Technical capabilities	4 Customer base	Construction capabilities	

*Trip Base Business: Built-to-order and real estate development businesses that respond to heightening demand for lodging associated with the rise in inbound tourism.

ESG Initiatives Targeting Sustainable Growth

<p>1,2</p> <p>Environmental Management E</p> <p><Eco-First Promise></p> <ul style="list-style-type: none"> • Global warming prevention • Ecosystem preservation • Resource recycling • Joined the RE100 global initiative (first in the Japanese construction industry) • First in the Japanese housing industry to be recognized by the SBT Initiative for greenhouse gas reduction (first in the Japanese housing industry) 	<p>5</p> <p>Improvement in Sociability S</p> <p><Workstyle Innovation></p> <p>"Creating thrilling and exciting workplaces"</p> <ul style="list-style-type: none"> • Fair evaluation and visualization • Higher operational efficiency using IT • Achievement of a work-life balance Higher productivity <p><Promotion of Diversity></p> <ul style="list-style-type: none"> • Promotion of active participation by women • Support for the satisfaction of both work and childrearing • Support for the satisfaction of both work and nursing care • Creation of a pleasant workplace for disabled people
<p>Governance G</p> <p>We view corporate governance as being essential to effective management and to continuously creating corporate value while earning stakeholder trust. We will address the six points listed to the right in an attempt to strengthen systems and structures.</p>	<ol style="list-style-type: none"> 1 Introduction of a mandatory retirement age of 70 for representative directors 2 Appointment of women as outside officers 3 Transparency and invigoration of Board of Director meeting operations 4 Establishment of the Management Meeting 5 Clarification of departments under the control of directors 6 Evaluation of Board of Director efficacy

E S G Our ESG initiatives, constituting the foundation of our management, are valued in many fields.

- The Company was selected for inclusion in the Dow Jones Sustainability Indices (DJSI) World Index, FTSE4Good Global Index and FTSE Blossom Japan Index.
- Selected by RobecoSAM as "Gold Class" and "Industry Mover" in the housing construction category in the RobecoSAM Sustainability Award 2018
- Selected as a constituent of the MSCI Japan ESG Select Leaders Index 2017

Maximizing Value for Customers through

Unlike general consumable goods, the value and quality demanded of homes are not fixed.

To respond to changes in the environment surrounding housing, physical and mental changes in homeowners and their needs and secular changes affecting buildings, as well as to ensure customers feel comfortable at any given time, Sekisui House itself must continue to exist by engaging in sustainable management.

To this end, it is important to incorporate a mechanism for providing ongoing services into our business.

Sekisui House Group companies aim to maximize value to customers by efficiently apportioning functions and acting flexibly, leveraging Group alliances to enhance added value throughout the entire Group.

Housing Innovation

— Technical Capabilities

Realizing Abundant Lifestyles through Housing Innovation

To deliver rich and comfortable lifestyles, an unchanging universal value in housing, advanced technologies are needed to improve basic housing performance and create new value for housing. We describe this way of thinking as “SLOW & SMART” which we use as our brand vision. Supporting these technologies are not only the results of research we conducted over more than half a century into both physical housing structures and comfortable living standards, but also the input from customers living in our 2,380,000 homes, the big data we received from our many encounters, including at the Sumufumulab open innovation base, and our professional human resources. Our many experts, beginning with our 2,843 first-class architects, contribute to housing development. Additionally, we extend the housing technology we cultivated through research and development throughout all companies in our Group.

SLOW & SMART

Housing innovation to make your heart feel at home

Creating new housing value with advanced technologies

Smart Universal Design

Promoting the “lifelong housing” concept for comfortable living over the long term

Slow Living

Ensuring pleasant lifestyles in harmony with nature

Family Structure

Catering to the needs of diverse family structures

Green First

Offering an energy-free design

Personal Style

Respecting personal tastes and preferences



Improving basic housing features with advanced technology

Customer-specific design flexibility and original construction methods

Earthquake-proof technology to protect families

Original exterior walls that are both attractive and strong

Eco-friendly energy conservation technology

Technology to optimize indoor air environments for better health

Technology to maintain high quality

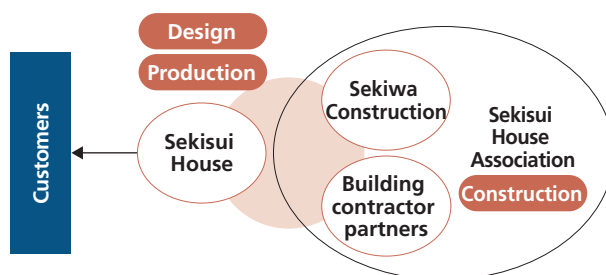
Construction Capabilities

— Unique Project Accountability System

Project Accountability from Wholly-Owned Subsidiary Sekiwa Construction and Building Contractor Partners

Onsite construction quality control is an extremely important process for ensuring our characteristic detached housing designed, manufactured, constructed and tailor-made for each customer.

We created a project accountability structure to guarantee solid construction quality. 18 companies comprising wholly owned subsidiary Sekiwa Construction and building contractor partners comprising the Sekisui House Association constantly strive to improve their skills through training and other activities. The Sekisui House Group's proprietary IT system facilitates construction schedule planning and construction progress status visualization that is continually shared with the Sekisui House Association to thoroughly manage quality.



Strong Group Collaboration

Customer Base

Supporting Homeowners Even after They Have Moved into Their New Homes

1,450 Employees Responsible for After-Sales Service

After handing over a property, many housing companies consign after-sales services to an outside contractor. However, Sekisui House considers appropriate maintenance ensuring security, safety and comfort to be part of a home's intrinsic value, thus we established a nationwide Customer Center. We also centrally manage information related to customer housing in our Company-wide system.

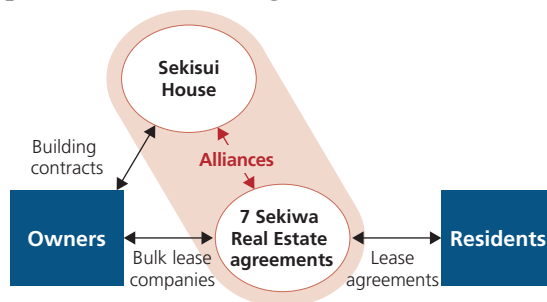
After moving in, questionnaires and other tools are used to solicit customer feedback, which is distributed throughout the Company and utilized daily as an important source of information for product development and service improvements.



Comprehensive Group Support for Rental Housing Operation and Management

In response to increasingly diverse needs, Sekisui House rental housing Sha Maison specializes in designs with a high degree of freedom. Operation and management after completion are important for high occupancy rates and long-term, stable management.

The seven companies comprising wholly-owned subsidiary Sekiwa Real Estate develop business throughout Japan, providing comprehensive support for rental management, from block leasing, to solicitation of residents and ongoing maintenance, on consignment from owners. They facilitate the maintenance of asset value over the long term.

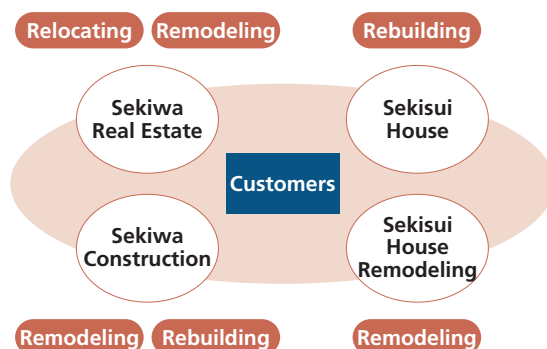


Group-Wide Support, from Remodeling to Rebuilding and Relocation

Group companies provide a wide range of support, from small-scale remodeling to large-scale renovations. Sekisui House detached housing is handled by the three companies comprising Sekisui House Remodeling. Sha Maison rentals are handled by the seven companies comprising Sekiwa Real Estate. General pre-existing housing is supported by the 18 companies comprising Sekiwa Construction.

With numerous construction achievements in the industry, we are able to procure various building materials from a variety of equipment manufacturers at optimal prices, which adds to the merits of our remodeling services.

Also, when rebuilding or relocating homes, customer needs are supported through Group alliances.



Creating Economic and Social Value with

The Sekisui House Group has built a business model for the creation of shared value. Profit and value created through Group alliances leveraging our unique strengths and the specialization of each Group company are invested to achieve further growth. We will implement our six CSV strategies to create more value for society and our stakeholders. By enhancing this business model, we believe we can achieve sustainable development.

Investment and Activities Aimed at Value Creation

(Figures are FY2017 results)

¥873 million

invested in employee training to cultivate professionals full of humanity

The Group's mission is to develop the skills of a diverse range of human resources, utilize those skills to create high added value and become a corporate group needed by the world. To cultivate professionals having a deep sense of humanity who will understand customer housing concepts and make them a reality, we systematically conduct a variety of level- and position-based training.

¥11,828 million

invested in IT environment upgrades to improve productivity and innovate workstyles

The Group constructed a system based on the usage of big data to centralize the management of residence information related to customer proposals, construction and after-sales services. As a result, we have realized shorter construction times and substantial cost reductions. Also, by conducting main operational processes on smart devices such as iPhones and iPads, we have increased productivity and realized a work-life balance by expanding the scope of operations able to be completed on the go, leading to workstyle innovation. Furthermore, we are also engaged in the visualization of capabilities using IT for design and site supervision.

Responded to Approximately 720,000

requests and consultations to improve customer satisfaction

Approximately 10% of Sekisui House employees—1,450 people—work at the customer service center in the after-sales service division. In addition to rapidly responding to customer requests and consultations, we regularly conduct visits three months, one year, two years, five years, 10 years, 15 years, 20 years, 25 years and 30 years after move in (maintenance schedule for customers whose contracts commenced on or after April 2018).

Additionally, we conduct monthly "LOHAS visits" during the first year after detached housing customer move in to provide information on seasonal care.

Approximately 1.55 million customers

visited various facilities and were provided with information

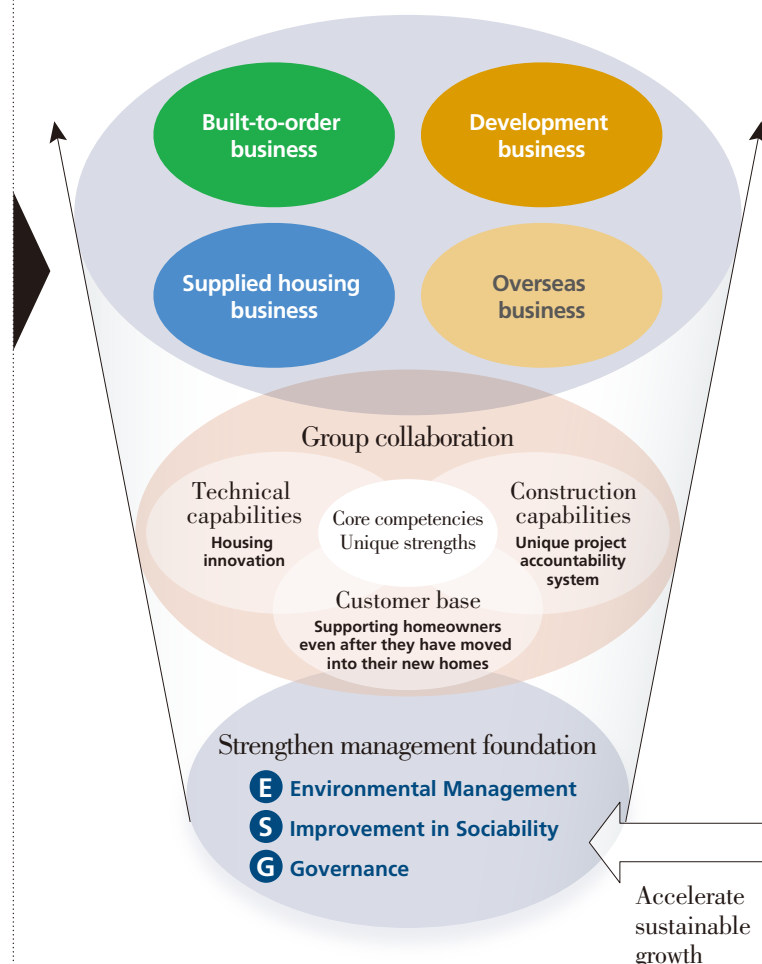
Attaching importance to being a community-based Company, we believe homebuilding sites should be as open to the public as possible. Accordingly, we strive to offer information on housing and lifestyles as well as provide onsite tours. These activities are mainly undertaken at our housing construction sites across Japan, at our model homes, and at our hands-on learning centers, such as *Sumai no yume kojo* and *Nattoku kobo*. We also opened the Sumufumulab, the industry's first open innovation base for creating a new housing culture, and the Sekisui House Eco First Park, a place for cultivating the next generation that enables learning about housing and the environment.

Business Model

Providing housing with high added value

We realize high customer satisfaction through the provision of high added value housing such as Green First Zero that at the same time realizes comfort, economy and eco-friendliness.

CSV Strategy 1,2,3,4,5,6



Unique Strengths and Strategies

Building a solid customer base

For more than half a century, we have been the housing industry leader, developing business specializing in housing and building a solid customer base boasting the largest number of detached and rental housing units in the world.



CSV Strategy 1,2,3,4,5,6

Supplied housing business expansion

We are expanding the supplied housing business in response to societal changes and real estate management fee and remodeling business making use of strengths including a solid customer base and Group collaborations.



CSV Strategy 1,3,4,5

Investment for future profits

We invest profits earned from business activities in human resource development, IT aimed at operational efficiency and cost reductions, overseas business and other forward-looking activities.

CSV Strategy 5,6

Primary Value Creation and Impact on Society

(Figures are FY2017 results)

Economic value

Operating margin 9.1%

We improved our profit structure to achieve a fifth consecutive year of record operating profits. The operating margin remained at the same level as in the previous fiscal year.

Unit price per house ¥38.07 million

The unit price per detached home increased ¥780,000 year on year due to orders of Green First Zero, 3- to 4-story houses and other high added value homes.

Environmental value

CO₂ reduction rate of detached houses (compared to 1990) 83.6%

The spread of eco-friendly homes led by Green First Zero led to increased reductions compared to 80.1% in the previous fiscal year.

Green First Zero ratio 76%

We developed business based on the strong belief that the provision of high added value homes leads to the reduction of CO₂ emissions and customer security, safety, comfort and happiness.

Homeowner value

Customer satisfaction level 95.6%

In questionnaires submitted one year after moving in, the total ratio of very satisfied (42.3%), satisfied and somewhat satisfied homeowners has hovered around 95% for the past several years. The questionnaire results are analyzed in detail and incorporated into the PDCA cycle.

Rental housing block lease ratio 96.7%

The construction of high-quality rental housing and batch leasing has led to the realization of more stable sales. Occupancy rates have been steadily rising since 2010.

Social value

Sekisui House Matching Program grants ¥41.05 million

Sekisui House matches donations contributed by employees in support of activities by NPOs and other organizations engaged in the resolution of social issues. During a 12-year period, we have provided over ¥300 million in assistance to more than 286 organizations.

Number of employees acquiring qualifications... 3,064 people

We are focused on cultivating professionals through not only official qualifications such as first-class architect, but also the establishment of internal standards including structural planning specialist.