

Strengthening Our Corporate Governance System

We recognize the necessity of a corporate governance mechanism as an important management issue in terms of maintaining the trust of a variety of stakeholders and the ongoing enhancement of corporate value.

The Sekisui House Group has positioned 2018 as “year one” of governance reforms, adopting six items for strengthening the corporate governance system. We will promote governance reforms by clarifying management responsibilities and expediting business execution.

Corporate Governance System

The Sekisui House Group has positioned 2018 as “year one” of governance reforms, adopting and promoting six items for strengthening the corporate governance system.

System Strengthening

- 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.

For details, please see pages 09-10

Going forward, in accordance with our Basic Policy on Corporate Governance, we will promote the creation of a mechanism for further improving the corporate governance system and create a sounder corporate culture.

Sekisui House is a company with Audit & Supervisory Board. We introduced an executive officer system with the aim of ensuring flexible business execution and clarifying operational responsibilities.

Board of Directors

System Strengthening ①②③④⑤⑥

In principle, the Board of Directors meet once per month. To improve corporate value over the medium- and long-term, the Board of Directors shall be responsible mainly for establishing management policies, strategies and plans, clarifying departments under the control of directors and making decisions on the execution of important operations, as well as for supervising and evaluating the execution of duties by directors and executive officers and establishing systems, such as internal control and risk management, to ensure the soundness of management.

To promote the constructive exchange of opinions, in principle, we will not allow concurrent positions involving the chairperson and/or person who convenes Board meetings. The Board of Directors shall appoint two or more external directors. The Board of Directors shall comprise well-balanced members, such as those familiar with the Company’s business and those who possess knowledge and specialization in financial accounting, statutory compliance and other areas.

In the fiscal year ended January 2018, the Board of Directors met 13 times with an attendance rate of 97.1% (including attendance by 96.2% of external directors and 87.2% of external Audit & Supervisory Board members).

Moreover, we will launch self-evaluations activities conducted in cooperation with attorneys and other experts to analyze and evaluate the efficacy of the Board of Directors and promote

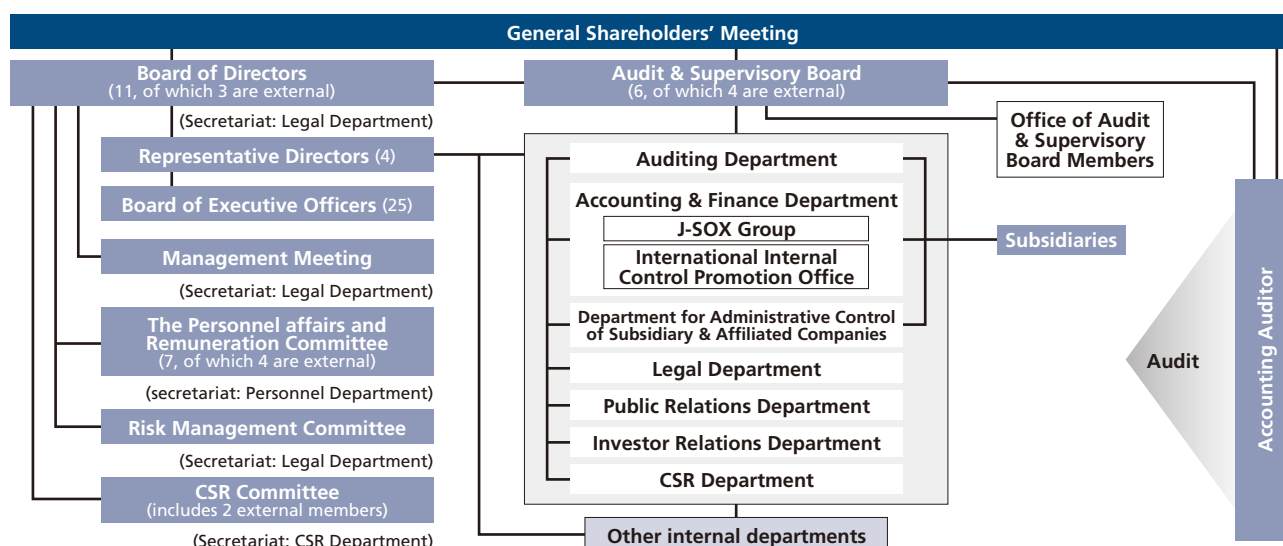
Board of Director Composition (As of April 27, 2018)

System Strengthening ①②

Directors	Of which are external officers	Age		
		Under 30	30–50	Over 50
11 people (ten men, one woman)	3 people (two men, one woman)	0	0	11

Note: There are no members belonging to minority groups that require special mention.

Corporate Governance Structure (As of May 17, 2018)



ongoing reforms and improvements to strengthen the function of the Board of Directors.

Audit & Supervisory Board

The Audit & Supervisory Board formulates audit plans, regularly inspecting offices and conducting hearings regarding risks and other issues pertaining to the assigned duties of directors and executive officers based on those audit plans.

In addition, Audit & Supervisory Board members exchange opinions and work in close coordination with the internal audit department, hold regular meetings with accounting auditors and engages in mutual cooperation to ensure all audit activities are carried out efficiently and effectively.

The Office of Audit & Supervisory Board Members was established as a dedicated organization to which several employees including full-time staff are allocated for assisting Audit & Supervisory Board operations. If said employees are concurrently assigned other duties, they must not be influenced by guidance and commands from the other division to which they are concurrently assigned and, with regard to human resource matters pertaining to these employees, the opinions of auditors must be considered to ensure the independence of their duties with regard to Audit & Supervisory Board operations.

Audit & Supervisory Board Composition (As of April 27, 2018)

System Strengthening ②

Audit & Supervisory Board members	Of which are external officers	Age		
		Under 30	30-50	Over 50
6 people (five men, one woman)	4 people (three men, one woman)	0	0	6

Note: There are no members belonging to minority groups that require special mention.

Training for Board of Director and Audit and Supervisory Board Members
Directors and Audit & Supervisory Board members are provided with opportunities to acquire necessary and useful knowledge to fulfill their respective roles and responsibilities on an appropriate and ongoing basis.

Selection of External Officers

To ensure objectivity and fairness in company management and corporate governance, Sekisui House appoints persons who satisfy the Criteria for Independence of Outside Officers as external directors and external Audit & Supervisory Board members who have no conflicts of interest with general shareholders.

Management Meeting

System Strengthening ④

The Management Meeting was established with the aim of facilitating appropriate decision-making within the execution of important business matters through the vigorous exchange of opinions from the standpoint of appropriateness with respect to management policies and strategies before Board of Director resolutions or requests for approval regarding vital matters including important investment conditions and the formulation of Group-wide management policies, strategies and plans.

Personnel Affairs and Remuneration Committee

As a consultative body to the Board of Directors, the Personnel Affairs and Remuneration Committee provides opinions on matters relating to the Directors and Executive Officers and their remuneration to ensure the fairness and transparency.

Half or more committee members are external directors or external Audit & Supervisory Board members.

Risk Management Committee

As a consultative body to the Board of Directors, the Risk Management Committee creates appropriate risk management

systems and provides opinions to the Board of Directors on matters relating to the maintenance of risk management systems with the aim of ensuring effective operating conditions.

Meeting in principle once per month, in FY2017 the Committee focused on the deliberation of medium- to long-term issues including (1) maintaining and strengthening compliance, (2) enhancing quality management systems and (3) BCP formulation.

In addition, interviews were conducted with relevant divisions regarding (1) compliance with labor laws and (2) compliance with operational rules to summarize and verify the operational status of risk management systems in each division.

CSR Committee

We have established a CSR Committee comprising directors, some executive officers and two external members (experienced corporate managers and public officials).

The CSR Committee checks to ensure whether Sekisui House Group CSR activities are consistent with social norms and expectations, then determines activity policies. CSR Committee members are determined through deliberation by the Board of Directors.

Internal Control Systems

Based on the Companies Act and the Ordinance for Enforcement of the Companies Act, Sekisui House created and manages internal control systems, with internal control system basic policies deliberated by the Board of Directors.

The Auditing Department, a specialized internal audit department, conducts onsite audits to confirm whether internal controls and internal management are being conducted appropriately and properly based on laws and regulations and internal rules to ensure effective management, and when necessary suggest corrective actions. Results of these audits are reported to directors and Audit & Supervisory Board members as well as related departments. Moreover, the Auditing Department and accounting auditors cooperate in an effort to execute effective internal audits.

Condominium Land Purchase Transaction Incident

In 2017, after paying the purchase price for real estate in Tokyo to be used for condominiums, a situation arose whereby Sekisui House was unable to register the transfer of ownership, resulting in substantial damages amounting to approximately ¥5.55 billion.

A committee for investigation and countermeasures comprising outside officers was established to investigate problems related to risk management, and on January 24, 2018, the Board of Directors received the committee's investigation report. The report stated that the divisions involved with and in charge of this transaction moved forward without sufficiently analyzing and verifying risk information or sharing information, and that, with regard to organizational structure issues, the Board of Directors, Audit & Supervisory Board, Chairman and President also shared some responsibility for this incident. The following initiatives will be carried out to prevent such a situation from recurring in the future.

- 1) Establish Management Meetings to deliberate and examine investment projects in a flexible manner. In addition, establish project teams for each issue with regard to organizational improvements as necessary.
- 2) During a transaction, clarify lines of reporting to be used in response to abnormal situations, ensure thorough liaison between divisions to share information control risks.
- 3) Substantially improve operation of approval system by focusing on transactions mediated by brokers and transactions over a specified amount.

For details, please see news releases pertaining to this matter posted on August 2, 2017 and March 6, 2018.

To ensure full compliance with the Japanese Financial Instruments and Exchange Law, strict internal controls (J-SOX) have been implemented on a Group-wide basis, led by the J-SOX Group established within the Accounting & Finance Department. The International Internal Control Promotion Office, established within the Accounting & Finance Department, is in charge of building internal control systems at overseas subsidiaries.

Accounting Auditors

The accounting auditor evaluates whether the Audit & Supervisory Board possesses independence and expertise in accordance with the selection criteria for accounting auditors as well as internal rules, and determines items for election based on relevant assessments.

In the event accounting auditors discover fraud requiring an appropriate response, or in the event accounting auditors point out deficiencies or problems, an investigation will be conducted and a report will be made to the Board of Directors, who will then take corrective actions.

Governance Awareness Survey

Every year, a governance awareness survey is conducted targeting all Group employees. Regularly conducting surveys on corporate ethics awareness and workplace environments provides an opportunity to exchange opinions in organizational units and focus efforts on creating a more open work climate.

In FY2017, the Governance Committee, under the aegis of the CSR Committee, announced the results of the governance awareness survey and formulated an action plan aimed at creating positive, open workplaces to establish opportunities for dialogue regarding workplace culture and the strengths and weaknesses of each business office.

Remuneration and Incentives

Director Remuneration Determination Policies and Procedures

Remuneration for directors shall consist of basic remuneration, stock options and bonuses, which aim to boost director morale and motivation to raise the Company's stock price. The basic remuneration is a fixed amount determined in light of the Company's management situation, in addition to the importance of the role and scope of responsibility for each position.

Stock compensation-type stock options shall be determined in accordance with share prices at that time based on the amount calculated in line with internal rules within the scope resolutions by the General Meeting of Shareholders.

Bonuses shall be determined based on a general consideration of qualitative factors, such as strengthening of the management foundation, as well as quantitative factors, such as sales and income in each fiscal term.

Policies for determining remuneration and the total amount and individual amount of remuneration for directors shall be determined after deliberations are held by the Personnel Affairs and Remuneration Committee and by taking into account the opinions of the committee.

Remuneration Amount

For individuals with a total amount of consolidated remuneration of ¥100 million or more, the type of remuneration and the total amount of consolidated remuneration for each director and Audit & Supervisory Board member is disclosed in the Securities Report.

Capital Policies

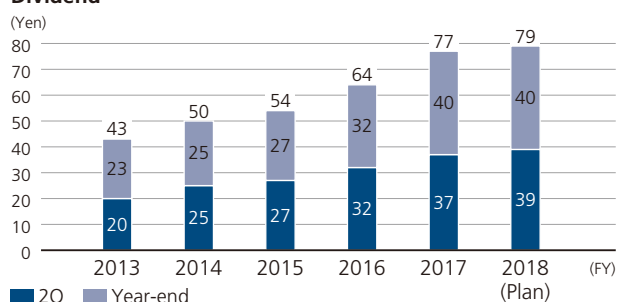
Aiming to Maximize Shareholder Value

Sekisui House regards the maximization of shareholder value as one of our most important management issues. Accordingly, we strive to enhance shareholder return by increasing earnings per share through sustainable business growth and by improving asset efficiency. So doing, we take into account the overall status of profits and cash flows in each fiscal year and future business development, among other factors, as well as making growth investments, implementing a shareholder return targeting a dividend payout ratio of 40% over the medium- and long-term, and acquiring and canceling shares in a timely manner.

We also aim for balanced capital policies focused on growth investment, shareholder return and investment ratings. In the final year of our Medium-Term Management Plan (FY2017), we will maintain a stable ROE in the 10% range.

In FY2017, we issued a midterm dividend of 37 yen and a year-end dividend of 40 yen for a yearly dividend of 77 yen. In FY2018, we plan to issue a midterm dividend of 39 yen and a year-end dividend of 40 yen for a yearly dividend of 79 yen.

Dividend



Constructive Dialogues with Shareholders and Investors

Appropriately Reflecting Shareholder and Investor Opinions in Management

Sekisui House recognizes the significance of engaging in dialogues with shareholders and investors and reflecting their opinions appropriately in management to achieve sustainable growth and enhance corporate value over the medium- to long-term.

The Company shall endeavor to engage in direct communication outside of one-on-one interviews by organizing management briefings and factory and other facility tours for institutional investors and individual investors separately. The Company shall hold regular meetings with representative directors to share opinions received from shareholders and investors during one-on-one interviews and other discussions for reference purposes when making management decisions.

Compliance and Risk Management

The Sekisui House Group positions compliance and risk management as important issues to be addressed at all times. In addition to establishing the Risk Management Committee as a consultative body to the Board of Directors, in 2017 we revised our CSR promotion system and established the Governance Committee under the aegis of the CSR Committee. In 2018, we formed the Management Meeting to promote compliance and handle risk management. This body engages in vigorous exchanges of opinion about important investment projects before resolutions are made by the Board of Directors or decisions are approved internally. We have also been engaged in the protection of human rights since 1980, building our foundation as a company trusted by society.

Promoting Compliance

Sekisui House attempts to promote thorough compliance, which it positions as an ongoing management concern that includes not only an adherence to laws and regulations, but also the promotion of CSR initiatives as important issues to be addressed at all times.

The Risk Management Committee, established in 2016 as a consultative body to the Board of Directors, and the Governance Committee, established in FY2017 under the aegis of the CSR Committee based on a CSR promotion system, work together to improve issues pertaining to the promotion of compliance incorporated into the PDCA cycle.

The Sekisui House Group formulated the Sekisui House Corporate Ethics Guidelines in October 2003 and currently applies these guidelines as common items related to corporate ethics that must be observed by the Company, its directors and employees to promote the corporate activities of each Group company.

We are moving ahead with broadening the Sekisui House Corporate Ethics Guidelines' scope of application and with revisions to the information contained within from the standpoint of changes in social environment, development in corporate activities and from Group management. The Group has made an amendment to the guidelines due to January 2017 revisions made to the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" and the "Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment," and accompanying rising demands made on business owners regarding prevention of harassment concerning pregnancy, childbirth and childcare leave; Sekisui House has added clause 5-3, "Harassment Related to Pregnancy, Childbirth or Childcare Leave" to inform all Group members of related policy. Additionally, since 2005, we have held a "Compliance with Corporate Ethics Check" every October in which all executives and employees submit a "Pledge Regarding Compliance with, and the Essentials of, Corporate Ethics." This submission is made to thoroughly enforce our policy on corporate ethics throughout the entire Group.

Moving forward, we will continue to work together to proactively apply our corporate ethics policy. Furthermore, there have been no serious infractions of laws, ordinances or independent guidelines during this fiscal year.

Additionally, no employees have been subject to disciplinary measures or termination in connection with non-compliance toward our anti-corruption policy during this fiscal year. We are also not aware of any costs resulting from fines, charges, or settlements connected with corruption during the same period.

Fair Business Practices

In the third section of the Sekisui House Corporate Ethics Guidelines, "Relationships with customers, suppliers and competitors," the Group specifies appropriate business practices, adherence to the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors and prohibition of entertaining and gifts to ensure business practices are thoroughly fair.

We also established a checklist item related to the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors as one of the internal control checklist items to confirm business practices are conducted fairly.

In FY2016, we conducted initiatives to deepen understanding with respect to regulations regarding subcontractor transactions defined in the Subcontracting Law, Construction Industry Law and other laws as subcontractor protection-related content within training on relevant laws and regulations provided to all employees.

Personal Information Protection Initiatives

Sekisui House Group worksites handle customers' personal information. We created a system corresponding to the Personal Information Protection Law, regularly implement e-learning and repeatedly conduct educational training for employees to ensure the proper handling of customer information. The e-learning activities include tests to confirm how well employees understand the proper protection of personal information. We also established the Customer Information Service Office, a dedicated department unifying responsibility for the protection of personal information led by the CS promotion manager department manager who is also an executive officer. This structure enables the entire Group to comply with the Personal Information Protection Law. On the other hand, in the event of the loss or theft of customers' personal information, in addition to informing customers about the issue immediately, we post information concerning what information was lost or stolen, and notices regarding our future handling of the situation, on our website. At the same time, we make every attempt to recover this information.

Going forward, we will continue the implementation of personal information protection-related e-learning and repeated educational guidance on the handling of personal information, while making efforts to heighten knowledge and awareness regarding personal information protection.

We will also strengthen personal information protection initiatives corresponding to each region overseas in line with the expansion of international business.

Promoting the Protection of Human Rights

Sekisui House has addressed a variety of human rights issues, including those pertaining to the workplace assimilation of women, foreigners and the disabled, to create a corporate culture with zero tolerance for the infringement of human rights.

In 2006, we transferred the Human Rights Promotion Office, established in 2003 within the Personnel Department, to the Legal Affairs Department and renamed it the Human Relations Office. This office, which trains employees to develop an awareness of human rights and handles harassment issues in the workplace, was reorganized with the goal of cultivating a workplace environment in which all employees can work

In 2010, ISO 26000 came into effect and includes "Respect for Human Rights" as one of the principles that make up its guidelines, while the 2030 agenda adopted by the United Nations in 2015 insists on respect for the human rights of all people at the top of its five Ps*.

Sekisui House endeavors to instill an environment of mutual respect for human rights based on compliance with international rules such as The Universal Declaration of Human Rights, thought regarding SDGs and understanding of other cultures.

* Key areas of sustainable development:
People, Planet, Prosperity, Peace and Partnership

Internal Reporting System and Whistleblower Protection

The Sekisui House Group has an internal reporting system, known as the Sekisui House Group Compliance Support (SCS System), which is designed to ensure that an employee who has witnessed an unlawful act or any conduct that violates our corporate ethics policy can report it in confidence to the Legal Department's Compliance Office by phone, e-mail, or other channels. Our SCS system guidelines on internal reporting explicitly stipulate that the identity of whistleblowers and the detail of their reports shall be treated as classified information and that such information shall not be used against their interests.

In October 2016, we added our corporate law office as an external point of contact. We also provide help lines that

provide counseling on personnel-related issues and hotlines dedicated to consultation regarding sexual and power harassment.

Though it would be ideal to solve problems through discussions in the workplace, we also believe it is important to have an internal reporting system in place that employees can freely turn to for help. Efforts are made to familiarize employees with this system through leaflets and human relations training.

At the same time, in October 2016, we established the Sekisui House Group Supplier Company Corporate Ethics Helpline as system for handling consultation regarding concerns pertaining to legal and corporate ethics infractions and transaction-related issues connected to Sekisui House Group business activities from directors or employees of building contractor partners and supplier companies with whom the Group has an ongoing business relationship. Similar to the SCS System, the Legal Department Compliance Office is the internal point of contact and our corporate law office are the external point of contact.

Legal Compliance Status

Infractions and Penalties Related to the Environment

In the fiscal year under review, there were no major infractions of environmental laws or regulations. There were no accidental spills or other incidents impacting the environment surrounding our factories.

Infractions and penalties related to products and services

In the fiscal year under review, there were no legal or regulatory infractions or penalties paid related to the provision and use of our products and services. There were also no infractions of health and safety-related regulations or voluntary standards.

Infractions and penalties related to customer privacy

In the fiscal year under review, there were no substantiated petitions for redress related to customer privacy infringements or customer data loss.

Sekisui House Group Internal Reporting System

	Contactee	Method	Content of report
SCS (Sekisui House Group Compliance Support) System	Compliance Office, Legal Department (External) Sekisui House corporate law office	Phone E-mail Postal mail (registered mail receivable only by the addressee)	Witness account of an unlawful act or any conduct that violates our corporate ethics policy
Sekisui House Group Supplier Company Corporate Ethics Helpline	Compliance Office, Legal Department (External) Sekisui House corporate law office	Phone E-mail Written correspondence	When building contractor partners or supplier companies suspect illegal activities, are uncertain about or have concerns regarding the Sekisui House Group and its transactions and business activities
Sexual and power harassment hotline	Human Relations Office, Legal Department	Phone E-mail	Consultation pertaining to sexual/power harassment and other human rights issues, including concerns and problems related to interpersonal relationships. Consultation aimed at creating a comfortable workplace for disabled employees, etc.
Personnel related hotline	Personnel Department	Intranet	Labor management issues in general, such as work hours and working on scheduled days off

Note: We also provide an external (outside the Company) contact for counseling by a professional for Group employees and their families.

CSR Management Promotion

The Sekisui House Group considers CSR to be an essential principle of management.

Guided by the four values and 13 guidelines for achieving our Sustainability Vision, we actively engage in CSR activities throughout our daily business operations—all to create shared value.

We have also appointed external members to our CSR Committee, which formulates CSR policies, as a way of incorporating outside perspectives.

Corporate Philosophy and CSR Policies

The corporate philosophy of the Sekisui House Group has a love of humanity at its core. By “love of humanity,” we simply mean that we wish for the wellbeing of others and rejoice in their happiness. This philosophy was established in 1989 with the unanimous approval of every one of our employees. We wish for the wellbeing of all of our stakeholders—namely, our customers, employees, and shareholders—and, under our corporate philosophy, we pursue a CSR policy that focuses on maximizing customer satisfaction (CS), employee satisfaction (ES), and shareholder satisfaction (SS).

CSR Management Based on 4 Values and 13 Guidelines

At the Sekisui House Group, we determine the direction of our CSR activities based on four values and 13 guidelines—the principles of action we introduced to achieve our Sustainability Vision.

The four values and 13 guidelines are based on the definition of international sustainability and are also consistent with the sustainable development goals (SDGs) adopted at the United Nations Summit in 2015.

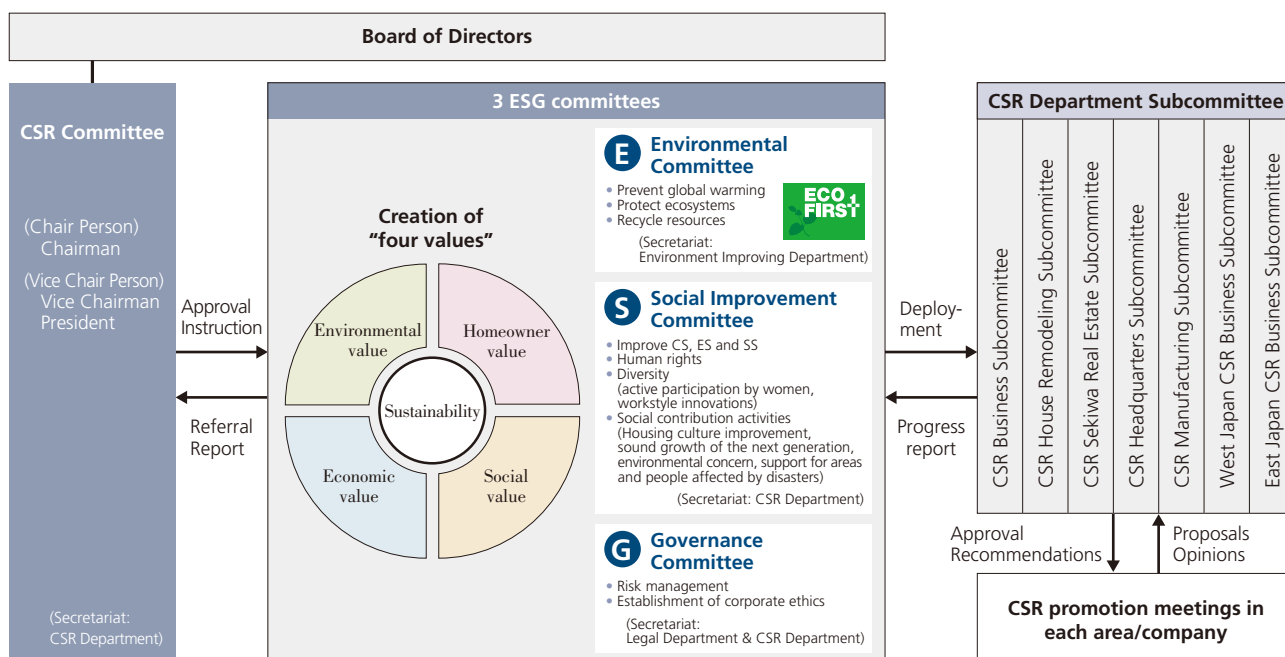
CSR Committee and Organizational Management

Incorporating the viewpoints of external stakeholders, the Sekisui House Group CSR Committee develops CSR policies and verifies whether current CSR activities are consistent with social norms and expectations, so that Group-wide CSR initiatives are relevant and effective.

In addition to internal committee members including four representative directors, the CSR Committee—which includes two outside experts—meets regularly. CSR Committee members are appointed by the Board of Directors.

Having revised our CSR promotion structure, we established three ESG committees under the aegis of the CSR Committee that strive to thoroughly promote these activities. Priority is given to topics with high urgency and importance, and by clarifying what needs to be addressed, we promote Company-wide inculcation using subcommittees. CSR promotion representatives are assigned to each worksite to promote activities in conjunction with worksite managers.

CSR Promotion Structure



Specifying Material Topics

The Sekisui House Group is committed to pursuing CSR activities through its core business while meeting the expectations of stakeholders and society to create value and achieve sustainable development.

We believe actions based on a perpetual awareness of what is important to stakeholders and society will lead to value creation.

Specifying Material Topics with Consideration for Stakeholders and Impacts on Society

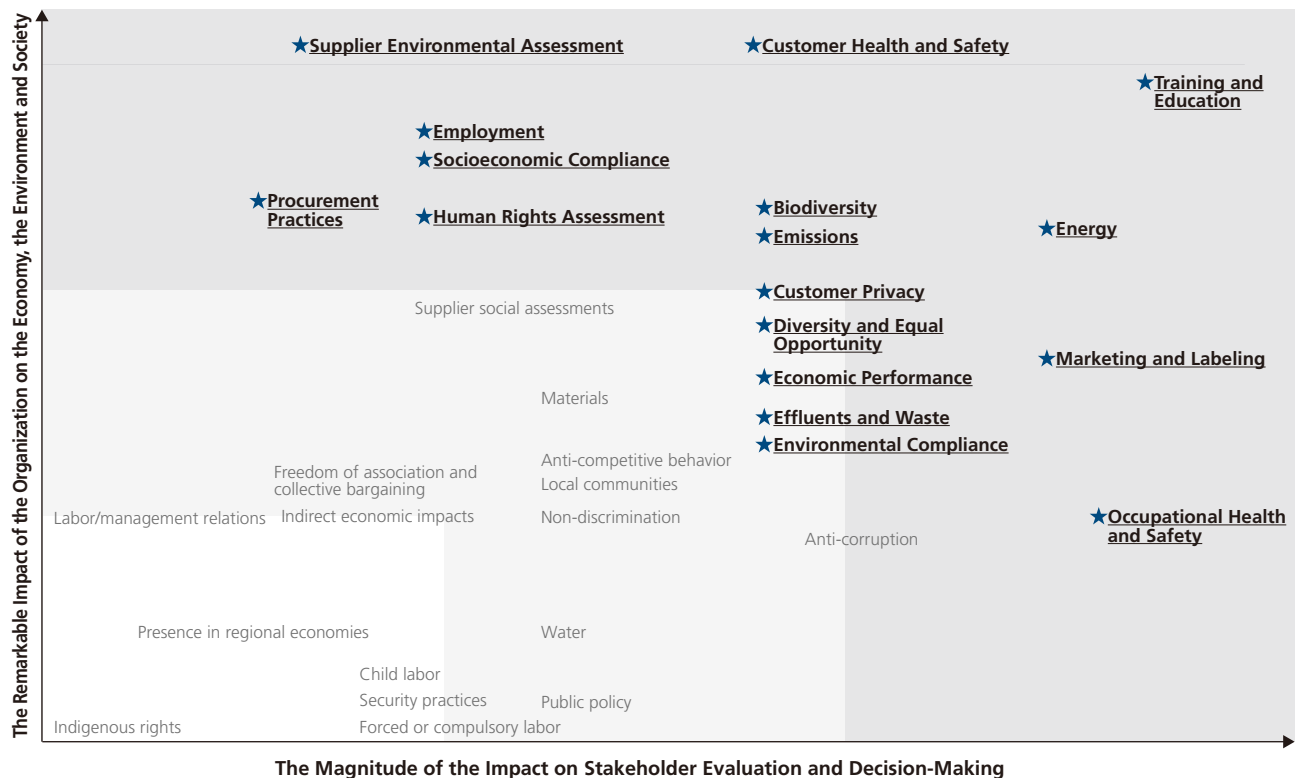
In 2015, we narrowed down the 46 Specific Standard Disclosures of the GRI Guidelines (G4) to 30 material items. In 2016, to reflect societal changes and needs, we prioritized these aspects based on a reanalysis of their “impacts on stakeholder evaluations and decision-making” and “the extent

of the company’s economic, environmental and social impact.”

Consequently, we specified 19 material items. In 2017, we updated 17 material topics (below) to comply with GRI standards. Please see page 17 for information on the relationship between the CSV strategy and material topics.

Material Topics (Critical Issues) as Seen from Effects on Stakeholders and Impacts on Society

★Indicates one of the specified 17 topics



Boundaries of the 17 Material Topics

Economic Performance	Sekisui House Group, Customers, Employees, Shareholders and investors, Supplier companies	Employment	Sekisui House Group, Employees, Regional communities
Procurement Practices	Sekisui House Group, Employees, Shareholders and investors, Supplier companies, Regional communities	Occupational Health and Safety	Sekisui House Group, Employees, Supplier companies
Energy	Sekisui House Group, Employees, Shareholders and investors, Supplier companies	Training and Education	Sekisui House Group, Employees, Supplier companies
Biodiversity	Sekisui House Group, Customers, Employees, Supplier companies, Regional communities	Diversity and Equal Opportunity	Sekisui House Group, Employees, Regional communities
Emissions	Sekisui House Group, Customers, Employees, Shareholders and investors, Supplier companies, Regional communities	Human Rights Assessment	Sekisui House Group, Employees, Shareholders and investors, Supplier companies, Regional communities
Effluents and Waste	Sekisui House Group, Employees, Supplier companies, Regional communities	Customer Health and Safety	Sekisui House Group, Customers, Consumers, Regional communities
Marketing and Labeling	Sekisui House Group, Customers, Employees, Shareholders and investors, Consumers, Supplier companies, Regional communities	Customer Privacy	Sekisui House Group, Customers, Employees, Consumers, Supplier companies
Environmental Compliance	Sekisui House Group, Customers, Employees, Shareholders and investors, Consumers, Supplier companies, Regional communities	Socioeconomic Compliance	Sekisui House Group, Customers, Employees, Shareholders and investors, Consumers, Supplier companies, Regional communities
Supplier Environmental Assessment	Sekisui House Group, Shareholders and investors, Supplier companies		

Stakeholder Engagement

Sekisui House Group main stakeholders include customers, consumers, business partners, employees, shareholders, investors and communities. We address issues and expectations through dialogues with all these stakeholders. To this end, we actively engage in daily communications using a variety of methods.

Main Stakeholders and Overview of Actions

Main Stakeholders and Overview of Actions	Actions	Examples of proposed themes	Response for such themes	Refer to
Customers (Owners) We maintain communications with customers under our "customer first" policy, in order to ensure that their valuable assets (i.e., their homes) have prolonged lifespans and are long-cherished.	<ul style="list-style-type: none"> Customer surveys Regular information magazines: Kizuna (semiannual), Maisowner (semiannual), and gm (three issues per year) Net Owners Club website 	<ul style="list-style-type: none"> Lengthen lifespan of houses and increase homeowner value Enhance after-sales support Proposing and constructing exteriors that are easy to maintain and use 	<ul style="list-style-type: none"> Operating "Commons," a townscape assessment system Strengthening Group-wide collaborations to help the exterior business grow CSV strategy (4) Lengthen lifespan of houses with enhanced after-sales support 	Pages 41–46 WEB
Consumers (Potential Customers) We proactively disclose information to build relationships of trust with the aim of "creating housing and environments with a rich sense of humanity."	We offer venues for dialogue with consumers through the following: <ul style="list-style-type: none"> Comprehensive Housing R&D Institute Sumufumulab <i>Sumai no yume koju</i> Sekisui House Eco First Park Housing seminars Life Literacy Book 	<ul style="list-style-type: none"> Disclosing housing manufacturing processes and sites Visualizing environmental problem solving methods through housing 	<ul style="list-style-type: none"> Recruiting Sumufumulab research members and holding workshops Opening research facilities to the public Conduct workshops and events for parents and children at the Sekisui House Eco First Park 	Page 36 Page 74 WEB
Business partners We strive to conduct transactions on a fair and equal basis, and we foster amicable partnerships that promote mutual growth and deliver customer satisfaction.	<ul style="list-style-type: none"> Organizing network of Sekisui House Association and Sekisui House Partners' Association Annual policy briefings Supplier evaluations 	<ul style="list-style-type: none"> Improving construction site environments (e.g., labor-saving measures and measures to deal with aging construction technicians) Improving delivery date accuracy (materials and parts delivery) 	<ul style="list-style-type: none"> Improving indications of parts and promote combined, pre-cut and pre-set parts Sharing process charts online with manufacturers and carrying out thorough information entry CSV strategy (3) Maximizing customer value through the value chain 	Pages 33–40 Page 67 WEB
Employees We respect the diverse individuality of employees to ensure that they can fully demonstrate their competence and achieve creative growth through meaningful work. To this end, we develop workplace environments and programs that nurture employees at work and ensure fair treatment, thereby enhancing employee satisfaction (ES).	<ul style="list-style-type: none"> Internal open recruitment Internal qualifications Human relations training (annual) Governance awareness survey (annual) Occupational health and safety management system Sekisui House Group internal magazine (bimonthly) 	<ul style="list-style-type: none"> Contributing to women's career development Workstyle innovation Supporting a work-life balance Promoting employment of the disabled Creation of open workplaces 	<ul style="list-style-type: none"> CSV strategy (5) Promote diversity and human resource development 	Pages 47–52 WEB
Shareholders and investors We ensure fair and transparent corporate management to maintain our value in society, with a view to further enhancing our corporate value by achieving healthy growth and returning fair profits to our shareholders.	<ul style="list-style-type: none"> General shareholders' meeting Business Report (semiannual) and Annual Report (annual) Online IR newsletter Shareholder preferential gift programs 	<ul style="list-style-type: none"> Disclosing management strategies and plans in an easy-to-understand manner 	<ul style="list-style-type: none"> Holding management briefings Factory and other facility tours Conducting one-on-one interviews 	Page 59 WEB
Communities We make an effort to cooperate and participate toward social returns, leveraging our strengths as a housing company to nurture rich local cultures and realize abundant and humane lifestyles for all people while protecting the environment.	<ul style="list-style-type: none"> Sekisui House Matching Program Cooperating with Kids Design Association NPO Cooperating with Uzo Nishiyama Memorial Library NPO Kobe Machizukuri Rokko Island Fund charitable trust 	<ul style="list-style-type: none"> Safe lifestyles that provide peace of mind Community development that prevents crime and damage from disasters Cultivating the next generation Support the self-reliance of disaster victims and disabled persons 	<ul style="list-style-type: none"> Helping build communities through neighborhood bonds Creating recovery support systems when natural disasters strike Disaster Risk Reduction Factory of the Future plan Newly hired employee participation in activities supporting reconstruction in areas affected by earthquakes Support companies affected by disasters and welfare workers with disabilities by purchasing their products. 	Pages 71–74 WEB
All stakeholders	<ul style="list-style-type: none"> Ensure full compliance, eco-friendly practices and accountability 			Pages 60–62 Pages 68–70 WEB

Comments from External Members of the CSR Committee

The CSR Committee meets regularly to develop and promote important CSR policies and verify the relevancy and effectiveness of current CSR activities.

During these meetings, two external members are asked to share their opinions, which provide the basis for discussion among Committee members.

Fiscal 2017 CSR Committee recommendations are as follows.

CSR Committee Recommendations

- I think it is a good thing to operate the CSR Committee with an emphasis on ESG. From this year forward, I think it is highly possible there will be questions regarding ESG at the general shareholders meeting, thus we need to establish objectives in each area and prepare senior management to provide a progress report. This is an opportunity to communicate the idea that companies with good performance also properly engage in ESG.
- In China, they are working on a national environmental policy promoted by the government while thoroughly changing laws on the subject of CO₂ reductions. It is appropriate that Sekisui House also leads the world in these initiatives, and as customers consider environmental problems to be social issues, they be made to feel that purchasing a home is a contribution to society. It is important to create a story involving users to convey that we are contributing to society through our business activities.
- With the spread of globalism and the increasing weight of business we conducted overseas, there is a possibility that the more complicated transactions become, the larger the risks. Accordingly, it is necessary to further promote the visualization of local subsidiary management, due diligence and operational information. We must also proactively recruit foreigners.
- I am cognizant of the fact that creating an open workplace is, at present, the most important task for Sekisui House. The degree to which we are able to discern issues occurring in the workplace will be important in terms of preventing problems before they occur and we have to ensure that we are aware of bad news as quickly as possible. We must remain vigilant, especially when performance is favorable.
- Going forward, we need to take a medium- to long-term perspective, as I think there is a possibility that management might stagnate due to a lack of personnel. Given that the current outlook for the housing industry overall is not positive, we must create mechanisms and scenarios that will make potential employees want to work at the Sekisui House Group.
- Sekisui House Group "workstyle innovations" are still in process. We must move forward more quickly. At the same time, continuing to dispatch new employees to disaster-stricken areas to engage in support activities is recognized by institutional investors as a laudable initiative that stands out among our non-financial information.
- Performance will suffer if we only reduce hours worked without increasing productivity. To ensure performance improves, we must concretely demonstrate how to increase productivity while reducing hours worked. It is also important to create a human resource evaluation system based on these efforts.



Haruo Tsuji
Former President
Sharp Corporation

CSR Committee Recommendations

- From my experience tackling environmental issues as a leader in national and prefectural governments, it is extremely critical to demonstrate (provide motivation to incite action) how each one of us ourselves links initiatives to overall goals.
- Although incorporating environmentally friendly features in residential housing and houses for sale inevitably requires us to raise costs, if our materials effectively explain and clearly demonstrate that those costs can be recouped in a certain number of years and that there are merits for the global environment as well as the customer due to the longer service life, I think we can achieve a higher degree of understanding throughout society.
- To quickly respond to changing needs, we must pay constant attention to big data and create business on the assumption that customers themselves possess a substantial amount of information. Thus, it is important to create a means by which employees on the frontline of sales are able to provide their unfettered opinions. They must have a strong sense that the way they do business will change significantly in ten years' time.
- We must tackle the creation of a market for existing homes as an industry-wide issue, thus it is critical for Sekisui House to work as the leading company in creating a mechanism for properly maintaining housing stock to enhance its value as we carefully pursue this goal.
- Supervisor concern (verbal interaction) is indispensable for employees raising children. Understanding the child raising environment of these employees and offering kind concern will increase their motivation to work hard for the Company. The supervisor's awareness is more important than employees with workstyle issues.
- According to the governance awareness survey results, awareness was high overall with regard to all items, but as this is a large company with favorable performance, I sense that a conservative atmosphere is taking hold, which tends to maintain the status quo. It is crucial to repeatedly explain the importance of enhancing communication between the organizational leader class and subordinates and engage in work without fear of making mistakes. So doing, this can become a sustainable Company.
- The CSR Promotion Committee plays an important role in communicating the significance of CSR promotion to employees, thus we must explain this significance as often as possible. Increasing productivity and enhancing employee satisfaction are the goals of CSR promotion, but it is also necessary to provide opportunities to participate in a variety of social contribution activities to foster a sense of accomplishment outside the workplace and create a mechanism for engendering a sense of satisfaction.



Hiroya Masuda
Former Minister of Internal
Affairs and Communications
Former Governor of
Iwate Prefecture

Occupational Health and Safety Management

The Sekisui House Group places the utmost priority on the health and safety of employees, subcontractors and other people in everyday business activities. In the event a worker-related accident occurs in the administrative, production or construction departments, details are provided to the Health and Safety Committee and incorporated into the PDCA cycle related to workplace health and safety.

Accidents resulting in lost worktime and occupational illness frequency rates

In FY2017, as a result of various initiatives, the frequency rate of accidents resulting in lost worktime and occupational illness in each department generally declined compared to FY2016. We continue to thoroughly analyze causal factors to improve safety and health awareness, prevent unsafe behaviors and control long working hours linked to accidents and illness.

Accidents Resulting in Lost Worktime and Occupational Illness Frequency Rates (Total of one or more days off)

Department		Frequency of accidents resulting in lost worktime		Occupational illness frequency rate	
		FY2016	FY2017	FY2016	FY2017
Administrative department (employees*1)		0.16	0.10	0.00	0.07
Production department	Employees*1	0.40	0.00	0.00	0.00
	Subcontractor*2	1.22	0.51	0.00	0.00
Construction department (subcontractors only)		2.57	1.89	0.34	0.20

*1. Sekisui House on a non-consolidated basis

*2. In FY2016, we only calculated contract workers involved in production, shipping and resource recycling. From FY2017 we will disregard type of work, including clerical so that the scope of calculation better reflects actual safety and health management conditions. When calculated applying the same scope of calculation as in FY2016, the frequency rate of accidents resulting in lost worktime was 0.60 and occupational illness frequency rate was 0.00.

Occupational Health and Safety Activities at Construction Sites

Ensuring the occupational health and safety of everyone engaged in construction work is the Sekisui House Group's social responsibility and one of the items toward which we must make a concerted effort. To enable construction personnel to work with safety and peace of mind, in FY2017 we engaged in measures focused on avoiding serious accidents and slowing down the rise of accidents through the Annual Company-wide Construction Health and Safety Plan. As a result, in FY2017 we were able to reduce the number of occupational accidents.

Accidents in FY2017

- On construction worksites, occupational accidents decreased more than 20% compared to the previous fiscal year and falling-related accidents also declined. However, falls from stepladders, work benches, ladders and other equipment accounted for over 40% of accidents, many of which were caused by human errors such as "leaning too far out," "disorganization" and "using ladders that were too short."
- We promoted the proper installation of external scaffolding and also conducted special classes on scaffolding assembly for users, reducing accidents involving both equipment and people.

- There is a rising risk of heatstroke at construction sites during the summer. In addition to countermeasures that include conducting study groups and distributing salt tablets, from FY2017, we are recommending air conditioned clothing for outdoor workers, which caused heatstroke to decrease 30%.
- In accordance with the standards of related ministries and agencies, we held briefing sessions aimed at preventing the dispersal of building finishing materials containing asbestos released during building demolition and used in building finishing.

FY2018 Initiatives

Under the FY2018 Annual Company-wide Construction Health and Safety Plan, we will promote accident prevention measures at all sales divisions and business offices from the three perspectives of thoroughly eliminating unsafe behaviors, ensuring inspections, work procedures and organization and preventing accidents of a similar nature from recurring.

FY2018 Slogan

Inspections and procedures are work fundamentals
Do not create or allow unsafe conditions

Annual Company-wide Construction Health and Safety Plan Essentials

- Bearing in mind the elimination of unsafe behaviors and conditions, main items to be implemented (prevention of heavy equipment and heavy machinery accidents, falling accidents and heat stroke) will be determined and practiced independently at each business office.
- Standardize railings on the outer periphery of mid-level housing to prevent falling-related accidents.
- Further promote use of air conditioned clothing in FY2018 to prevent heatstroke.
- To prevent the same accidents (type and cause) from occurring, thoroughly raise awareness, and implement and establish recurrence countermeasures for accidents that occurred in the workplace in the past to prevent similar accidents in the future.



Worker safety slogan poster

Environmental Management

Sekisui House has acquired ISO 14001 integrated environmental certification at all factories as process management supporting the high-precision basic functions of our pre-fabricated housing. We are also expanding proprietary environmental management in a variety of business processes as value creation process management throughout the entire value chain.

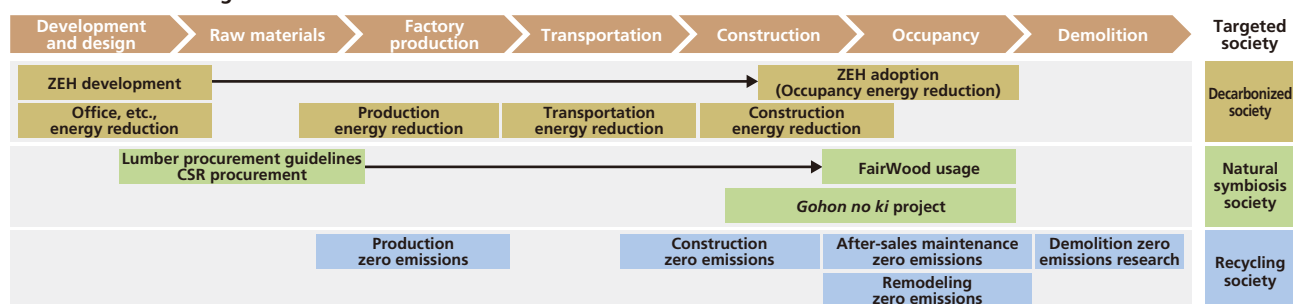
Realizing Integrated Environmental Management Based on Sustainability

With regard to environmental management, up to now, business operators and others set their own policies and goals regarding the environment aimed at environmental preservation. It was common to regard these as environmental preservation activities in the narrow sense that they were making an effort toward these achievements.

However, in light of the role of corporations to realize sustainability represented by the SDGs, it is necessary to consider the environment, as well as the economy and society

in both up and down stream business, which requires the creation of an integrated management system from a more comprehensive viewpoint. In 2005, Sekisui House was among the first to announce its Sustainable Vision, establishing sustainability as the basis of Company management. We also pioneered initiatives in consideration of sustainability in environmental management. Below, we have organized initiatives introduced on each page from the viewpoint of activities in the value chain.

Environmental Management in the Value Chain



(Focuses on representative initiatives introduced in the print version of this report. See pages 15-16 for information related to SDGs.)

Deepening Environmental Preservation Initiatives as an Eco-First Company

In 2008, Sekisui House carried out the Eco-First Promises and was certified by the Minister of the Environment as an environmentally advanced company in the industry. After that, we continued to deepen voluntary initiatives related to environmental preservation. In March 2012 and December 2016, in reflection of changes in social conditions and progress on these initiatives, we revised the promises while

maintaining a large framework to include global warming prevention, ecosystem preservation and resource recycling.

Since 2014, we have lead environmentally advanced companies as the third chairman company of the Eco-First Promotion Council, a voluntary management organization comprising 40 Eco-First companies.

Deeper Initiative Examples

(1) Global warming prevention

By 2020, 80% of detached homes will be net-zero-energy housing (ZEH)



Green-First Zero sales promotion

FY2017 **76%**

(2) Ecosystem preservation

In 2020, the cumulative number of endemic trees planted by the *Gohon no ki* project will reach 15 million trees.



Gohon no ki project promotion

At the end of FY2017, cumulative total was **14.09 million trees**

(3) Resource recycling

Ongoing zero emissions during production, construction and after-sales maintenance, with a material recycling rate of 90% or higher.



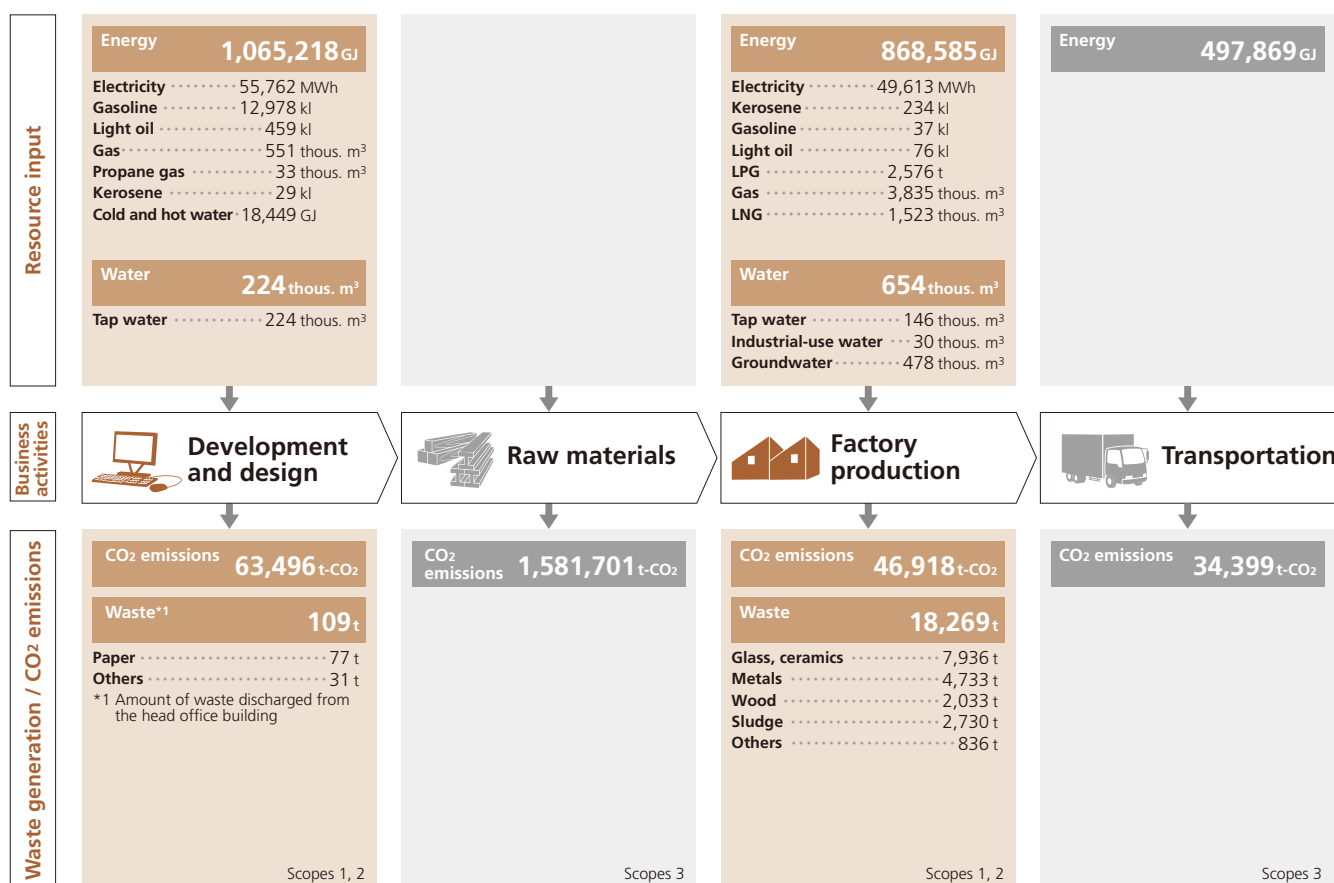
Separating plastic at a resource recycling center

FY2017 **84.7%**

Material Balance

The Sekisui House Group monitors and reports environmental impacts at each stage of the lifecycle of our housing products—including development and design, raw material procurement, factory production, transportation, construction, and occupancy in Japan and overseas.

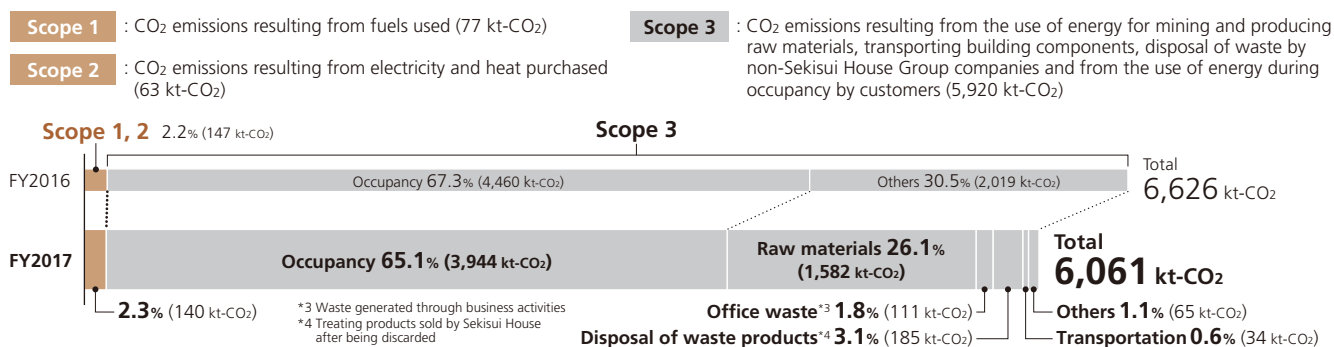
FY2017 Environmental Impact Caused by Corporate Activities



FY2017 Amount of CO₂ Emissions by Scope 1–3

We calculate and disclose our Scope (1–3) CO₂ emissions in line with the methodology of the Greenhouse Gas Protocol^{*2}.

^{*2} GREENHOUSE GAS PROTOCOL "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" <http://www.ghgprotocol.org/standards/scope-3-standard>



Changes to Calculation Method

The unit heat value and CO₂ emissions intensity were revised in the calculation of the amount of energy consumed and CO₂ emitted. Up to now, we used the conventional unit heat value and CO₂ emissions intensity (electric power CO₂ emission intensity [0.357 kg-CO₂/kWh]) from the Japan Prefabricated Construction Suppliers and Manufacturers Association Eco-Action 21 goal management tally chart. To reflect actual conditions more accurately, the fiscal 2017 results tally for the unit heat value and CO₂ emissions intensity were changed and are based on the Act on Promotion of Global Warming Countermeasures.

In line with these changes, compared to the unit heat value and CO₂ emissions intensity

values used up to now, the impact on CO₂ emissions was as follows. Note that the revision had little impact on energy consumption.

Scope 1 and 2

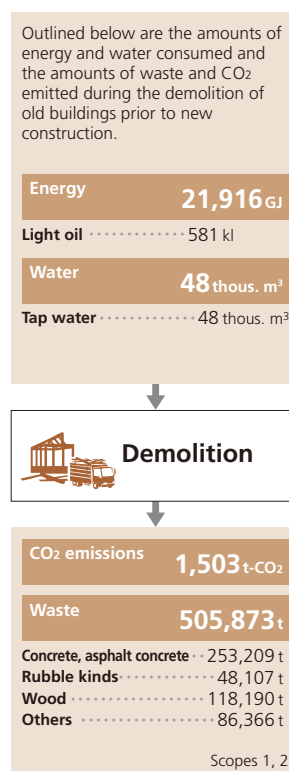
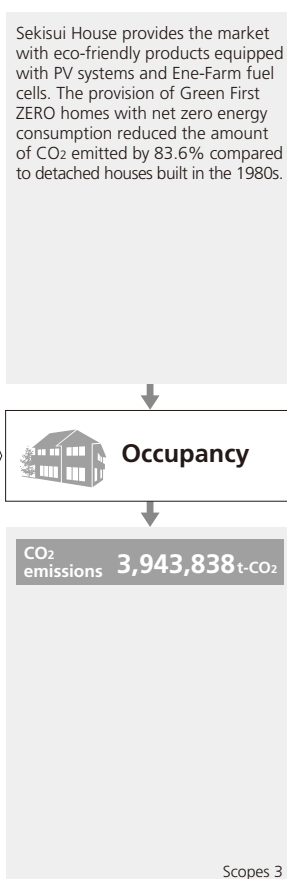
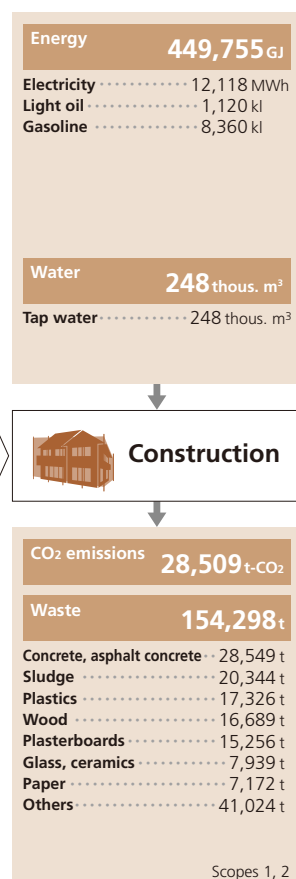
- Development design 7,980 t-CO₂ increase
- Factory production 8,919 t-CO₂ increase
- Construction 1,502 t-CO₂ increase (• Demolition insignificant)

Scope 3

- Occupancy (category 11) 1,412,726 t-CO₂ increase (• Transportation insignificant)

Scope of coverage: The subjects of this survey are Sekisui House, Ltd., its major consolidated subsidiaries in Japan (46 companies), and major consolidated subsidiaries overseas (10 companies). Scope 3 CO₂ emissions include those attributable to parties other than the Sekisui House Group companies.

Period covered: The applicable period is FY2017 (from February 2017 to January 2018). Estimated figures were used where final data was not available at the time of calculation.



- We have a structure in place that informs the head office in the event environmental laws or regulations are violated at a factory. In FY2017, there were no major violations of greenhouse gas-related laws and regulations (no single case for which criminal punishment, administrative penalty, or administrative guidance was imposed) nor serious leaks of chlorofluorocarbons (CFCs).
- All waste resulting from the production of materials purchased by factories is recycled. The material recycling rate was 93%.
- The water discharged from our factories into rivers meets the water-quality standards specified in Japan's Water Pollution Control Law as well as those specified in other regulations and agreements. The water from our Tohoku, Kanto, Shizuoka, Yamaguchi, and Hyogo factories meets Sekisui House's in-house standards, which are stricter than those stipulated by law.

Notes on the data

Within Scope 1 and 2 emissions, amounts attributed to "construction" and "demolition" are included in CO₂ emissions (applicable to Scope 3) from construction and demolition conducted by non-Sekisui House Group partner building contractors, but because it is difficult to separate due to housing construction and demolition conditions, for convenience they are calculated as Scope 1 and 2.



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

- **Energy and CO₂:** the amount of energy consumption and CO₂ emissions by offices and model homes
- **Waste:** the volume of waste generated by the Sekisui House, Ltd. head office (including offices of consolidated subsidiaries in the same building)



Raw materials

- **CO₂:** the estimated amount of CO₂ emissions resulting from production of raw materials purchased by Sekisui House, Ltd. factories



Factory production

- **Energy and CO₂:** the amount of energy consumed and CO₂ emitted by the five Sekisui House factories in Japan and Sekisui House Advanced Manufacturing (Shenyang) Co., Ltd.
- **Waste:** the volume of waste generated by the five Sekisui House factories in Japan



Transportation

- **Energy and CO₂:** the amount of energy consumption and CO₂ emissions by specified consignors and Sekisui House Advanced Manufacturing (Shenyang)



Construction

- **Energy and CO₂:** the estimated amount of energy consumption and CO₂ emissions resulting from new construction by 18 Sekiwa Construction companies and building contractor partners
- **Waste:** the volume of waste generated from new construction, after-sales maintenance, and remodeling sites of Sekisui House, Ltd., 18 Sekiwa Construction companies, and three Sekisui House Remodeling companies.



Occupancy

- **CO₂:** the estimated amount of CO₂ emissions during occupancy at detached houses built from building components shipped from factories (The estimate is calculated assuming an occupancy period of 60 years for detached housing and 45 years for low-rise rental apartments.)



Demolition

- **Energy and CO₂:** the estimated amount of energy consumption and CO₂ emissions resulting from the use of heavy machinery for demolition, by 18 Sekiwa Construction companies and building contractor partners.
- **Waste:** the volume of waste generated from demolition of housing and commercial buildings by Sekisui House, Ltd., 18 Sekiwa Construction companies.

Post-Disaster Restoration and Reconstruction

The Sekisui House Group recognizes that, as a Company promoting strategies specializing in business that protects the lives, property and lifestyles of residents, we have a social responsibility to prevent damage (disaster prevention) and mitigate damage (disaster mitigation) from natural disasters.

At the same time, we also believe it is necessary that, as a housing manufacturer, we confirm the safety of victims and information on damage when a natural disaster occurs, and promptly establish support systems.

Post-Earthquake Reconstruction

Immediately after the Great East Japan Earthquake, the Sekisui House Group launched customer support activities in stricken areas while also assisting in restoration and reconstruction work and the construction of temporary houses and public housing for disaster victims. March 2018 marks the passage of seven years since the Great East Japan Earthquake, the first five of which was a now concluded five-year intensive recovery period stipulated by the Japanese government. The period from now until March 2021 has been designated as a reconstruction and creation phase.

However, there are still a great number of victims forced to live in evacuation shelters. We are working urgently to quickly develop public housing for disaster victims. Sekisui House Group is making every effort to proceed swiftly and unfailingly.

Reconstruction planning progress differs according to area and administration, requiring lifestyle and housing proposals that reflect conditions in each region. Through local construction efforts and support from all over Japan, the Sekisui House Group has completed construction on and handed over 1,087 public housing units for disaster victims in 464 buildings across three prefectures within the contracted construction period, earning high regard from the government for our construction capabilities and high quality.

Up to now, public housing for disaster victims consisting of existing wooden and reinforced concrete construction had been commonplace, but as our high-quality and quickly built lightweight steel frame construction incorporating original Sekisui House construction methods have gained acceptance. In recent years, we have seen an increase in large-scale projects involving our original heavy steel-framed β system detached housing, which offers a high degree of freedom and short construction periods.

Over the past seven years, reconstruction conditions have changed in each area. In areas affected by earthquake and tsunami in Miyagi and Iwate prefectures, the preparation of public housing for disaster victims is nearly complete, having entered a new phase leading to the final finishing work. In Fukushima Prefecture, the area affected by the nuclear power plant disaster, evacuation orders continue to be rescinded as efforts have entered the "full-scale recovery" phase. The creation of a reconstruction site (compact town) enabling residents to return home is accelerating so that this will become a model for regional revitalization leading to self-reliance in disaster-stricken areas. Leveraging the expertise accumulated through recovery efforts up to now, Sekisui House also responds to a variety of governmental needs, such as the creation of townscapes centered on detached housing and large-scale construction of three and four story buildings using β system. At the same time, we are utilizing

our achievement of realizing Japan's first smart grid, located in the city of Higashi Matsushima in Miyagi Prefecture, to proactively propose the creation of smart reconstruction sites aimed at the local production of renewable energy for local consumption and the reduction of CO₂ emissions.

Going forward, we will continue to leverage our technological, proposal and construction capabilities to engage in the promotion of reconstruction efforts, including the provision of public housing for disaster victims that is safe, secure and comfortable, bringing happiness to occupants.

Status of Public Housing for Disaster Victims Provision

	Projects bid on		Projects completed	
FY2012	4 buildings	26 units	—	—
FY2013	84 buildings	285 units	4 buildings	26 unit
FY2014	124 buildings	211 units	16 buildings	53 unit
FY2015	126 buildings	184 units	116 buildings	382 unit
FY2016	46 buildings	301 units	55 buildings	72 unit
FY2017	81 buildings	113 units	273 buildings	554 unit
Total	465 buildings	1,120 units	464 buildings	1,087 unit

Public housing for disaster victims

- (1) Public housing for disaster victims in the district of Nakaman, Naraha-machi, Fukushima Prefecture (completed June 2017)



Construction: Wood frame (Shawood) (Single story)
 Number of buildings: 121 structures, 124 units
 Detached housing/2LDK: 56 units
 3LDK: 63 units
 Row house/2LDK: 1 building, 4 units
 Community hall: 1 building
 Total floor area: 8,747.75 m²

- (2) Public housing for disaster victims in the district of Magata, Tomioka-machi, Fukushima Prefecture (completed July 2017)



Construction: heavy steel-framed β system
 Number of buildings: 1 building, 40 units
 2DK: 12 units
 2LDK: 27 units
 Wheelchair dwelling units: 1 unit
 Total floor area: 2,901.34 m²

Restoration and Reconstruction after the Kumamoto Earthquake

In April 2016, for the first time in the history of seismic observation in Japan, a series of seismic events with an intensity of seven were repeatedly observed in a major earthquake. In addition to numerous casualties, a considerable number of houses were partially or totally destroyed or partially damaged, resulting in serious destruction.

Of the 10,246 Sekisui Homes in Kumamoto Prefecture, there were no personal injuries, nor were any of the houses partially or

totally destroyed. However, having learned from initial responses after the Great East Japan Earthquake, immediately after the foreshock, we set up a coordinated response headquarters at the Kyushu sales office followed by the establishment of a local response headquarters in Kumamoto. After confirming the safety of employees and their families in the affected area, we were able to confirm the status of damage for approximately 10,000 customers in early June. The prompt and appropriate initial response in stricken areas, the quick delivery of goods stockpiled at factories and the head office, the rapid establishment of a construction and technical support system and the attempt to share disaster details and other information via iPads running an original app contributed to the success of these efforts.

Even now that we have reached the recovery phase, reconstruction is still incomplete, as sections of road still have uneven and cracked surfaces and some housing has not been completely repaired. The entire Group continues to engage in large-scale construction to rebuild foundations and structures as well reconstruct homes.

All New Career-Track Employees Take Part in Disaster-Stricken Area Reconstruction Support Activities

Starting one year after the Great East Japan Earthquake, all new career-track employees at Sekisui House take turns going to disaster-stricken areas to assist in reconstruction work. In addition to providing stricken areas with needed assistance, the goal of this reconstruction effort is to deepen employees' understanding of the significance of the housing business and have employees think and act from other people's perspectives based on the Sekisui House Group corporate philosophy and code of conduct.

Employees work with NPOs active in areas affected by the disaster, listening to needs for support and taking action after considering what they can do to make local residents happy. In the Tohoku region, we assisted with the relocation of the Ogatsu Rose Factory Garden, conducted cleanup activities at temporary housing and public housing for disaster victims and held events aimed at communication with local residents.

In FY2017, we also began conducting similar activities in areas affected by the Kumamoto Earthquake. This mainly involved installing barriers on temporary housing to block the wind.



Installing barriers to block the wind



Enjoying tea with residents at the temporary housing community hall

Disaster-Stricken Area Reconstruction Support Activity Participants

	Tohoku	Kumamoto
FY2012	347	—
FY2013	566	—
FY2014	460	—
FY2015	390	—
FY2016	323	—
FY2017	335	107
Total number of participants in past six years	2,528	

From FY2017, activity areas were determined in accordance with locations where new employees were dispatched

Rapid Initial Response after Damage from Torrential Rains in Northern Kyushu

From July 5–6, 2017, concentrated torrential rain fell on northern Kyushu, mainly in Fukuoka and Oita prefectures, where serious damage occurred. Although there was no major damage to Sekisui houses in that area, at 8 a.m. on July 6, we established a response headquarters (inside the Kyushu sales office) and a local response headquarters (inside the Kyushu West and Kyushu North customer centers). In Asakura City, Fukuoka Prefecture, and Hita City, Oita Prefecture, which experienced particularly heavy torrential rainfall, a relief line* and home visits were implemented. Four days later on July 9, we had completed follow-ups with 1,146 customers in the area.

As a result of these follow-ups, we determined that owners of four of the 13 houses damaged by flooding required urgent assistance. 57 employees from three customer centers in Kyushu joined forces to remove mud and provide other support in an effort to engage in recovery activities enabling homeowners' lives to return to normal as quickly as possible. Even after recovery, we continued to respond promptly to any problems that arose.

Note: The relief line is a telephone service provided for customers by customer centers before and after natural disasters to make advance arrangements, offer advice and confirm current conditions.



Removing mud by hand



Covered in mud after removal efforts



Employees with the homeowners (Mr. and Mrs. U, on the right) after mud removal

Even in other natural disasters, we quickly organize support systems and promptly provide customer support as necessary.

Contributing to Local Communities

With a “love of humanity” at the core of our corporate philosophy as a principle underpinning our activities and an emphasis on the sound growth of the next generation, environmental concern, housing culture improvement and support for areas and people affected by disasters as part of our core corporate activities, we continue to engage in efforts rooted in local communities to create a mechanism enabling voluntary activities by each individual employee, including taking part in volunteer and charitable pursuits, partnering with NPOs and NGOs in support of their activities and assisting educational institutions on selected educational initiatives.

“Sekisui House Matching Program” Support for NPOs and Other Organizations Tasked with Resolving Social Issues

Since FY2006, we have been implementing the Sekisui House Matching Program, under which the Company matches employee donations (approximately 4,400 participants) to NPOs and other organizations engaged in activities that contribute to the creation of a sustainable society.

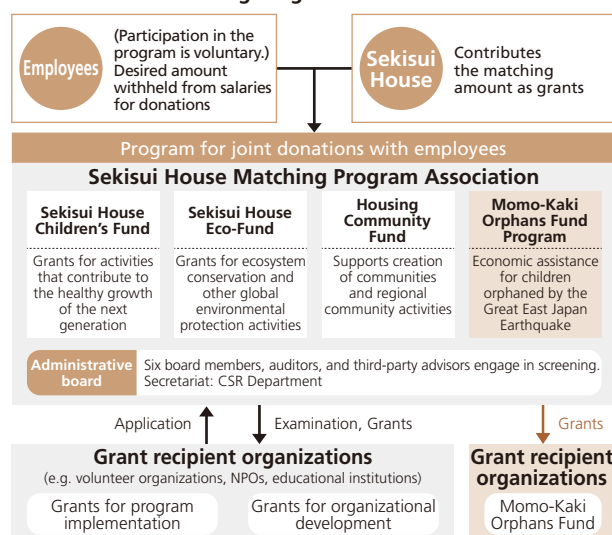
This system enables employees to have an amount of their choice (1 unit = 100 yen) withheld from their salaries for donations, and Sekisui House matches the donations and contributes an equal amount in the form of grants. We have established four funds: The Sekisui House Children's Fund, the Sekisui House Eco-Fund, the Housing Community Fund and the Momo-Kaki Orphans Fund Program.

In FY2018, ¥26.34 million from our Children's Fund, Eco-Fund and Housing Community Fund was donated to a total of 29 organizations. In addition, the Momo-Kaki Orphans Fund Program donated ¥13.50 million (a cumulative total of ¥82.50 million)



to the Momo-Kaki Orphans Fund (Chairman: Architect Tadao Ando), which provides economic support for children orphaned by the Great East Japan Earthquake. Up to now, more than ¥300 million has been donated to 286 organizations by these four funds.

Sekisui House Matching Program



Project Grants (grants for programs applied for by organizations)

Note: In addition, we provided organizational development grants to help selected organizations build infrastructure and improve the quality of their activities in anticipation of their future development.

Children's Fund: 15 organizations, ¥14.50 million

- Incorporated NPO Asperger Society Japan
- Authorized NPO Education Sponsorship in Asia
- Authorized NPO Efa Japan
- Authorized NPO Caring for Young Refugees
- Incorporated NPO Kansai NGO Council
- Incorporated NPO Aikuru Childrearing Family Support Center
- NPO Kokkyo naki Kodomotachi (KnK, Children without Borders)
- Incorporated NPO Kodomo Wakamono Matching

- Incorporated NPO Japan Hair Donation & Charity
- Strohm Social Welfare Foundation Sannoh Children's Center
- Authorized NPO 3keys
- Incorporated NPO Nijiro Kureyon
- Authorized NPO Japan Rescue Association
- Authorized NPO Foodbank Yamanashi
- Incorporated NPO Fukushima Labor Support Center



Cambodia “Village Kindergarten” project
(Authorized NPO Caring for Young Refugees)

Eco-Fund: 11 organizations, ¥10.18 million

- General Incorporated Association Conference of Earth Environment from Akita
- OISCA Japan
- Incorporated NPO Osaka Bay Coastal Region Environmental Creation Research Center
- Authorized NPO Network for Coexistence with Nature
- Incorporated NPO Kirikirikoku
- Incorporated NPO Groundwork Mishima
- Authorized NPO Together
- Incorporated NPO Hattougawa Seiryu Club
- Incorporated NPO FAIR +
- Incorporated NPO Midorinodam Kitasagami
- Incorporated NPO The Lifestyle Research Institute of Forests



Restoration of the Hasunuma Tonoshita Coastal Forest in Sanmu City, Chiba Prefecture
(Incorporated NPO The Lifestyle Research Institute of Forests)

Housing Community Fund: 2 organizations, ¥1.5 million

- NPO Jun-nama-ken (Sustainable Lifestyle laboratory)
- Incorporated NPO Shinshiro Dreamso



Vacant house matching project to restore vanishing communities
(Incorporated NPO Shinshiro Dreamso)

Sekisui House Eco First Park A Public Facility Enabling Visitors to Experience Environmental Themes Indicated in the Eco-First Promise

We operate the Sekisui House Eco First Park (opened in May 2015), a collection of symbolic model facilities we have been working on throughout the history of our environmental activities located at the Kanto Factory (Koga City, Ibaraki Prefecture), which is open to the public as a facility enabling visitors to experience the three environmental themes indicated in the Eco-First Promise: global warming prevention, ecosystem preservation and resource recycling.

This facility enables visitors to enjoy learning while experiencing the variety of ways housing plays a role in protecting the environment, such as the indispensable eco-friendly designs and technologies that provide comfortable lifestyles while minimizing the use of energy, preserving ecosystems and eliminating waste. We use the facility to promote advances in Sekisui House environmental technologies to a wide range of people, as well as to conduct environmental education programs for elementary school students and their parents and to facilitate an understanding of the relationship between housing and the environment among high school and university students. Going forward, we will continue to proactively utilize and promote this facility with the aim of enabling further developments.



Panoramic view of the Sekisui House Eco First Park



Experiencing tatami dismantling work



Used as a venue for lectures at universities



International students visiting on a tour

Environmental Education Programs at Nationwide Schools and Event Venues

The Sekisui House Group conducts three experiential education programs teaching the importance of saving energy in everyday life, preserving ecosystems and effective resource utilization at events and through visits to schools throughout Japan in accordance with the three Eco-First Company promises of reducing CO₂ emissions, restoring ecosystem networks and resource recycling initiatives.



The House-cology seminar education program teaches about the relationship between global warming and lifestyle

Koji Kinutani Tenku Art Museum

Sekisui House opened the Koji Kinutani Tenku Art Museum in the Umeda Sky Building, where the Company's head office is located, featuring the work of Koji Kinutani, Japan's leading affresco (fresco; a classical mural painting technique) artist. Exhibiting the world's first 3D video that enables visitors to experience jumping into a painting and numerous rich and colorful paintings and sculptures created with the desire to make people happy, this facility enables visitors to fully experience the world of Kinutani that has captured the imagination of people throughout the world. We also use this space to hold events that can only be experienced at the Tenku Art Museum, including parent and child portrait drawing and affresco (fresco) painting on the walls.



Painting affresco(fresco) on the walls

Conducting Company Tours for Employee Children

Sekisui House conducts company tours for children of employees. At the Umeda Sky Building, where the Company's head office is located, the children come to work with their parents in the morning during summer break, then they visit their parents' workplaces. After experiencing the exchange of business cards, they listen to an explanation regarding work details and have their picture taken. This initiative is popular with both parents and children, who say it makes for a great summer vacation memory.



Children listen intently to the explanation



Experiencing the exchange of business cards with employees

Supporting Self-Reliance and Social Participation for People with Disabilities

In collaboration with Incorporated NPO Together (Osaka), we purchase SELP products* that are used as novelties given out to model home visitors and attendees at Sekisui House Visiting Day events held nationwide. In FY2017, we bought a total of 28,991 novelty items nationwide.

Note: Products made in welfare centers by people with disabilities with the aim of job training and social inclusion in Japan.



SELP eco-bag

Independent Third-Party Assurance Report

KPMG AZSA Sustainability Co., Ltd. was engaged to provide assurance on Sekisui House, Ltd.'s Sustainability Report 2018 and verify that the report provides reliable information on the company's energy consumption, waste and greenhouse gas emissions volumes, water used in factor production and social reporting (frequency of accidents resulting in lost worktime and occupational illnesses).

This is an English translation of the "Independent Assurance Report" dated May 17, 2018 originally issued in Japanese by KPMG AZSA Sustainability Co., Ltd. for the "Sustainability Report 2018" published in Japanese by Sekisui House, Ltd.

Independent Assurance Report

Sekisui House, Ltd.

Mr. Toshinori Abe, the Chairman & Representative Director,

Mr. Yoshihiro Nakai, the President & Representative Director

We were engaged by Sekisui House, Ltd. (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators and greenhouse gas indicators listed below for the period from February 1, 2017 to January 31, 2018 (the "Indicators") included in its Sustainability Report 2018 (the "Report") for the fiscal year ended January 31, 2018, and the completeness of material greenhouse gas information in the Report.

Indicators and pages in the Report

Indicators	pages
Energy (total amount and itemized details by energy source) and Tap water, Industrial-use water and Groundwater of "Factory production" in "Resource input"	69, 70
Amount of CO ₂ emissions and Waste (total amount and itemized details by waste category) in "Waste generation/CO ₂ emissions"	69, 70
CO ₂ emissions of "Scope 1, 2 emissions", "Occupancy", "Raw materials", "Office waste", "Disposal of waste products" and "Transportation" in "FY2017 Amount of CO ₂ Emissions by Scope (1-3)" and "Scope 1", and "Scope 2"	69, 70
Accidents Resulting in Lost Worktime and Occupational Illness Frequency Rates	67

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Company's web site, and for including the material greenhouse gas information defined in the 'Greenhouse gas Report Assurance and Registration Criteria' of the Japanese Association of Assurance Organizations for Sustainability Information ("J-SUS") in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information', 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines for the Assurance of Sustainability Information' of J-SUS. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and also recalculating the Indicators.
- Visiting one of the Company's factories selected on the basis of a risk analysis.
- Assessing whether or not all the material greenhouse gas information defined by J-SUS is included in the Report.
- Evaluating the overall statement in which the Indicators are expressed.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report, and all the material greenhouse gas information defined by J-SUS is not included in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.
Osaka, Japan
May 17, 2018

Summary of Initiatives

Environmental Management (E)

2017 saw full-fledged efforts toward achieving the sustainable development goals (SDGs) targeting economic growth while considering the environment and other factors, with a significant amount of attention focused on the role of corporations toward sustainable societies, including the realization of the Paris Agreement, an international framework for global warming countermeasures that became a global standard earlier in the year.

The Sekisui House Group also promoted activities aimed at realizing sustainable societies it has advocated since 2005. With regard to the Japanese government's target of making net-zero-energy housing (ZEH) account for the majority of newly built housing by house manufacturers by or before the year 2020, in FY2017, 76% of the houses we manufactured were ZEH compliant. Furthermore, in October 2017, we became the second Japanese company to join the RE 100 initiative, which aims to realize the use of 100% renewable energy in all business activities. In April 2018, our CO₂ reduction targets

were certified under the science based target (SBT) initiative.

Anticipating these international trends and reflecting them in our products and business activities constitutes the foundation of support realizing comfortable, health and sustainable lifestyles for our customers and is critical for the Company's long-term growth strategy. In terms of ESG investment, we have been included in the Dow Jones Sustainability Indices (DJSI) World Index and all three ESG indices selected by Japan's Government Pension Investment Fund (GPIF). In FY2018, we will continue to promote environmental initiatives leading to new value proposals for customers and society.



Toshiharu Miura
Director and Managing Officer
In Charge of Technical Divisions

Improvement in Sociability (S)

The Sekisui House Group is engaged in workstyle innovations under the easily understandable key phrase "Creating thrilling and exciting workplaces that make the heart dance." We believe that workstyle innovations can only be achieved by first addressing several elements, including improving operations, advancing individual employee skills, increasing management skills and making more effective use of IT tools. Furthermore, we are not aiming only for short-term workstyle innovations. It is most important that employees are fulfilled both at work and during private time to increase employee satisfaction (ES) and create business results. Although our workstyle innovations are still in process, the entire Group is engaged in these efforts.

Regarding social contribution activities, the Sekisui House Group promotes activities based on four concepts: sound growth of the next generation, environmental concern, housing culture improvement and support for areas and people affected by disasters. One specific representative example of this is the

Sekisui House Matching Program, an employee and Company joint donation system. Since this program was launched in 2006, more than 4,440 employees have joined and a cumulative total of over ¥300 million has been donated to civic organizations throughout Japan. Amid the adoption of SDGs on a global scale and other movements, the necessity of social contribution activities aimed at creating sustainable societies is rising. We will proactively promote regional contribution activities implemented mainly by business offices throughout Japan, strive to gain the support of local communities and increase our brand value.



Takashi Uchida
Executive Vice President and
Representative Director
Management of Administration
Division

Governance (G)

With regard to strengthening corporate governance, the management team is taking the lead in Company-wide corporate governance reform efforts. As mentioned in Chairman Abe's commitment message, we are already engaged in six measures aimed at strengthening our governance structure. As we move forward, we will continue to engage in additional measures. Moreover, governance is not an issue for managers only; at each Sekisui House Group business office throughout Japan, we are strengthening risk management with aim of creating positive, open workplaces where each and every employee can work enthusiastically in an effort to enable the prompt identification and resolution of problems occurring on the frontlines of each workplace. It is also key to build human relationships enabling timely and smooth communication vertically, horizontally and diagonally. We will strive to further strengthen governance

and substantially contribute to improved employee satisfaction and motivation.

As manager of the IR Division, I aim to continue the transparent and timely disclosure of information. I also want to communicate Sekisui House Group financial and non-financial information (and its relevance to ESG efforts leading to sustainable corporate growth) to all our stakeholders in an easily understandable way. I look forward to receiving your frank opinions on the Sustainability Report 2018, which we consider to be an important means of information disclosure.



Shiro Inagaki
Vice Chairman and
Representative Director
Management of Investor
Relations Division

GRI Content Index for “In Accordance” Items

The Sekisui House Sustainability Report 2018 has been prepared in accordance with the Core options of the Global Reporting Initiative's (GRI) Sustainability Reporting Standards (GRI Standards).

General Disclosures

Disclosure		Refer to	External assurance
Organizational profile			
102-1	Name of the organization	Pages 5-6	
102-2	Activities, brands, products, and services	Pages 3-4	
102-3	Location of headquarters	Pages 5-6	
102-4	Location of operations	Pages 5-6	
102-5	Ownership and legal form	Pages 5-6	
102-6	Markets served	Pages 3-4, 53-56	
102-7	Scale of the organization	Pages 3-6	
102-8	Information on employees and other workers	[WEB] Corporate Profile	
102-9	Supply chain	Pages 29-34, 37, 39-40	
102-10	Significant changes to the organization and its supply chain	N/A	
102-11	Precautionary Principle or approach	[WEB] Management of chemical substance guidelines	
102-12	External initiatives	Page 68 / [WEB] Kids Design Association	
102-13	Membership of associations	[WEB] Industry Proposals	
Strategy			
102-14	Statement from senior decision-maker	Pages 9-12	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Pages 1, 13, 37, 60, 63	
Governance			
102-18	Governance structure	Pages 57-62	
Stakeholder engagement			
102-40	List of stakeholder groups	Page 65	
102-41	Collective bargaining agreements	N/A	
102-42	Identifying and selecting stakeholders	[WEB] Stakeholder Engagement	
102-43	Approach to stakeholder engagement	Page 65	
102-44	Key topics and concerns raised	Pages 65-66	
Reporting practice			
102-45	Entities included in the consolidated financial statements	Pages 5-7 / Securities Report	
102-46	Defining report content and topic Boundaries	Pages 7-8, 64	
102-47	List of material topics	Page 64	
102-48	Restatements of information	N/A	
102-49	Changes in reporting	N/A	
102-50	Reporting period	Page 7	
102-51	Date of most recent report	Page 7	
102-52	Reporting cycle	Page 7	
102-53	Contact point for questions regarding the report	Page 7	
102-54	Claims of reporting in accordance with the GRI Standards	Pages 7, 77-78	
102-55	GRI content index	Pages 77-78	
102-56	External assurance	Page 75	

Management Approach

Disclosure		Refer to	External assurance
Management Approach			
103-1	Explanation of the material topic and its Boundary	Pages 17-18, 64, 77-78	
103-2	The management approach and its components	Pages 60-61, 77-78 Goals and targets: Each CSV Strategy page	
103-3	Evaluation of the management approach	Pages 57-60	

Topic-Specific Standards

Disclosure		Refer to	External assurance
Economy			
Economic Performance			
201-1	Direct economic value generated and distributed	Pages 5-6, 14, 21-22 / Securities Report / Financial Results Summary Page 73 (Community Investment)	
201-2	Financial implications and other risks and opportunities due to climate change	Pages 23-28	
Procurement Practices			
204-1	Proportion of spending on local suppliers	[WEB] Communicating with Business Partners	
Environment			
Energy			
302-1	Energy consumption within the organization	Pages 69-70	● (Page 75)
302-2	Energy consumption outside of the organization	Pages 69-70	
302-3	Energy intensity	Pages 69-70	
302-4	Reduction of energy consumption	[WEB] Energy consumed during production/transportation	
302-5	Reduction in energy requirements of products and services	[WEB] Energy consumed during production	
Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	
Emissions			
305-1	Direct (Scope 1) GHG emissions	Pages 69-70	● (Page 75)
305-2	Energy indirect (Scope 2) GHG emissions	Pages 69-70	● (Page 75)
305-3	Other indirect (Scope 3) GHG emissions	Pages 69-70	● (Page 75)
305-4	GHG emissions intensity	[WEB] Material Balance	
305-5	Reduction of GHG emissions	Pages 26,28,69-70	
Effluents and Waste			
306-1	Water discharge by quality and destination	[WEB] Amount of water used by the Group	
306-2	Waste by type and disposal method	Pages 46, 69-70 / [WEB] Material Balance	● (Page 75)
306-3	Significant spills	Pages 61, 70	
Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	Pages 61, 70	
Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	[WEB] Communicating with Business Partners	
Society			
Employment			
401-1	New employee hires and employee turnover	[WEB] Initiatives for new graduate hires	
401-3	Parental leave	Pages 47-51 / [WEB] Support for Work and Childrearing	
Occupational Health and Safety			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 67	● (Page 75)
Training and Education			
404-1	Average hours of training per year per employee	Page 52	
404-2	Programs for upgrading employee skills and transition assistance programs	Pages 51-52	
Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Pages 47-51	
Human Rights Assessment			
412-2	Employee training on human rights policies or procedures	Page 61 / [WEB] Human Relations Training	
Customer Health and Safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 61	
Marketing and Labeling			
417-1	Requirements for product and service information and labeling	Pages 23-56	
417-2	Incidents of non-compliance concerning product and service information and labeling	N/A	
417-3	Incidents of non-compliance concerning marketing communications	N/A	
Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 60	
Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	Page 60	

Honors from Third Parties during FY2017

Environment

● Sekisui House Limited

October 2017

Joined the RE100 global initiative, which aims to convert 100% of electric power used through business activities to renewable energy



April 2018

Greenhouse gas reduction objectives certified by the Science Based Targets Initiative



● Net-Zero-Energy Housing Green First ZERO Promotion

November 2017

Second place worldwide in the Sustainable City Grand Prize Category of the Green Solutions Awards 2017

Organizer: Construction21 (executive office in France)

● Higashi-Matsushima, Disaster-Ready Smart Eco-Town

November 2017

FY2017 Environment Minister's Award for Global Warming Prevention Activities (Advanced Introduction of Countermeasure Technologies Category)

Organizer: Ministry of the Environment

February 2018

27th Grand Prize for the Global Environment Award

Organizer: Fuji Sankei Group



Community Building, Landscape

● Grande Maison Kyoto Okazaki, Grande Maison Kyoto Oikedor

March 2017

Honorable mention in third Kyoto City Environment-Friendly Buildings Commendations

Organizer: City of Kyoto

● Sydney, Australia Condominium Project: Royal Shores

July 2017

Winner Best Urban Renewal Development—Urban Taskforce's Development Excellence Awards

Organizer: Urban Taskforce

Note: Joint development project with Payce Consolidated Limited

Connor (Central Park)

August 2017

Winner, Excellence for High-Density Development - 2017 UDIA NSW Awards for Excellence

Organizer: The Urban Development Institute of Australia (UDIA)

Note: Joint development project with Frasers Property Australia Pty Limited



● Collaborative Project in Singapore: Hillsta

Note: Joint development project with Far East Organization and China Construction

2017

Singapore Landscape Architecture Award 2017

Organizer: Singapore Institute of Landscape Architects

Landscape Excellence Assessment Framework

Organizer: Nparks (National Park Service)

Best Innovation Development Award

Organizer: Edge Prop



Products, Technology, etc.

● Corporate Advertising "Sekisui House—Always There for You" Series

2017

33rd Yomiuri Advertising Awards; Prize for Excellence in Living Category

Organizer: Yomiuri Shimbun

● Otona HOUSE "awai"

March 2018

IAUD Award 2017 IAUD Award (Housing and Architecture Category)

Organizer: International Association for Universal Design



Kids Design Award

Minister of Economy, Trade and Industry Award
(Designs That Contribute to Safety and Security from the Viewpoint of Children Category)

- **Sekisui House initiatives to enhance the safety and security of our condominiums**



(Designs That Contribute to Safety and Security from the Viewpoint of Children Category)

- **Bench Style Original Unit Bath BCH-V**

Note: Joint entry with Sekisui Hometechno Co., Ltd.

(Designs That Develop Children's Creativity and Shape Their Future Category)

- **Island City Community Garden**

Note: Joint entry as the Executive Planning Committee for Small, Well-Circulated and Good Living (comprising Betta-kai, Sekisui House, Camellia Garden Club and the city of Fukuoka as an observer)

- **Plans to create space in condominium common areas that will accommodate child growth**

(Designs to Support Comfortable Child-Rearing Category)

- **VILLAGE MITSUIKE-PARK**

- **Designs for Creating Time for Family and Career - Support for balancing work and childcare**

July 2017

Organizer: NPO Kids Design Association

Wood Design Award

(Architecture and Open Space Division; Heartwarming Design Category)

- **Research on anti-fatigue effects of wooden interior spaces on children**

(Architecture and Open Space Division; Heartwarming Design Category)

- **Sekisui House Eco First Park's Forest Classroom**

October 2017

Organizer: Wood Design Award Secretariat



Diversity Initiatives

March 2017

Selected by the Ministry of Economy, Trade and Industry for the New Diversity Management Selection 100 as a company that promotes diversity management

December 2017

Fiscal Year 2017 Commendation as a Leading Enterprise for Women who Shine, Minister of State for Special Missions Award

(On this occasion, Chairman & Representative Director Toshinori Abe endorsed the Gender Equality Bureau Cabinet Office declaration on action by a group of male leaders who will create "A Society in which Women Shine")

女性が輝く
先進企業 2017

January 2018

Received the Minister of Health, Labour and Welfare's Eruboshi certification based on the Act on Promoting Women's Participation and Advancement in the Workplace

March 2018

Selected as a Nadeshiko brand 2018 by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (Only company in the housing and architecture industry to be selected five times)



CSR and Other Initiatives

- **Sekisui House Limited**

July 2017

Included in all three ESG indices selected by the GPIF for passive investment

Ranked 11th overall (and number one in the construction and real estate category) in Nikkei Business Publications' "Eco-Brand Survey 2017"

September 2017

Selected by U.S. S&P Dow Jones Indices and Swiss RobecoSAM for inclusion in the Dow Jones Sustainability World Index (DJSI World), as an "Industry Leader" and for inclusion in the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific)

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

January 2018

Ranked number one in the construction industry in the Nikkei 21st Environmental Management Survey corporate ranking

February 2018

Selected by RobecoSAM as "Gold Class" in the homebuilding category and as an "Industry Mover" in the RobecoSAM Sustainability Award 2018



Finished twelfth overall and first in the Housing and Architecture category in Toyo Keizai Inc.'s CSR Company Ranking Fiscal Year 2018

- **Sustainability Report 2017**

February 2018

21st Environmental Communication Awards
Environmental Report Category
Sustainability Report Award
(Minister of the Environment Award)

Organizer: Ministry of the Environment, Global Environmental Forum

