

Core Competencies

Our core competencies are our three greatest strengths—technical capabilities and construction capabilities driven by Sekisui House technologies, and a solid customer base derived from the industry’s highest number of dwellings built—as well as our unique value chain. This value chain maximizes value that contributes to happiness for customers because the Sekisui House Group handles all processes relating to homebuilding, from basic R&D to product development, design and technologies, sales, procurement, production, construction and after-sales service. These core competencies are the source of the value we create.



Technical Capabilities

- ▶ Universal design for “comfortable living—now and always”
- ▶ SHEQAS for proven safety and peace of mind, Airkis for a better indoor air quality and other original technologies
- ▶ Green First ZERO and other environmental technologies
- ▶ Original Dyne Concrete and Bellburn exterior wall panel manufacturing technologies
- ▶ Staff with diverse qualifications, including first-class architects and building operation and management engineers
- ▶ Enhanced workforce skills and ability to make proposals through an in-house system of qualifications (Chief Architect, etc.)
- ▶ New value proposals through the integration of technologies, lifestyle design and services
Technologies: Seismic resistance (SHEQAS, Flexible B System), insulation performance
Lifestyle design: Sekisui House Universal Design, Slow Living housing design, Green First ZERO (ZEH)
Services: Platform House Concept (HED-Net in-home early detection network for acute illnesses, PLATFORM HOUSE touch)



Construction Capabilities

- ▶ Sekisui House Construction companies, which are wholly owned subsidiaries of Sekisui House, use a design-build construction system
- ▶ Loyal cooperative system for construction through the Sekisui House Association
- ▶ Enhanced construction capabilities through skills development at educational training centers and training schools
- ▶ Acquisition of model approval for shortened construction timeframes
- ▶ Enhanced workforce skills and ability to make proposals through an in-house system of qualifications (Chief Constructor, etc.)



Customer Base

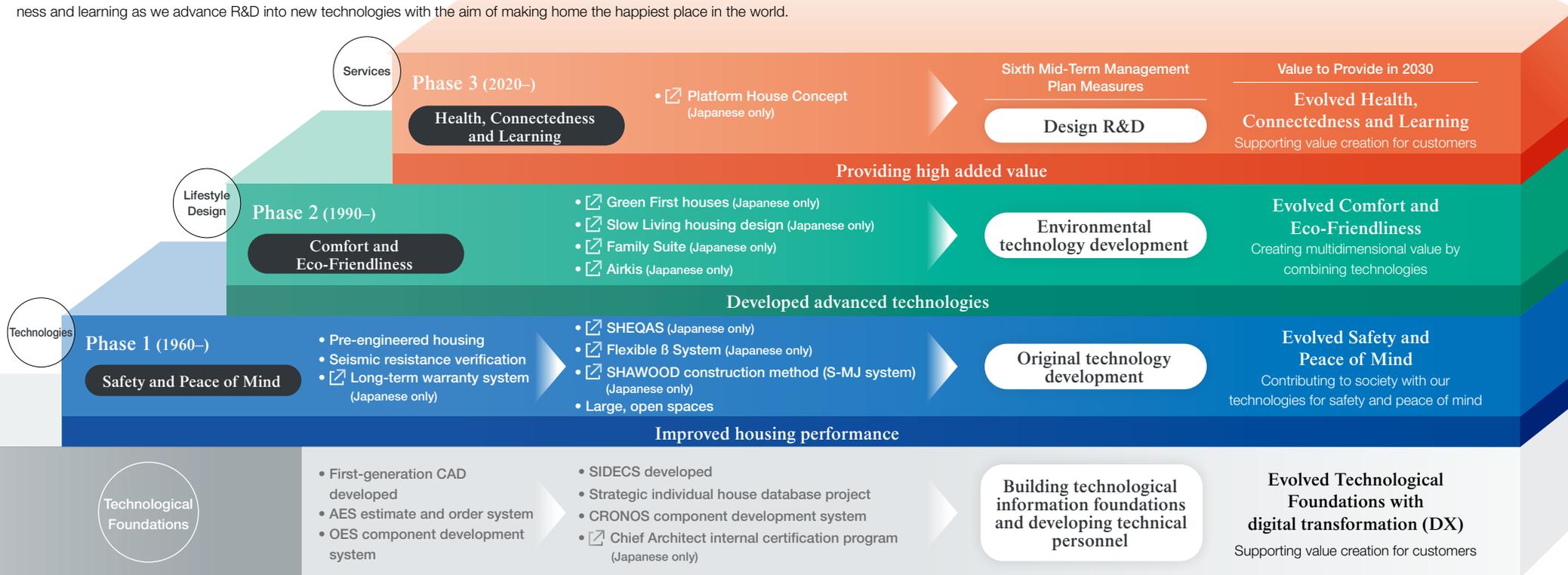
- ▶ Owners of the 2.62 million dwellings we have built (including those overseas), the most in the Japanese housing industry
- ▶ An after-sales service system featuring after-sales maintenance through 30 Customer Service Centers across Japan for customer peace of mind after they take possession of their houses
- ▶ Long-term relationships with rental housing owners through Sekisui House Real Estate companies
- ▶ Owner referrals and a high repeat rate
- ▶ Relationships with homeowners through after-sales maintenance, including remodeling and renovation work
- ▶ Direct sales / Long-term warranty system (lifetime warranty)
- ▶ Enhanced workforce skills and service capabilities through an in-house system of qualifications (CS Meister, etc.)

Maximizing Customer Value That Contributes to Happiness through Group Synergies



Technology and R&D Strategy: Sekisui House Technology

Since its founding, Sekisui House has aimed to deliver the highest quality and technology, helping solve the housing-related social issues of each era while growing its technology and R&D efforts. This evolution continues today. Looking at our history in 30-year segments, the Company's first phase began in 1960 with the realization of pre-engineering processes for reinforced concrete foundations and lightweight steel framing, providing housing that offers safety and peace of mind at a time of housing shortages in Japan. In the second phase, our technologies for realizing comfort and eco-friendliness in housing grew in response to the emergence of demand for more affluent lifestyles alongside the issue of global warming. We were the first housing manufacturer to adopt next-generation energy-saving specifications as standard and then evolved these features to realize net zero energy houses (ZEH) and adopted the Airkis and other high-quality indoor air systems. The combination of these technologies with reinforcements to structural framing gave rise to Family Suite, which provides indoor spaces that are spacious and open while comfortable to live in. In addition to greatly improving comfort and reducing environmental impact through cutting-edge technologies, in the wake of the 1995 Great Hanshin-Awaji Earthquake, we developed the SHEQAS seismic control system and worked to evolve our technologies for safety and peace of mind based on seismic resistance. In the third phase, we continue to focus on the residential domain, working to solve social issues through the integration of technologies, lifestyle design and services with a focus on health, connectedness and learning as we advance R&D into new technologies with the aim of making home the happiest place in the world.



ESG Strategy—Technology and R&D Strategy

Safety and Peace of Mind

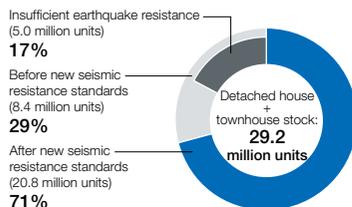
Sixth Mid-Term Management Plan Measures

Original Technology Development

Product technologies are crucial to safety and peace of mind. In this area, we advance R&D of original technologies adapted to evolving needs to local conditions.

Approximately 30% of existing houses in Japan do not meet Japan's current seismic resistance standards. To address this issue, we have developed a version of the foundation direct joints used in our SHAWOOD wood-en-frame housing for use in traditional "shaku"-based modules in an effort to increase the seismic resistance of other wooden-frame housing through our skeleton and infill business. In addition to new home construction, we are promoting and evolving our seismic resistance remodeling technologies for existing wooden-frame houses, such as our shape memory load-bearing walls introduced in 2022, to contribute to the creation of high-quality housing stock.

Overseas, we aim to create world-leading high-quality housing stock by analyzing the characteristics of the areas where we do business to advance development aimed at applying the SHAWOOD construction methods we have developed in Japan as well as Sekisui House technologies for making optimal lifestyle design proposals.



About 30% of existing detached houses in Japan do not meet current seismic resistance standards, and 17% are deemed to have insufficient seismic resistance.



Foundation Direct Joint

Value to Provide in 2030

Evolved Safety and Peace of Mind

Our technologies for safety and peace of mind, including seismic resistance, have continuously grown and developed over our history of more than 60 years and are already highly advanced. We will further reinforce these technologies in preparation for increasingly frequent and severe natural disasters to provide safety and peace of mind in housing throughout Japan. At the same time, we will advance the use of our technologies for safety and peace of mind around the world.

Comfort and Eco-Friendliness

Sixth Mid-Term Management Plan Measures

Environmental Technology Development

Looking at lifestyle design in the areas of comfort and eco-friendliness, we will proactively advance R&D into environmental technologies that contribute to the creation of high-quality housing stock and a sustainable society. Specifically, we will support the following efforts with technological development: 1. Maintain a high rate of ZEH among new detached houses, 2. Increase the ZEH rate and promote long-life quality housing measures for Sha Maison rental housing and three- to four-story houses, 3. Promote ZEB for non-housing properties and 4. Promote remodeling of existing houses to realize high thermal insulation performance.

From the perspective of promoting a circular economy, we will develop technologies to reuse and recycle leftover materials and scraps from new construction sites and factory production, increasing our "material to material" initiatives. At the same time, we will further advance R&D aimed at "house to house" reuse and recycling in the future. In addition, working toward carbon neutrality, we are implementing R&D of technologies to use wood effectively and reduce CO₂ emissions from a variety of other perspectives.

In the area of comfort, we will promote R&D into environmental technologies related to the senses in terms of sound, heat, air, light and smell while linking these efforts to health.



Value to Provide in 2030

Evolved Comfort and Eco-Friendliness

Sekisui House has led the way in comfort and eco-friendliness for housing and residents by promoting the adoption of technologies for saving, generating and storing energy through its efforts related to ZEH and response to the thermal insulation performance grades set out in the Housing Quality Assurance Act of Japan.

In 2030, we aim to provide housing that offers comfort now and always for each individual customer. In terms of eco-friendliness, we will accelerate initiatives aimed at carbon neutrality and a circular economy as we advance R&D aimed at evolving housing to be friendlier to the planet.

Health, Connectedness and Learning

Sixth Mid-Term Management Plan Measures

Design R&D

In the service aspect of health, connectedness and learning, we have launched life knit design, a design concept for housing where attachment continues to grow over time. The key points of life knit design are (1) Designing spaces with universal beauty that reflects emotions, (2) Providing genuine materials that age beautifully over time and (3) Selecting eco-friendly materials. It is a new design approach for the era of the 100-year lifespan that provides value closely aligned with the sensibilities of residents. By reinforcing design capabilities and deepening human attachment to housing, life knit design will contribute to the creation of high-quality housing stock.

In addition to building design, we are reinforcing landscaping design. We will also examine ways of integrating cutting-edge technologies into design methods, such as using digital technology to provide hands-on virtual simulations of the use of living spaces. Furthermore, under the “Kids First” concept, we will propose lifestyles and spaces that center children and advance R&D into product technologies to make these possible, thereby contributing to children’s emotional development.

Value to Provide in 2030

Evolved Health, Connectedness and Learning

In 2030, Japan is expected to face severe demographic graying, a low birthrate, a declining population and a rising number of households. To respond to these social conditions, Sekisui House will promote health, connectedness and learning through housing from a variety of perspectives, including housing that is rich in feeling and promotes well-being with an emphasis on individuality and personalization, as well as housing that offers virtual worlds through the integration of evolving digital technologies. By doing so, we aim to make home the happiest place in the world.



Design concept for housing where attachment keeps grows over time



Technological Foundations

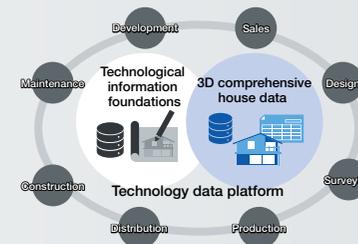
Sixth Mid-Term Management Plan Measures

Building Technological Information Foundations and Developing Technical Personnel

An important aspect of building a next-generation technological platform will be the effective use of technological data. During the period of the Sixth Mid-Term Management Plan, we will overhaul our technological system foundations by introducing a next-generation design system and building a technological data platform.

With our next-generation design system, we aim to increase speed, enhance compatibility with international building information modeling (BIM) formats, and expand tutorial functions for human resource development. At the same time, our technological data platform will enable the integrated management of data not only related to sales, design and component surveys, as in the past, but also data extending to R&D, production, distribution and construction. Through the analysis and use of such data, we will realize operational process innovation, enhance quality and improve operational efficiency while providing new value to customers.

To develop human resources to support our technological capabilities, we will expand our human capital and create happy work environments for technical personnel. We will also promote an autonomous growth program that includes the use of practical skill sheets to enable employees to understand their own abilities and formulate career development routes in line with actual work duties. Furthermore, to increase time spent on creative work, we will study the use of digital assistance technologies in design, including the use of AI and other tools to streamline routine request procedures.



Value to Provide in 2030

Evolved Technological Foundations with Digital Transformation (DX)

Building on our technological foundations, which comprise our technology data platform and technical personnel database, we will create new value leveraging DX (IT) in 2030. For example, we will reinforce development capabilities and create sophisticated cost management technologies for price setting through the analysis of product life-cycle management (PLM) data; implement high-level human resource development that transcends conventional organizational frameworks; and work to maximize employee happiness by formulating new evaluation methods. In these and other ways, we are expanding the ways we approach utilizing our technological foundations.