

SEKISUI HOUSE, LTD.

The 71st Report

2021.02.01 > 2022.01.31

## BUSINESS REPORT

Securities code: 1928





## T o p M e s s a g e

**Yoshihiro Nakai**

Representative Director  
President & Executive Officer,  
CEO

## Record-high revenue achieved by the entire Group moving in the same direction amid the ongoing COVID-19 pandemic. We will aim for continued growth by keeping our social mission in mind.

The final year of the 5th Mid-Term Management Plan has started. Despite our business environment, which has remained tough mainly due to the COVID-19 pandemic and soaring material prices, we were able to achieve record-high revenue in FY2021. This is attributable to the steady progress of our business strategy based on our global vision, "Make home the happiest place in the world". This strategy centers on our active proposal of high value-added housing represented by the Family Suite. In 2018, Sekisui House established the Human Life R&D Institute. It was the first Japanese company to establish an institute specializing in research into well-being. At this institute, we engage in research and development related to lifestyle design with a focus on lifestyles in the era of the 100-year lifespan, under the theme, "houses where happiness grows the longer you live there". An achievement from these efforts is the successful development of the Family Suite, which proposes a new living space concept.

The COVID-19 pandemic has increased the opportunities we have to review our living styles, including the time we spend at home and the distance between family members. We proposed a living style in which each person relaxes in a healthy manner and in their own desired way. This happened to fit with the times and people's desires and it has acquired a good reputation. Our pursuit of high added value is the driving force of business for not only custom detached houses but also rental housing, remodeling, and condominium, among others.

In addition, the business based on lifestyle proposals has also begun to penetrate overseas markets. We are sensing a good response, mainly in the homebuilding business in the United States.

We will accelerate global expansion, including M&A activities, towards the target of achieving annual overseas sales of 10,000 units by 2025.

Driven by Innovation and Communication, Sekisui House continues to work to improve our corporate value through far-sighted actions. We appreciate your continued support.

# Top Message

### ◀ 01 > Question **The FY2021 results were a record high. What initiatives caused this?**

In FY2021, we achieved results from our initiatives to drive all businesses in the same direction based on our global vision.

We propose lifestyle designs with a focus on happiness. In addition, we have accumulated overwhelming environmental technologies ahead of other companies. These and the other strengths of Sekisui House are now significantly contributing to our results. Above all, Family Suite Ouchi Premium, which we developed to incorporate more specific lifestyle proposals reflecting the increase in time spent at home, which includes homes with steel-frame houses and wooden-frame houses, served as a powerful driving force of the overall results.

The Green First ZERO, a net-zero energy house (ZEH) for which we boast the largest cumulative number of buildings in the world, has an adoption rate of approx. 90%, achieved mainly through political support aimed at the achievement of carbon neutrality by 2050. In addition, proposal-based and environment-based sales activities are driving the growth in the remodeling business, which has enjoyed growing demand due to the COVID-19 pandemic.

Results have also begun to be produced by the increased number of ZEH proposals for rental housing, operational reforms and the organizational restructuring of the Sekisui House Real Estate Group. The key point here is the integration of technologies, lifestyle design and services at a high level. We believe that we have completed a system for overcoming the situation created by the COVID-19 pandemic by appropriately delivering new ideas and proposals to customers created using the Sekisui House Group's brand power, technical capabilities, and diverse human resources.

### ◀ 02 > Question **What initiatives will you engage in from a medium- to long-term perspective?**

Our priority task will be the pursuit and evolution of the Platform House Concept, under which services focusing on health, connections, and learning are provided using big data on housing that is related to living environments and lifestyles. As the first initiative, last year we launched Platform House touch, a smart home service featuring a floor plan display. Its installation rate is growing steadily.

This service stores and accumulates various data, including the floor plan, in a robust security environment and permits users to check and operate housing equipment by using a smartphone app. Further, we plan to enhance happy homes by installing new services one by one.

In addition, our vision to make Sekisui House technologies the global de facto standard by introducing the business model of pre-engineered housing to the world is an important mission that we should fulfill in our efforts to become a global company.

In December last year, Holt Homes, a top builder in the Portland area in Oregon, USA, became our wholly owned subsidiary. We will expand our businesses on the West Coast, and at the same time, focus our efforts on the transfer of Sekisui House technologies by unifying our direction while integrating our expertise.

### ◀ 03 > Question **What new social responsibilities does Sekisui House bear in a continuously changing society?**

Among the approx. 50 million units of housing stock in Japan, approx. 5 million units are custom detached houses which do not meet the current quake-resistance standards. It is a hard reality that only 13% of houses meet the current insulation standard. Based on this, we understand that promoting rebuilding and remodeling from the viewpoint of creating high-quality housing stock is the pillar of our future business strategy and our social mission. We will also accelerate the conversion to ZEH rental housing and condominiums, which have various competitive edges in the aspects of technology and operations.

The value of housing stock includes beauty. They are assets of the town. The *Gohon no Ki* Project, under which we have been pushing forward with the protection of biodiversity by planting more than 17 million trees for the last 20 years, is included in the activities for creating assets of the town. As a company that aims to be a leading company in ESG management, we position these activities as important initiatives for continuing to share our thoughts about local communities with people into the future.

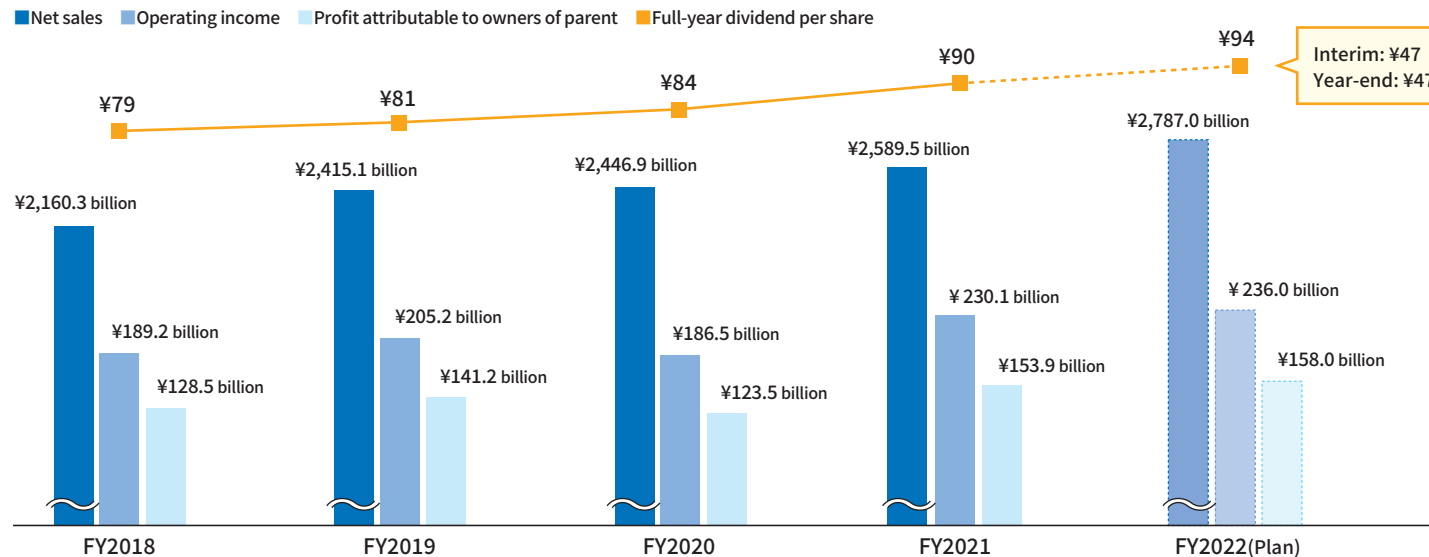
Sekisui House values innovation for the greater good to solve social issues. This requires that every employee develop autonomously as a member of society. We have also launched a new personnel system to encourage self-directed career development, aiming to increase our corporate value through the synergy created by our employees' happiness, increased motivation, and Innovation and Communication. At Sekisui House, we will step onto the new stage by understanding that addressing social issues seriously and continuing sustainable growth is our responsibility to society.

## Performance Report

### Consolidated Financial Results Highlights

Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Total number of houses built
YoY +5.8%	YoY +23.4%	YoY +24.6%	YoY +24.6%	Increased 38,251 units from the end of the previous fiscal year
<b>¥ 2,589.5 billion</b>	<b>¥ 230.1 billion</b>	<b>¥ 230.0 billion</b>	<b>¥ 153.9 billion</b>	<b>2,544,849 units</b>

In FY2021, both measures to address COVID-19 and social and economic activities were pursued in our business environment, and we were also affected by soaring material prices. However, profit margins improved due to high value-added proposals, such as Family Suite and ZEH in the custom detached houses and rental housing businesses, as well as we enjoyed the growth of our businesses in the United States. Due to these and other factors, net sales stood at ¥2,589.5 billion and operating income was ¥230.1 billion, which are record highs. We also increased dividends for the tenth consecutive fiscal year, paying a full-year dividend of ¥90 which represents an increase of ¥6 year on year. In FY2022, which is the final year of the 5th Mid-Term Management Plan, the future remains uncertain, but we aim to increase sales and income, with net sales of ¥2,787.0 billion and operating income of ¥236.0 billion, mainly reflecting strong orders in Japan and overseas. We plan to increase the full-year dividend by ¥4 year on year, to ¥94.



### Balance Sheet

	(Billions of yen)	
	As of January 31, 2021	As of January 31, 2022
Current assets	1,780.7	1,952.7
Noncurrent assets	845.1	848.4
<b>Total assets</b>	<b>2,625.8</b>	<b>2,801.1</b>
Current liabilities	835.7	867.9
Long-term liabilities	421.2	412.3
Total liabilities	1,256.9	1,280.2
Net assets	1,368.8	1,520.9
<b>Total liabilities and net assets</b>	<b>2,625.8</b>	<b>2,801.1</b>

### Cash Flows

	(Billions of yen)	
	FY2020	FY2021
Cash and cash equivalents at beginning of period	583.2	600.2
Net cash provided by operating activities	191.9	118.0
Net cash used in investing activities	(95.5)	(113.7)
Net cash used in financing activities	(77.6)	(111.7)
Effect of exchange rate changes on cash and cash equivalents	(1.9)	20.1
Cash and cash equivalents at end of period	600.2	515.1

### Built-to-order business

(Billions of yen)

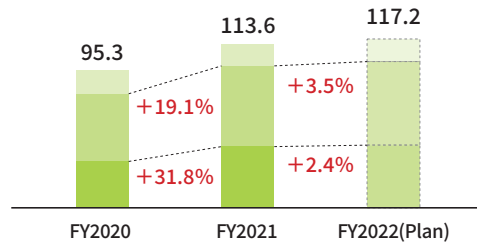
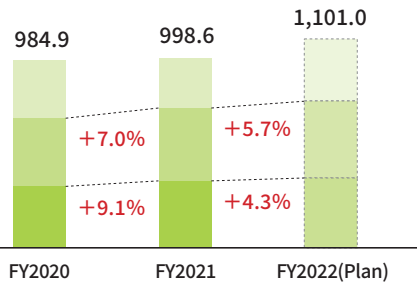
#### Net sales

Net sales increased due to good construction progress made in both the custom detached houses and rental housing businesses, offsetting the decline in net sales in the architectural/civil engineering business. We project an increase in net sales again next fiscal year with orders remaining strong.

#### Operating income

Operating income increased, with profit margins improved in both the custom detached houses and rental housing businesses. We expect to again achieve an increase in operating income next fiscal year, despite the impact of soaring material prices, by continuing to make high value-added proposals and reduce costs.

■ Custom detached houses ■ Rental housing ■ Architectural/Civil engineering



### Supplied housing business

(Billions of yen)

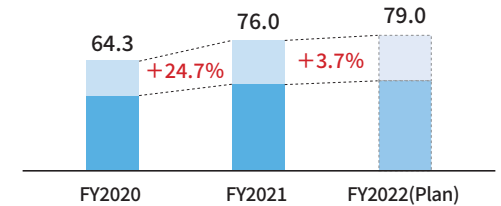
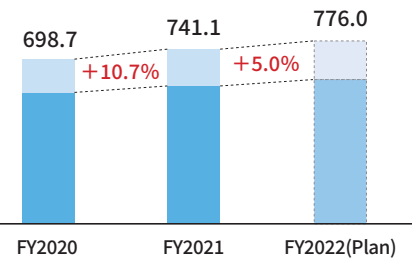
#### Net sales

Both remodeling and real estate management fees businesses continued to grow stably. Remodeling business grew significantly, mainly reflecting the growing interest in more comfortable housing.

#### Operating income

In the remodeling business, profit margins improved mainly due to an increase in the ratio of orders for large-scale remodeling, which resulted from promotion of proposal-based and environment-based remodeling. They continued stable growth together with real estate management fees.

■ Real estate management fees ■ Remodeling



### Development business

(Billions of yen)

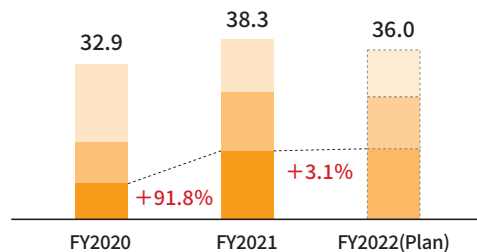
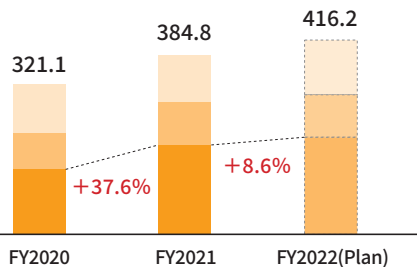
#### Net sales

Net sales in the houses for sale business rose significantly, reflecting continued purchases of good land and the reinforcement of the sales structure. In the condominiums business and urban redevelopment business, we have made progress as planned. Next fiscal year, we project increased sales, driven by the houses for sale business.

#### Operating income

Operating income increased, chiefly reflecting the increase in net sales from the houses for sale business and the condominiums business. The condominiums business made progress as planned in the delivery of large properties. Next fiscal year, we project the same level of profit as the previous fiscal year.

■ Houses for sale ■ Condominiums ■ Urban redevelopment



### Overseas business

(Billions of yen)

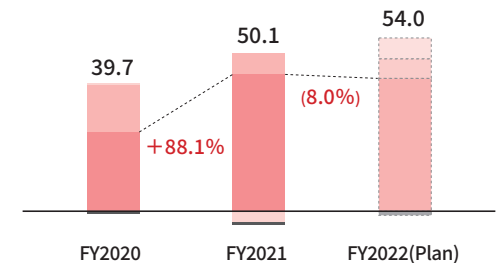
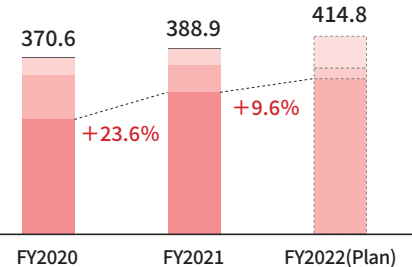
#### Net sales

Net sales increased in the United States, where housing demand is strong. We expanded the area for business operation by making Holt Homes our consolidated subsidiary. Net sales declined in Australia, mainly reflecting a delay in the recovery of the real estate market. Next fiscal year, we project increased net sales in the United States and Australia.

#### Operating income

Operating income increased, with the homebuilding business and the master-planned community business in the United States more than offsetting a decline in Australia and China. Next fiscal year, we expect a recovery in Australia and an increase in operating income in the overall overseas business.

■ U.S.A ■ China ■ Australia ■ Others





## Special Feature

# Housing Technologies That Realize Both Robustness and Spaciousness

Robustness of structure and design flexibility as major themes in the creation of homes

We introduce Sekisui House's original construction methods that continue to evolve every year to serve these two major themes.

## The two major needs related to housing are a sense of security and comfort.

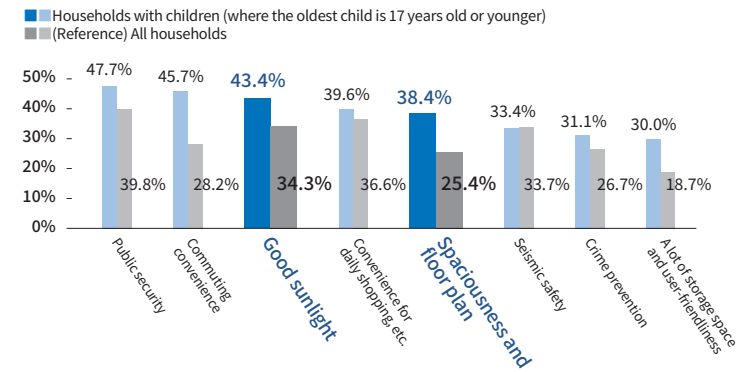
### From a housing shortage era to the age when the opulence of life at home is demanded. In Japan, robust and spacious houses are sought, given earthquake concerns.

Japan faced a housing shortage beginning in the postwar period, when as many as 4.2 million units of housing were needed, and continuing into the mid 1950s and mid 1960s, when the population began to be concentrated in metropolitan areas. It was in the mid 1970s that this issue was resolved. Also, the demand in quantity was fulfilled, and instead, quality began to be demanded by society. After the start of the Heisei period (1989 to 2019), the concepts and forms of family changed. In the mature society, people grew more interested in the opulence of life achieved through housing. According to Ministry of Land, Infrastructure, Transport and Tourism of Japan's 2018 comprehensive survey of housing life, the elements deemed highly important by households with children were "good sunlight" (43.4%) and "spaciousness/floor plan" (38.4%). This combined with the increase in time spent at home due to the prolonged COVID-19 pandemic, with parents working from home and children attending classes online, has led people to expect even more from housing.

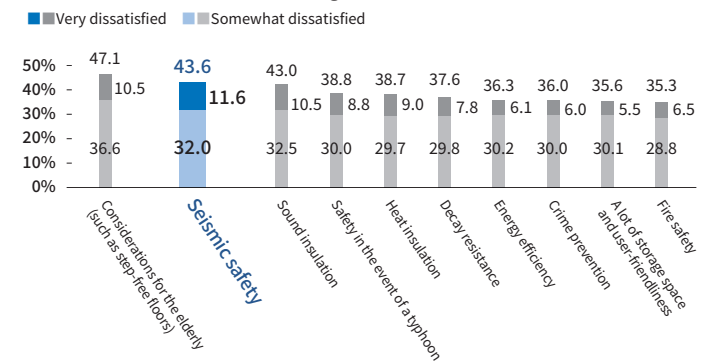
According to the above survey, the proportion of respondents who are dissatisfied with "seismic safety" has always been high, with combined percentage of people who are "somewhat dissatisfied" or "very dissatisfied" reaching close to 50% every year. In the Great Hanshin-Awaji Earthquake that occurred in 1995, nearly 90% of victims lost their lives due to the collapse of housing or falling furniture or similar objects. In addition, a survey conducted in seriously affected areas revealed that approximately 30% of buildings built under the old seismic standards, which had been established before May 1981, were severely damaged, either "collapsed or ruined" or "smashed." Then in 2011, the Great East Japan Earthquake occurred. It was one of the greatest earthquakes on record in Japan. Preparing for an earthquake that could strike directly beneath the Tokyo Metropolitan Area or in the Nankai Trough, buildings including houses are being made to be quake-resistant. However, approx. 30% of existing custom detached houses were built before the new seismic standards were applied, and among them, 5 million units do not have sufficient quake resistance.

When you try to build a house which is robust against earthquakes, it is difficult to build a spacious house with large open areas. Housing manufacturers require a technology that is capable of meeting these seemingly contradictory needs.

Elements of housing and residential environments that are deemed important by households with children

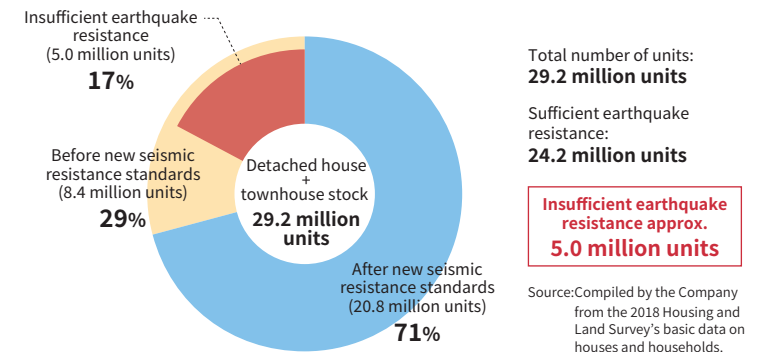


Evaluation of each element of housing (proportion of respondents who are dissatisfied)

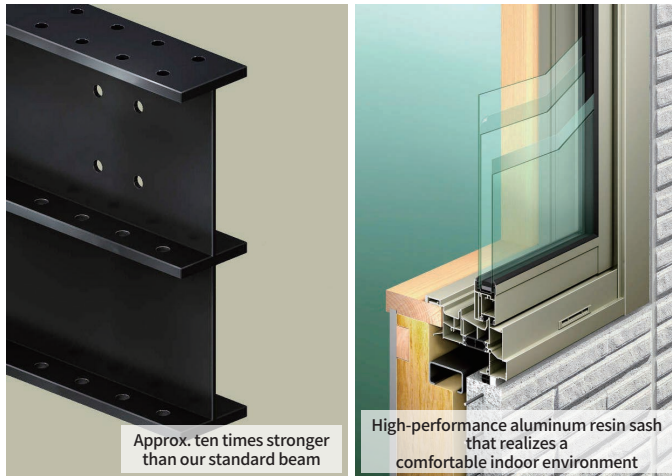


Source: Ministry of Land, Infrastructure, Transport and Tourism. (2018 comprehensive survey of housing life)

Quake resistance of housing stock in Japan (detached house and townhouse)



Our technologies realize both robustness and spaciousness and enable us to create comfortable, large spaces.



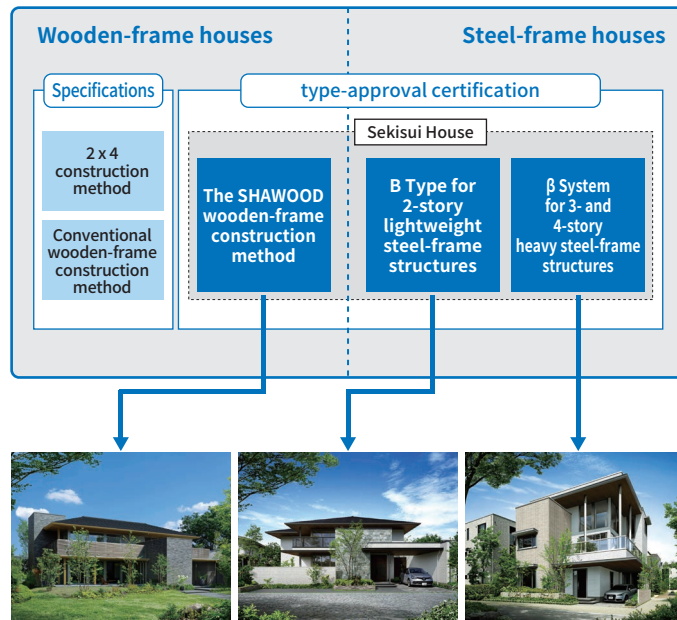
Approx. ten times stronger than our standard beam

High-performance aluminum resin sash that realizes a comfortable indoor environment

Dynamic Beam K

Super-insulating resin-aluminum composite sash (SAJ sash)

Type-approval acquired for three construction methods



## Houses with a high level of design flexibility and performance certified by the national government under type-approval

**A construction method that realizes both robustness and spaciousness has been established through constant efforts to develop technologies. Family Suite is the result of the unending pursuit of large open spaces.**

An advantage of Sekisui House's home creation is that we can propose comfortable, large open spaces that realize both robustness and spaciousness. In 1961, we developed the light-gauge steel structure (Model B), which is the origin of the current structural framework. A great turning point after this was the NB System that was completed in 2010. We were able to respond to the strengthened Building Standards Act and also established this technology that is the foundation of the large open spaces we are currently building. In 2017, we developed Dynamic Beam, a large-span beam that makes large pillar-free spaces with spans as long as seven meters possible despite its overwhelmingly slim dimensions. In addition, we have developed a super-insulating resin-aluminum composite sash (SAJ sash), which enables us to provide houses with high heat insulation, even homes that have large open spaces. Leveraging these technologies, we propose large living spaces where families can connect with each other with a comfortable distance between them. This is the Family Suite, which we launched in 2018.

We are also pushing forward with similar technology development initiatives for SHAWOOD wooden-frame houses. Conventional wooden-frame houses are built based on regulations that determine specifications, or by following the specifications in the Building Standards Act. This limits design flexibility because there are restrictions on the materials that may be used. However, for Sekisui House's pre-engineered housing, including its wooden-frame houses, we have acquired type-approval for newly developed products. Their performance is recognized by the national government through the strict verification of unique advanced technologies. This type-approval enables us to construct houses efficiently while ensuring safety and quality despite the high design flexibility of their large spaces.

Families' lifestyles change every few years, even when there are no special circumstances like the COVID-19 pandemic. Houses with large spaces and few pillars enables floor plans to be flexibly changed in response to changes in lifestyles. We believe that the creation of homes where residents can live for a long time and which maintain their quake resistance and heat insulation leads to great contributions to society.



## Integrating technologies, lifestyle design, and services to make happy homes

**Sixty years since our foundation, our strengths lie in steady improvement efforts. Mature societies need new value which is emotionally engaging.**

We faced various challenges in the realization of large spaces. Increasing the thickness of frames to increase strength leads directly to the increase of costs. Therefore, we put significant effort into adjusting thickness appropriately. Further, we continued demonstration experiments, including the analysis of the relationship between the width of windows, the depth of eaves and comfort. In the development of the Dynamic Beam, we succeeded in holding down the overall cost of beams through enhancing the strength of the beams themselves. This has enabled us to widely deliver large living spaces.

For 60 years since our foundation, we have sincerely improved many things, such as preventing little children's fingers from being caught in doors and making exterior walls rain-proof. This has become a great strength of Sekisui House. Our uncompromising pursuit of customers' happiness is also reflected in SHAWOOD wooden-frame houses and β System heavy steel-frame structures. One example is the development of Family Suite. We believe that, in the future mature society, it will be important to deliver essential value which residents will find emotionally engaging, instead of following trends. We will keep providing houses where customers will continue to live for a long time with a sense of attachment felt every day by integrating technologies, lifestyle design, and services.

Operating Officer  
Research & Development  
Headquarters  
Head of Design and Planning  
Department

**Yoshihiro Komura**



Since the debut of Family Suite in 2018, we have continued to enable the technologies supporting it to evolve. One example is the development of Dynamic Beam R, which features a reduced height.

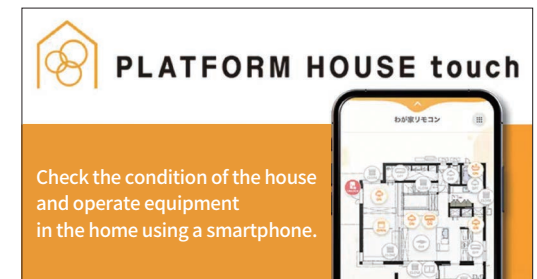
## Our Goals: The Sekisui House Global Vision

Make home the happiest place in the world



**Become a global company that offers integrated proposals of technologies, lifestyle design and services, based on the residential domain**

## PLATFORM HOUSE touch



We launched the Platform House Touch in 2021 as the first initiative under the Platform House Concept. It features a smartphone app which displays a floor plan to enable intuitive operation. This app allows the user to, for example, operate home appliances and check the conditions in rooms while on the go.

## Business Domain

Achieving sustainable growth through organic growth in each field.

### The Sekisui House Group's Business Portfolio

#### Overseas business

**15.0%** ¥388.9 billion

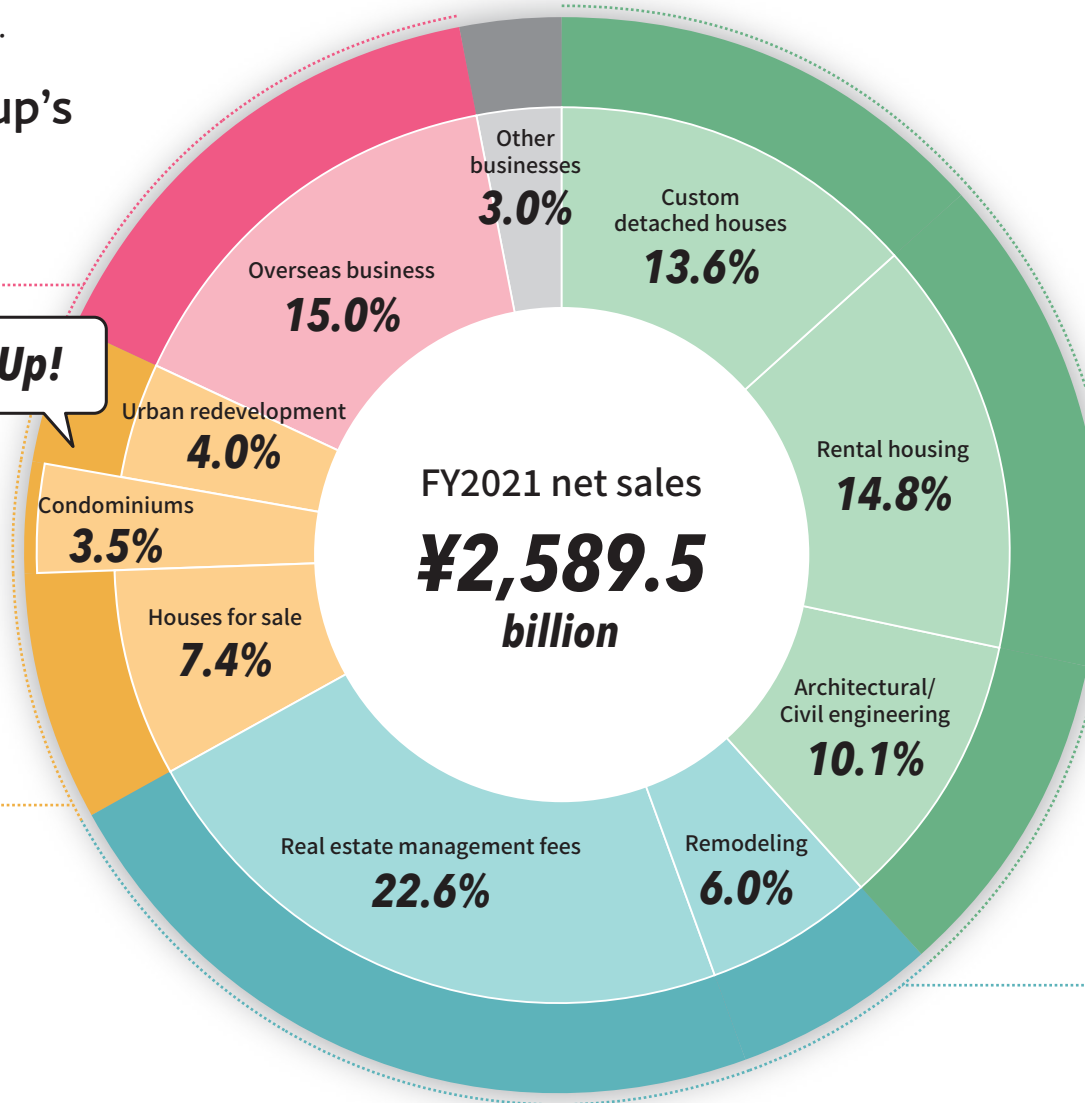
We will leverage the highest levels of quality and cutting-edge technologies achieved through its operations in Japan to develop new demand for houses overseas. We will roll out the SEKISUI HOUSE brand according to real estate market conditions in each country.

#### Development business

**14.9%** ¥384.8 billion

We will strive for high quality urban development by developing high-quality houses for sale, condominiums, office buildings and other properties in attractive areas.

**Pick Up!**



**Built-to-order business**  
**38.6%** ¥998.6 billion

We will provide high value-added houses and commercial buildings on land owned by customers. We will contribute to the formation of high-quality social capital.

**Supplied housing business**  
**28.6%** ¥741.1 billion

We will promote the establishment of a recycling-oriented society by seeking to maintain and improve asset value through the remodeling of houses and the high-quality management of rental housing.

**Pick Up!**

## Condominiums

### Starting in 2023, all new Grande Maison condominiums will be ZEH.

We operate the Grande Maison brand of condominiums under thorough area strategies specialized in urban areas, such as Tokyo, Nagoya, Osaka and Fukuoka. Aiming to create housing reflecting lifestyles that are comfortable both mentally and physically, we also pay attention to the environmental performance of the condominiums, such as using double-glazed windows with high heat insulation, while also pursuing comfort through natural ventilation, daylighting and other methods. We totally coordinate housing, including interiors and equipment. We also propose rich shared spaces, such as entrance halls, courtyards, driveways full of greenery, and masonry using natural stone. We also try to reproduce the natural landscape using native trees and other local elements. Through these and other initiatives, we create not just homes but townscapes. The origin of Grande Maison is the multi-unit housing complex. It is not a mere collection of housing units but a group of homes where residents can fully enjoy their own lifestyles. This is Sekisui House's philosophy on condominiums. Our strength lies in the point that, based on our extensive track record of delivering more than 2.5 million housing units and our expertise cultivated through the experience, we can make proposals to realize lifestyles desired by customers, from the perspective of people who live in the housing units.

Sekisui House is enabling ZEH to penetrate both the custom detached houses market and also the condominiums market. In 2019, we completed Grande Maison Kakuouzan Kikuzakacho in Nagoya as Japan's first all-ZEH, low-rise condominium complex. All residential units of this complex have solar power generation systems and household fuel cells (Ene-Farm). Further, Grande Maison Uemachi 1-chome Tower also has household fuel cells for all units, and all of its windows are high-performance vacuum double-glazed windows. It attracts widespread attention as super-high-rise condominiums that offer both breathtaking views from large openings and high heat insulation.

We have decided that all housing units in Grande Maison condominiums to be sold in 2023 and thereafter will be ZEH and all Grande Maison buildings will be ZEH-M. We will continue to develop environmentally friendly condominiums.



Grande Maison Kakuouzan Kikuzakacho, Japan's first all-ZEH low-rise condominium complex. Located in the City of Nagoya, Aichi, this building was completed in February 2019.



Grande Maison Uemachi 1-chome Tower was selected by the Ministry of Economy, Trade and Industry as a high-rise ZEH-M condominium demonstration project for FY2019. Located in the Chuo Ward of the City of Osaka, it is planned for this project to be completed in November 2022.

## TOPICS

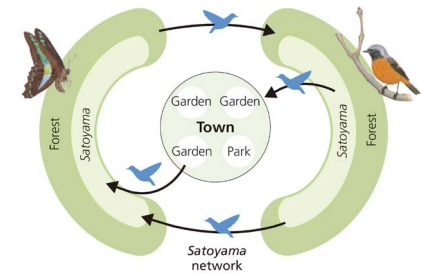
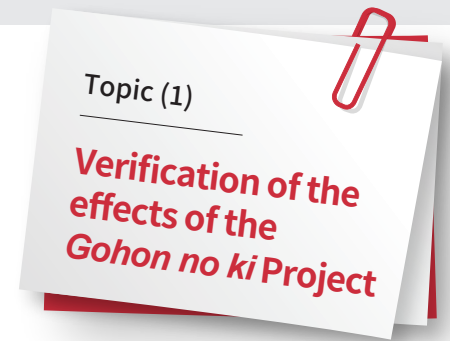
Contributing to Customers' "Happiness" and the Realization of a Sustainable Society  
 Sekisui House Conducts a Range of Activities Aiming to be a Leading Company in ESG Management

### Contributing greatly to the conservation of biodiversity with the *Gohon no ki* Project. Succeeded in quantifying the effects of conservation efforts for the first time in the world.

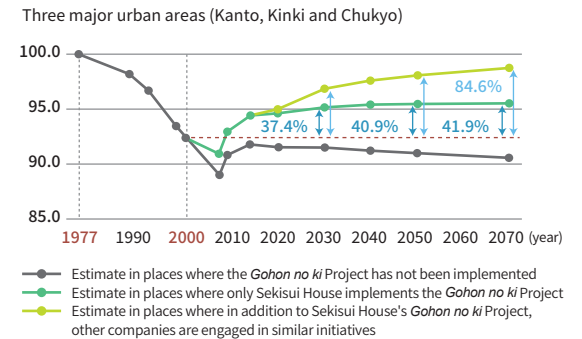
The area of *satoyama* (village-vicinity mountain) in Japan has been decreasing every year, and biodiversity is decreasing. We are also as a landscaping company that plants as many as one million trees every year. We began the *Gohon no ki* Project in 2001 with the goal of conserving biodiversity. Twenty years after the project began, we have planted 17.09 million trees. However, we have not have any means of evaluating the effectiveness of these activities to conserve biodiversity. In this context, we began a joint verification project together with the University of the Ryukyus and Think Nature Inc. in 2019. We succeeded in quantifying the project's conservation effects for the first time in the world using big data possessed by the university in addition to our tree data. It was found that the project effectively increased the number of bird species attracted to residential gardens approximately twofold and the number of butterfly species approximately fivefold. We found that, by 2070, the *Gohon no ki* Project could achieve a 41.9% recovery in biodiversity from 2000, the year before the project was launched. These quantitative evaluations and simulations are important factors in the conversion of biodiversity into financial value. We have publicized the nature-positive methodology\* together with the results of the verification of the effects of the *Gohon no ki* Project, hoping that they will become widely known and the circle of biodiversity conservation will expand throughout the industry as a whole.

#### Gohon no Ki Project

We suggest garden trees with a focus on the 288 species of trees specified in the *Gohon no ki* Project. These species of trees were selected from among the trees native to the region following specific criteria, including that they are closely related to creatures, that the shapes of the trees are appropriate as garden trees, that they allow people to enjoy viewing flowers and fruit, and that they attract birds and butterflies. "*Gohon no ki*" means "five trees" in Japanese, and the project concept encourages planting the region-native trees, three out of every five trees for birds and two for butterflies. The goal of this project is to maintain and revive the ecosystem network by connecting residential gardens, admittedly small areas, into cities, thereby linking local natural areas such as *satoyama* to residential areas.



Simulation of the integrated index of the diversity of trees, birds and butterflies



Nature-positive methodology (Japanese only)

[https://www.sekisuihouse.co.jp/gohon\\_sp/method/](https://www.sekisuihouse.co.jp/gohon_sp/method/)

\*Nature-positive: A term meaning making nature a priority and positively impacting nature, which attracted attention during COP15, the 15th Meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD)

## Support for programming education aimed at fostering children's ability to think logically, which was themed on housing and urban development leading to the achievement of the SDGs.

Minecraft is a highly popular video game which enables players to enjoy creating things and having adventures in a virtual space with 3D cubes representing stone, earth, wood, iron, and other materials. To foster children's ability to think like a programmer, Sekisui House was a Gold Partner of the 2021 Minecraft Cup, a competition of Minecraft worlds created using the Minecraft Education Edition that is used in classrooms all over the world. The major theme of the 2021 competition was "Everyone's homes and future cities in the era of the SDGs." Participants created Minecraft worlds applying at least one factor relevant to any one of the three SDGs related to housing and towns.

The final review and award presentation ceremony took place on January 30, 2022. From among 484 worlds created by participants from all over Japan, "Change the future with the SDGs," a world created by a nine-member team named Coder Dojo Urawa at the Urawa Minecraft Club, was selected as the winner of the Sekisui House Award. This competition was a valuable opportunity for children to think about sustainable houses and the future of urban development.

### Sekisui House's measures to support the 2021 Minecraft Cup

To support the competition, we held an online event for participants who wanted to learn deeply about the SDGs and the mechanism of houses. An expert in Minecraft reproduced state-of-the-art housing in the Minecraft world, and we explained the ideas reflected in their design. Participants had an enjoyable time learning about the fundamentals of house creation. In addition, we provided a variety of learning opportunities, including a tour of display houses guided by our staff and the distribution of a guide book for the creation of homes in Minecraft Education Edition. Thus, we continued to support the competition meticulously until its conclusion.

#### Topic (2)

**Sekisui House was a Gold Partner of the Minecraft Cup.**



Award presentation ceremony held on January 30, 2022



The team that won Sekisui House Award. The theme of the world they created was "A world where all people can practice the SDGs."

Topic (3)

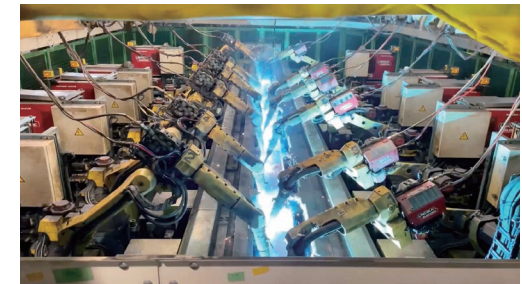
**Online  
factory tour**

## The first online tour for individual shareholders A fruitful time with two-way communication

On November 22, 2021, we held an online factory tour for shareholders at the Shizuoka Factory. Held online for the first time, the tour attracted approximately 170 participants. The event was held with a focus on two-way communication, including a quiz for viewers and a Q&A session using chat and voice communication functions. The factory tour was held combining live broadcasts from the sites and prerecorded videos that were shot using a smartphone, which gave participants a realistic understanding of the plant. We introduced three manufacturing lines that support Sekisui House's philosophy of tailoring the design of each and every home for the specific customer, while also showing areas that are difficult to show in person for safety reasons. Many positive comments were received from shareholders who participated in the event, such as "I was able to participate in the event without hesitation because there were no time or spatial constraints," "It made me feel like I was seeing the factory in person," "I thought the people working hard on site were reliable," "I would like to observe the process of manufacturing SHAWOOD homes in the future," and "The Q&A session was fulfilling." We will leverage the knowledge we obtained through this online event to continue our communication with individual shareholders.

### Embodying our philosophy of tailoring the design of each and every home for the specific customer

At Sekisui House, we value our philosophy of tailoring the design of each and every home for the specific customer, under which we plan the optimal housing for each individual customer in response to their requests. Naturally, the necessary building components differ from unit to unit. Therefore manufacture as many as approximately 70,000 types of steel frame at our factories. Many of the manufacturing processes use more than 100 robots. We efficiently manufacture high-quality components using robots for transportation, welding, and the detection of invisible scratches. We received one comment about our online tour that said, "I was impressed because the factory is highly automated."



Wide flange welding process

Live broadcast from the  
factory building and  
view of its backyard



**SEKISUI HOUSE**