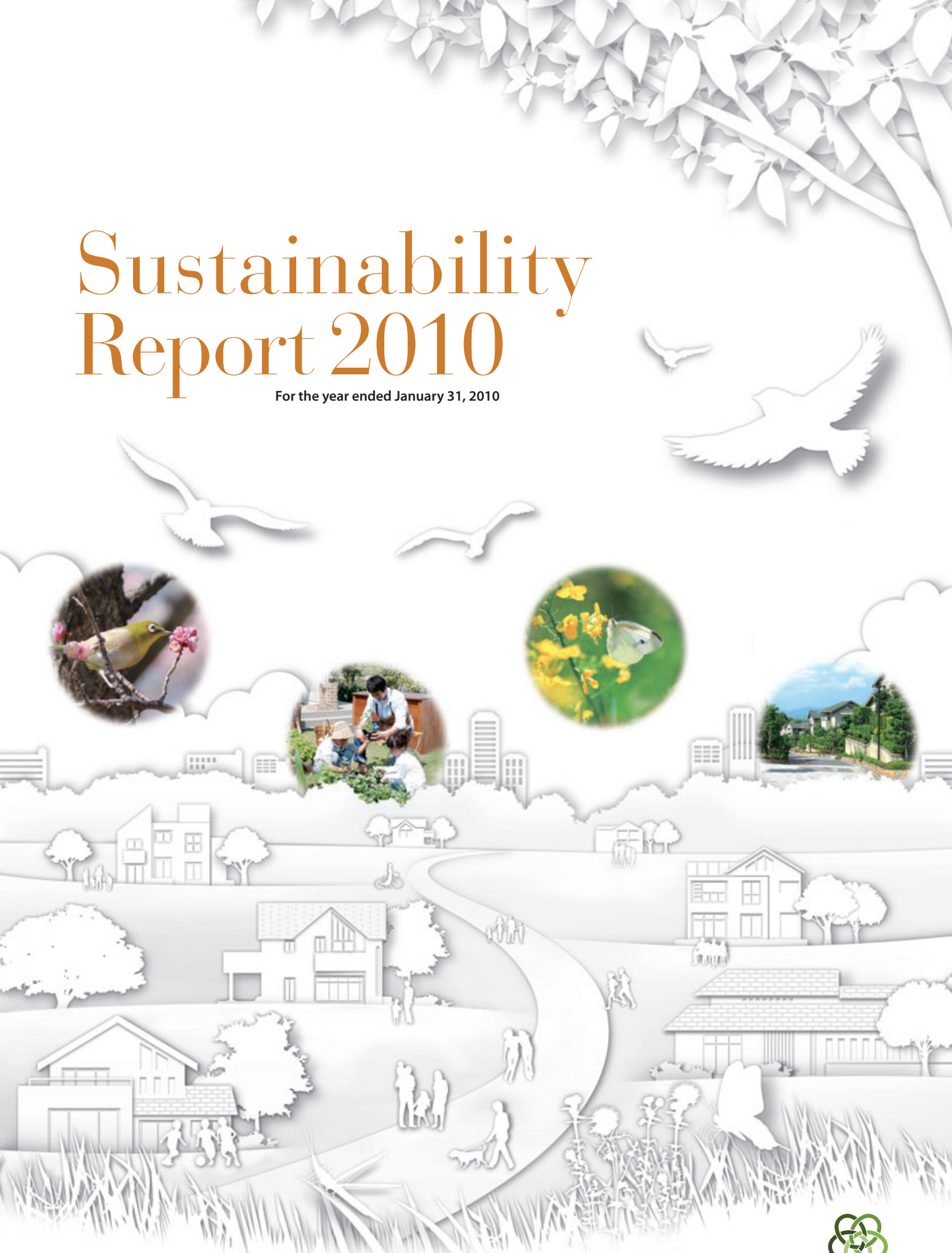


# Sustainability Report 2010

For the year ended January 31, 2010



**SEKISUI HOUSE, LTD.**





# Sustainability Report 2010

## Editorial Policy

The purpose of this report is to educate a broad audience of readers about initiatives the Sekisui House Group is engaging in to help build a sustainable society as well as encourage reader feedback as a means to improve these initiatives going forward. This report is produced with reference to the 2007 Environmental Reporting Guidelines of the Ministry of the Environment of Japan, and the Sustainability Reporting Guidelines (Version 3.0) of the Global Reporting Initiative.

## Main Improvements Made to the Sustainability Report 2010

- The content and materiality of this report was determined by the Sekisui House CSR Committee, which includes three external members, taking into consideration survey responses to the Sustainability Report 2009 and social conditions received from 1,800 internal and external stakeholders.
- The five special features appearing in this report were selected after a review of topics that are acknowledged today to be urgent challenges facing the Sekisui House Group as well as society as a whole. The opening segment of these special feature sections enhances readability by concisely introducing the reader to the social issue and Sekisui House's related initiatives, seamlessly connecting with the details to follow.
- As an objective evaluation of Sekisui House initiatives, this report also features the perspectives of customers and external stakeholders.

## About the Cover

Sekisui House believes that the generations-long experiences of people are the true building blocks of communities. That is why we are more than a simple provider of space, we also focus on the value of time in our pursuit to deliver customers and communities with safe, eco-friendly and comfortable value-added homes. Positive, fulfilling communities also benefit biodiversity and the environment, with the simple sight of birds in the trees of a front yard a key indicator of the revitalization of the natural environment. Sekisui House will continue to honor this spirit in the provision of its services going forward.



## Scope of This Report

### ■ Businesses

The scope of businesses covered by this report includes 51 companies, namely: Sekisui House, Ltd., and the following consolidated subsidiaries that are principal actors in CSR and environmental management: Sekiwa Real Estate, Ltd. (6 companies); Sekisui House Remodeling, Ltd.; Sekiwa Construction, Ltd. (35 companies); Landtech Sekiwa, Ltd. (2 companies); Greentechno Sekiwa, Ltd. (3 companies); SGM Operation Co., Ltd.; Sekisui House Umeda Operation Co., Ltd.; and Sekiwa Wood Co., Ltd. (A profile of the Sekisui House Group is provided on p. 3-4.)

### ■ Business Activities

This report covers the business operations of the Sekisui House Group, which includes the built-to-order housing business (detached houses and low-rise apartments), real estate for sale business (detached houses, condominiums, land for sale and urban redevelopment projects), real estate for leasing business, and other business (exterior works and landscaping and remodeling).

### ■ Period Covered

Fiscal 2009 (February 1, 2009 to January 31, 2010)

### ■ Date of Publication

This report is published annually in Japanese around April.

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# Conserving Forests and Biodiversity through Our Homebuilding Practices



Eco-First Commitment: Encourage the revitalization of ecosystem networks

Sekisui House places great emphasis on biodiversity conservation through its landscaping initiatives and wood procurement practices. We understand our responsibility to conserve biodiversity, as a homebuilder that uses large quantities of wood materials and considering the unparalleled size of our landscaping projects in Japan. There is a groundswell of interest in biodiversity today, fueled by Japan's hosting of the tenth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 10) in 2010. Sekisui House will continue to take a leadership role in contributing to biodiversity conservation through our business activities.

**Social Issues**

## Continuing Loss of Biodiversity

Biodiversity is an indication of an abundant and balanced ecosystem with diverse biological species and DNA. However, human activity is causing the loss of biodiversity, and today 12% of all bird species and 21% of all mammal species are under the threat of extinction.\*

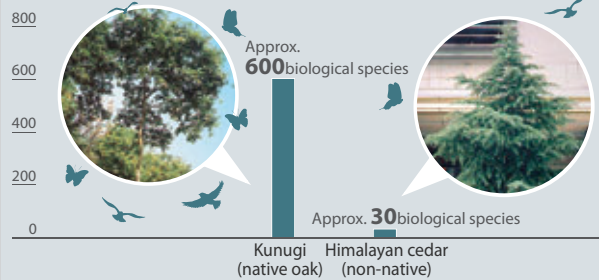
Biodiversity is being threatened in a number of ways, such as due to excessive logging in tropical rainforests that have rich ecosystems, and the import of non-native species that contribute to the destruction of native ecosystems. Further loss of biodiversity has the potential to threaten mankind's existence on our planet, as we are dependent on ecosystems for various needs such as food, clothing and shelter.

In Japan, we are witnessing a rapid loss of sustainable *Satoyama* landscapes that bring nature closer to us. *Satoyama* landscapes have long enabled sustainable human interaction with nature, giving rise to rich ecosystems. In today's world, there is a pressing need to revitalize our immediate surroundings in a way that will create rich natural ecosystems.

\*Based on 2009 data from International Union for Conservation of Nature (IUCN).

### Wood Species and Biodiversity

(No. of Biological Species)



There are marked differences in the number of biological species that are attracted to trees, here comparing kunugi native oak that are typically found in Japan's *Satoyama* landscapes, and the non-native Himalayan cedar. The difference explains why *Satoyama* landscapes feature rich ecosystems.

## Sekisui House Initiatives

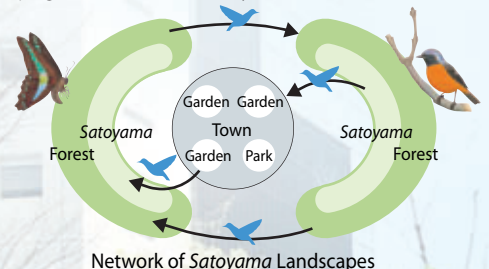
### United with Our Group Companies,

#### Community-Building Initiatives through

**The *Gohon no ki* landscaping concept** → P27

#### Planting Native Species in Yards and Landscaping to Form Ecosystem Networks

Sekisui House uses the *Gohon no ki* landscaping concept in a wide range of community development projects from detached houses to apartments and condominium developments. We work with specialists from NGOs to select and plant native tree species that are best suited to regional climates, choosing trees that will attract many biological species. We plant these native tree species in yards and landscapes to form part of the larger ecosystem that also encompasses remaining *Satoyama* landscapes and forests, in effect forming a network of *Satoyama* landscapes. By helping to revitalize natural environments that are indigenous to the area, we are helping to conserve biodiversity.



Vegetable patch and rice paddy in Shin-Satoyama grounds

**External Stakeholder's Perspective**    **Implementing Fundamental Initiatives for Biodiversity Conservation**

Corporations must endeavor to minimize the impact of their business operations on biodiversity and also help to revitalize biodiversity. Sekisui House has prepared its own Wood Procurement Guidelines to encourage supply chains that have a lower impact on biodiversity. This initiative is influencing suppliers to enhance their own efforts to conserve biodiversity, and reducing the impact of the housing industry as a whole.

Under the *Gohon no ki* landscaping concept, Sekisui House is working with customers to conserve local biodiversity, with the aim of revitalizing nature and ecosystem networks in a way that is similar to the traditional *Satoyama* landscaping approach. Sekisui House launched an ongoing biodiversity survey in 2008, targeting subdivisions where it has implemented the *Gohon no ki* landscaping approach. These surveys have shown concrete benefits from using the *Gohon no ki* landscaping concept, and reveal an increase in bird populations as trees and vegetation planted by Sekisui House grow and become fuller over time.

I hope Sekisui House will work to involve an even larger circle of stakeholders, while continuing to display leadership through the initiatives that fundamentally address biodiversity conservation through its business activities.



**Dr. Naoki Adachi**  
CEO, Response Ability, Inc.

Response Ability assists corporations in their sustainability initiatives by providing consulting services for biodiversity conservation and CSR procurement. Dr. Adachi serves on a committee organized by the Ministry of Environment to examine guidelines for corporations to take action on biodiversity conservation.

**Suppliers and Society to Conserve Ecosystems and Biodiversity**

**Residential Development**

**FairWood Procurement** → P30

**Procuring Eco-Friendly Wood from Fair Sources**

Sekisui House established its own Wood Procurement Guidelines in April 2007, based on discussions with environmental NGOs, to encourage the use of sustainable wood. The guidelines address issues such as illegal logging, biodiversity conservation, and the concerns of communities in logging areas. Sekisui House has enlisted the cooperation of many of its suppliers to implement FairWood\* procurement, based on studies of tree species and logging areas.

\*FairWood is a program implemented by the Global Environmental Forum and the international environmental NGO FoE Japan. FairWood refers to wood and wood products sourced in a manner that takes into account the conditions of the forest environment and/or the local communities where logging takes place.



**Collaboration and Raising Awareness**

**Internal and External Education Activities**

Sekisui House communicates the importance of biodiversity conservation through various initiatives including the distribution of nature education materials, implementation of extension workshops for elementary school students, and hands-on education at the *Shin-Satoyama* grounds.



**Government and Inter-Industry Collaboration**

Conservation of biodiversity requires a united effort rather than working in isolation. Sekisui House is involved in a number of international and Japan-based conservation initiatives, in partnership with governments and other companies.



**COP 9 and 10**

There is growing recognition today of the need for biodiversity conservation as a global-scale issue. At the ninth meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 9), the parties were united in their opinion that private companies will play a large role in biodiversity protection. As the host nation to COP 9, Germany spearheaded the creation of a Business and Biodiversity Initiative, which Sekisui House has pledged its support for by signing a Leadership Declaration.

Sekisui House is also involved as a trustee member of the Japan Business Initiative for Conservation and Sustainable Use of Biodiversity (JBIB), which was formed in April 2008 by forward-thinking corporations in Japan. JBIB carries out joint research from an international perspective, and engages in dialogue with stakeholders.



**The *Shin-Satoyama* grounds attract many wild birds including this shrike**



**A dragonfly emerging from its skin (*Shin-Satoyama* grounds)**

The *Shin-Satoyama* grounds are located in Shin Umeda City, adjacent to the head offices of Sekisui House, and spread across 0.8 hectares of green space. The grounds are mainly planted with native and local trees and vegetation, providing a home for a diverse variety of living creatures amid an urban environment. The grounds are designed to grow to become a blueprint of how nature can coexist in an urban environment.

# FairWood Procurement Encouraging Sustainable Forestry Practices

## Working with Suppliers and NGOs to Implement FairWood Procurement

Every year, thirteen million hectares of land are deforested around the world, for various reasons ranging from illegal logging and overdevelopment to the inappropriate use of “slash-and-burn” practices and man-made forest fires. Deforestation is destroying natural ecosystems and affecting people’s lives.

Sekisui House engages in FairWood procurement to encourage the sustainable use of wood. We unveiled the Wood Procurement Guidelines in April 2007, which outline ten principles that we use to score wood procurement, by assigning one of four ratings (S, A, B and C). We work with suppliers and NGOs to reduce the procurement of C-rated woods, in favor of more sustainable S-rated woods.

### Wood Procurement Guidelines: Ten Principles

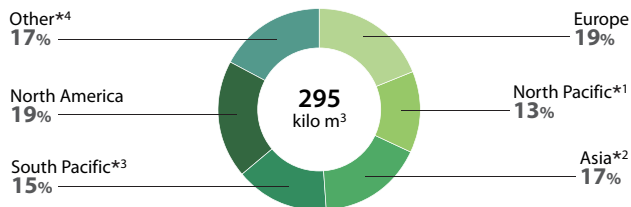
1. Wood products that are sourced from areas where there is low risk of illegal logging.
2. Wood products that are sourced from areas that do not form part of ecosystems recognized as having outstanding value.
3. Wood products that are not sourced from ecosystems that are severely damaged or areas where large-scale logging of natural forests has occurred.
4. Wood products that are not sourced from endangered species.
5. Wood products that are sourced from areas close to where they will be used.
6. Wood products that are not sourced from areas subject to conflict or hostility with regard to wood production.
7. Wood products that are not sourced from areas where the amount of logging does not exceed the recovery rate of the forest.
8. Wood products that are sourced from domestic forests in Japan.
9. Wood products that are sourced from plantation forests that are managed according to methods that encourage the preservation and generation of a natural ecosystem.
10. Wood products that are made from previously used wood.

### Procurement Levels: Determining procurement rankings

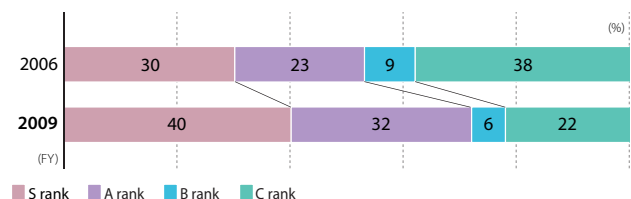
Total Points (maximum of 43 points)	Procurement Ranking	
34 or more	I	Using total procurement guideline points, products are classified as S, A, B, or C level, with S being the highest, while a separate borderline is established for guidelines 1 and 4, which are particularly important.
26 or higher but less than 34	A	
17 or higher but less than 26	B	
Less than 17	C	

### Wood Procurement Data

#### Logging area composition



#### Proportion of Procurement Ranking



\*1 North Pacific: RussiaR \*2 Asia: including Japanese products  
 \*3 South Pacific: Indonesia, Malaysia, etc.  
 \*4 Other: South America, Africa, wood waste materials

## Wood Flooring Sourced from Responsibly Managed Forests

Until recently, approximately 70% of the wood flooring used by Sekisui House had low procurement levels. To improve the situation, Sekisui House worked closely with flooring suppliers to switch to sustainable species and woods sourced from sustainable areas, and certified wood products. The move enabled our suppliers to gain valuable expertise in the manufacturing and installation of sustainable wood flooring, through the process of establishing new supply chains and switching to sustainable wood species. In fiscal 2009, our suppliers were able to provide certified wood flooring products right from the start, which helped us to improve the quality of our sustainable procurement practices.



Certified flooring product

## FairWood Procurement Encouraging Sustainable Forestry Practices

### Promoting Akita Cedar to Revitalize Forestry and Conserve Mountain Ecosystems

Japan today only sources about 20% of its wood from domestic sources, whereas this percentage was as high as 90% in 1960. Meanwhile, forests planted four of five decades ago have not been maintained adequately, which has led to the deterioration of ecosystems in Japan's mountain areas. Our Wood Procurement Guidelines emphasize the sourcing of domestic woods to revitalize the Japanese forestry industry and conserve ecosystems in mountain forests.

In some parts of the Tohoku region, Sekisui House has been offering homeowners the option of using laminated wood posts made from Japanese Akita cedar in their wood-framed homes. In fiscal 2009, we expanded this option to offer it for all wood-framed homes constructed in the Tohoku region. We are also switching to plywood made from Japanese woods, for use as a construction underlayment.

In fiscal 2009, Sekisui House's procurement of Japanese wood materials amounted to 44,000 cubic meters, or 15%, of total procurement for that year.

There are various challenges associated with sourcing Japanese wood products, such as the relative young age of the wood compared with imported wood products, which affects dimensional stability, and the difficulty of securing adequate volumes of domestic wood. Yet Sekisui House is committed to overcoming these challenges and increasing the use of Japanese wood products as part of our FairWood procurement strategy going forward.



Laminated wood posts made from domestically sourced Akita cedar

### Awards for FairWood Procurement

#### Sekisui House Receives Award for Excellence at the Japan Awards for Biodiversity

In September 2009, Sekisui House was recognized at the first Japan Awards for Biodiversity by the AEON Environmental Foundation and Ministry of the Environment. We received the award in recognition of our Wood Procurement Guidelines in the category of product usage. The award is given to organizations and companies who make outstanding contributions by developing a product involving the sustainable use of biodiversity, or by implementing a product or service that contributes to such use.



### Educating Employees About FairWood Procurement

Sekisui House provides employees with information about the purpose of green procurement and the status of initiatives in order to advance FairWood procurement. The Company trains employees connected with the SHAWOOD line of wood-framed detached houses, so that they can effectively communicate the benefits of these houses to customers.

Under the program, employees observe testing procedures for structural integrity and learn about new development plans. The scope of the program was expanded in fiscal 2009 to brief employees about FairWood procurement and its policies and future direction. These initiatives are raising the awareness of employees toward FairWood procurement, and preparing them to better communicate the benefits of FairWood procurement to our customers.



Sekisui House employees learning about structural integrity testing

### Looking Ahead: Enhancing the Level of FairWood Procurement

In fiscal 2009, Sekisui House continued taking steps to raise its FairWood standards for wood procurement, which earned us several awards. We will continue to explore ways to enhance our FairWood procurement, in order to meet the expectations of stakeholders outside the company.

One of the challenges we face is to raise the perceived added value of FairWood procurement and improve public recognition. We will continue raising awareness about issues in forestry and the importance of FairWood procurement, in order to gain widespread support and recognition for this important initiative going forward.

#### Sekisui House Receives Green Purchasing Award

Sekisui House received the Award for Excellence at the Green Purchasing Awards in October 2009 for achievement in the area of wood procurement initiatives, from the Green Purchasing Network which organizes the awards. The award was given in recognition of Sekisui House's achievements in working with suppliers and NGOs to implement FairWood procurement of eco-friendly wood from fair sources.

The organizers cited Sekisui House for several achievements including for the superior execution of green purchasing for wood products, and the level of objectivity of our green purchasing guidelines implemented in partnership with environmental NGOs. Sekisui House was also praised for collaborating with suppliers to advance green purchasing efforts, and engaging in public education through the publication of a children's book that stresses the need for FairWood procurement.

It is the second consecutive year for Sekisui House to win the Award for Excellence at the Green Purchasing Awards, after receiving a 2009 award for our Carbon Neutral House.



## Satoyama Tours Educate Customers About the Importance of Using Domestic Wood

Using domestic wood is actually important from the perspective of protecting Japan's mountain forests from inadequate management. We have adopted the Long-term Quality Housing Leading Model Project instituted by the Japanese government. The program is designed to encourage greater demand for quality and durable housing with longer life cycles by ensuring proper maintenance and repair practices.

Under the program, Sekisui House has developed a plan to enhance homeowners' attachment to their homes. The plan incorporates the use of building materials made from domestic broadleaf trees, as part of our overall strategy to encourage the use of domestic wood.

Sekisui House also organized two *Satoyama* tours in Saitama and Shiga that enabled customers to experience Japan's mountain forests up close in order to raise awareness about the importance of using domestic wood and encourage customers to choose building materials made from domestic broadleaf trees.



Sekisui House receiving the Green Purchasing Award

## Sekisui House Distributes Educational Material in Support of FoE Japan

Sekisui House has prepared a children's book titled *Kurara no Mori*, that is designed to communicate the importance of FairWood procurement. We distribute the book through our display homes and at environmental events to raise awareness about FairWood procurement.

FoE Japan\* is an international environmental NGO that engages in the community fundraising project *Mori no Present* (presents from forests), which is a program for the maintenance of forest in Japan. The thinning lumber removed during forest upkeep is then used to make wooden benches that are donated to kindergartens and elementary schools.

Sekisui House is a proud supporter of this initiative. In support of the program, we donated copies of *Kurara no Mori* to schoolchildren in conjunction with the donation of wood benches by FoE Japan to six kindergarten and elementary schools.

\* Calculated based on a detached house in Tokyo occupied by a family of four with a 155m<sup>2</sup> floor area.



Reading *Kurara no Mori* to schoolchildren

### Facilitator's Perspective Long-Term Perspective Needed for FairWood Procurement

In just three years, Sekisui House has gained solid support for its FairWood procurement initiative, encouraging Japan's major building materials manufacturers to conform with the Wood Procurement Guidelines developed by Sekisui House. It is certainly a pioneering initiative in Japan.

At the same time, serious progress is being made to encourage sustainable wood procurement in other parts of the world. For example, in Europe, only imports of certified or legally authenticated forest products are allowed, while in the United States, trade in illegally logged wood products is subject to strict government penalties. As demand for wood products rises in developing countries and deforestation continues, it will become increasingly difficult to source wood products from outside of Japan. Three suppliers who participated in the roundtable discussion have set procurement targets for 2011, but in the medium- and long-range view, corporations need to take a serious look at adopting a distributed model for procurement and manufacturing of wood, that involves using local wood products in the area where they are harvested.

At the roundtable discussion on FairWood procurement, one of the suppliers raised the valid point that a certain amount of expenditures are required to properly manage our domestic forests and procure wood products from these forests. Sekisui House must work to educate everyone from its customers to its own planning, design, sales and interior design staff about the importance of FairWood procurement, in order to implement the initiative on an even broader scale.



**Kenichi Nakazawa**

Director, FoE Japan Forest Program  
International Environmental NGO

FoE Japan tackles problems such as global warming, deforestation, and development aid to developing countries from a global level. Kenichi Nakazawa served as a facilitator for the roundtable discussion.

# Environmental Targets and Actual Performance

## Summary and Outlook

In 2009, our eco-friendly Green First line of homes, launched in March, made great strides in market penetration underpinned by government subsidies for fuel cell and PV systems and the start of an energy buyback program. I am convinced that our reputation as a company and brand that values the environment has grown considerably, based on this and our increased marketing of PV solutions, the launch of our own rebate program, the introduction of various sales and marketing initiatives and company-wide training programs. In addition, we view the announcement by the recently elected Democratic Party of Japan-led administration setting the ambitious target of cutting Japan's greenhouse gas emissions by 25% from 1990 levels by the year 2020 as a major business opportunity that will act as the driving force for our business development initiatives over the mid- to long-term.

I believe our mission as a leading eco-first homebuilder is to accelerate the market penetration of our environmental technologies cultivated through our R&D activities and

professional experience. Fiscal 2009 was a busy year in terms of our environmental initiatives, as we recorded the most sales fuel cell systems for the home of any homebuilder in Japan, constructed the first model home featuring all LED lighting solutions, and made preparations for the nationwide launch of our IC tag-based next generation zero emissions system aimed.

In addition, with the 10th Conference of the Parties to the Convention on Biological Diversity (COP10) to be held for the first time in Japan in October 2010, corporate Japan has seen a surge in interest in biodiversity-friendly corporate management practices. As a result, we have also come under the spotlight for our biodiversity initiatives, including our proprietary Wood Procurement Guidelines.

In marking the 50th anniversary since our founding later this year, we will position our environmental initiatives as the core of our corporate growth strategy going forward, and will work toward building a more sustainable society by providing our customers with greater comfort eco-friendly homes.



**Tetsuo Iku**  
Director, Managing Officer  
in charge of Environmental  
Initiatives

### ECO FIRST Commitment 1. Reduce CO<sub>2</sub> emissions in both the construction and occupancy of our buildings

Category	Fiscal 2009 Target	Results	Commentary	Score	Fiscal 2010 Target
Reducing Home CO <sub>2</sub> Emissions	Orders for 3,000 PV systems for detached houses and 300 for low-rise apartment buildings, with total output equivalent to 15,200kW	Received orders for 7,030 PV systems for detached houses and 371 low-rise apartment building.	Sales of our Green First line of homes featuring PV systems were buoyed in fiscal 2009 by various government subsidy programs and a review of the energy buyback system. In fiscal 2010, we will seek to further boost sales for PV systems by expanding sales of our proprietary roof tile PV system.	A	Orders for 10,000 PV systems for detached houses
	Increase rate of all-electric homes using high-efficiency water heaters to 90%	Increased the rate of all-electric homes using high-efficiency water heaters to 94%	Based on expanded sales of our Green First line of homes and the increased penetration of Eco-Cute units, the rate of all-electric homes using high-efficiency water heaters has nearly reached 100%.	A	—
	Orders for 1,000 <i>ENE FARM</i> fuel cell systems	Received orders for 1,222 <i>ENE FARM</i> fuel cell systems	We posted the largest number of <i>ENE FARM</i> orders of any homebuilder in Japan underpinned by expanded sales of Green First homes and government subsidy programs. We will continue to spur demand for fuel cell systems through sales of our Green First line of homes with the hope of further reducing homeowners' CO <sub>2</sub> emissions footprint.	A	Sales of 2,400 <i>ENE FARM</i> fuel cell systems
	Reexamine key internal initiatives for the promotion of eco-friendly remodeling solutions in existing detached houses	<ul style="list-style-type: none"> <li>Updated 36,288m<sup>2</sup> of window and door insulation</li> <li>Installed high-efficiency water heaters in 3,447 homes.</li> <li>Installed PV systems in 718 homes</li> <li>Sold 3,362 sets of energy efficient bath fixtures</li> </ul>	We exceeded fiscal 2008 results for window and door insulation updates, PV system and high-efficiency water heater installations as well as sales of energy-efficient bath fixtures. We have also made heat-insulated bathtubs and bathrooms, water faucets with thermostat and hand-held showerheads all standard for energy-efficient remodeling projects	A	<ul style="list-style-type: none"> <li>Increase window and door insulation updates to 80,618 m<sup>2</sup></li> <li>Install high-efficiency water heaters in 4,500 homes</li> <li>Install PV systems in 2,000 homes</li> <li>Sell 4,000 sets of energy efficient bath fixtures</li> </ul>

### ECO FIRST Commitment 2. Promote ecological networks and biodiversity revitalization

Category	Fiscal 2009 Target	Results	Commentary	Score	Fiscal 2010 Target
Reduce Impact on Ecosystems during Procurement	Reduce the sourcing of C-rank wood products	Reduced C-rank procurement from 32% to 22% of total wood products	We were able to reduce the amount of C-rank lumber products backed by the cooperation of many of our suppliers. The increased availability of product information has also been another factor that has helped to increase the amount of higher ranked wood products. We were also able to increase the amount of domestically sourced wood materials in fiscal 2009. We will continue to promote and follow our FairWood procurement guidelines.	A	Increase procurement of S-rank and further reduce sourcing of C-rank wood products
Preservation of Ecosystems through Landscaping	Plant 1 million trees	Planted 710,000 trees	We experienced some difficulty in increasing the number of trees planted in fiscal 2009 because of the impact on our landscaping business from the downturn in the housing market in Japan. Although the number of trees planted fell from 850,000 in fiscal 2008 to 710,000 in fiscal 2009, we have begun to see an upswing in orders and so will continue to promote the advantages of landscaping and tree planting during the sales process.	C	Plant 1 million trees

A...Achieved target; B...Did not achieve but came close to target; C...Unable to make improvements toward achieving target



### Commitment 3. Promote active resource recycling

Category	Fiscal 2009 Target	Results	Commentary	Score	Fiscal 2010 Target
Recycling at Factories and Construction Sites	Reduce manufacturing related waste by 3% of 2008 levels	Achieved 1% reduction	Changes made in manufacturing processes at our factories resulted in only a minimal reduction in manufacturing-related waste. However, we will continue our factory waste reduction initiatives to improve yield in fiscal 2010 and beyond. (Separate targets have been set for factory waste and construction site waste.)	B	Reduce manufacturing related waste by 3% of 2009 levels
	Achieve 100% operations under the electronic manifest system during fiscal 2010	Began partial operations under the electronic manifest system and moved forward with preparations for the launch of full-scale operations	In August 2009, we launched linked operations with the electronic manifest system and our Gurutto Mail internal system under Regional Certification for the tracking of construction waste from site to our Resource Management Center. Arrangements are currently being made for the monitoring of construction waste as it transits from our Resource Management Center to our disposal partners. We plan to achieve full system operations for demolition-related construction waste in fiscal 2010, having held briefing sessions and conducted registration of partner companies in fiscal 2009. We are currently taking steps to ensure full system operations in fiscal 2010 for factory waste transiting for final disposal by our partners as well. (some factories already have fully operational systems in place)	A	Achieve full-scale operations under the electronic manifest system
	Reduce construction waste at new build construction sites to 1,300kg per house	Construction waste at new build construction sites totaled 1,323kg per house	Construction waste reduction efforts progressed regionally in line with the target. The launch of our new IC tag-based construction waste management system will enable more precise understanding of waste volumes and enhanced management practices, streamlining and improving our construction waste reduction efforts going forward.	A	Reduce construction waste at new build construction sites to 1,200kg per house
	Review the cost-effectiveness of implementing the IC tag-based waste collection and disposal system	Made projections for cost and effectiveness	Data for waste volumes was collected, analyzed and evaluated, while trials were also conducted for our electronic manifest system. After reviewing required costs, we have decided to implement the system nationwide in fiscal 2010.	A	Launch the IC tag-based construction waste collection and management system nationwide

A...Achieved target; B...Did not achieve but came close to target; C...Unable to make improvements toward achieving target