

## Notice regarding the Allotment of Share Warrants as Stock Compensation-Type Stock Options

**April 27, 2006** – Sekisui House, Ltd. (“Company”) announces that the Company determined the details of the allotment of stock warrants (stock compensation-type stock options) to Directors and Executive Officers of the Company, pursuant to Articles 280-20 and 280-21 of the Commercial Code of Japan and the resolution at the 55<sup>th</sup> annual general shareholders’ meeting of the Company held on April 27, 2006. Details are as follows.

### 1. Name of share warrants

No.1 share warrants issuance (Stock compensation-type stock option)

### 2. Type and number of shares to be issued upon exercise of share warrants

48,000 common shares of the Company

### 3. Number of share warrants

48 units

The number of shares to be issued upon exercise of one share warrant (the “number of shares for allocation”) shall be 1,000.

However, if the Company splits or reverse-splits its common stock on or after the date on which share warrants are issued (the “issuance date”), the number of shares for allocation will be adjusted in proportion to the ratio of stock split or reverse stock split, with any resulting fractional figure less than one share rounded down.

In addition, if there are reasons compelling the Company to adjust the number of shares for allocation on or after the issuance date, such as a reduction in capital and a merger or demerger, the terms and conditions of the reduction of capital and the merger and other factors.

### 4. Issuance price and issuance date of share warrants

Free of charge. The date of issue thereof shall be April 27, 2006.

### 5. Amount to be paid in upon exercise of each share warrant

The amount to be paid in upon exercise of each share warrant is obtained by multiplying the amount to be paid in for each of the shares for issue or transfer upon exercise of each share warrant, which is one yen, by the number of shares for allocation.

### 6. Total amount of issuance price of share warrants

48,000 yen

### 7. Exercise period of share warrants

The period in which share warrants are exercisable will be determined by the board of directors of the Company within the period between April 28, 2006 and April 27, 2026.

### 8. Other conditions for exercise of share warrants

(i) Holders of share warrants can exercise their share warrants from the day following the day on which they lose their positions as directors of the Company or its consolidated subsidiaries (including corporate officers in a case where the Company turns into “company with committees “in the future); auditor, or executive officers (the “start date of exercise of share warrants”).

(ii) Regardless of the description in the above item (i), if either of the following two cases (a) or (b) occurs, holders of share warrants can exercise their share warrants within the periods specified.

(a) Holders of share warrants do not allow the start date of exercise of share warrants to commence before April 27, 2025

Between April 28, 2025 and April 27, 2026



(b) A general shareholders' meeting of the Company approves a resolution for a merger contract in which the Company is dissolved and there are no provisions for having the Company becoming the surviving entity take over responsibilities related to the share warrants concerned and a resolution for an exchange or transfer of shares in which the Company becomes a wholly-owned subsidiary and there are no provisions for having the Company becoming the parent company with 100% ownership of the Company take over responsibilities related to the share warrants concerned.

For 15 days from the date following the date on which the approval is granted

(iii) No partial exercise of a single share warrant is allowed.

**9. Causes and conditions for cancellation of share warrants**

The Company can at any time cancel share warrants that have been obtained and held by the Company, without charge.

**10. Limitations on transfer of share warrants**

To transfer share warrants, it is necessary to obtain approval from the board of directors of the Company.

**11. Issuance of share warrants**

Share warrants shall be issued only upon request from holders of share warrants.

**12. Calculation of profit distribution from share warrants of the Company's common shares to be issued upon exercise of share warrants**

The first distribution of the annual divided or interim dividend on the Company's common shares issued as a result of the exercise of the share warrants shall be paid as if that exercise had taken effect on February 1 when the share warrants are exercised from February 1 to July 31, and on August 1 when the share warrants are exercised from August 1 and January 31 of the following year.

**13. Number of persons to whom share warrants will be offered**

Directors and executive officers of the Company, totaling 27 persons.

**\*Reference**

Date of resolution of the board of directors that decided the proposal at the 55<sup>th</sup> annual general shareholders' meeting of the Company: March 1, 2006

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**For further information, please contact:**

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