

Notice Regarding Problems with the Purchase of the Land for Condominiums

August 2, 2017 – Sekisui House, Ltd. (“the Company”) announces that with respect to the real estate in Tokyo Prefecture which the Company purchased as land for condominiums, although the Company paid the price for the purchase of the land, registration of the transfer of ownership has been unable to be made. In consultation with corporate lawyers, we are diligently pursuing both civil and criminal actions.

Summary is as follows:

In the purchase of the real estate, the seller was to resell it to the Company immediately upon purchasing it from the owner. On the date of payment of the price for the purchase, with the involvement of attorneys and judicial scriveners, a series of applications for registration of transfer of ownership from the owner through the seller to the Company was made. However, the application for registration was rejected because certain of the documents provided by the owner were inauthentic. Since then, we have been unable to contact the owner.

The Company judged that a crime had probably taken place, immediately organized a team consisting of corporate lawyers and reported the damage to the investigation agency. We are now focusing on proceedings for securing and collecting the money which the Company paid as well as fully cooperating in the investigation into this incident.

This incident does not change the earnings forecasts for the fiscal year ending January 31, 2018 that have already been announced.

We sincerely apologize to all those involved for any concern caused in relation to this matter. In response to this incident, the Company is reviewing the rules for real estate transactions. We will endeavor to ensure that similar incidents are prevented in the future.

Given that an investigation is ongoing, no further details will be disclosed about this incident. We respectfully ask for your understanding.

[Outline]

- Real estate purchased: in Tokyo Prefecture, acreage of about 2,000 m²
- Purchase price: an amount of 7.0 billion yen (amount already paid: 6.3 billion yen)
- Date of conclusion of sale and purchase agreement: April 24, 2017
- Date of payment: June 1, 2017
- Date when application for registration of transfer of ownership was rejected: June 9, 2017



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