

Notice Regarding Shareholder Derivative Lawsuit

June 26, 2018 – Sekisui House, Ltd. (“the Company”) received today a notice of lawsuit as of June 25, 2018 that a shareholder derivative lawsuit was instituted by an individual shareholder of the Company (“the Lawsuit”), then the Company announces as set forth below.

The Company will announce promptly when the Company’s response policy for the Lawsuit is decided.

1. Plaintiff

Masakazu Yabe

2. Defendant

Toshinori Abe, Representative Director of the Company

3. Outline of the Lawsuit

The plaintiff demands that the defendant shall make the payment of damages of an amount equivalent to the damages the Company incurred as a result of fraud involving the amount of 5,559 million yen in Problems with the Purchase of the Land for Condominiums, and a penalty for the delay in payment to the Company on the grounds that the defendant made an error in judgment in the course of executing business and neglected to supervise and monitor the other Directors and employees, in other words, that he was negligent in the execution of his duties, and that he also violated the duty of care and the duty of loyalty.

4. Background

The Company received the demand that it initiate litigation against Representative Director Abe to pursue the liability of a Director, addressed by the plaintiff to the Audit & Supervisory Board Members of the Company on March 5, 2018, but still as already announced in the press release of the Company on April 19, 2018 titled “Notice Regarding Response to Litigation Demand from Shareholder,” all of the Audit & Supervisory Board Members decided that litigation for claiming damages against Representative Director Abe would not be initiated. As a result, the Lawsuit was instituted by the plaintiff.

5. Public Notice

The Company will immediately make an electronic public notice as set forth below.

“The Company notices under the provisions of Article 849(5) of the Companies Act that a shareholder derivative lawsuit against Representative Director Toshinori Abe demanding payment of damages and a penalty for delay was instituted in the Osaka District Court by a shareholder of the Company (Case number: 2018(Wa)4764) and the Company received a notice of the lawsuit on June 26, 2018.”



6. Impact on Business Performance

Since the Lawsuit was instituted by a shareholder against a Director of the Company, there will be no impact on the Company's business performance.

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For further information, please contact:

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