



News Release

**Notice regarding Determination of Policies on Reorganization of
Sekisui House Real Estate Companies
(Company-Split and Establishment of a Preparatory Company Associated with
Transition to an Intermediary Holding Company)**

September 9, 2021 – At the meeting of the Board of Directors held today, Sekisui House, Ltd. (the “Company”) determined to reorganize Sekisui House Real Estate Companies, which is scheduled to be implemented on February 1, 2022, and to establish a company-split preparatory company associated with a transition to an intermediary holding company. As this is a simplified absorption-type company split with wholly-owned subsidiaries of the Company, some details have been omitted from this press release.

I. Purpose of the reorganization

Sekisui House Real Estate Companies, Sekiwa Grand Mast, Ltd., and their subsidiaries, etc. (“Sekisui House Real Estate Group”) are subsidiaries of Sekisui House, Ltd. Sekisui House Real Estate Group is a comprehensive real estate Group engaging in real estate purchase and sale, brokerage, rental housing management and subleasing, remodeling and other operations. It plays a central role in the Supplied Housing Business by leveraging the Company’s strong customer base and has grown to a business that accounts for a large portion of the Sekisui House Group’s consolidated operating income.

Toward the achievement of the 30-Year Vision, a focus on the sustained growth and maximization of the corporate value of Sekisui House Real Estate Group are essential. Accordingly, the Company has decided to advance its business by establishing an intermediary holding company that controls Sekisui House Real Estate Group with an eye to expansion of its business scope.

Achieving Sekisui House Real Estate Group’s focused prime area marketing strategies and quality real estate management will be sought by leveraging the community-based presence and business characteristics of the companies in the Group. Moreover, through the flexible execution of personnel system innovation, the transfer of authority to the intermediary holding company and clarification of responsibilities, realization of growth strategies and enhancement of corporate governance will be pursued with the aim of facilitating the growth of the Supplied Housing Business.

II. Outline of the reorganization

In the reorganization, Sekisui House Real Estate Holdings, Ltd. (owned 100% by the Company; the “Company-Split Preparatory Company”) will be established as an intermediary holding company having control over Sekisui House Real Estate Group and the Company-Split Preparatory Company will absorb the business under the scope of Broking and Leasing Business Headquarters of the Company (the “Company Split”).



(1) Schedule of the Company Split

(1) Date of resolution by the Company's Board of Directors to approve the absorption-type company split agreement	Early December 2021 (scheduled)
(2) Date of conclusion of the absorption-type company split agreement	Early December 2021 (scheduled)
(3) Effective date of the Company Split	February 1, 2022 (scheduled)

(*) Since the Company Split will be a simplified company split that satisfies the conditions described under Article 784, Paragraph 2 of the Companies Act, no general meeting of shareholders of the Company will be held to approve the absorption-type company split agreement.

(2) Method of the Company Split

The Company Split will be an absorption-type company split with the Company as the splitting company and the Company-Split Preparatory Company as the successor company.

(3) Details of allocation related to the Company Split

At the time of the Company Split, the Company-Split Preparatory Company will issue 1,800 shares of its common stock, all of which will be allocated to the Company.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights

There will be no change in the handling of stock acquisition rights issued by the Company, and the Company has not issued any bonds with stock acquisition rights.

(5) Increase/decrease in capital stock due to the Company Split

There will be no change to the amount of the Company's capital.

(6) Rights and obligations to be assumed by the successor company

Through the Company Split, the Company-Split Preparatory Company which is the successor company will take over the assets, obligations, agreements and other rights and obligations in relation to the business under the scope of Broking and Leasing Business Headquarters to the extent specified in the absorption-type company split agreement.

(7) Prospects for fulfilling financial obligations

Detailed financial obligations to be assumed by the successor company will be announced as soon as they are determined.

III. Profiles of the parties involved in the Company Split

	Splitting Company	Successor Company
① Name of company	Sekisui House, Ltd.	Sekisui House Real Estate Holdings, Ltd.
② Location	1-1-88, Oyodonaka, Kita-ku, Osaka	1-1-90, Oyodonaka, Kita-ku, Osaka
③ Representative	Yoshihiro Nakai Representative Director President & Executive Director, CEO	To be determined
④ Business description	Contracting of design and construction of pre-engineered houses; sale of houses and residential land; sale, acquisition, brokerage, leasing and management of real estate; remodeling and renovation of houses; and other related businesses	Managing and controlling the Group by holding shares or equity interest
⑤ Capital	202,591 million yen	10 million yen
⑥ Establishment	August 1, 1960	November 1, 2021
⑦ Total number of shares issued	684,683,466 shares	200 shares
⑧ Fiscal period	January 31	January 31
⑨ Major shareholders and shareholding ratios (*)	The Master Trust Bank of Japan, Ltd. (Trust account) 11.52% Custody Bank of Japan, Ltd. (Trust account) 5.48% Sekisui Chemical Co., Ltd. 4.53% SMBC Nikko Securities Inc. 3.30% Employees' Stockholding 2.73%	Sekisui House, Ltd. 100%
⑩ Business results and financial position of the last fiscal year		
Fiscal period	Consolidated fiscal year ended January 31, 2021	—
Net assets	1,368,887 million yen	Since the fiscal year ending January 31, 2022 is the first year of the establishment of Sekisui House Real Estate Holdings, Ltd., information on the financial situation and results of operations of the immediately preceding fiscal year does not exist.
Total assets	2,625,861 million yen	
Book value per share	1,948.12 yen	
Net sales	2,446,904 million yen	
Operating income	186,519 million yen	
Ordinary income	184,697 million yen	
Net income attributable to owners of parent	123,542 million yen	
Net income per share	102.63 yen	

(*) Major shareholders and shareholding ratios of the splitting company are as of July 31, 2021. The ratio of shareholding is calculated deducting shares of treasury stock from the total number of shares issued.



IV. Outline of the business Division to be split

(1) Outline of the business division to be split

Business under the scope of Broking and Leasing Business Headquarters of the Company

(2) Results of the business to be split

No profit-making operations are conducted.

(3) Items and book value of assets and liabilities to be split

Assets: To be determined

Liabilities: To be determined

Details will be disclosed as soon as they are determined.

V. Status after the Company Split

There will be no change to the name, location, representative person, business description, capital, or accounting period of the Company which is the splitting company. The Company-Split Preparatory Company which is the successor company is scheduled to allot 1,800 shares of its common stock to the Company through the Company Split. Although the amount of its capital will increase, details are not yet determined. There will be no change to the name, location, business description or accounting period of the Company-Split Preparatory Company, and its representative person is not yet determined.

VI. Future outlook

The Company Split is anticipated to have an insignificant impact on the Company's consolidated business results because it is reorganization between the Company and its consolidated subsidiary.

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For further information, please contact:

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