

Notice Regarding Judgment of Shareholders' Derivative Lawsuit

May 20, 2022 – Sekisui House, Ltd. (“the Company”) hereby announces that a judgment was rendered today in the shareholders' derivative lawsuit (the "Lawsuit"), in which one individual shareholder of the Company claimed damages against two former Representative Board Directors of the Company as defendants, as announced in the news releases made on June 26, 2018 and September 14, 2018, both titled "Notice Regarding Shareholder Derivative Lawsuit".

1. Court and date of judgment

Osaka District Court, May 20, 2022

2. The judgment

All of the plaintiff's claims are dismissed.

The costs of the lawsuit (including the cost incurred for the assisting intervention) shall be borne by the plaintiff.

3. Background of the Lawsuit

The plaintiff demanded that the defendants, the former Representative Board Directors of the Company, Toshinori Abe and Shiro Inagaki, shall jointly and severally pay for the loss for an amount equivalent to the damages of 5,559 million yen the Company incurred in the fraud in the land purchase transaction for condominiums, together with a penalty for the delay in payment to the Company, on the grounds that the defendants made an error in judgment in the course of executing business, neglected their duties to supervise and monitor other Board Directors and employees, violated their duties to establish internal control systems (risk management systems), neglected their duties to recover the damages, and violated their duties of care as well as duties of loyalty owed to the Company. The plaintiff also demanded that the defendants shall jointly and severally make the payment for the damages of an amount equivalent to the payment of 4,808,193,309 yen on the day of the transaction, which is part of the damages described above together with a penalty for the delay in payment, on the grounds that they were negligent in the execution of their duties to prevent the spread of damages, as well as violated their duties of care.

Determining that the plaintiff's claims as baseless, the Company intervened in the Lawsuit to assist the defendants (former Representative Board Directors of the Company, Toshinori Abe and Shiro Inagaki), as announced in the news releases made on July 19, 2018 and October 18, 2018, both titled "Notice Regarding Assisting Intervention in Shareholder Derivative Lawsuit".

The related shareholders' derivative lawsuit against the Representative Board Director of the Company Yoshihiro Nakai and the former Representative Board Director of the Company Takashi Uchida commenced by the plaintiff, was terminated due to the withdrawal of the lawsuit by the plaintiff, as announced in the news release made on January 24, 2022 titled "Notice Regarding Withdrawal of the Shareholders' Derivative Lawsuit", and consequently only this Lawsuit still



continues.

4. Further action

If further events required to be disclosed arise concerning the Lawsuit, the Company will announce promptly.

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