

Notice regarding Early Redemption of Publicly Offered Hybrid Bonds (with Subordination Provision)

June 9, 2022 – Sekisui House, Ltd. (“the Company”) announces that the decision was made at a Board of Directors meeting held today to implement the complete early redemption of publicly offered hybrid bonds (with subordination provision) (“the Hybrid Bonds”), which the Company issued on August 18, 2017.

1. Background to Early Redemption of the Hybrid Bonds

The Company issued the Hybrid Bonds for the purpose of both investment for growth and strong financial soundness.

As the initial optional redemption date of August 18, 2022 is approaching, with consideration for financial soundness based on investment for growth and the cash-in-hand situation, the Company has decided that complete early redemption will increase the flexibility of its financial strategy and contribute to improving corporate value.

Since the issuance of the Hybrid Bonds, there has been a steady improvement in financial soundness, and the restricted refinancing covenants (*1) exception clause (*2) stated in the bond notes for the Hybrid Bonds has been fulfilled. Therefore, while there is no plan for replacement financing prior to the implementation of early redemption, the repayment amount will largely be allocated as cash-in-hand.

We will continue to implement agile fundraising with a careful focus on the balance between investment for growth and financial soundness.

*1 A covenant stating that, if the Company acquires the Hybrid Bonds by early redemption or purchase (“the Early Redemption, Etc.”), the Company intends to raise funds through securities or debt for which the Company has gained approval from a rating agency as having equity that ranks *pari passu* with the common stock or the Hybrid Bonds for 12 months prior to the date of performing the Early Redemption, Etc.

*2 In the calculation based on financial data on the consolidated balance sheets published by the Company at the end of a fiscal year or a quarter (limited to those which will arrive during the 12 months prior to the date of performing the Early Redemption, Etc.), it is possible that the fundraising in *1 above, will be omitted in the case that either of the following conditions are fulfilled:

- (1) Consolidated debt equity ratio (lease obligations are not included in the calculation) is 0.44 or less,
- (2) The amount of consolidated shareholders’ equity has increased by 120 billion yen or more from the amount of consolidated shareholders’ equity at the end of January 2017.



2. Background to Early Redemption of the Hybrid Bonds

1. Name of company performing early redemption Sekisui House, Ltd.
Unsecured bonds (with subordination provision) with first interest deferrable clause and early redemption clause
2. Total amount issued 120 billion yen
3. Date of issue August 18, 2017
4. Early redemption date August 18, 2022 (initial redemption date)
5. Total early redemption amount 120 billion yen
6. Early redemption price 100 yen for bonds with face value of 100 yen

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