

Notice Regarding the Issuance of New Shares as Restricted Stock Remuneration

May 19, 2023 – Sekisui House, Ltd. (the “Company”) hereby announces that a meeting of its Board of Directors held today resolved to issue new shares as restricted stock remuneration (the “Issuance of New Shares” or the “Issuance”). Details are as follows.

1. Overview of the Issuance

(1) Date of Payment	June 7, 2023
(2) Class and number of shares to be issued	The Company’s Common stock 99,100 shares
(3) Issue price	2,938.5 yen per share
(4) Total value of shares to be issued	291,205,350 yen
(5) Recipients of shares to be allotted, number of the recipients and number of shares to be allotted	The Company’s Board Directors (excluding Outside Board Directors): 5 [44,500 shares in total] Executive Officers who do not concurrently serve as Board Directors of the Company: 34 [54,600 shares in total]
(6) Other	The Issuance of New Shares is conditioned on the securities registration statement filed in accordance with the Financial Instruments and Exchange Act taking effect.

2. Purpose and reason for the Issuance

The Company introduced the restricted stock remuneration (restricted stock) plan (the “Plan”) at the 68th ordinary general meeting of shareholders held on April 25, 2019, for the Board Directors (the “Eligible Directors”), other than Outside Board Directors, and Executive Officers who do not concurrently serve as Board Directors of the Company (collectively, the “Eligible Directors/Officers”) with the aim of giving incentives for sustainable enhancement of corporate value of the Company. As part of the revision of remuneration system for officers, so as to further enhance value sharing with shareholders by expanding the ratio of stock remuneration, at the 69th ordinary general meeting of shareholders held on April 23, 2020, it was approved to revise the remuneration limit of monetary remuneration claims for allotment of restricted shares for Eligible Directors to be up to ¥180 million per annum from ¥90 million and to revise the total number of shares of the Company’s common stock to be issued or disposed of for Eligible Directors to be up to 180,000 shares per annum from 90,000 shares respectively.

An overview of the Plan and other relevant details are shown below.

[Overview of the Plan and other relevant details]

Under the Plan, the Eligible Directors/Officers shall pay the entire monetary remuneration claims provided by the Company as properties contributed in kind and receive shares of the Company’s

common stock, upon issuance or disposal thereof. The total number of shares of its common stock that the Company shall issue or dispose of under the Plan in order to allot them to the Eligible Directors shall be 180,000 shares or less per year. The amount to be paid in per share shall be the closing price of the shares of the Company's common stock on the Prime market of Tokyo Stock Exchange on the business day immediately preceding the day of the relevant resolution of the Board of Directors (or the closing price on the trading day immediately prior thereto if there is no transaction concluded on said business day).

In addition, the issuance or disposal of shares of the Company's common stock under the Plan shall be subject to the conclusion of a restricted share allotment agreement between the Company and each of the Eligible Directors/Officers. The agreement shall include (1) provisions prohibiting the Eligible Directors/Officers from transferring, creating any right of pledge on or security interest by way of assignment, providing as inter vivo gifts or devising or otherwise disposing of the shares of the Company's common stock allotted pursuant to the restricted share allotment agreement to any third party for a specific period; and (2) provisions allowing the Company to make a gratis acquisition of the said shares of its common stock under certain circumstances.

Taking into consideration the purpose of the Plan and the role of each of the Eligible Directors/Officers, the Company has decided that a total amount of monetary remuneration claims to be paid to the Eligible Directors/Officers shall be 291,205,350 yen (the "Monetary Remuneration Claims") and that the number of shares of the Company's common stock to be allotted to them shall be 99,100 shares, with a view to boosting motivation of each of the Eligible Directors/Officers. In addition, to realize value sharing with shareholders over the medium to long terms and in light of the purpose of introducing the Plan, the Company has decided that the transfer restrictions shall apply for a period of 30 years.

For the Issuance of New Shares, 39 persons who are the Eligible Directors/Officers to whom the share allotment is scheduled to be made shall pay in the entire monetary remuneration claims as properties contributed in kind, and receive the common stock of the Company to be issued by the Company (the "Allotted Shares") under the Plan. The restricted share allotment agreement to be made and entered into between the Company and each of the Eligible Directors/Officers (the "Allotment Agreement") is summarized in 3. below.

3. Overview of the Allotment Agreement

(1) Transfer restriction period: From June 7, 2023 to June 6, 2053

(2) Conditions for lifting the transfer restrictions

The Company shall lift the transfer restriction on all of the Allotted Shares at the expiry of the transfer restriction period on the condition that each Eligible Director/Officer be in the position of either Board Director or Executive Officer (including an Executive Officer in cases where the Company makes the transition into a company with nomination committee, etc. in the future) of the Company continuously during the transfer restriction period.

(3) Treatment in cases of retirement of the Eligible Directors/Officers due to expiration of their respective terms of office or other such legitimate reasons, within the transfer restriction period

① Timing of lifting the transfer restrictions

In cases where any one of the Eligible Directors/Officers retires from office as a Board Director

and an Executive Officer of the Company (including an Executive Officer in the case where the Company makes the transition to a company with nomination committee, etc. in the future) due to expiration of his/her term of office or other such legitimate reasons (provided, however, this excludes retirement due to death), the transfer restrictions shall be lifted at the time of his/her retirement. In cases where any one of the Eligible Directors/Officers retires from office due to death, the transfer restrictions shall be lifted at the time determined by the Board of Directors elsewhere.

② Number of shares subject to lifting the transfer restrictions

(i) In case the Allotment Period (From May 2023 to April 2024. For Executive Officers, from April 2023 to March 2024, the same shall apply hereinafter to the period of the Allotment Period.) has already expired at the time of lifting the transfer restrictions:

All of the Allotted Shares which the Allotment Period has already expired.

(ii) In case of other than those in (i) above:

The number of shares obtained by multiplying (a) the number of Allotted Shares by (b) the number obtained by dividing the number of months of the Allotment Period until the month in which the time of lifting the transfer restrictions is included (counted in month) by 12.

(4) Gratis acquisition by the Company

The Company shall, as a matter of course, make a gratis acquisition of the Allotted Shares on which the transfer restrictions have not been lifted at the time when the transfer restriction period expires or when transfer restrictions are lifted as described in (3) above.

(5) Administration of shares

To prevent any transfer, creation of any right of pledge on or security interest by way of assignment, provision as inter vivo gifts or devise or disposal by other means of the Allotted Shares to any third party during the transfer restriction period, the Allotted Shares shall be administered in an individual account of each of the Eligible Directors/Officers opened with Nomura Securities Co., Ltd. To ensure the effectiveness of the transfer restrictions, the Company has entered into an agreement with Nomura Securities Co., Ltd. concerning the administration of the accounts for the Allotted Shares held by the Eligible Directors/Officers. In addition, the Eligible Directors/Officers are required to give consent to the content of the administration of said accounts.

(6) Procedures in the event of organizational restructuring, etc.

If, during the transfer restriction period, any matters with regard to a merger agreement under which the Company will become a dissolving company, a share exchange agreement or a share transfer plan under which the Company will become a wholly owned subsidiary or any other organizational restructuring are approved by the general meeting of shareholders of the Company (or by the Board of Directors of the Company in cases where approval of the general meeting of shareholders of the Company about such organizational restructuring, etc. is not necessary), the transfer restriction shall be lifted, subject to resolution of the Board of Directors, as of the time immediately before the business day prior to the effective date of said organizational restructuring, etc., in respect of the number of the Allotted Shares as described below. In addition, the Company shall, as a matter of course, make a gratis acquisition of the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions are lifted.

< Number of shares subject to lifting the transfer restrictions >

(i) In case the Allotment Period has already expired at the time of lifting the transfer



restrictions:

All of the Allotted Shares for which the Allotment Period has already expired.

(ii) In case of other than those in (i) above:

The number of shares obtained by multiplying (a) the number of Allotted Shares by (b) the number obtained by dividing the number of months of the Allotment Period until the month in which the time of lifting the transfer restrictions is included (counted in months) by 12.

4. Basis of calculating the amount to be paid in for the Allotted Shares and other specific details

The Issuance of New Shares shall be funded by the monetary remuneration claims provided to the Eligible Directors/Officers who are recipients of the allotment of the restricted stock remuneration for the Company's 73rd business year under the Plan. To eliminate arbitrariness in the issue price, the closing price of the Company's common stock on the Prime Market of Tokyo Stock Exchange on May 18, 2023 (the business day immediately preceding the day of the relevant resolution of the Board of Directors) or 2,938.5 yen is to be designated as the issue price. The Company believes that this value is reasonable insofar as it represents the share price on the market on the day immediately preceding the day of the relevant resolution of the Board of Directors and that the price is not especially favorable to the recipients.

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For further information, please contact:

Mr. Atsushi Yoshida

Executive Officer, Head of Investor Relations Department

Sekisui House, Ltd.

Email: info-ir@qz.sekisuihouse.co.jp