

## Notice Regarding the Issuance of New Shares as Performance Share Units

**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 Performance Share Units (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 80,100 shares
(3) Issue price	2,938.5 yen per share
(4) Total value of shares to be issued	235,373,850 yen
(5) Recipients of shares to be allotted, number of the recipients and number of shares to be allotted	The Company’s Directors of the Board (including those who have retired) (excluding Outside Directors of the Board): 8 [56,400 shares in total] Executive Officers who do not concurrently serve as Directors of the Board of the Company (including those who have retired): 17 [23,700 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 performance share units plan (the “Plan”) at the 69th ordinary general meeting of shareholders held on April 23, 2020, for the Directors of the Board (including those who have retired, the “Eligible Directors”), other than Outside Directors of the Board, and Executive Officers who do not concurrently serve as Directors of the Board of the Company (including those who have retired, collectively, the “Eligible Directors/Officers”) with the aim of giving incentives for sustainable enhancement of corporate value of the Company.

At the 69th ordinary general meeting of shareholders, it was resolved that the total of Fixed Reference Number of Share Units (Reference Number of Share Units x grant ratio) for Eligible Directors shall be up to 270,000 shares per annum and that the total number of the Company shares issued to Eligible Directors shall be up to 135,000 shares per annum and that the upper limit of the total of cash for tax payment purposes (the “cash for tax payment”) accompanying monetary remuneration claims and Company share allotment for Eligible Directors shall be the upper limit of the Fixed Reference Number of Share Units total multiplied by the share price at the time the shares are granted.

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

[Overview of the Plan and other relevant details]



The Plan is a post-delivery type stock remuneration plan whereby Eligible Directors/Officers are granted monetary remuneration claims and cash for tax payment as remuneration, etc., for issuance of the Company common stock (the "Company shares"), of which the number depends on each Eligible Director/Officer's degree of achievement of a pre-defined set of performance evaluation indicators during an evaluation period of three consecutive fiscal years (the "evaluation period"). In principle, monetary remuneration claims and cash for tax payment for issuance of Company shares to Eligible Directors/Officers shall be granted after the evaluation period has expired.

(1) Method of calculation of number of shares to be issued, monetary remuneration claims and cash for tax payment

The Company calculates the number of Company shares to be issued to each Eligible Director/Officer based on calculation (i) below (provided, however, that if any fractional share arises, the fractional share shall be rounded off to the nearest hundred). The amount of monetary remuneration claims and cash for tax payment to be granted to each Eligible Director/Officer is calculated based on calculations (ii) and (iii) below. Furthermore, if an Eligible Director/Officer retires, etc. during the evaluation period, the number of Company shares to be issued or the amount of cash to be granted to the said Eligible Director/Officer or his or her inheritor, etc. may be reasonably adjusted as determined by the Board of Directors of the Company.

(i) Number of Company shares to be issued to each Eligible Director/Officer

Reference Number of Share Units (\*1) x grant ratio (\*2) x 50%

(ii) Amount of monetary remuneration claims granted to each Eligible Director/Officer

Number of Company shares calculated in (i) x share price at the time the shares are granted (\*3)

(iii) Amount of cash for tax payment granted to each Eligible Director/Officer

(Reference Number of Share Units (\*1) x grant ratio (\*2) - Number of Company shares calculated in (i)) x share price at the time the shares are granted (\*3)

(iv) Upper limit of the total amount of monetary remuneration claims and cash for tax payment granted to Eligible Directors per annum

Upper limit of the total of Fixed Reference Number of Share Units (\*4) (up to 270,000 shares per annum) x share price at the time the shares are granted (\*3)

\*1 Discussed by the Personnel Affairs and Remuneration Committee and, based on the reply, determined every year corresponding to the position of the Eligible Director/Officer.

\*2 The goal and achievement evaluation of each performance evaluation indicator during the evaluation period is discussed by the Personnel Affairs and Remuneration Committee and, based on the reply, determined by the Board of Directors within the range of 0% to 150%.

\*3 The closing price of the Company shares on the Tokyo Stock Exchange on the business day immediately preceding the day of the resolution of the Board of Directors pertaining to share issuance or disposal of treasury stock related to issuance of Company shares under the Plan after the expiry of the evaluation period (If no transactions have been



executed on the said day, then the closing price on the most recent trading day prior to that date shall be used)

\*4 Fixed Reference Number of Share Units is derived by multiplying the Reference Number of Share Units by the grant ratio.

## (2) Issuance requirements

At the time when the evaluation period expires, if the below requirements for issuance of Company shares are satisfied, the Company shall grant the monetary remuneration claims and cash for tax payment to the Eligible Directors/Officers, and the Eligible Directors/Officers shall contribute the entire amount of the said monetary remuneration claims as a contribution in kind, and receive the Company shares. Upon issuance of the Company shares, the Company shall perform the share issuance or disposal of treasury stock, and the subscription items pertaining to the Eligible Directors/Officers granted Company shares and the said share issuance or disposal of treasury stock shall be determined by the Board of Directors at the time that each evaluation period expires.

- a. To have been a Director of the Board of the Company or in any other position determined by the Board of Directors during the relevant fiscal year
- b. The absence of certain acts of misconduct
- c. Any other requirements deemed necessary by the Board of Directors

## (3) Treatment in the event of organizational restructuring, etc.

If, during the evaluation 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 in cases where approval of the general meeting of shareholders of the Company about such organizational restructuring, etc. is not necessary), subject to resolution of the Board of Directors, prior to the effective date of said organizational restructuring, etc., in regards to the number of Company shares reasonably determined based on the period from the beginning of the evaluation period to the date of approval of the said organizational restructuring, etc., the Company may grant the cash equivalent to the amount calculated in accordance with the above calculation method for the monetary remuneration claims and cash for tax payment pertaining to performance share unit-type stock remuneration.

## 3. Basis of calculating the issue price and other specific details

The Issuance of New Shares shall be funded by the monetary remuneration claims provided as performance share units for the Company's 70th 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.

This amount derives from the deviation ratio (rounded to the third decimal place. The same shall apply hereafter to the deviation ratio calculation) of 4.76% from the Company's common stock's one



month (from April 19, 2023 to May 18, 2023) average of the closing price of 2,805 yen (amounts less than one yen are rounded down. The same shall apply hereafter to average of the closing price), the deviation ratio of 8.79% from the three month (from February 19, 2023 to May 18, 2023) average of the closing price of 2,701 yen and the deviation ratio of 14.29% from the six month (from November 19, 2022 to May 18, 2023) average of the closing price of 2,571 yen on the Tokyo Stock Exchange. As a result of considering the above content, the Company believes that the above issue price is reasonable and is not especially favorable to the recipients.

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**For further information, please contact:**

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