

Notice Regarding Response to Litigation Demand from Shareholder

June 10, 2019 – As announced in the press release of Sekisui House, Ltd. (“the Company”) on April 15, 2019 titled “Notice Regarding Litigation Demand from the Same Shareholder,” the Company received the demand that it additionally initiate litigation to pursue the liability of a Director, addressed by an individual shareholder, who is a plaintiff of a lawsuit against Representative Directors Toshinori Abe and Shiro Inagaki as defendants (“the Lawsuit”), to the Audit & Supervisory Board Members of the Company on April 12, 2019.

The additional demand was intended to seek a preliminary or additional claim in the Lawsuit, and the basic fact of the claim is, same as that of the Lawsuit, Problems with the Purchase of the Land for Condominiums in which the Company incurred damages. The damages to be a target are also substantially same, and the demand seeks institution of a lawsuit to pursue joint and several liability demanding the payment of damages of an amount equivalent to the payment of 4,908,193,309 yen on the day of the transaction, which are part of the damages the Company incurred as a result of fraud involving the amount of 5,559 million yen, and a penalty for the delay in payment on the grounds that Representative Directors Toshinori Abe and Shiro Inagaki were negligent in the execution of their duties to prevent the spread of damages, and that they also violated the duty of care and the duty of loyalty.

In response to the additional demand, the Audit & Supervisory Board established an internal response team under the Audit & Supervisory Board on April 25, 2019, and asked external attorneys to examine and collected their opinion, then policies to response was discussed at the meeting of the Audit & Supervisory Board Members held on June 7, 2019. As a result, all of the Audit & Supervisory Board Members decided that litigation for claiming damages against Representative Directors Abe and Inagaki, as well as the previous demands, would not be initiated.

The Company announces that a report about the decision from the Standing Audit & Supervisory Board Member Iwata to Representative Directors Abe and Inagaki was received today.

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