

## Notice Regarding Shareholder Derivative Lawsuit from the Same Shareholder

**December 5, 2019** – Sekisui House, Ltd. (“the Company”) received yesterday a notice of lawsuit as of December 2, 2019 that a shareholder derivative lawsuit was instituted by an individual shareholder of the Company (“the Lawsuit”), then the Company announces as set forth below.

The Company will announce promptly when the Company’s response policy for the Lawsuit is decided.

### 1. Plaintiff

Masakazu Yabe

The plaintiff of the Lawsuit is the same shareholder who is the plaintiff of the shareholder derivative lawsuits instituted against Representative Directors of the Company Toshinori Abe and Shiro Inagaki as defendants, which was announced in the press releases of the Company on June 26, 2018 and September 14, 2018 titled “Notice Regarding Shareholder Derivative Lawsuit.” The Company has intervened in these lawsuits to assist the defendants.

### 2. Defendants

Yoshihiro Nakai and Takashi Uchida, Representative Directors of the Company

### 3. Outline of the Lawsuit

The plaintiff demands that the defendants shall make the payment of damages of an amount equivalent to the damages the Company incurred as a result of fraud involving the amount of 5,559 million yen in Problems with the Purchase of the Land for Condominiums together with a penalty for the delay in payment to the Company jointly and severally with Representative Directors Toshinori Abe and Shiro Inagaki on the grounds that the defendants made an error in judgment in the course of executing business, neglected their duties to supervise and monitor the other Directors and employees, violated their duties to establish internal control systems (risk management systems) , neglected their duties to recover the damages and that they also violated their duties of care. The plaintiff also demands that the defendants shall make 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 described above together with a penalty for the delay in payment jointly and severally with Representative Directors Toshinori Abe and Shiro Inagaki on the grounds that they were negligent in the execution of their duties to prevent the spread of damages, and that they also violated their duties of care.

### 4. Background

The Company received the demand that it initiate litigation against Representative



Directors Nakai and Uchida to pursue the liabilities of Directors, addressed by the plaintiff to the Audit & Supervisory Board Members of the Company on September 30, 2019, but still as already announced in the press release of the Company on November 25, 2019 titled “Notice Regarding Response to Litigation Demand from Shareholder,” all of the Audit & Supervisory Board Members decided that litigation for claiming damages against Representative Directors Nakai and Uchida would not be initiated. As a result, the Lawsuit was instituted by the plaintiff.

5. Public Notice

The Company will immediately make an electronic public notice as set forth below.

“The Company notices under the provisions of Article 849(5) of the Companies Act that a shareholder derivative lawsuit against Representative Directors Yoshihiro Nakai and Takashi Uchida was instituted in the Osaka District Court by a shareholder of the Company (Case number: 2019(Wa)10619) and the Company received a notice of the lawsuit on December 4, 2019.”

6. Impact on Business Performance

Since the Lawsuit was instituted by a shareholder against Directors of the Company, there will be no impact on the Company’s business performance.

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**For further information, please contact:**

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