

Notice Regarding the Classification of Gifu landscape architect Co., Ltd. (Securities Code: 1438) as an Equity-Method Affiliate Due to the Additional Acquisition of Its Shares

February 13, 2023 – Sekisui House, Ltd. (“the Company”) hereby announces that is has concluded an agreement to acquire shares of Gifu landscape architect Co., Ltd. (Securities Code: 1438, Listed on the TSE Standard Market and NSE Main Market, hereinafter “Gifu landscape architect”). Details are as follows. Following the acquisition of shares, Gifu landscape architect will become an equity-method affiliate of the Company.

This share acquisition falls under “acts specified by Cabinet Order as being equivalent to a Tender Offer” as stipulated according to Article 167 Paragraph 1 of the Financial Instruments and Exchange Act and Article 31 of the Order for Enforcement of the Financial Instruments and Exchange Act. This news release constitutes notification to the Tokyo Stock Exchange based on Article 30 Paragraph 1-2 of the Order for Enforcement of the Financial Instruments and Exchange Act.

1. Reason for the share acquisition

Gifu landscape architect specializes in exterior construction and landscaping and boasts strengths in exterior-related construction management, design, knowledge and technical capabilities developed over its 95-year history. The company provides exteriors, landscaping and greening for all manner of spaces where people and nature interact, from those found at individually owned housing to public spaces. The Company and Gifu landscape architect formed a business alliance in May 2020 and a capital alliance in June of the same year. Since then, the two companies have leveraged one another’s expertise and technical capabilities in the joint planning of large-scale land subdivision, urban redevelopment and other large-scale projects. In the course of doing so, they have built a strong cooperative relationship that has enhanced their combined ability to make proposals for appealing exteriors and landscaping, striving always to create beautiful townscapes.

The Company has concluded agreements, effective today, for the transfer of shares from Gifu landscape architect’s current shareholders to the Company through off-market negotiated transactions. Specifically, these agreements are for the transfer of 140,000 shares from The Juroku Bank, Ltd., constituting all of that company’s holdings of Gifu landscape architect shares; 100,000 shares from GK Oguri Michihiro office constituting a portion of that company’s holdings of Gifu landscape architect shares, and 115,500 shares from Oguri Katuro, constituting a portion of that company’s holdings of Gifu landscape architect shares.

With this share acquisition, the Company will become a strong shareholder of Gifu landscape architect, aiming to further strengthen its business relationship with Gifu landscape architect, including cooperation with Sekisui House Construction companies.

As a result of this share acquisition, combined with its existing holdings of 300,000 shares, the Company's total holdings of Gifu landscape architect's shares will increase to 655,500 shares (with 6,555 voting rights), representing 20.47% (rounded to the second decimal place) of the 32,026 total voting rights of all Gifu landscape architect shareholders as of September 30, 2020.

2. Overview of the company that will become an equity-method affiliate

(1) Name	Gifu landscape architect Co., Ltd.	
(2) Location	Akanabe Hishino Gifu-shi	
(3) Representative	Chairman & Representative Director Michihiro Oguri President & Representative Director Hitoshi Yamada	
(4) Business	Preparation, landscaping and greening construction for public facilities, parks, golf courses, resort facilities, etc. Greening to promote harmony with nature, such as rooftop and wall greening and biotope construction Direction and supervision of forestation projects at shopping centers and factories Landscaping and exterior construction for individually owned homes and planning and sales of built-for-sale housing	
(5) Capital	¥396,417,200	
(6) Date of establishment	March 5, 1927	
(7) Major shareholders and shareholding ratios (As of September 30, 2022)	GK Oguri Michihiro office	17.49%
	Hiroyuki Oguri	10.20%
	Sekisui House, Ltd.	9.36%
	Katsuro Oguri	7.00%
	Gifu landscape architect Employee Shareholders Association	5.85%
	The Juroku Bank, Ltd.	4.37%
	Hirofumi Oguri	3.43%
	Michiko Ohashi	3.32%
	Eiichi Oguri	2.98%
	Katsumi Hayashi	2.74%
(8) Relationship with the Company	Capital relationships	The Company owns 9.36% of the total shares issued by Gifu landscape architect.
	Personnel relationships	Not applicable
	Business relationships	The Company has formed agreements related to business alliances with Gifu landscape architect. The Company also engages in business related to exterior construction with Gifu landscape architect.

(9) Financial position and operating results over the past three years (Millions of JPY)			
Fiscal year end	September 2020	September 2021	September 2022
Net assets	2,889	3,061	3,268
Total assets	4,090	4,263	4,477
BPS (yen)	901.78	955.20	1,019.75
Net sales	3,853	4,309	4,851
Ordinary profit	289	345	369
Net income attributable to owners of parent	199	221	247
EPS (yen)	66.97	69.02	77.13
DPS (yen)	17.5	17.5	20.0

3. Schedule

(1) Date of contract	February 13, 2023
(2) Date of share transfer	February 20, 2023 (planned)

4. Forecast

As a result of this acquisition, Gifu landscape architect will become an equity-method affiliate of the Company from the current fiscal year (the year ending January 2024). This acquisition is expected to exert minimal impact on Sekisui House's consolidated financial results.

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