

Notice Regarding Determination of Terms and Conditions of Hybrid Bonds (with a Subordination Provision) through Public Offering

July 2, 2024 - Sekisui House, Ltd. (the “Company”) hereby announces that today it has determined terms and conditions of hybrid bonds (the 2nd and the 3rd Series of unsecured bonds with optional interest payment deferral and early redemption provisions (with a subordination provision)) to be issued through public offering (the “Hybrid Bonds” (Note 1)), which the Company announced in “Notice Regarding the Issuance of Hybrid Bonds (with a Subordination Provision) through Public Offering” dated June 6, 2024. The Company filed today a Shelf Registration Supplements for the issuance of the Hybrid Bonds with the Director-General of the Kinki Local Finance Bureau. Details are as follows:

1. Series name	Sekisui House, Ltd., the 2nd series of unsecured bonds with optional interest payment deferral and early redemption provisions (with a subordination provision)	Sekisui House, Ltd., the 3rd series of unsecured bonds with optional interest payment deferral and early redemption provisions (with a subordination provision)
2. Total amount of issue	125 billion yen	75 billion yen
3. Denomination per bond	100 million yen	
4. Initial interest rate	1.713% per annum (Note 2)	2.517% per annum (Note 3)
5. Closing date	July 8, 2024	
6. Maturity date	July 8, 2059	July 8, 2064
7. Early redemption	The Company may, at its option, redeem the Hybrid Bonds on any interest payment date on or after July 8, 2029, or upon the occurrence and continuation of a taxation event or a capital event on or after the closing date.	The Company may, at its option, redeem the Hybrid Bonds on any interest payment date on or after July 8, 2034, or upon the occurrence and continuation of a taxation event or a capital event on or after the closing date.
8. Subordination	The Hybrid Bonds shall be subordinated to the Company’s general indebtedness and senior to the Company’s common stock.	
9. Interest payment dates	January 8 and July 8 of each year	
10. Optional deferral of interest payments	The Company may defer part or all of the payment of the interest on the Hybrid Bonds at its discretion on certain interest payment dates.	

Note: This press release does not constitute an offer of any securities for sale. This press release has been prepared for the purpose of publicly announcing determination of terms and conditions of hybrid bonds (with a subordination provision) through public offering and not for the purpose of soliciting investment or engaging in any other similar activities. This press release is not an offer of securities for sale in the United States. The securities referred to above have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the Securities Act.

11. Collateral and guarantee	No collateral and guarantee shall be furnished to the Hybrid Bonds, and no assets shall be reserved for the Hybrid Bonds.
12. Covenants	None
13. Ratings	A+ (Japan Credit Rating Agency, Ltd.), A (Rating and Investment Information, Inc.)
14. Equity	Equity credit on 50% of the capital procurement amount recognized by above two rating agencies and S&P Global Ratings Japan Inc.
15. Use of proceeds	All proceeds will be used to repay a part of short-term borrowings funded for the acquisition of M.D.C. Holdings, Inc.

(Note 1) The Hybrid Bonds are classified as debt and do not dilute the value of shares.

(Note 2) Fixed interest rate from the day following July 8, 2024 to July 8, 2029 and floating interest rate on or after the day following July 8, 2029 (“Step-up interest rates” will be applied from the day following July 8, 2034 and July 8, 2049).

(Note 3) Fixed interest rate from the day following July 8, 2024 to July 8, 2034 and floating interest rate on or after the day following July 8, 2034 (“Step-up interest rates” will be applied from the day following July 8, 2034 and July 8, 2054).

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