

Japanese: <https://weekly-economist.mainichi.jp/articles/20200302/se1/00m/020/001000d>

米ESG投資家らが積水ハウスに特別配当、自社株買い、米国上場を要求

ESG investors in the U.S. and others demand Sekisui House pay special dividend, buy back shares and go public in the U.S.

March 2, 2020

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February 17, 2020 – Eleven slate directors including Isami Wada, former Chairman & CEO (6th from left) had a press conference in Tokyo to request Sekisui House election of the slate directors and improvement of corporate governance. Fumiyasu Suguro, Director and Senior Managing Officer (5th from left), Christopher D. Brady (CEO, Chart Group, 4th from right), Pamela Jacobs (Spouting Rock Asset Management, 3rd from right) were also present.

ESG (Environment, Social, Governance) investors in the United States and others who are seeking to improve corporate governance at Sekisui House and to become directors of the company have started their proxy fight for a general meeting of shareholders to be scheduled

for late April. The U.S. investors will announce their plan for the fight as early as March 2, 2020 (U.S. time). It will call for the election of new directors, special dividends, and share buy-back.

The document this magazine obtained proposes unwinding of cross-shareholdings, and calls for selling strategically insignificant shares to return the funds to shareholders and employees. Specifically, it demands the company pay special dividends, increase bonuses to employees, buy back shares, and reinvest, etc., for the benefit of investors and shareholders in and outside of Japan.

Investigate money laundering possibly involved with land fraud

On February 17, 2020, 11 members including executives from Chart National and Spouting Rock Asset Management, and Jiro Iwasaki, an outside director of Renesas Electronics, asked for election of new directors and improvement of corporate governance at Sekisui House.

Among them were Isami Wada, former Chairman and CEO of Sekisui House, Fumiyasu Suguro, current Director and Senior Managing Officer, and Motohiko Fujiwara, former Managing Officer. They are pursuing the responsibilities of Toshinori Abe (then President) and other current executives for the illegal transaction in 2017 of land in Gotanda, Tokyo where the company lost 5.5 billion yen, as well as of not having disclosed the investigation report and of not having been able to prevent possible money laundering from the land transaction.

They plan to ask the shareholders of Sekisui House to vote for their proposal at the shareholders meeting to be held in late April. According to Nomura Securities Financial Engineering Research Center, the Japanese stock holding by activists has doubled over the past five years from June 2015.