

# Value Creation Process

We at the Haseko Group adopt a long-term perspective as we aim to address the social issues surrounding our daily lives through business operations. We will deepen coordination among the Group companies and realize a corporate entity that proves to be worthy of the trust received from urban dwellers.

Resolving social issues through our business operations

**Inputs**

**Human capital**

- Number of employees (consolidated): **7,511** persons
- Number of qualified employees: **7,781** persons (total)
- Registered real-estate brokers, first-class architects, construction management engineers, building managers

**Intellectual capital**

- Exclusive contracts under which land is provided for project owners
- Construction know-how cultivated through proven experience of achieving Japan's no. 1 position in the cumulative total of condominium units constructed
- Presentation space "LIPS"
- Haseko Technical Center

**Social and relationship capital**

- Haseko Group's "Quaternity" supply chain system
- Real estate information network
- Premium After-sales Service: **112,616** units (accumulated)\*

**Natural capital**

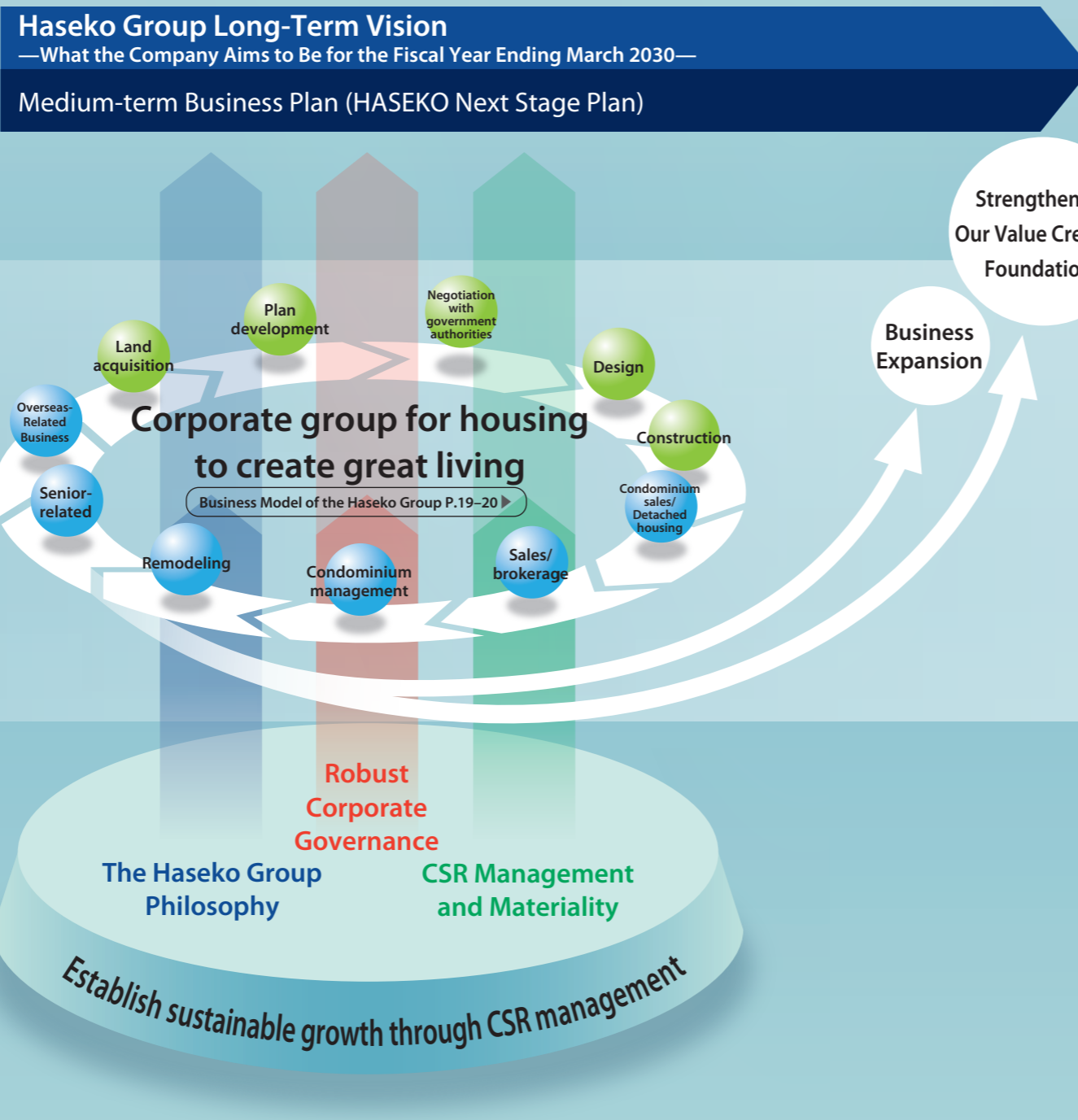
- Energy usage
- Electric power ..... 19,298 thousand kwh
- Light oil ..... 11,759 kl
- Kerosene and heavy oil ..... 76 kl
- Water ..... 685 thousand m<sup>3</sup>

**Financial capital**

- Total assets ..... ¥1,198.1 billion
- Equity ..... ¥454.1 billion
- Interest-bearing debt ..... ¥391.5 billion

(Figures for FY2022)  
\*As of March 31, 2023

Value Creation Process P.18 ▶



Strengthening Our Value Creation Foundations

Business Expansion

**Outputs**

**Construction-Related Business**

- Annual number of units constructed: **12,633** units (Cumulative total: 695,800 units\*)
- Business Strategy P30-31 ▶

**Real Estate-Related Business**

- Number of units sold: **1,410** units
- Business Strategy P32-33 ▶

**Service-Related Business**

- Number of for-sale condominium units managed: **427,900** units\*
- Number of rental condominium units managed: **181,262** units\*
- Orders received for large-scale repair and interior remodeling: **¥46.8** billion
- Number of for-sale condominium units sold on consignment: **8,026** units
- Number of real estate brokerage transactions: **2,160** units
- Number of paid facilities for the elderly operated: **2,759** units
- Business Strategy P34-35 ▶

**Overseas-Related Business**

- Business Strategy P36-37 ▶

(Figures for FY2022)  
\*As of March 31, 2023

**Outcomes**

**Human capital**

- Percentage of women among new graduates hired ..... 35.8%
- Percentage of female managers ..... 9.8%
- Percentage of childcare leave taken by males ..... 40.7%
- Recognized as a "White 500" company
- Promotion of foreign national personnel utilization
- Education plans (Business College, DX Academy)

**Intellectual capital**

- Creation of building and living information database on the BIM & LIM platform
- Development of efficient construction methods and improvement of productivity in cooperation with cooperating companies

**Social and relationship capital**

- ZEH condominiums and houses
- Proposal of Hazard-resistant Condominium
- Three-piece set disaster prevention equipment Adoption of Smart Water Tank
- Creation of new value by means of condominium renewals (rebuilding, redevelopment, renovation)
- Owl 24 Center Number of alarms received (responded) ..... 49,438 cases

**Natural capital**

- Number of wooden buildings Constructed ..... 436 buildings (incl. 15 non-detached housing buildings)
- Number of condominiums accredited with ABINC Certification ..... 1 buildings

**Financial capital (consolidated)**

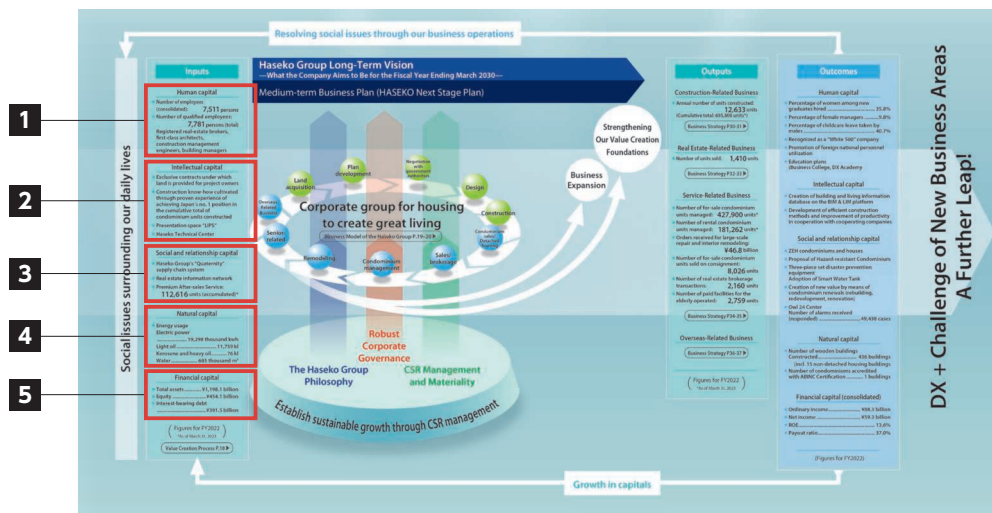
- Ordinary income ..... ¥88.3 billion
- Net income ..... ¥59.3 billion
- ROE ..... 13.6%
- Payout ratio ..... 37.0%

(Figures for FY2022)

Social issues surrounding our daily lives

DX + Challenge of New Business Areas  
A Further Leap!

Growth in capitals



## 1 Human capital

<b>Number of Group employees (consolidated)</b>	<b>7,511</b>
<b>Number of qualified employees</b>	<b>7,781</b>
First-class architects	932
First-class building construction management engineers	1,384
Second-class building construction management engineers	848
Licensed representatives of condominium management companies	1,114
Real estate transaction agents	3,503

Based on our philosophy of further enhancing corporate value through investment in and utilization of human assets, we are striving to foster autonomous human resources and organizations that will propel the Group into uncharted fields, while also aiming to evolve our distinctive workstyle reforms and promote diversity.

## 2 Intellectual capital

- Unique-to-Haseko exclusive contracts, under which land is provided for project owners, set a clear distinction from standard contracts used by general contractors, thereby establishing an advantageous business model.
- We have a long history of constructing condominiums that serve as the foundation of people's lives for a long time, with over 690,000 units completed to date. Construction know-how, cultivated through proven experience of achieving the number one position in Japan for the total number of condominium units constructed, guarantees superior quality in our construction.
- LIPS—which stands for Living, Image, Presentation, Space—is a presentation room that enables project owners to select products and materials promptly and securely by seeing and touching actual offerings as samples. The room regularly exhibits products of approximately 70 manufacturers, including exterior finishing materials, builders' hardware, steel fittings, interior finishing materials, and housing equipment. The Company effectively utilizes LIPS as the base for making specific proposals on planning, design and specifications as well as demonstrating new technologies and new products, etc.
- As one of the projects commemorating the Haseko Group's 80th anniversary since its founding, Haseko Technical Center was completed in March 2018. We have consolidated our technology-related functions, which encompass Haseko

Technical Research Institute, Haseko Group Technical Training Center, and Haseko Community Owl 24 Center, into Haseko Technical Center, while also integrating Haseko Condominium Museum into this consolidation. Haseko Technical Center not only conducts research and technological development aimed at safe, secure and comfortable housing from residents' point of view, but also disseminates information on new technologies, new products, and technology verification targeted broadly at condominium owners, administrative agencies, condominium management associations, and other customers.

## 3 Social and relationship capital

We are endeavoring to enhance quality through the integrated operation of four bodies (quaternity), consisting of the construction divisions, architecture & engineering divisions, technological promotion divisions, and Ken-ei-kai (an organization of approximately 300 of our main cooperating companies). We have enjoyed a strong relationship of trust with the Ken-ei-kai for more than 25 years, and this quality control framework by quaternity is a strength that no other company has.

## 4 Natural capital

In the pursuit of business activities that contribute to the preservation of natural capital, we successfully completed the 100% conversion of the electricity used at our construction sites to renewable energy at the end of May 2023.

## 5 Financial capital

**Total assets** 1,198.1 billion yen  
**Equity** 454.1 billion yen

We will make growth strategy investment to strengthen the competitiveness of our core businesses, to expand investment in the Real Estate-Related Business, and to pursue initiatives for future growth, which are some of the focused strategies in HASEKO Next Stage Plan (Plan NS). Additionally, we are committed to advancing our progress as a sustainable corporate group by maintaining a strong financial base that enables enhanced shareholder returns, and implementing management with a keen awareness of capital efficiency.