

December 26, 2007

## Notification on Decision to Dissolve REIT Joint Venture and Associated Subsidiaries

At a meeting of the board of directors held on December 26 2007, the Company voted to dissolve its REIT joint venture and associated subsidiaries (an asset management company and investment trust company) as described below, and the sponsor companies agreed to the decision.

### 1. Background of decision, reasons for it

Together with Meiho Enterprise Co., Ltd. (Headquarters: Minato-ku, Tokyo; President: Atsuo Umeki), Developer Sanshin Co., Ltd. (Headquarters: Chuo-ku, Tokyo; President: Shigeru Koeda) and Sanko real estate Co., Ltd. (Headquarters: Tsu-shi, Mie; President: Toshikatsu Yagyū), the Company established asset management company Ecology Asset Management Co., Ltd. in March 2005, and investment trust company Ecology Reit Corporation in April 2006, operating them as a joint venture. Established as part of the Company's real estate investment business areas, these two subsidiaries were designed to supply rental properties for real estate funds, mainly to the urban revitalization division that was started in April 2005. They were created to be listed on the J-REIT section of the Tokyo Stock Exchange.

However, J-REIT market conditions have been demanding, leading to a decline in total market value. Market valuations of newly listed REITs have been particularly poor, causing two REITs that were planning to become listed in December this year to put off their plans. Upon discussion of these worsening market conditions among the sponsor companies, we have now agreed that listing our joint venture would be unavoidably difficult at present.

Accordingly, we have now agreed to dissolve our joint venture and its associated investment trust company and asset management company.

### 2. Overview of subsidiaries to dissolve (as of March 31, 2007)

(1) Trade name	Ecology Reit Corporation (consolidated subsidiary of the Company)	Ecology Asset Management Co., Ltd. (non-consolidated subsidiary of the Company)
(2) Month established	April 2006	March 2005
(3) Headquarters location	2-19-4 Akasaka, Minato-ku, Tokyo	2-19-4 Akasaka, Minato-ku, Tokyo
(4) Representative	Takehiko Yamamura, Executive Officer	Nobuo Suzuki, President
(5) Total investment amounts /capital	2,100 million yen	400 million yen
(6) Total investment units issued /total number of shares	4,200 units	10,000 shares
(7) Net assets	2,115 million yen	445 million yen
(8) Total assets	38,325 million yen	465 million yen
(9) Investors/shareholders and ownership ratio (as of November 30, 2007)	Haseko Corporation 90.23% Meiho Enterprise Co., Ltd. 7.95% Developer Sanshin Co., Ltd. 0.67% Sanko real estate Co., Ltd. 0.67% Ecology Asset Management Co. Ltd 0.48%	Haseko Corporation 47.00% Meiho Enterprise Co., Ltd. 47.00% Developer Sanshin Co. Ltd. 3.00% Sanko real estate Co., Ltd. 3.00%

### 3. Future outlook

In accordance with the agreement reached on this item, purchasing the properties owned by the investment trust company is aiming to complete by the end of February 2008. Thereafter, the investment trust company and asset management company will be progressively dissolved and liquidated. We expect to recover more than the book value from the property purchase, so expect a negligible profit or loss to result from the liquidation.

While the Company has now abandoned the idea of starting a listed REIT, we will continue to operate and augment our other real estate investment business areas as before.