

June 2, 2008

Notification on Concerns Regarding Failure or Delay in Debt Collection from KONDO SANGYO

Haseko Corporation (the "Company") announces that, in accordance with the filing by KONDO SANGYO Co., Ltd., one of the Company's business partners, for starting bankruptcy proceedings to the Osaka District Court as of May 30, 2008, concerns have been raised regarding possible failure or delays by the Company in debt collection from Kondo Sangyo, as described below.

Details

1. Overview of Kondo Sangyo

- | | |
|---------------------------|---|
| (1) Company name: | KONDO SANGYO Co., Ltd. |
| (2) Address: | 4-1-1 Fushimimachi, Chuo-ku, Osaka-shi, Osaka |
| (3) Representative: | Kohei Izawa |
| (4) Paid-in capital: | ¥800 million |
| (5) Business description: | Planning, development and sale of real estate |

2. Type and Amount of Debt by Kondo Sangyo

- | | |
|----------------------------|---|
| Notes receivable: | ¥2,103 million |
| Construction debt: | ¥2,384 million |
| Liabilities for guarantee: | ¥89 million (note) |
| Total: | ¥4,576 million (equivalent to 4.94% of the net asset) |

In addition to the above, the consolidated subsidiaries of the Company have accounts receivable and other credits totaling ¥30 million from Kondo Sangyo.

(Note) Liabilities for guarantee is liabilities to credit guarantee companies, as of March 31, 2008, for guaranteeing repayment of initial deposits for for-sale condominiums.

3. Future Outlook

With regard to the estimated uncollectible debt amounts, the Company plans to appropriate them as losses under allowance for doubtful accounts and other items in the financial settlement for the fiscal year ending March 2009, while currently inspecting the collectability. The Company will make known without delay in the case of any changes in performance forecasts.