

March 17, 2016

## **Notification on Recording of Valuation Loss on Inventories at a Consolidated Subsidiary**

Haseko Corporation (the “Company” or “Haseko”) today announces that Haseko America, Inc., one of its consolidated subsidiaries, has recorded a valuation loss on inventories as described below.

### Details

#### **1. Recording of Valuation Loss on Inventories**

Haseko America, Inc., one of the Company’s consolidated subsidiaries, found it necessary to review the plans on future development areas for the project it is implementing in the Ewa District, Oahu, Hawaii, taking into account the business environment and other factors. In accordance with this, Haseko America has revaluated the profitability of real estate for sale that it owns and consequently recorded 9,947 million yen of valuation loss on inventories as cost of sales.

#### **2. Outline of Subsidiary**

(1) Company name	Haseko America, Inc.
(2) Head office address	91-1001 Kaimalie Street, Suite 205, Ewa Beach, Hawaii 96706 U.S.A.
(3) Representative	Tsutomu Sagawa, President
(4) Business description	Real estate development and sales in Hawaii State, U.S.A.
(5) Paid-in Capital	US\$ 218,722 thousands

#### **3. Future Outlook**

The recording mentioned above will affect the Company’s consolidated operating income for the fiscal year ending March 2016. However, in consideration of the improvement in earnings thanks to the improved profit ratio of construction contracts and the increase in real estate transactions accompanying the orders received for constructing new condominiums, among other factors, the Company assumes there will be no revision to its forecast of consolidated operating results for the entire fiscal year.