

[Translation for Reference and Convenience Only]

Please note that the following is an unofficial English translation of the Japanese Notice of Convocation of the 101st Ordinary General Meeting of Shareholders of HASEKO Corporation (the “Company”). The Company provides this translation for reference and convenience only and without any warranty as to its accuracy or otherwise. In the case of any discrepancies between the translation and the Japanese original, the latter shall prevail.

Securities Code 1808

June 5, 2018

To Our Shareholders:

HASEKO Corporation
2-32-1 Shiba, Minato-ku, Tokyo
Noriaki Tsuji
President and Representative Director

**NOTICE OF CONVOCAION OF THE 101st ORDINARY GENERAL
MEETING OF SHAREHOLDERS**

I extend my warmest gratitude to all of you for the good offices that you have always graciously bestowed upon us.

You are hereby invited to attend the 101st Ordinary General Meeting of Shareholders of HASEKO Corporation (the “Company”), which will be held as indicated below:

If you are unable to attend the meeting, after reviewing the “Reference Materials Documents for the General Meeting of Shareholders” attached hereto, please exercise your voting rights at your earliest possible convenience on the proposals listed below by using the Voting Rights Exercise Form or via electronic means (via the Internet).

- 1. Date and Time:** Thursday, June 28, 2018, at 10:00 a.m.
(Doors open at 9:00 a.m.)
- 2. Place:** Head Office Hall of HASEKO Corporation
2-32-1 Shiba, Minato-ku, Tokyo, Japan
- 3. Agenda:**
- Matters to be Reported:** Reports on the Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements for the 101st Fiscal Year (from April 1, 2017 to March 31, 2018) and the Audit Results by the Accounting Auditor and the Board of Corporate Auditors for the Consolidated Statutory Reports
- Matters to be Resolved:**
- | | |
|-----------------------|--|
| Proposal No. 1 | Distribution of Surplus |
| Proposal No. 2 | Election of Six (6) Directors |
| Proposal No. 3 | Election of Two (2) Corporate Auditors |

4. Decision Items Pertaining to Convocation:

(See the “Guide to the Exercise of Voting Rights” on page 2.)

If attending the meeting, we kindly ask that you submit the enclosed Voting Rights Exercise Form at the reception desk of the meeting hall.

Should any circumstances arise that require revisions of the Reference Materials for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements, and the Consolidate Financial Statements in addition to what has been announced in this convocation, revised items will be posted on the Company’s website (<http://www.haseko.co.jp/>).

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[Guide to the Exercise of Voting Rights]

(1) Exercise of Voting Rights by Proxy

If you are unable to attend the General Meeting of Shareholders in person, you may assign **one (1) other shareholder** with voting rights as your representative to attend the meeting in your place. Please have your representative submit the document certifying power of proxy at the reception desk.

(2) Guide to Deadlines for Exercise of Voting Rights

1. In the event that you are exercising your voting rights by mail, the voting deadline in all circumstances is 5:00 p.m. Japan time on the day preceding the General Meeting of Shareholders (Wednesday, June 27, 2018), so please indicate your acceptance or rejection of the proposals mentioned on the enclosed Voting Rights Exercise Form and be sure to return the form to us by the voting cutoff date mentioned above.
2. In the event that you are exercising your voting rights via the Internet, the deadline for submission is 5:00 p.m. on the day preceding the General Meeting of Shareholders (Wednesday, June 27, 2018). See the “(5) Guide to Exercise of Voting Rights via the Internet” below.

(3) Handling of Duplicate Votes Occurring by Mail and via the Internet

If voting rights have been exercised in duplicate, both via postal mail and via the Internet, the vote submitted via the Internet shall be considered valid.

(4) Handling of Duplicate Votes Occurring via the Internet

If voting rights have been exercised multiple times via the Internet, the vote submitted last shall be considered valid.

(5) Guide to Exercise of Voting Rights via the Internet

1. Website for Exercise of Voting Rights
 - a. Exercise of voting rights via the Internet is only possible by accessing and using the Company’s designated voting website (<https://evote.tr.mufg.jp/>) from a personal computer, smartphone or mobile phone (i-mode, EZ Web, Yahoo!; please note that this service is unavailable from 2:00 a.m. to 5:00 a.m. every day). (“i-mode” is a registered trademark of NTT DoCoMo Corporation, “EZ Web” is a registered trademark of KDDI Corporation, and “Yahoo!” is a registered trademark of Yahoo! Inc. [US].)
 - b. In the event of exercising voting rights via personal computer or smartphone, please be aware that, depending on the environment the shareholders use the Internet, it may not be possible to vote via the Internet on the Company’s voting website if the Internet connection is using, for example, firewall, antivirus software, or proxy server.
 - c. Exercise of voting rights that use a mobile phone requires access to services such as i-mode, EZ Web, or Yahoo! Mobile. Please be aware that the Company’s voting website, for security reasons, only supports mobile devices that are capable of encrypted (TLS) communication and mobile phone data transmissions, so you may not be able to exercise your voting rights via the Internet, even if you have access to one of these services.

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2. How to Exercise Voting Rights via the Internet

- a. Use the login ID and temporary password enclosed in the Voting Rights Exercise Form on the Company’s voting website (<https://evote.tr.mufg.jp/>), and follow the website’s onscreen instructions to accept or reject proposals.
- b. Please be aware that shareholders that use the Company’s voting website may be asked to change their temporary password in order to prevent unauthorized access by non-shareholders (identity fraud) and alteration of voting contents.
- c. You will be provided with a new login ID and temporary password for each Convocation of the General Meeting of Shareholders. Furthermore, shareholders who agree to have the Notice of Convocation of the General Meeting of Shareholders sent to their personal computer or smartphone via e-mail will continue to use their password until they change it themselves, so please take proper care in managing this password.

3. Costs Incurred by Accessing the Company’s Voting Website

The shareholder shall be responsible for any costs (internet connection charges, telephone charges, and so forth) incurred by accessing the Company’s voting website. Furthermore, although packet communication and other charges are required for use of mobile phone, these shall also be the shareholder’s responsibilities.

4. Means of Receiving the Notice of Convocation

Shareholders may receive the Notice of Convocation via e-mail, if they like, from the next General Meeting of Shareholders onward by completing the procedure on the Company’s voting website via personal computer or smartphone. (The procedure cannot be completed via mobile phone. Please also be aware that a mobile phone cannot be specified as an e-mail address.)

Direct all inquiries related to the voting system to:
Corporate Agency Division Help Desk
Mitsubishi UFJ Trust and Banking Corporation
Telephone: +81-120-173-027 (toll free in Japan, 9:00 a.m. to 9:00 p.m.)

Management trust banks and other nominee shareholders (including standing proxies) who send in applications in advance to use the Electronic Voting Platform managed by ICJ, Inc. (established as a joint venture company by the Tokyo Stock Exchange, Inc.) can use this platform as an alternative method of electronic voting at the Company’s General Meeting of Shareholders instead of the method of voting via the Internet described above.

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Reference Materials for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal No. 1 Distribution of Surplus

HASEKO CORPORATION (“HASEKO” or “the Company”) makes it a basic policy to return profits to shareholders by implementing stable dividend payments and performance-oriented dividend payments, while maintaining internal reserves to strengthen its financial position and invest in growth strategy looking into the future.

With respect to the year-end dividend for the fiscal year ended March 31, 2018, the Company has decided to distribute ¥40.00 per share, consisting of ¥10.00 of ordinary dividend and ¥30.00 of special dividend, considering factors such as the future business environment and performance forecast. Accordingly, annual dividend combined with interim dividend of ¥10.00 per share amounts to ¥50.00 per share, an increase of ¥20.00 per share compared with the dividend paid in the previous fiscal year.

Matters Regarding the Year-end Distribution

(1) Type of Dividend Property:

Cash

(2) Matters Concerning Distribution of Dividend Property and Total Amounts:

¥40 per share for Common Shares

Total dividends of ¥12,023,870,600

(3) Effective Date for Distribution of Surplus:

June 29, 2018

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Proposal No. 2 Election of Six (6) Directors

The terms of office of five (5) Directors— Morio Shimada, Kin’ichi Kitamura, Fujio Hirano, Osamu Takahashi, Kazuhiko Ichimura—will expire at the conclusion of this General Meeting of Shareholders. Accordingly, in order to further strengthen the management structure, the Company intends to increase the number of Directors by one (1), and therefore proposes the election of six (6) Directors including three (3) Outside Directors.

The candidates for Director are as follows:

| No. | Name (Date of Birth) | Personal History, Positions, and Responsibilities in the Company (Significant Positions Concurrently Held) | Number of Company Shares Owned |
|---|--------------------------------------|--|--------------------------------------|
| 1 | Morio Shimada (December 28, 1952) | April 1975 Joined HASEKO Corporation April 2001 General Manager of Building Dept. II for Construction Div. April 2003 Assistant to General Manager responsible for Construction Management and General Manager of Construction Dept. III April 2005 Operating Officer, Responsible for Construction Management, Construction Div. April 2008 Senior Operating Officer, In Charge of Construction Div. June 2008 Director, Senior Operating Officer, In Charge of Construction Div. April 2013 Director, Executive Operating Officer, In Charge of Construction Div. April 2017 Director, Executive Vice President, In Charge of Construction Div. and Group Construction- Related Business (to the present) [Significant Positions Concurrently Held] Director, Fujikensetsu, Co., Ltd Director, Hasec, Inc. Director, Foris Corporation Director, Haseko Navie, Inc. Director, Haseko Reform, Inc. | 33,000 |
| [Reasons for nomination as a candidate for Director] Morio Shimada has been mainly responsible for the construction division since he joined the Company. He has abundant experience in our core construction business and extensive knowledge about management, including construction related companies. Since he assumed the office of Director, he has greatly contributed to the improvement of the Company’s performance. For such reasons, the Company has continuously chosen him as a candidate for Director. | | | |

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|--|---|--|--------------------------------------|
| 2 | <div data-bbox="215 869 384 904" style="border: 1px solid black; padding: 2px;">New candidate</div> <p data-bbox="240 949 459 1016">Junichi Tani (January 24, 1958)</p> | <p data-bbox="507 405 1257 495">March 1980 Joined HASEKO Corporation August 1998 General Manager of Business Promotion Dept. I, Kansai Housing Business Promotion Div.</p> <p data-bbox="507 501 1257 591">April 2004 Deputy General Manager of Business Promotion Dept. II, Kansai Business Promotion Div.</p> <p data-bbox="507 598 1257 658">April 2005 General Manager of Business Dept. II, Kansai Business Promotion Div.</p> <p data-bbox="507 665 1257 725">April 2008 Operating Officer, General Manager of Business Dept. I, Business Promotion Div.</p> <p data-bbox="507 732 1257 853">April 2012 Operating Officer, Responsible for Kansai Business Promotion Div., General Manager of Tokai Business Div., In Charge of Kansai Project Promotion Div.</p> <p data-bbox="507 860 1257 981">June 2012 Operating Officer and Director, Responsible for Kansai Business Promotion Div., General Manager of Tokai Div., In Charge of Kansai Project Promotion Div.</p> <p data-bbox="507 987 1257 1077">April 2014 Senior Operating Officer and Director, In Charge of Kansai Business Promotion Div. and Kansai Project Promotion Div.</p> <p data-bbox="507 1084 1257 1205">June 2016 Superior Senior Operating Officer, In Charge of Kansai Business Promotion Div. and Kansai Project Promotion Div., Responsible for Tokai Business Promotion Div.</p> <p data-bbox="507 1211 1257 1368">April 2018 Executive Operating Officer, In Charge of Kansai Business Promotion Div., Kansai Project Promotion Div., and Tokai Business Promotion Div., Chief Officer of Kansai Region (to the present)</p> <p data-bbox="507 1391 1257 1480">[Significant Positions Concurrently Held] Director, Haseko Property Management Holdings, Inc. Director, Haseko Real Estate, Inc.</p> | 15,000 |
| <p data-bbox="215 1491 815 1525">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="215 1532 1481 1668">Junichi Tani has been mainly responsible for construction orders and sales and real estate businesses since he joined the Company. He has abundant business experience and extensive knowledge, and has greatly contributed to the improvement of the Company’s performance. Since he can be expected to contribute to the improvement of the Company’s corporate value, the Company has chosen him as a candidate for Director.</p> | | | |

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| No. | Name (Date of Birth) | Personal History, Positions, and Responsibilities in the Company (Significant Positions Concurrently Held) | Number of Company Shares Owned |
|---|--|--|--------------------------------------|
| 3 | <p data-bbox="217 808 379 837">New candidate</p> <p data-bbox="236 887 464 949">Nobuhiro Tani (December 5, 1956)</p> | <p data-bbox="509 405 1265 1205"> March 1980 Joined HASEKO Corporation July 1998 General Manager of Real Estate III of Business Dept. II, Business Promotion Div. April 2004 Deputy General Manager of Business Dept. II, Business Promotion Div. April 2005 General Manager of Business Dept. II, Business Promotion Div. April 2007 Yokohama Branch Manager, Business Promotion Div. April 2010 General Manager of Business Dept. II, Kansai Business Promotion Div. April 2012 Operating Officer, Responsible for Business Dept. I and Yokohama Branch, Business Promotion Div. April 2014 Senior Operating Officer, Responsible for Business Dept. II and III, Business Promotion Div. April 2017 Superior Senior Operating Officer, In Charge of Business Dept. I, II, III, Yokohama Branch and Kyushu Div., Business Promotion Div. April 2018 Executive Operating Officer, In Charge of Business Promotion Div. and Project Promotion Div., Responsible for Kyushu Div., In Charge of Group Leasing and Real Estate Brokerage (to the present) </p> <p data-bbox="509 1234 979 1357"> [Significant Positions Concurrently Held] Director, Haseko Livenet, Inc. Director, Haseko Business Proxy, Inc. Director, Haseko Real Estate Inc. </p> | 10,800 |
| <p data-bbox="217 1364 810 1393">[Reasons for nomination as a candidate for Director]</p> <p data-bbox="217 1400 1477 1541">Nobuhiro Tani has been mainly responsible for construction orders and sales and real estate businesses since he joined the Company. He has abundant business experience and extensive knowledge, and has greatly contributed to the improvement of the Company’s performance. Since he can be expected to contribute to the improvement of the Company’s corporate value, the Company has chosen him as a candidate for Director.</p> | | | |

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| No. | Name (Date of Birth) | Personal History, Positions, and Responsibilities in the Company (Significant Positions Concurrently Held) | Number of Company Shares Owned |
|--|---|--|--------------------------------------|
| 4 | Candidate for Outside Director Osamu Takahashi (March 6, 1950) | <p>April 1974 Joined MITSUI & CO., LTD.</p> <p>March 1996 Head of New Business Office, IT Business Development Division</p> <p>August 1999 General Manager of Media Business Division</p> <p>January 2003 Chief Operating Officer of Electronics Business Unit</p> <p>April 2006 Managing Officer, Chief Operating Officer of Consumer Service Business Unit</p> <p>June 2007 Director of Nihon Unisys, Ltd.</p> <p>March 2009 Retired from MITSUI & CO., LTD.</p> <p>June 2009 Senior Corporate Officer of Nihon Unisys, Ltd.</p> <p>April 2012 Executive Corporate Officer</p> <p>June 2012 Representative Director, Executive Corporate Officer</p> <p>April 2014 Representative Director, Superior Executive Corporate Officer</p> <p>April 2015 Director</p> <p>June 2015 Advisor</p> <p>June 2016 Director of HASEKO Corporation (current position)</p> <p>June 2017 Retired from Nihon Unisys, Ltd. (to the present)</p> | 1,100 |
| <p>[Reasons for nomination as a candidate for Outside Director]</p> <p>Osamu Takahashi has abundant experience in developing new businesses in the information industry field and promoting business development based on market and customer needs in consumer service business at a major general trading company in Japan. In addition, he was engaged in the management of a company that develops computer systems and software, Nihon Unisys, Ltd., as a Representative Director and gained abundant experience and excellent track record in company management. For such reasons, the Company believes that he will make a positive contribution to the Company's management and therefore has chosen him as a candidate for Outside Director.</p> <p>The amount of the Company's transactions with MITSUI & CO., LTD. is 1% or less of the consolidated net sales. Meanwhile, although the Company acquired real estate through a bidding process from an affiliate company of Nihon Unisys, Ltd., the amount of transactions including such real estate transaction is less than 2% of the Company's consolidated net sales (1% or less of the consolidated net sales of such affiliate company). As he meets the Company's independence criteria in both of these facts, the Company believes that he is independent with no conflict of interest with general shareholders. Furthermore, the amount of the Company's transactions with Nihon Unisys, Ltd., excluding the real estate transaction above, is 1% or less of the consolidated net sales.</p> | | | |

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| No. | Name (Date of Birth) | Personal History, Positions, and Responsibilities in the Company (Significant Positions Concurrently Held) | Number of Company Shares Owned |
|---|--|---|--------------------------------------|
| 5 | Candidate for Outside Director Kazuhiko Ichimura (April 29, 1953) | <p>April 1977 Joined Mitsubishi Corporation</p> <p>April 1986 Residential & Urban Development Dept.</p> <p>April 2004 Manager of Construction Facility Unit</p> <p>May 2007 President & CEO of Mitsubishi Corporation Urban Development, Inc. (temporary transfer)</p> <p>March 2013 Retired from Mitsubishi Corporation and Mitsubishi Corporation Urban Development, Inc.</p> <p>April 2013 Operating Officer, Integrated Account Service Management of ASATSU-DK INC.</p> <p>January 2016 Operating Officer, Account Management Center IV</p> <p>March 2016 Retired from ASATSU-DK INC.</p> <p>June 2016 Director of HASEKO Corporation (current position) (to the present)</p> | 200 |
| <p>[Reasons for nomination as a candidate for Outside Director]</p> <p>Kazuhiko Ichimura has abundant experience in promoting urban redevelopment projects and large-scale commercial development at a major general trading company in Japan. In addition, he was engaged in the management of developers of income properties, centered on commercial establishments, as CEO at Mitsubishi Corporation Urban Development, Inc. and gained abundant experience and excellent track record in company management. He also has a business perspective targeted at consumers gained as an Operating Officer at ASATSU-DK INC. For such reasons, the Company believes that he will make a positive contribution to the Company’s management and therefore has chosen him as a candidate for Outside Director. Since the amount of the Company’s transactions with Mitsubishi Corporation and ASATSU-DK INC. is 1% or less of the consolidated net sales, the Company believes that he is independent with no conflict of interest with general shareholders as he meets the Company’s independence criteria.</p> | | | |

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| No. | Name (Date of Birth) | Personal History, Positions, and Responsibilities in the Company (Significant Positions Concurrently Held) | Number of Company Shares Owned |
|--|--|--|--------------------------------------|
| 6 | <p data-bbox="225 768 389 797"><u>New candidate</u></p> <p data-bbox="225 842 405 898">Candidate for Outside Director</p> <p data-bbox="225 943 472 999">Mami Nagasaki (December 13, 1973)</p> | <p data-bbox="512 495 1174 551">April 1998 Registered as attorney (Daini Tokyo Bar Association)</p> <p data-bbox="512 557 983 586">April 1998 Joined Ishii Law Office</p> <p data-bbox="512 593 1219 622">September 2004 MARSHALL SUZUKI LAW GROUP, LLP</p> <p data-bbox="512 629 1174 745">January 2005 Office of International Affairs, General Coordination Division, Planning and Coordination Bureau, Financial Services Agency</p> <p data-bbox="512 752 1198 781">April 2009 Partner of Ishii Law Office (to the present)</p> <p data-bbox="512 788 1195 875">December 2014 Special Member of Tokyo Metropolitan Examination Committee for Disputes over Construction Works (to the present)</p> <p data-bbox="512 882 1257 940">April 2015 Civil conciliation commissioner, Tokyo District Court (to the present)</p> <p data-bbox="512 947 1251 1034">June 2016 Executive Director, Ichigo Green Infrastructure Investment Corporation (current position) (to the present)</p> <p data-bbox="512 1064 1198 1279">[Significant Positions Concurrently Held] Attorney, Partner of Ishii Law Office Special Member of Tokyo Metropolitan Examination Committee for Disputes over Construction Works Civil conciliation commissioner, Tokyo District Court Executive Director, Ichigo Green Infrastructure Investment Corporation</p> | — |
| <p data-bbox="220 1290 906 1319">[Reasons for nomination as a candidate for Outside Director]</p> <p data-bbox="220 1326 1489 1691">Mami Nagasaki has diverse experiences as an attorney and knowledge about legal affairs in general, and also is engaged in duties related to the Company’s main construction business. In addition, she has executed overall business operations at an investment company as Executive Director, and also has experience and track record in corporate management. For such reasons, the Company believes that she will make a positive contribution to the Company’s management and therefore has chosen her as a candidate for Outside Director. She has not been directly engaged in corporate management; however, based on the above reasons, the Company has determined that she will appropriately fulfill duties as Outside Director. Since no advisory contracts, etc. have been made between the Company and Ishii Law Office, and no transactions have been made between the Company and Ichigo Green Infrastructure Investment Corporation, the Company believes that she is independent with no conflict of interest with general shareholders as she meets the Company’s independence criteria.</p> | | | |

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Notes:

1. Each candidate has no special interest in the Company.
2. Osamu Takahashi (Candidate No. 4), Kazuhiko Ichimura (Candidate No. 5), and Mami Nagasaki (Candidate No. 6) are the candidates for Outside Directors stipulated in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act.
3. The Company has notified the Tokyo Stock Exchange of the proposal to elect Osamu Takahashi and Kazuhiko Ichimura as independent directors in accordance with the listing rules of the Exchange. The Company will notify the Exchange of the proposal to elect Mami Nagasaki as an independent director as well.
4. Osamu Takahashi and Kazuhiko Ichimura will have served as Directors of the Company for two (2) years (at the conclusion of this General Meeting of Shareholders).
5. The Company has entered into a limited liability agreement with Outside Directors Osamu Takahashi and Kazuhiko Ichimura in accordance with the Articles of Incorporation. In the event that they are reelected and assume the office of Outside Director, the Company will continue the said agreement with them. In the event that Mami Nagasaki is elected as Outside Director, the Company will enter into a limited liability agreement with her in accordance with the Articles of Incorporation as well. Brief details of the limited liability agreement are presented as follows.

Limited Liability Agreement with Outside Officer

Effective after entering into a limited liability agreement, should an Outside Director bear any liability with respect to his or her responsibilities prescribed under Article 423, Paragraph 1, of the Companies Act, where such Outside Director performed his or her duties in good faith and without gross negligence, his or her liabilities shall be limited to the amount stipulated under Article 425, Paragraph 1, of the Companies Act.

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Proposal No. 3 Election of Two (2) Corporate Auditors

Since the terms of office of Yoshitaka Fukui and Mitsuo Isoda will expire at the conclusion of this General Meeting of Shareholders, the Company proposes the election of two (2) Corporate Auditors.

The candidates for the position of Corporate Auditor are as follows. The Board of Corporate Auditors has approved this proposal.

| No. | Name (Date of Birth) | Personal History and Positions (Significant Positions Concurrently Held) | Number of Company Shares Owned |
|--|--|---|--------------------------------------|
| 1 | Candidate for Outside Corporate Auditor Yoshitaka Fukui (August 13, 1962) | April 1985 Joined Japanese National Railways April 1987 Worked at East Japan Railway Company (until March 2000) May 1998 Completed Ph.D at Carnegie Mellon University April 2000 Assistant Professor, Graduate School of Economics and Management, Tohoku University April 2002 Assistant Professor, Aoyama Business School, Chartered Financial Analyst by U.S. CFA Institute June 2005 Outside Corporate Auditor, Resona Bank, Ltd. (until June 2013) April 2008 Professor, Aoyama Business School (current position) June 2014 Corporate Auditor of HASEKO Corporation (current position) (to the present) [Significant Positions Concurrently Held] Professor, Aoyama Business School | 1,000 |
| [Reasons for nomination as a candidate for Outside Corporate Auditor] Yoshitaka Fukui is a professor of economic analysis of accounting system and information at Aoyama Gakuin University Graduate School, and can be expected to play a role as Corporate Auditor from the perspective of an outstanding expert in finance and accounting. Therefore the Company has chosen him as a candidate for Outside Corporate Auditor. He has not been directly engaged in corporate management other than serving as Outside Corporate Auditor; however, based on the above reasons, the Company has determined that he will appropriately fulfill duties as Outside Corporate Auditor. Since no transactions have been made among the Company, Aoyama Gakuin University and its Graduate School, the Company believes that he is independent with no conflict of interest with general shareholders as he meets the Company’s independence criteria. | | | |

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| No. | Name (Date of Birth) | Personal History and Positions (Significant Positions Concurrently Held) | Number of Company Shares Owned |
|---|---|--|--------------------------------------|
| 2 | Candidate for Outside Corporate Auditor Mitsuo Isoda (January 7, 1970) | <p>April 1995 Registered as Attorney (Osaka Bar Association)</p> <p>April 1995 Joined Miyake Joint Partnership Law Office (current Miyake & Partners)</p> <p>June 2001 Completed LL.M. Program at Harvard Law School</p> <p>August 2001 Received training at New York Office of Pillsbury Winthrop</p> <p>February 2002 Registered as Attorney of New York State (at the time)</p> <p>April 2004 Lecturer, Doshisha Law School (until March 2012)</p> <p>June 2014 Corporate Auditor of HASEKO Corporation (current position)</p> <p>June 2016 Outside Director of Morita Holdings Corporation (current position) (to the present)</p> <p>[Significant Positions Concurrently Held] Attorney, Partner of Miyake & Partners Outside Director, Morita Holdings Corporation</p> | 100 |
| <p>[Reasons for nomination as a candidate for Outside Corporate Auditor]</p> <p>As Mitsuo Isoda can be expected to play a role as Corporate Auditor from the perspective of an outstanding expert in laws and regulations as an attorney, the Company has chosen him as a candidate for Outside Corporate Auditor. He has not been directly engaged in corporate management other than serving as Outside Director and Outside Corporate Auditor; however, based on the above reasons, the Company has determined that he will appropriately fulfill duties as Outside Corporate Auditor. Since no advisory contracts, etc. have been made between the Company and Miyake & Partners, and no transactions have been made between the Company and MORITA HOLDINGS CORPORATION, the Company believes that he is independent with no conflict of interest with general shareholders as he meets the Company’s independence criteria.</p> | | | |

Notes:

1. The candidate has no special interest in the Company.
2. Yoshitaka Fukui (Candidate No. 1) and Mitsuo Isoda (Candidate No. 2) are the candidates for Outside Corporate Auditor stipulated in Article 2, Paragraph 3, Item 8, of the Ordinance for Enforcement of the Companies Act.
3. The Company has notified the Tokyo Stock Exchange of the proposal to elect Yoshitaka Fukui and Mitsuo Isoda as independent directors in accordance with the listing rules of the Exchange.
4. Yoshitaka Fukui and Mitsuo Isoda will have served as Corporate Auditors of the Company for four (4) years (at the conclusion of this General Meeting of Shareholders).
5. The Company has entered into a limited liability agreement with Outside Corporate Auditors Yoshitaka Fukui and Mitsuo Isoda in accordance with the Articles of Incorporation. In the event that they are reelected and assume the office of Outside Corporate Auditor, the Company will continue the said agreement with them. Brief details of the limited liability agreement are presented as follows.

Limited Liability Agreement with Outside Officer

Effective after entering into a limited liability agreement, should an Outside Corporate Auditor bear any liability with respect to his or her responsibilities prescribed under Article 423, Paragraph 1, of

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the Companies Act, where such Outside Corporate Auditor performed his or her duties in good faith and without gross negligence, his or her liabilities shall be limited to the amount stipulated under Article 425, Paragraph 1, of the Companies Act.

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(Reference)

Independence Criteria for Outside Officers

The following independence criteria are established between candidates for Outside Officers and the companies or organizations to which they belong and the HASEKO Group ^(Note). Outside Officers must continue to comply with the independence criteria specified below after they have taken office. After assuming a new major position, their independence must be verified again based on the independence criteria.

1. A person who is not currently a Director (excluding Outside Director), Corporate Auditor (excluding Outside Corporate Auditor), Operating Officer or employee of the HASEKO Group, and has not been a Director (excluding Outside Director), Corporate Auditor (excluding Outside Corporate Auditor), Operating Officer or employee of the HASEKO Group in the last ten years.
2. A person who has not been a major shareholder* of the HASEKO Group or a Director, Corporate Auditor, Operating Officer or employee of a company of which the HASEKO Group has been a major shareholder in any fiscal year in the last five years.
*“Major shareholder” refers to a company or other shareholder that holds shares of 10% or more of the total voting rights.
3. A person who is not a Director, Corporate Auditor, Operating Officer or employee of a major business partner* of the HASEKO Group.
*“Major business partner” refers to a company that has paid or received transaction amounts worth 2% or more of the consolidated net sales of the HASEKO Group or the business partner (including its parent company and significant subsidiaries) in ordinary transactions with the HASEKO Group in the most recent fiscal year and the last three fiscal years.
The acquisition of real estate by a public tender is not considered as ordinary transactions, but if such an acquisition has occurred, it must be disclosed in the securities report.
4. A person who is not a Director, Corporate Auditor, Operating Officer or employee of a company that is a major lender* to the HASEKO Group.
*“Major lender” refers to a financial institution to which the HASEKO Group owes an outstanding amount worth 2% or more of the consolidated total assets of the HASEKO Group or the financial institution at the end of the most recent fiscal year.
5. A person who is not a Trustee, Director, Corporate Auditor, Operating Officer or employee of a corporation, association or other organization that has received a large donation* from the HASEKO Group.
*“Large donation” refers to an amount exceeding an average of ¥10 million per year in the last three fiscal years.
6. A Director, Corporate Auditor or Operating Officer who has not been dispatched on a reciprocal basis with the HASEKO Group.
7. A person who has not been a certified public accountant belonging to an auditing firm that is the Accounting Auditor of the HASEKO Group, an attorney who has an advisory contract with the HASEKO Group, or an attorney belonging to a law firm that has an advisory contract with the HASEKO Group in any fiscal year in the last five years.
8. A person who is not an attorney, certified public accountant, consultant or other such expert who has received a large amount of money* or other property (excluding remuneration for officers) from the HASEKO Group (if the party receiving the property is a corporation, association or other organization, a person who is not a person belonging to such an

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organization).

*“Large amount of money” refers to an amount exceeding an average of ¥10 million per year in the last three fiscal years.

9. A person who is not a spouse of, a relative within the second degree of kinship of, a relative living with, or a person who shares a livelihood with a person falling under any of the following items:

(1) A Director, Corporate Auditor, Operating Officer or important employee* of the HASEKO Group;

(2) A person who has been a Director, Corporate Auditor, Operating Officer or important employee of the HASEKO Group in any fiscal year in the last five years; or

(3) A person whose appointment is restricted due to not satisfying any of 2. to 7. above.

*“Important employee” generally refers to an employee of or above the level of Operating Officer. However, in HASEKO Corporation, it refers to an employee of or above the level of department head.

10. In addition to the above, a person whose independence to perform the duties of an Outside Officer is not in doubt.

Note: “The HASEKO Group” refers to HASEKO Corporation and its subsidiaries.

Consolidated Balance Sheet

(As of March 31, 2018)

(millions of yen)

| Account Item | Amount | Account Item | Amount |
|--------------------------------------|---------|---|---------|
| (Assets) | | (Liabilities) | |
| I. Current assets | 512,563 | I. Current liabilities | 280,896 |
| Cash and bank deposits | 208,055 | Notes and accounts payable | 86,658 |
| Notes and accounts receivable, trade | 110,613 | Electronically recorded obligations - | 49,343 |
| Securities | 3,840 | operating | |
| Costs on uncompleted construction | 9,208 | Short-term borrowings | 36,471 |
| contracts | | Leased liabilities | 1,327 |
| Real estate for sale | 71,651 | Income taxes payable | 20,605 |
| Costs and advances for real estate | 67,700 | Advances received on uncompleted | 20,921 |
| operations | | contracts | |
| Real estate for development projects | 23,395 | Advances received for real estate sales | 9,652 |
| Deferred tax assets | 7,292 | Warranty reserve | 4,980 |
| Other current assets | 10,998 | Reserve for loss on construction | 44 |
| Allowance for doubtful accounts | (188) | contracts | |
| II. Fixed assets | 175,746 | Accrued bonuses | 5,919 |
| 1 Property and equipment | 125,125 | Provision for directors' bonuses | 190 |
| Buildings and structures | 45,075 | Other current liabilities | 44,787 |
| Machinery, vehicle, equipment and | 2,703 | II. Long-term liabilities | 110,577 |
| furniture | | Bonds payable | 20,000 |
| Land | 64,664 | Long-term debt | 60,194 |
| Leased assets | 7,739 | Leased liabilities | 7,450 |
| Construction in progress | 4,945 | Net defined benefit liabilities | 921 |
| 2 Intangible fixed assets | 7,215 | Provision for loss on litigation | |
| Land leasehold rights | 1,871 | Provision for Employee Stock | 2,705 |
| Goodwill | 3,545 | Ownership Plan | 1,037 |
| Other intangible fixed assets | 1,798 | Provision for Board Benefit Trust | |
| 3 Investments and other assets | 43,406 | Deferred tax liabilities | 171 |
| Investment securities | 18,155 | Other long-term liabilities | 602 |
| Long-term loans | 2,822 | | 17,497 |
| Net defined benefit asset | 9,706 | Total liabilities | 391,473 |
| Other assets | 13,527 | | |
| Allowance for doubtful accounts | (803) | (Net assets) | |
| | | I. Shareholders' equity | 301,245 |
| | | 1 Capital stock | 57,500 |
| | | 2 Additional paid-in capital | 7,513 |
| | | 3 Retained earnings | 240,880 |
| | | 4 Treasury stock | (4,649) |
| | | II. Valuation and translation adjustments | (5,246) |
| | | 1 Valuation adjustments on other | 4,279 |
| | | investment securities | |
| | | 2 Foreign currency translation | (4,144) |
| | | adjustments | |
| | | 3 Remeasurements of defined benefit | (5,382) |
| | | plans | |
| | | III. Non-controlling interests | 837 |
| | | Total net assets | 296,835 |
| Total assets | 688,308 | Total liabilities and net assets | 688,308 |

Consolidated Statement of Income

(For the period from April 1, 2017 to March 31, 2018)

(millions of yen)

| Account Item | Amount | |
|---|--------|---------|
| I. Net sales | | 813,276 |
| II. Cost of sales | | 656,030 |
| Gross profit | | 157,245 |
| III. Selling, general and administrative expenses | | 56,440 |
| Operating income | | 100,805 |
| IV. Non-operating income | | |
| Interest and dividend income | 739 | |
| Equity in earnings of affiliates | 30 | |
| Other non-operating income | 893 | 1,663 |
| V. Non-operating expenses | | |
| Interest expenses | 1,101 | |
| Loan incidental expenses | 706 | |
| Other non-operating expenses | 163 | 1,971 |
| Ordinary income | | 100,497 |
| VI. Special income | | |
| Gain on sale of fixed assets | 3,529 | |
| Other special income | 6 | 3,535 |
| VII. Special losses | | |
| Loss on disposal of fixed assets | 108 | |
| Impairment loss on fixed assets | 197 | |
| Provision for loss on litigation | 2,705 | |
| Other special losses | 2 | 3,012 |
| Income before income taxes and minority interests | | 101,021 |
| Income taxes – current | 28,978 | |
| Income taxes – deferred | (492) | 28,486 |
| Profit | | 72,535 |
| Profit attributable to non-controlling interests | | 245 |
| Profit attributable to owners of parent | | 72,289 |

Consolidated Statement of Change in Net Assets

(For the period from April 1, 2017 to March 31, 2018)

(millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|----------------------------|-------------------|----------------|----------------------------|
| | Capital stock | Additional paid-in capital | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance as of April 1, 2017 | 57,500 | 7,500 | 180,509 | (151) | 245,358 |
| Changes during the consolidated fiscal year | | | | | |
| Dividends of surplus | | | (12,024) | | (12,024) |
| Profit attributable to owners of parent | | | 72,289 | | 72,289 |
| Purchase of treasury stock | | | | (4,498) | (4,498) |
| Disposal of treasury stock | | 0 | | 0 | 0 |
| Increase by merger etc. | | | 107 | | 107 |
| Change in treasury stock of parent arising from transactions with non-controlling shareholders | | 12 | | | 12 |
| Net changes of items other than shareholders' equity during the consolidated fiscal year | | | | | — |
| Total of changes during the consolidated fiscal year | — | 12 | 60,372 | (4,498) | 55,887 |
| Balance as of March 31, 2018 | 57,500 | 7,513 | 240,880 | (4,649) | 301,245 |

(millions of yen)

| | Valuation and translation adjustments | | | | Non-controlling interests | Total net assets |
|--|--|--|---|---|---------------------------|------------------|
| | Valuation adjustments on other investment securities | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total valuation and translation adjustments | | |
| Balance as of April 1, 2017 | 1,631 | (3,215) | (5,926) | (7,510) | 619 | 238,467 |
| Changes during the consolidated fiscal year | | | | | | |
| Dividends of surplus | | | | | | (12,024) |
| Profit attributable to owners of parent | | | | | | 72,289 |
| Purchase of treasury stock | | | | | | (4,498) |
| Disposal of treasury stock | | | | | | 0 |
| Increase by merger etc. | | | | | | 107 |
| Change in treasury stock of parent arising from transactions with non-controlling shareholders | | | | | | 12 |
| Net changes of items other than shareholders' equity during the consolidated fiscal year | 2,648 | (929) | 545 | 2,264 | 218 | 2,482 |
| Total of changes during the consolidated fiscal year | 2,648 | (929) | 545 | 2,264 | 218 | 58,368 |
| Balance as of March 31, 2018 | 4,279 | (4,144) | (5,382) | (5,246) | 837 | 296,835 |

Non-consolidated Balance Sheet

(As of March 31, 2018)

(millions of yen)

| Account Item | Amount | Account Item | Amount |
|--|----------------|---|----------------|
| (Assets) | | (Liabilities) | |
| I. Current assets | 313,526 | I. Current liabilities | 209,588 |
| Cash and bank deposit | 136,187 | Notes payable | 14,638 |
| Notes receivable | 6,589 | Electronically recorded obligations - operating | 45,908 |
| Accounts receivable on construction contracts | 76,215 | Accounts payable on construction contracts | 48,411 |
| Accounts receivable on real estate operations | 2,420 | Accounts payable on real estate operations | 2,331 |
| Costs on uncompleted construction contracts | 5,752 | Short-term borrowings | 29,835 |
| Real estate for sale | 47,320 | Lease liabilities | 29 |
| Costs and advances for real estate operations | 28,599 | Income taxes payable | 18,605 |
| Deferred tax assets | 3,925 | Advances received on uncompleted contracts | 19,102 |
| Other current assets | 6,605 | Advances received for real estate operations | 8,991 |
| Allowance for doubtful accounts | (87) | Deposits received | 1,125 |
| II. Fixed assets | 234,137 | Warranty reserve | 4,316 |
| 1. Property and equipment | 67,214 | Reserve for loss on construction contracts | 37 |
| Buildings and structures | 21,303 | Accrued bonuses | 2,787 |
| Machinery | 648 | Provision for directors' bonuses | 190 |
| Equipment and furniture | 1,063 | Other current liabilities | 13,283 |
| Land | 39,579 | II. Long-term liabilities | 78,393 |
| Leased assets | 68 | Bonds payable | 20,000 |
| Construction in progress | 4,552 | Long-term debt | 52,170 |
| 2. Intangible fixed assets | 949 | Leased liabilities | 45 |
| Land leasehold rights | 17 | Asset retirement obligations | 74 |
| Other intangible fixed assets | 932 | Provision for Employee Stock Ownership Plan | 652 |
| 3. Investments and other assets | 165,974 | Provision for Board Benefit Trust | 86 |
| Investment securities | 12,534 | Long-term deferred tax liabilities | 3,367 |
| Shares of affiliate companies | 90,496 | Other long-term liabilities | 1,998 |
| Other investment securities of affiliates | 1,296 | Total liabilities | 287,981 |
| Long-term loans | 45,942 | (Net assets) | |
| Bankruptcy claim, reorganization claim | 484 | I. Shareholders' equity | 256,220 |
| Long-term prepaid expenses | 36 | 1. Capital stock | 57,500 |
| Prepaid pension cost | 10,210 | 2. Additional paid-in capital | 7,500 |
| Other assets | 5,685 | Capital legal reserves | 7,500 |
| Allowance for doubtful accounts | (710) | Other capital surplus | 0 |
| | | 3. Retained earnings | 195,868 |
| | | Earned surplus reserve | 2,890 |
| | | Other retained earnings | 192,978 |
| | | Earned surplus carried forward | 192,978 |
| | | 4. Treasury stock | (4,649) |
| | | II. Valuation and translation adjustments | 3,462 |
| | | Valuation adjustments on other investment securities | 3,462 |
| Total assets | 547,662 | Total net assets | 259,682 |
| | | Total liabilities and net assets | 547,662 |

Non-consolidated Statement of Income

(For the period from April 1, 2017 to March 31, 2018)

(millions of yen)

| Account Item | Amount | |
|---|---------|---------|
| I. Net sales | | |
| Construction contracts | 437,656 | |
| Commissioned work | 5,343 | |
| Design and supervision | 12,956 | |
| Lease rentals of buildings | 2,583 | |
| Real estate sales | 122,797 | 581,334 |
| II. Cost of sales | | |
| Construction contracts | 344,678 | |
| Commissioned work | 2,247 | |
| Design and supervision | 5,755 | |
| Lease rentals of buildings | 1,514 | |
| Real estate sales | 113,906 | 468,101 |
| Gross profit (loss) on net sales | | |
| Construction contracts | 92,977 | |
| Commissioned work | 3,096 | |
| Design and supervision | 7,201 | |
| Lease rentals of buildings | 1,068 | |
| Real estate sales | 8,890 | 113,233 |
| III. Selling, general and administrative expenses | | 28,572 |
| Operating income | | 84,661 |
| IV. Non-operating income | | |
| Interest and dividend income | 1,230 | |
| Other non-operating income | 341 | 1,571 |
| V. Non-operating expenses | | |
| Interest paid | 1,044 | |
| Loan incidental expenses | 704 | |
| Other non-operating expenses | 177 | 1,926 |
| Ordinary income | | 84,307 |
| VI. Special income | | |
| Gain on sale of fixed assets | 597 | 597 |
| VII. Special losses | | |
| Loss on retirement of intangible assets | 6 | 6 |
| Income before income taxes | | 84,898 |
| Income taxes – current | | 25,317 |
| Income taxes – deferred | | 2 |
| Profit | | 59,578 |

Non-consolidated Statement of Change in Net Assets

(For the period from April 1, 2017 to March 31, 2018)

(millions of yen)

| | Shareholders' equity | | | | | | |
|---|----------------------|----------------------------|-----------------------|----------------------------------|--------------------------------|-------------------------|-------------------------|
| | Capital stock | Additional paid-in capital | | | Retained earnings | | |
| | | Capital legal reserves | Other capital surplus | Total additional paid-in capital | Earned surplus reserve | Other retained earnings | Total retained earnings |
| | | | | | Earned surplus carried forward | | |
| Balance as of April 1, 2017 | 57,500 | 7,500 | 0 | 7,500 | 1,687 | 146,626 | 148,314 |
| Changes during the fiscal year | | | | | | | |
| Dividends of surplus | | | | — | | (12,024) | (12,024) |
| Reserves due to dividends of surplus | | | | — | 1,202 | (1,202) | — |
| Profit for the fiscal year ended March 31, 2018 | | | | — | | 59,578 | 59,578 |
| Purchase of treasury stock | | | | — | | | — |
| Disposal of treasury stock | | | 0 | 0 | | | — |
| Net changes of items other than shareholders' equity during the fiscal year | | | | — | | | — |
| Total of changes during the fiscal year | — | — | 0 | 0 | 1,202 | 46,352 | 47,554 |
| Balance as of March 31, 2018 | 57,500 | 7,500 | 0 | 7,500 | 2,890 | 192,978 | 195,868 |

(millions of yen)

| | Shareholders' equity | | Valuation and translation adjustments | Total net assets |
|---|----------------------|----------------------------|--|------------------|
| | Treasury stock | Total shareholders' equity | Valuation adjustments on other investment securities | |
| Balance as of April 1, 2017 | (151) | 213,163 | 1,022 | 214,185 |
| Changes during the fiscal year | | | | |
| Dividends of surplus | | (12,024) | | (12,024) |
| Reserves due to dividends of surplus | | — | | — |
| Profit for the fiscal year ended March 31, 2018 | | 59,578 | | 59,578 |
| Purchase of treasury stock | (4,498) | (4,498) | | (4,498) |
| Disposal of treasury stock | 0 | 0 | | 0 |
| Net changes of items other than shareholders' equity during the fiscal year | | — | 2,440 | 2,440 |
| Total of changes during the fiscal year | (4,498) | 43,056 | 2,440 | 45,496 |
| Balance as of March 31, 2018 | (4,649) | 256,220 | 3,462 | 259,682 |