

Haseko Corporation has made it a social mission to create an environment that is optimal for cities and people. Specifically, Haseko has established its environmental policy as a company and acquired ISO 14001 certification. Each business unit implements environmental preservation activities by setting specific objectives. Moreover, our internal audit and external review are being executed on a regular basis to realize continual improvements.

## ● Environmental Policy

1. The Company shall establish and operate an environment management system in order to promote environmental preservation activities, and shall work to make continuous improvement of the environment and prevent contamination, in efforts to prevent global warming and preserve biological diversity.
2. The Company shall abide by laws, agreements and other arrangements concerning the environment, as well as prepare and implement voluntary standards as necessary.
3. The Company shall assess the impact of its business activities on the environment and establish environment-specific purposes and goals that can be achieved both technically and economically. Such environment-specific purposes and goals shall be reviewed periodically.
4. The Company shall focus on the following items in order to implement environmental preservation activities:
  - (1) Reduce construction wastes, and conduct construction giving consideration to recycling and the neighboring environment.
  - (2) Propose environment-conscious designs.
  - (3) Conduct office work promoting energy saving, effective use of resources and green purchasing.
5. The Company shall widely notify all its officers and staff as well as all people working with Haseko of its environmental policy, and request its partner companies to notifying those within their companies and for their cooperation.
6. The Company shall make its environmental policy public.

## Participation in Environmental Preservation Activities

The Haseko Group established the Haseko Group Code of Conduct on Biodiversity in March 2012 as part of its social contribution activities for environmental preservation. In accordance with the Code, the Group has been participating in the Tokyo Greenship Action sponsored by the Tokyo Metropolitan Government since 2012, and conducted environmental preservation activities in the rural natural areas of Takiyama, Hachioji and the green areas in Matsuyama, Kiyose. In addition, the Group has participated in the Umi-no-Mori (Sea Forest) Project sponsored by the Tokyo Metropolitan Government and the planting activities for the Symbiosis Forests sponsored by the Osaka Prefectural Government.



## River Cleaning Activities near Construction Site

At the Itami Kitagawara New Construction Site (Mates Blanc Itami) (tentative name), the Company conducted river cleaning of the Daroku River, which flows to the west of the construction site, as a biodiversity preservation activity. With the participation of 22 people (the site manager and workers) in the first round and 29 people in the second round, they cleared the river-bank over a length of approximately 4 kilometers for about 30 minutes. They collected about 50 garbage bags full of trash and garbage during the two rounds of cleaning.

## Conducting Construction Works while Preserving Trees

At some construction sites, the Company conducts construction with consideration given to harmony with the surrounding environment and biodiversity, as it works to keep or transplant trees on the site before the construction starts, while implementing construction works. When transplanting the trees, special construction machines are used to transplant them from the roots. When they do not need to be transplanted, construction plans are prepared and implemented so that the trees do not wither during the construction work.



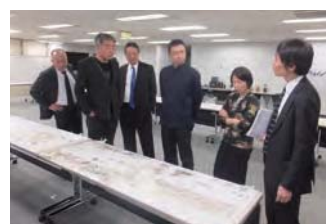
GRANDEMAISON Sengawa

Haseko is proactively engaged in conducting social contribution activities based on the thinking that corporate value is enhanced by respecting harmony with society and growing in mutual prosperity with society. The Company is working on social contribution activities as a “trusted corporate citizen.”

## “Haseko Living Design Competition” Held

Since 2007, Haseko has been holding the annual “Haseko Living Design Competition” for students, with the aim of fostering young people who wish to work in the world of architecture.

The tenth competition in 2016 set the theme of “apartments in Japan” in expectation of receiving proposals on the form of new apartments in Japan for the future. A total of 166 proposals were submitted from 627 registrants, one proposal was awarded first prize, three proposals with awards of excellence, five proposals with special awards, and ten proposals with honorable mention.



## “Mission Uchimizu (Water Sprinkling) at Condominiums” Implemented

The Mission Uchimizu (Water Sprinkling) started in 2003 as an initiative of countermeasures against the heat island phenomenon and global warming that everyone can easily implement with pleasure by utilizing secondary water from available sources, and is backed by the Ministry of Land, Infrastructure, Transport and Tourism and the Ministry of Environment.

Since 2008, Haseko's management company group (Haseko Community, Haseko Smile Community, Haseko Community Kyushu and Sohgo Housing Service\*) has conducted water sprinkling at condominiums, the first such attempt in Japan, under the name of “Mission Uchimizu at Condominiums.” By also conducting photo and illustration contests, the event helps to heighten residents' awareness for preventing global warming and for ecological consideration, while promoting exchanges among people residing in the properties managed by Haseko as well as activating the local communities. In 2016, a total of as many as 76,024 households from 952 management associations participated in the initiative.

\* Sohgo Housing Service started the water sprinkling operations in 2016.



## Initiatives on “Visits to Sites Where Female Employees Are Actively Involved in Construction”

The Haseko Group is working to create a workplace environment where female employees can work over a long period of time with ease. In this regard, the Group has a project called “Kensetsu Komachi” (all female workers in the construction industry) to promote proactive empowerment of female employees. At “Urawa Komaba Project New Construction” (BRANCHERA Urawa Komaba), a representative property of the Kensetsu Komachi project, a “Visit to Sites Where Female Employees Are Actively Involved in Construction” was held in July 2016, sponsored by the Japan Federation of Construction Contractors.

A total of 23 people from 9 families comprising female pupils and students of elementary and junior high schools and their guardians participated in the event, visiting the site and experiencing various work operations. The Haseko Group will continue to have similar visits going forward, working to foster “female workers in the construction industry” for the future.



## Corporate Governance

Haseko Corporation has made it a basic policy of its corporate management to contribute to society and win society's confidence through its business operations that put customers first. The Company has also positioned reinforcement of corporate governance as one of its utmost management priorities as it recognizes that it is indispensable to secure management transparency and objectivity for maximizing corporate value in a stable manner over the long term and ensuring shareholders' interests.

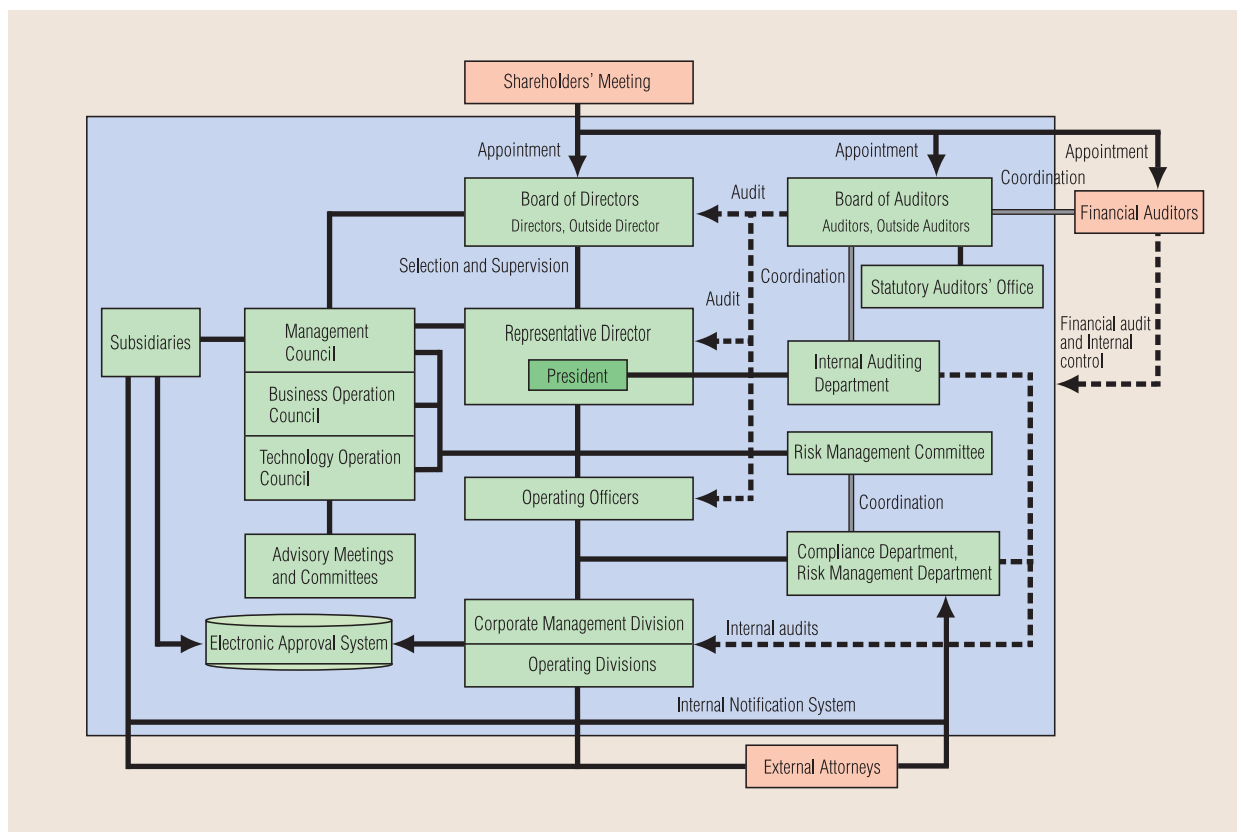
The Board of Directors of Haseko Corporation serves as the institution where directors with expert knowledge and experience in various business sectors conduct decision-making on managerial issues and supervise execution of duties of other directors. As for monitoring of management operations, the Company's system provides the Board of Auditors, the majority of which are outside auditors, with the monitoring function from an objective and neutral standpoint from outside through implementation of

audits. On top of these functions, starting in June 2016, Haseko appointed outside directors with abundant experience and track record to occupy at least one third of the Board of Directors, so that they shall provide appropriate opinions and advice in order to further activate discussions at the Board of Directors as well as enhance the function to monitor business management. Going forward, we will continue to look for a system that is optimum for the Company, taking into consideration the balance between the operation of the Board of Directors and the monitoring functions.

## Roles and Operations of Corporate Institutions

The Board of Directors holds regular meetings once a month and additional special meetings as necessary, and is responsible for important decision-making and regular reports on matters related to management. In addition, operating officers make operational reports on a regular basis to the Board.

Diagram of company institutions and internal governance



The company has established the Management Council and two operation councils – the Business Operation Council and the Technology Operation Council – to facilitate prompt and flexible decision-making on matters related to daily operations to the extent they are authorized by the Board of Directors. Participation of directors in the Operation Councils is limited to a certain level, so that the functions of making decisions and supervising such decision-making are divided and clarification is made for the responsibilities and authority for these functions. Moreover, the function of discussing in advance the important issues to be decided at the Board of Directors is performed by the Management Council.

The Risk Management Committee is held once every quarter under the chairmanship of the President, and shall also be held on an ad hoc basis as necessary whenever any material risk has arisen. It examines and determines the establishment, amendment or abolishment of internal rules on risk management and risk prevention plans, etc., as well as discusses and decides on the implementation policies and specific measures for risk management, among other things.

## Internal Governance and Risk Management System

### Compliance System

With the recognition that intensive compliance is indispensable for the existence and continuity of a corporation, the Company established the Haseko Group Standards of Conduct in April 2003, under which Haseko has been working to establish a management system where all directors, operating officers and staff respect societal standards and take sensible courses of action in keeping with their duties as members of society, as well as complying with all laws and the Company's articles of incorporation, so that the Company can win the confidence of society. Moreover, for enhanced compliance Haseko established the Compliance Department which conducts promotion and education of compliance based on the internal rules and regulations on compliance. An internal whistle-blowing system for consultations on compliance and notification of illegal conduct, etc. and an external contact have also been established.

In April 2005, the Company established the Internal Auditing Department that is under the direct control of the President. Pursuant to internal rules and

regulations on internal audits, the Department investigates and evaluates whether activities of respective divisions conform to laws and regulations, the Articles of Incorporation, the Company's rules and regulations, corporate policies, etc. and whether they are reasonable, and works to make improvements based on the results. The Company has no relations with anti-social forces or groups that threaten the order and security of civic life, and will cope with such anti-social forces and groups systematically, and with an adamant and resolute attitude.

### Risk Management System

In anticipation of a variety of risks, Haseko endeavors to collect risk-related information and prepares preventive measures and appropriate countermeasures in advance against risks according to their magnitude and possibility of arising. Through these efforts, Haseko aims to minimize the potential losses and to systematically cope with risk management centering on the Risk Management Department established in April 2006. Specifically, Haseko has set up a system in which respective sections of the Management Division coordinate with each other and check the status of business operations in accordance with the roles they are assigned, while the Internal Auditing Department conducts further checking.

For the corporate approval system that serves as a record of decision-making for work implementation, the Company has introduced an electronic system in which legal procedures have been digitized. This system enables auditors and the Management Division to view and check the content at any time. Furthermore, of the issues forwarded to the Board of Directors and the two operation councils (the Business Operation Council and Technology Operation Council), those involving many departments or requiring specialized knowledge are subject to sufficient verification in advance by the adequately established advisory meetings and committees. Periodical results reports are also mandatory for issues that require monitoring.

On top of these, the Company established the Risk Management Council under the chairmanship of the President, in May 2006 with the aim of strengthening the risk management system of Haseko and its entire Group. This enhanced the Company's risk management system in which cross-sectional collection of information, analysis, valuation and handling of risks are conducted in accordance with the internal rules on risk management.



## Management Team *(As of June 29, 2017)*

### Directors and Corporate Auditors

**Ikuo Oguri**  
Representative Director  
Chairman

**Noriaki Tsuji**  
Representative Director  
President

**Shosuke Muratsuka**  
Representative Director  
Executive Vice President

**Morio Shimada**  
Director  
Executive Vice President

**Yuhei Imanaka**  
Director  
Executive Operating Officer

**Kazuo Ikegami**  
Director  
Executive Operating Officer

**Kinichi Kitamura**  
Director  
Senior Operating Officer

**Fujio Hirano**  
Director  
Senior Operating Officer

**Kohei Amano**  
Outside Director

**Osamu Takahashi**  
Outside Director

**Kazuhiko Ichimura**  
Outside Director

**Masashi Kogami**  
Outside Director

**Takahisa Chikayama**  
Full-time Corporate Auditor

**Masahiro Okuyama**  
Full-time Corporate Auditor

**Yoshitaka Fukui**  
Corporate Auditor

**Mitsuo Isoda**  
Corporate Auditor

**Takeshi Ikegami**  
Corporate Auditor

### Operating Officers

#### Executive Operating Officers

**Takeshi Tsunematsu**

**Yoshinori Haraguchi**

#### Senior Operating Officers

**Junichi Tani**

**Nobuhiro Tani**

**Masaaki Matsuoka**

**Takashi Kawamura**

**Toshiyuki Murakawa**

**Katsuhide Takahashi**

**Syoji Naraoka**

**Yutaka Okada**

**Masahito Koizumi**

**Yoshifumi Sadanaga**

**Yoshiaki Yamada**

**Jun Kawamoto**

#### Operating Officers

**Takeshi Yoshioka**

**Misato Yamamoto**

**Mamoru Kameoka**

**Nobuo Imagawa**

**Takashi Tsuruta**

**Satoshi Kumano**

**Toru Yamaguchi**

**Toshihiko Tatsuno**

**Makoto Murakami**

**Shinji Yamanaka**

**Naoyuki Kumagai**

**Eijo Daimon**

**Soichiro Tamada**

**Seiji Fuseya**

**Tetsutoshi Odajima**

**Koichiro Nomura**