

“newborn HASEKO”

— Rebirth of the Company as “new born Haseko” (Plan NB) —

Period Covered by the Plan: Six fiscal years (from April 1, 2014 to March 31, 2020)

Positioning of the Plan

The Plan 4N is positioned as the period to “Hop,” while the first three years of the Plan NB as the period to “Step Up” and the latter three years to “Jump Up,” so that the Company aims to recreate itself as the “newborn Haseko” that has completed its rehabilitation and make a leap forward

newborn HASEKO “Jump Up” Plan (Plan NBj)

Period to jump up to the newborn HASEKO (from April 1, 2017 to March 31, 2020)

– Aiming to become a corporate group for housing to create great living –

Numerical Targets: 240 billion yen in consolidated ordinary income in aggregate for the three fiscal years (FY 2017 through FY 2019)

At least 20 billion yen in ordinary income of consolidated subsidiaries for FY 2019 ending March 2020

Basic Policies

1. Establish corporate management that builds on both the construction-related business, which primarily targets the market for new housing supply, and the service-related business, which is centered on the market related to existing residences, etc.
2. Deepen coordination among the Group companies to realize a corporate entity that proves to be worthy of the trust received from urban dwellers
3. Provide safe, reliable and comfortable condominiums
4. Establish a stable financial foundation for a leap forward
5. Challenge new endeavors from a medium- to long-term perspective
6. Establish highly effective governance and internal control

What the Company aims to be



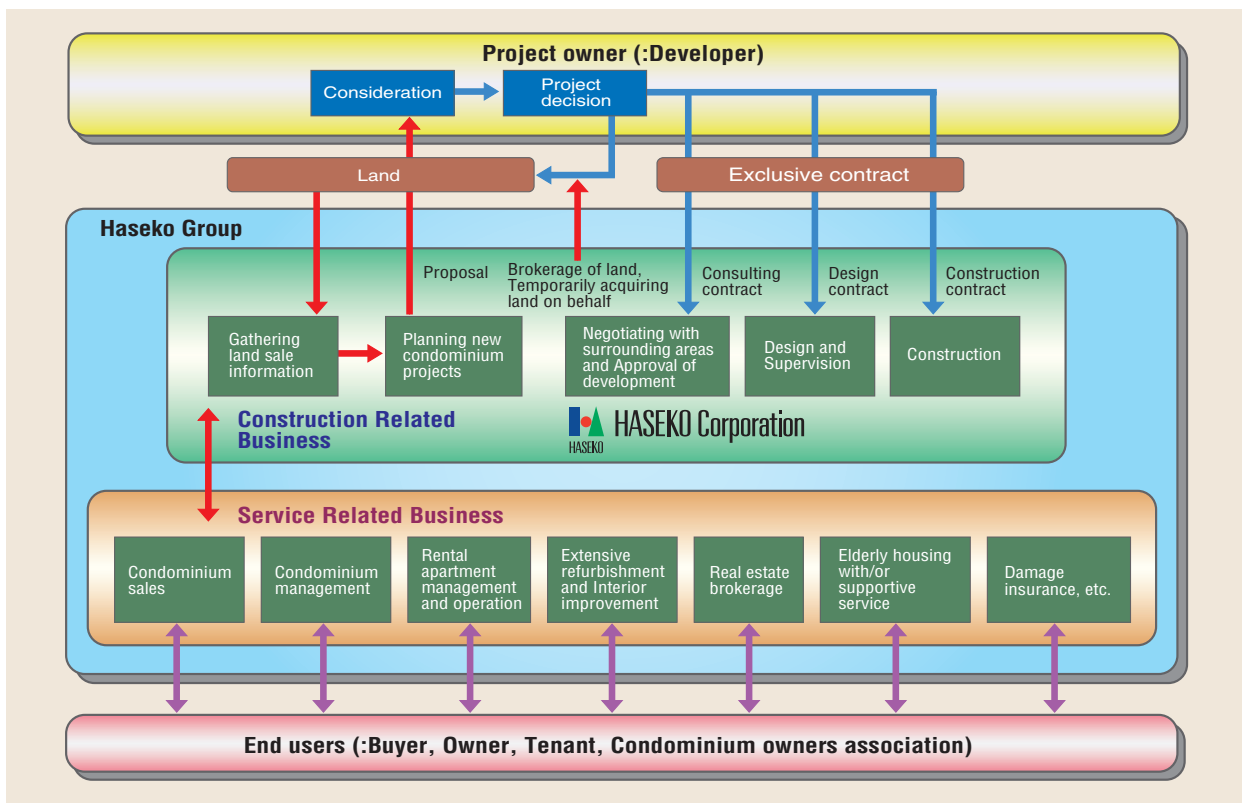
Aiming to become a corporate group for housing to create great living

Perception of Business Environment and Measures

Businesses Conducted by the Haseko Group

The Haseko Group engages in “Construction-Related Business,” which primarily targets the market for new housing supply, etc., and “Service-Related Business,” which primarily deals with existing residences, etc. These two business groups share information and know-how utilized in order reception, design, technological development, product planning and provision of new services, among other activities.

Business Model Diagram



Perception and Measures

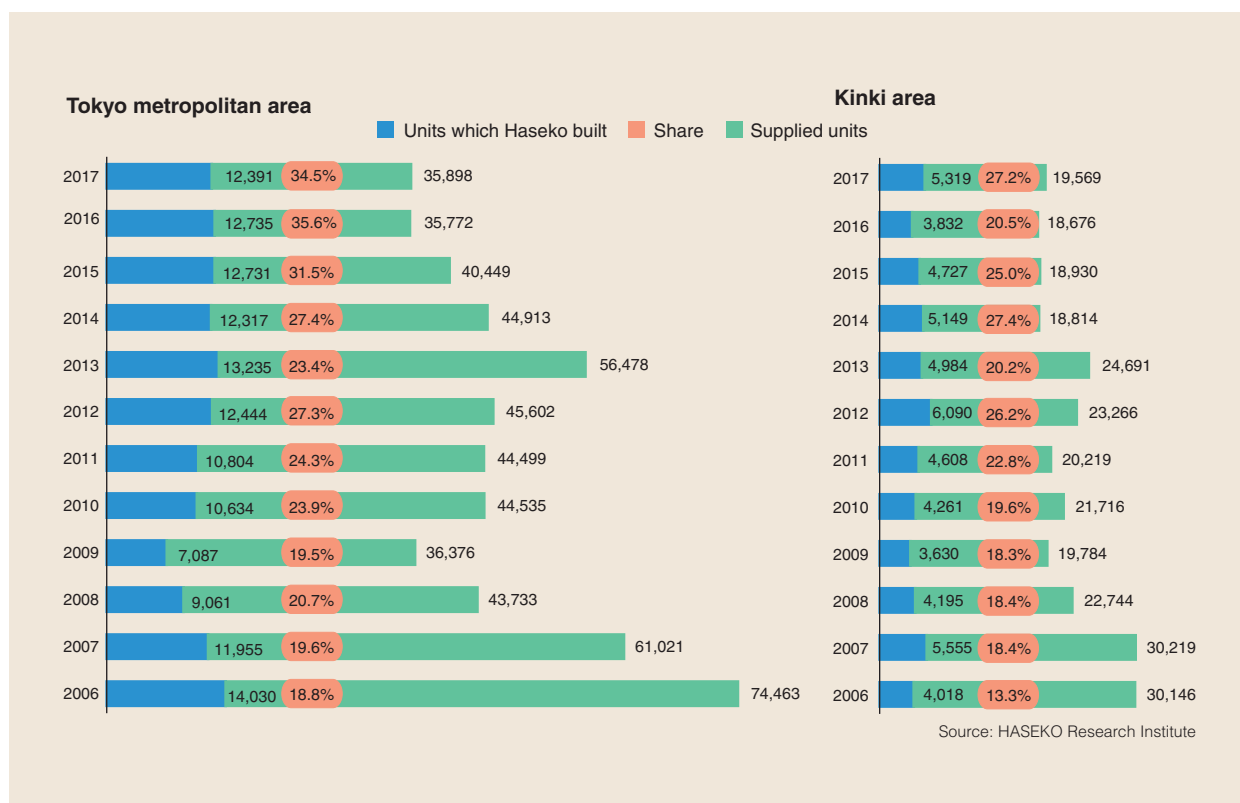
	Present status and period covered by the plan	Medium- to long-term perspective
Perception of business environment	<ul style="list-style-type: none"> • Average price of condominium units rising • The number of newly supplied units falling to a low level • The number of for-sale units being marketed increasing • Concerns about slowdown of housing starts arising • Concerns about reduction of project size arising <p>→ Uncertainties in the outlook of business management environment growing</p>	<ul style="list-style-type: none"> • Society will become more aged with increasingly fewer children • The number of greatly-aged condominiums will increase • Skilled construction workers will decrease • Environmental and energy issues, etc. <p>→ Must securely respond to changes in social conditions</p>
Measures	<p>Maintain the current profit level achieved mainly by the Construction-Related Business</p> <p>Conduct investments in growth strategies designed to make Haseko a “corporate group for housing to create great living”</p>	<p>Maintain and enhance the profit level on a consolidated basis by expanding the Service-Related Business</p>

Construction-Related Business

“Establish superiority to be free from fluctuations in market conditions”

- Secure appropriate construction work volume and reasonable profits, while maintaining high quality, by continuously enhancing the building production system
- Create and realize the concept of how new condominiums should be, with deep insight on the lifestyle of urban dwellers in the future
- Enhance the business planning ability for replacement and redevelopment projects, and thoroughly implement risk management
- Proactively work to construct buildings other than residential properties or for-sale condominiums to accumulate a track record of construction, and reinforce competitiveness by enhancing the ability to control costs

History of condominium units supplied



Service-Related Business

“Reinforce the revenue base for the Service-Related Business and enhance services for urban dwellers”

- Ensure that the mindset of “hospitality” is shared by everyone in the Company, and provide diverse services to customers through coordination among the Group companies
- Implement measures for developing and strengthening a relationship of mutual trust with customers
- Attempt to materialize the concept of multi-purpose stores aimed at promoting expansion of operating areas and stores as well as providing services from the viewpoint of customers
- Develop repair and renovation technologies for maintaining asset value and extending the life of housing, and reinforce the ability to make proposals
- Secure stable revenues by enhancing the for-sale condominium business and making investments in blue-chip real estate properties

New Initiatives

“Accelerate promotion of endeavors to expand the geographical business areas and business fields”

- Work to expand the Group’s businesses to major cities in Japan and the markets in the U.S. (Hawaii) and South-east Asia, with an aim to establish a revenue source of the future
- Accelerate promotion of endeavors on such measures as business and capital tie-ups and M&As in the businesses the Company requires to become a “corporate group for housing to create great living”

“Build a corporate culture that encourages people to challenge new things”

- Develop new products and new services speedily
- Seek new business opportunities through coordination among companies
- Foster human resources with future-oriented thinking who can bear the future of the Group

Financial Strategy and Returning of Profits to Shareholders

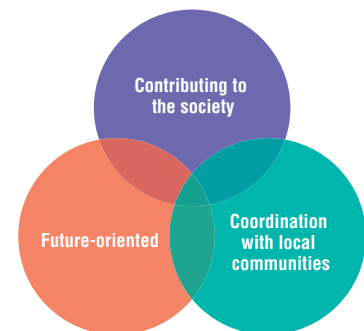
“Establish a stable financial foundation while returning profits to shareholders in a stable manner”

- In distributing profits, take a balanced approach to investments in growth strategies for the future and returning of profits to shareholders, while securing internal reserve for reinforcing the financial standing
- Aim to achieve a consolidated dividend payout ratio of 20%, while working to stably distribute dividends of ¥20 per share to shareholders

Initiatives to perform corporate social responsibilities

“Establish highly effective governance and internal control, and lay foundation of Haseko-style social contributions”

- Maintain and enhance a management system that secures transparency and objectivity
- Make further improvements for realizing a workplace environment that facilitates working, and establish a support system for individual employees to play an active role and grow themselves
- Establish a business management and risk management system that features effectiveness as well as efficiency
- Promote activities for law abidance, quality control, environmental burden reduction and environmental preservation throughout the Company’s business activities
- Continuously implement social contribution activities that take advantage of business characteristics



Trends in consolidated net sales and ordinary income

