

## “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 –

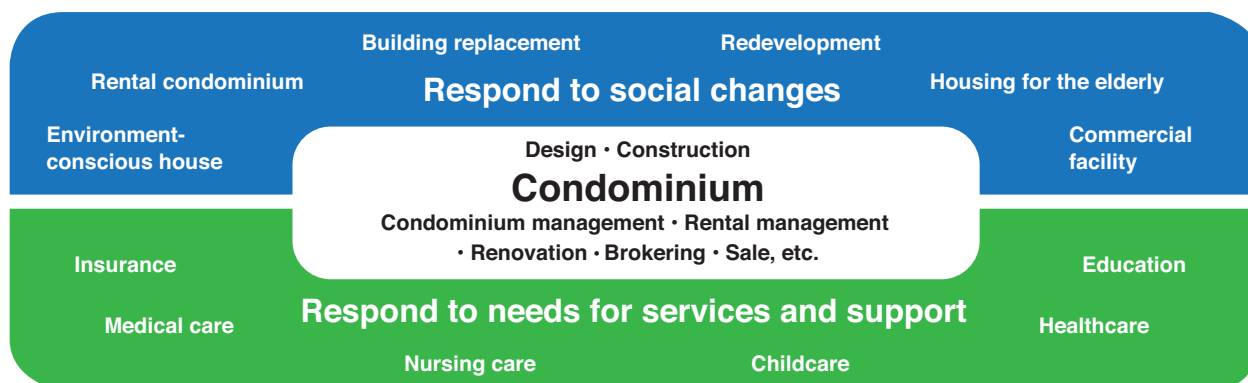
**Numerical Targets: 240 billion yen in consolidated ordinary income in aggregate for the three fiscal years (FY 2017 through FY 2019)**

**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



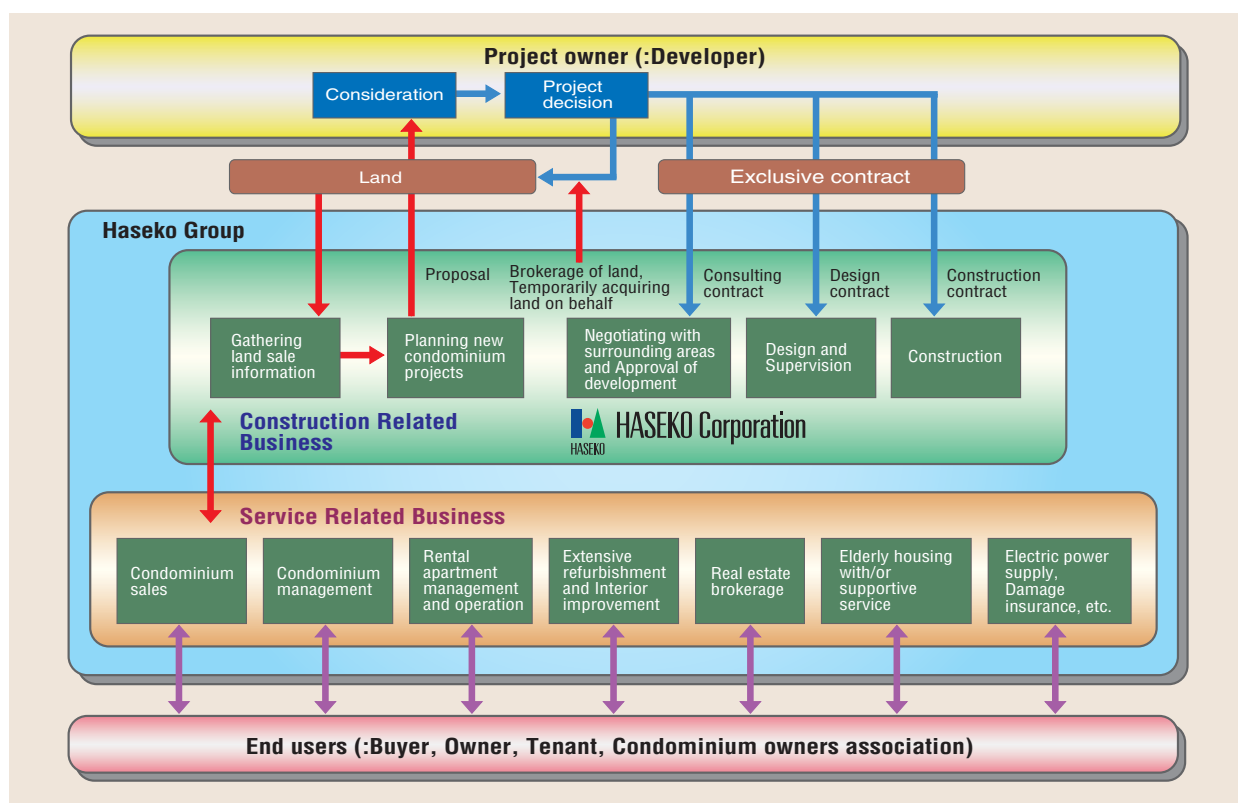
**Aiming to become a corporate group for housing to create great living**

### Perception of Business Environment and Measures

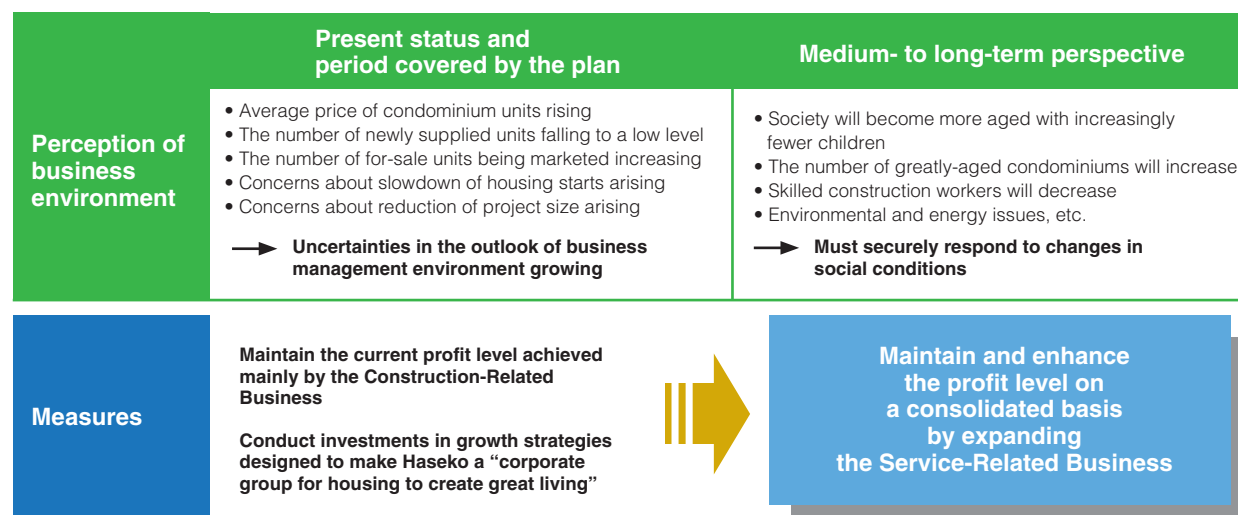
#### Businesses Conducted by the Haseko Group

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

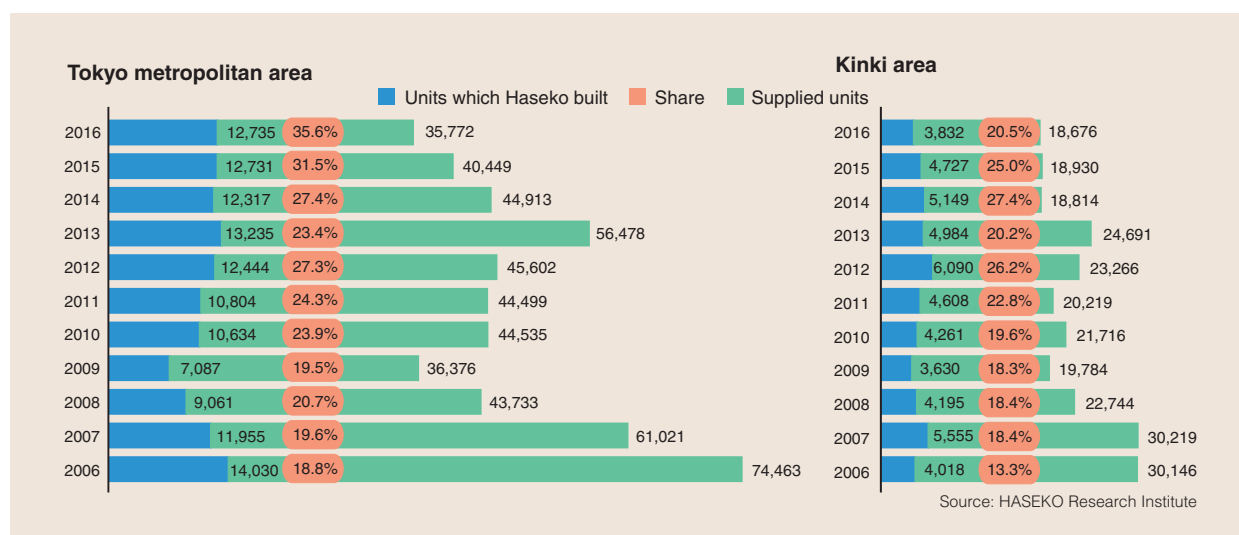


## Construction-Related Business

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

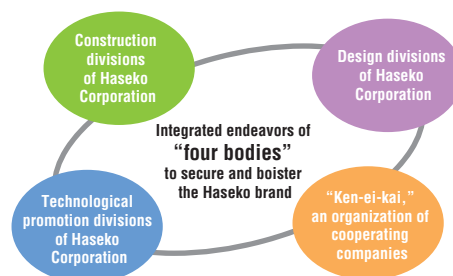
- Secure appropriate construction work volume and reasonable profits, while maintaining high quality, by continuously enhancing the building production system
- Create and realize the concept of how new condominiums should be, with deep insight on the lifestyle of urban dwellers in the future
- Enhance 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



### Conduct “Haseko Value Enhancement Activities” to provide customers with product quality and satisfaction

Integrate endeavors of the “four bodies” (the construction divisions, design divisions and technological promotion divisions of Haseko Corporation and “Ken-ei-kai,” an organization of cooperating companies) to ensure smooth communications among them, in order to secure high quality and eventually improve customer satisfaction



## 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

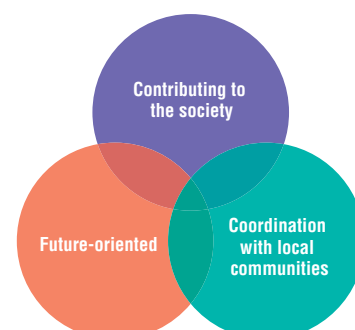
“Establish a stable financial foundation while returning profits to shareholders in a stable manner”

- 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

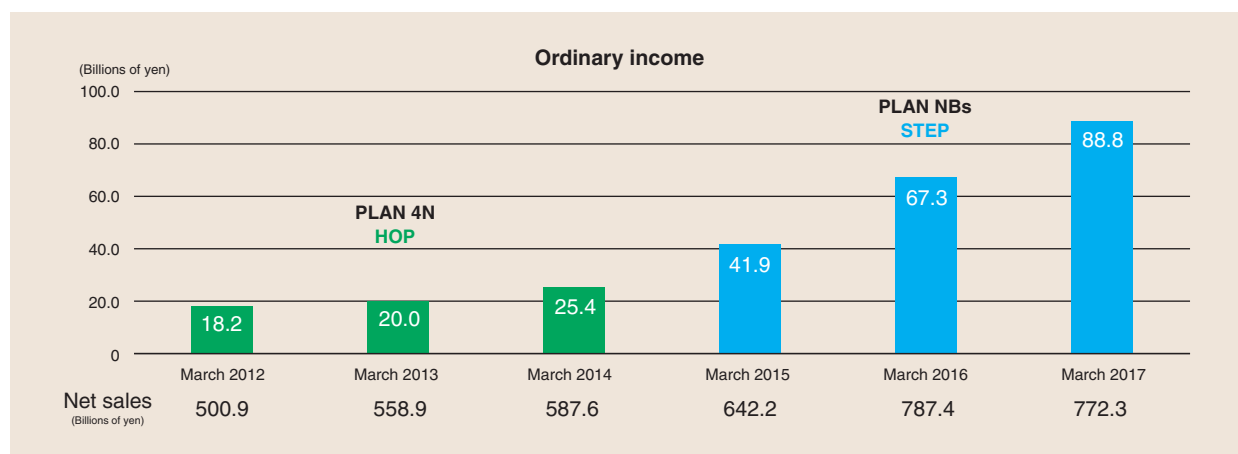
### Initiatives to perform corporate social responsibilities

“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



# Major Initiatives for Achieving the Business Plan

## Create the concept of how condominiums should be and work to realize it

Given demand for enhanced convenience of living, such as constructing retail facilities, childcare nurseries or nursing care facilities along with condominiums, create the concept of how future condominiums should be, strengthen business planning ability and proactively work to construct buildings other than residential properties or for-sale condominiums.



### The Gardens Tokyo Oji (Kita-ku, Tokyo)

With 864 units, The Gardens Tokyo Oji is a town creation project for multi-use development featuring housing, retail and child-raising that is among the largest in Kita-ku. A retail complex, a licensed child nursery and housing for the elderly are set to open.

### ZUTTOCITY (Amagasaki-shi, Hyogo)

With a total site area of approximately 8.4 ha for the entire development, ZUTTOCITY is a large-scale station-front redevelopment project integrating housing and retail facilities. A “minna-no-mori” (forest for everyone) covering approximately 8,000 m<sup>2</sup> has been created as a part of Japan’s first environmental city with efforts on energy management.



## Progress in Research and Technological Development and Focus on Communications

Haseko Group will establish Haseko Technical Center, a new development base in technological research, by integrating Haseko Technical Research Institute, Haseko Community Technical Training Center and Haseko Community Owl 24 Center, with an aim to secure future evolution in research and technological development in the apartment field. The new center will conduct research and technological development to secure safe and reliable living from a lifestyle perspective. At the same time, Haseko Group will enhance the center as a base to provide information on new technologies, new products and technical verifications, etc. to a wide scope of such end users as condominium project owners, administrative agencies and management associations.

Moreover, Haseko Museum (tentative name) will be newly established in the center’s administration building. At the museum, Haseko Group plans to display exhibits explaining the Group’s history, track records and concepts of future housing, and to establish a section in which visitors can experience construction using virtual reality systems, etc.



### Facility Overview of Haseko Technical Center

Location: Tsurumaki 311, Tama-shi, Tokyo

Site area: 17,663 m<sup>2</sup>

Total floor area: Approximately 8,800 m<sup>2</sup>

Comprising an administration building (technical center, Haseko community-related facilities, Haseko Museum (tentative name) and exhibition rooms), a housing performance test building (seismic isolation structure) and a multi-purpose test building

Structure and size: Administration building (Steel structure, 3 floors)

Housing performance test building (Reinforced concrete structure, 4 floors)

Multi-purpose test building (Steel structure, 1 floor)

Construction start: February 1, 2017

Scheduled completion: End of March 2018

Scheduled opening: June 2018



# Major Initiatives for Achieving the Business Plan

## Business Plan

### Initiatives to Expand Business Areas

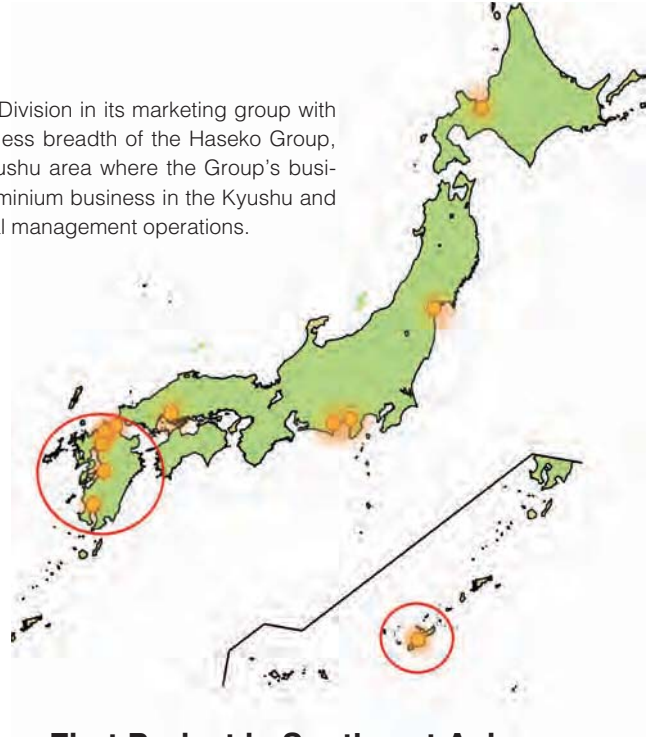
#### Domestic Market

Haseko Corporation newly established the Kyushu Operations Division in its marketing group with an aim to create new regional strategies. To expand the business breadth of the Haseko Group, the new division is engaged in market development in the Kyushu area where the Group's businesses are concentrated. The division works on for-sale condominium business in the Kyushu and Okinawa region, on top of condominium management and rental management operations.

#### Overseas Market

Starting with a project in Hanoi, Vietnam, Haseko Group plans to build a track record going forward in Southeast Asia, such as in places as Ho Chi Minh City, Vietnam and Indonesia, to establish a future revenue source in Southeast Asian countries.

In Hawaii of the United States, the Company will work to re-establish a revenue base by taking advantage of its over 40 years of experience in Hawaii.



### First Project in Southeast Asia Complete

THE AUTHENTIC, a serviced apartment for Japanese residents, was completed in Hanoi, Vietnam on March 1, 2017. The property had been developed by Haseko HimlamBC Company, Limited, in which Haseko Corporation made equity investment. The property is Haseko Group's first project in its endeavors to achieve the safe, reliable and comfortable housing realized in Japan ("Japan Quality" condominiums) in growing Asian markets. Haseko's technical institute and other institutions have conducted technical verification on building specifications that are based on Vietnam structural standards and use local construction materials, in terms of various performance including structure, heat insulation, sound proofing, ventilation and water proofing. Haseko Group dispatched many technical staff to the site who conducted routine inspections and discussions with local staff. Moreover, employees of the local cooperating companies were invited to Japan to visit construction sites. Through these efforts, Haseko Group worked to secure construction precision.

#### THE AUTHENTIC

Name: THE AUTHENTIC ~HASEKO LONG BIEN RESIDENCE~

Location: Long Bien, Hanoi

Total number of units: 110 units

Structure and size: Reinforced concrete structure, 18 floors above ground and one basement floor

Design and supervision: Haseko Corporation

Construction: Haseko Corporation

Lessor: Haseko HimlamBC Company, Limited

Administration and operation: Haseko HimlamBC Company, Limited

Completion: March 2017

#### Haseko HimlamBC Company, Limited

A local joint venture has been established with equity ratios of 95% by Haseko and 5% by the Him Lam Group, a major real estate company in Vietnam.