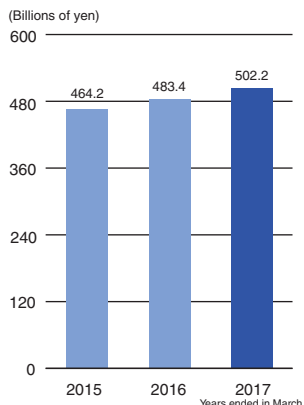


## Orders received (Non-consolidated basis)



Haseko has a variety of accompanying businesses to the condominium business within its Group, and has the strength that allows it to propose business plans integrating not only orders for construction but also for post-completion services including the sale and building management of condominiums. Such proposals are utilized to secure orders in the form of Haseko Exclusive Contracts, the largest feature of the Company. Moreover, Haseko constructs condominiums with its construction and design sections working as one. The Company has established the system that exerts cost reduction effects through receiving orders for design and construction in packages, with the two sections conducting close organizational coordination and by reflecting such aspects as enhanced workability and economic designing in designs.

## Construction

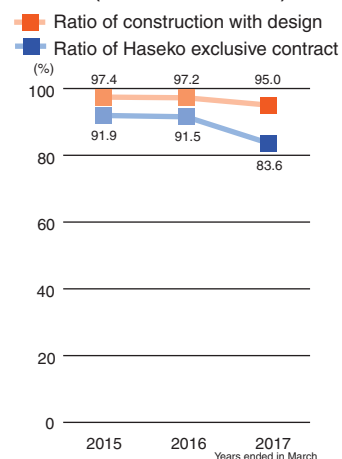
Haseko has specialized in condominium construction, as shown by its track record of over 600,000 units built. The Company constructs condominiums by employing state-of-the-art, efficient (no reconstruction) and highly precise (minimal complaints) construction methods, and has established a construction management system that keeps to budgets with no major gaps and promotes smooth implementation of project schedules. This allows Haseko to maintain high productivity. This system is bolstered by the good long-term relationships with cooperating companies. On top of their proficiency in construction with full knowledge of Haseko's construction methods, such companies can adopt Haseko's new products and new technologies, etc. as quickly as possible through training courses and other measures. These measures are what have maintained Haseko's high productivity, which secures sufficient competitiveness and serves as a source of its high profitability.



### Design

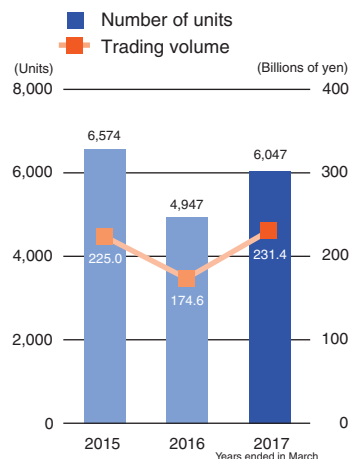
The design section is always pursuing “what is best for residents,” and conducts design work from the viewpoint of the end users, receiving feedback from customers. In addition, it proactively works to enhance performance aspects, such as enriching the fundamental performance of condominiums, improving versatility and securing environmental and disaster prevention performances, by utilizing its accumulated know-how from the cumulative construction track record of over 600,000 units as well as new products and new technologies developed by Haseko Technical Research Institute. Moreover, at “LIPS,” which is the presentation space for our condominiums, decisions regarding the products to be used are made at the designing stage while looking at a variety of offerings with the project owners. This approach makes it possible to realize prompt, reliable designs since it facilitates the smooth selection of parts, materials and products.

**Orders received**  
(Non-consolidated basis)





## Consignment sales of newly-built for-sale condominiums (Haseko Urbest)



Haseko, which boasts having the top performance in Japan in constructing for-sale condominiums, also conducts the for-sale condominiums business on its own, utilizing its know-how of Haseko Exclusive Contracts in which the Company provides land for project owners. Moreover, the Haseko Group was joined by Sohgho Real Estate in May 2015 and by Joint Corporation in December of the same year.

On April 1, 2017, the Company established Haseko Real Estate Development Holdings Inc. by concentrating the functions commonly shared by the for-sale real estate businesses in the Haseko Group. The new company will work to establish a system for implementing business operations, reinforce governance and enhance financial efficiency, among other endeavors, in order to improve profitability. It will also integrate the know-how and experience that have been fostered at each operating company, in an effort to enhance product and service offerings for customers.

## Strengths of Implementing the Total Condominium Business

The Haseko Group, which implements the condominium business in its totality, can complete all tasks required for implementing the condominium business, including planning, development and design of condominiums using information that is fed back from the construction sites, salesforce of for-sale condominiums and condominium managers, etc. as well as construction, within the group. Enjoying the benefits of this completeness, the Group's for-sale condominiums have been highly evaluated in terms of customer satisfaction and confidence for such factors as product offerings that reflect customer needs, secured construction quality and high cost performance.



RENAI Oppama



ADENIUM Itabashiukimakoen

### Haseko Real Estate Development Holdings

The company supervises the for-sale real estate businesses of the Haseko Group, integrating their common functions, working to enhance the business implementation system and reinforcing governance, among other endeavors, in order to achieve higher profitability.

#### Sohgho Real Estate

The company is engaged in the for-sale housing business, as represented by the Renai brand, with an accumulated sales record of approximately 65,000 units primarily in the Tokyo metropolitan area and the Kinki area. It offers comfortable living through an integrated business system that covers acquisition of project sites, product planning, sales, delivery and administration.

#### Joint Corporation

The company not only conducts the for-sale real estate business, in which it plans, develops and sells the "Adenium Series" properties, but also develops profit-generating properties, with a track record of developing such assets as rental condominiums, apartments, retail facilities, office buildings and warehouses.

#### Joint Property

Joint Property Co., Ltd. is an expert in operations and administration for condominium and apartment management. It supports owners of such properties by offering its proprietary know-how fostered over many years of experience.



### Haseko Urbest

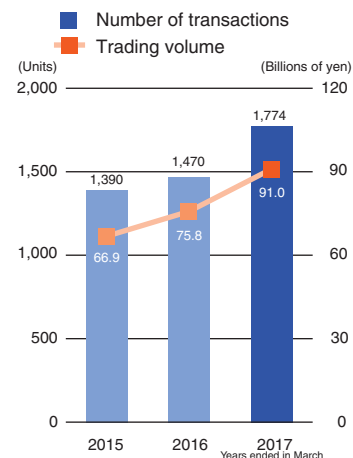
Having a leading position in consigned sales of condominiums, Haseko Urbest works as an integrated real estate service company and conducts all operations from product planning and proposals to sales, contracting and delivery of new condominiums that reflect the opinions of customers.

Haseko Real Estate, Inc. was born through the integration of the Haseko Group's real estate brokerage business, with an aim to proactively work on "vitalizing the transaction of existing housing" as an important area of the Group's growth strategy. As an integrated real estate brokerage company, Haseko Real Estate handles all types of real properties, from residential real estate to commercial and investment real estate.

Moreover, to realize the Haseko Group's basic philosophy of "creating good housing, taking proper care of housing and living in housing over a long period of time," the firm is proactively engaged in the renovation business, where it refurbishes used condominiums for future inhabitants to live.



## Brokerage of real estate (Haseko Real Estate)



## Real Estate Brokerage

Selling and buying, exchanging, leasing, agency and brokerage of real estate

**Building:** Condominiums, stand-alone houses, profit-generating buildings, facilities for the elderly, hospitals and medical facilities, company housing, etc.

**Land:** Sites for condominiums and stand-alone houses, commercial sites, sites for facilities for the elderly, sites for hospitals and medical facilities, sites for warehouses and plants, sites for large-scale, multi-use developments, land for consideration of equivalent exchange or effective use, etc.

## Purchase and Resale

Purchase and resale of condominiums and profit-generating properties

**Property acquisition:** Condominiums and stand-alone houses (from entire buildings to single units), profit-generating properties

**Temporary holding:** For renovation and conversion

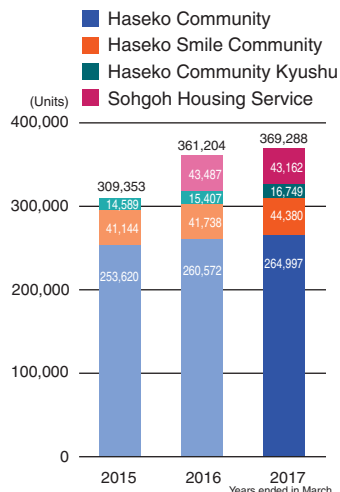
**Sale:** For the real estate market and business corporations

## Real Estate Solution

Consultation for effective use of land, asset management, consultation for real estate investment Management and administration of real estate and project proposals

The company fully utilizes the networks of the Haseko Group to provide total support for business planning to operations and management of condominium projects, offices, retail stores, facilities for the elderly and other properties, helping customers to conduct asset management by realizing the property value to the maximum.

## Four companies Condominium building management



The Haseko Group companies that conduct for-sale condominium management operations are commissioned by management associations, which are comprised of residents of condominiums, to provide services that should maintain and improve the asset values of the buildings and enrich life in condominiums. As managing companies belonging to a general contractor group, the companies accept not only the problems related to construction or management but also whatever issues and troubles customers may have, investigate the causes and solve them.

## Haseko Property Management Holdings

On April 1, 2017, Haseko Property Management Holdings Inc. was established as the intermediate holding company that supervises the for-sale condominium management operations of the Haseko Group. The new company aims to integrate the knowledge, experience and know-how obtained by Haseko Community, Haseko Smile Community, Sohgo Housing Service and Haseko Community Kyushu through their management operations, and provides even wider services.



## Haseko Property Management Holdings

Working as an intermediary holding company that supervises the for-sale condominium management operations of the Haseko Group, the company integrates the knowledge, experience and know-how obtained by the respective companies engaged in this business through their management operations, and provides even a wider-range of services.

### Haseko Community

### Haseko Smile Community

### Sohgo Housing Service

### Haseko Community Kyushu

#### Comprehensive Monitoring

Comprehensive monitoring operations conducted around the clock; security personnel dispatched in emergencies, and specialized technical staff available day-and-night.

#### Management and Cleaning

Reception, surveillance, attendance services and cleaning services of common areas by staff who have mastered professional knowledge and skills.

#### Maintenance and Management

Periodical inspection of elevators, water supply and drainage, fire prevention facilities and other accessorial facilities; proposals for repairs of defects; proposals for repair work plans and financing plans for forecasted future deterioration of buildings over time.

#### Clerical Services

In place of management associations, the company collects and keeps management fees and repair deposits, gives reminders for payment of unpaid proceeds, reports financial statements and providing accounting services including financial settlements.

#### Life Support Services

The company provides services that support the daily lives of residents, including acceptance of clothes for cleaning, arranging for taxis and catering services, and conducting a variety of community events. Moreover, it offers services that enrich the living at condominiums, such as cafes and culture schools operated in condominiums as well as car sharing.



# Management and Operation of Rental Condominiums

## Haseko's Business

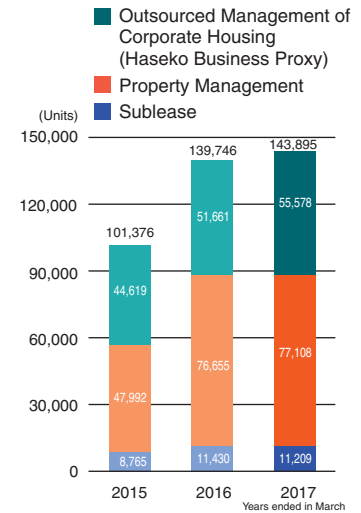
In the domains where rental condominiums, corporate real estate and for-investment condominiums are mutually interrelated, Haseko Livenet implements lease management and operations of condominiums, consulting on rental operations, and rental brokerage of condominiums. The company conducts business in major rental condominium markets in Japan – Tokyo metropolitan area, Kinki area, Sapporo, Sendai, Nagoya, Hiroshima and Fukuoka. In addition, Haseko Business Proxy, an offshoot of Haseko Livenet, is engaged in introducing properties for use as rental corporate housing or dormitories, and managing corporate housing as an agency.



BRANSIESTA Komagome



### Haseko Livenet Rental condominium management and operation



### Haseko Livenet

#### Property Management

Sublease system in which the company rents the entire properties for lease, and handling of various procedures and work for rental operations as an agency; the "total package management" service in which the company performs building management on its own, and the full support for all aspects down to exit strategies.

#### Development of For-Investment Rental Condominiums

The company coordinates development of rental condominiums and prepares plans based on marketing results. It can achieve high occupancy rates by being simultaneously consigned for property management.

### Haseko Business Proxy

As a pioneer of the business model, the company is characterized by the high-quality service chosen by global companies.

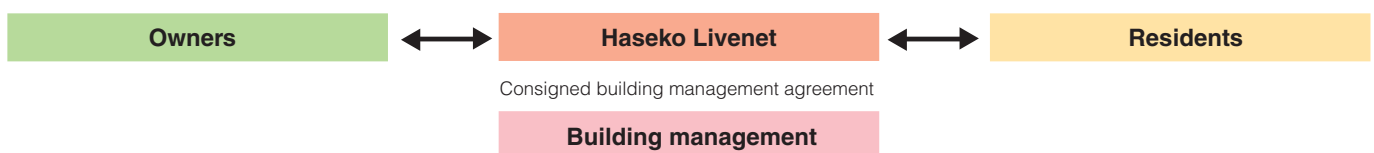
#### Management Agency for Corporate Housing

Conducts review of the corporate housing systems and provides support to the corporate real estate strategy of clients; implements a solution business for corporate real estate, including rehabilitation of client owned corporate housing and proposals for efficient use of corporate land, and provides total support to clients' employees who are the "lessees" living in the company housing.

### Property Management

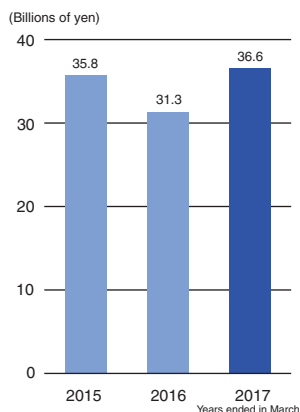
Agency service agreement for rental operations

Lease agreement



Total package management: Building management, handling of procedures and work as an agency, and sublease system

## Orders received (Haseko Reform)



The number of for-sale condominiums in stock in Japan is estimated to surpass 6 million units. Of these, more than 1.5 million units are reckoned to be in buildings built 30 or more years ago. Aside from these, many condominiums have become old and now require large-scale repair work to be conducted. The Haseko Group serves the management associations and owners of aged condominiums as a total advisor for rehabilitating the buildings, responding to a variety of needs for repairs, renovations and building replacement.

In the Haseko Group, Haseko Reform is engaged in renewal construction and maintenance work primarily for condominiums. Based on its abundant experience as the leading company in condominium construction, it makes optimum renewal proposals – including renovations of earthquake-resistant structures, ordinary repairs, large-scale repairs and remodeling – in accordance with the various building characteristics (size, design and specifications) of each asset with the aim of extending the building life. By doing so, the company provides construction quality that achieves maintenance and enhancement of the asset value.



## Kemigawa Park Mansion



Before



After

Reflecting the experience and achievements of condominiums totaling approximately 600,000 units, the company has a track record of renewal construction and maintenance work for condominiums counting about 3,700 buildings (about 500,000 units) in the last 20 years.

## Offerings for Extending Building Life

### Large-scale repairs

- Consideration given to repair work conducted with residents remaining in their units.
- Proposes construction methods that negate the need for scaffolds or curing sheets.

### Renovations of earthquake-resistant structures

- Renovations of earthquake-resistant structures with residents continuing to live in their units.
- Conducts procedures to apply for subsidies to local governments and provides support for resident briefings.

### Facility renovations

- The SAPS R method for replacing water supply pipes realizes durability of 60 years; the HAM-J method for drainage pipes completes work in a day for a single system.

### Renovations for environmental friendliness and energy saving

- Renovations for energy saving, including heat insulation of buildings and adoption of multi-layer glass; advice on obtaining subsidies, etc.

## Offerings for enhancing assets and lifestyle

### Renovations for value enhancement.

- Employs barrier-free design, which is indispensable for the aged society.
- Renovations of entrances for improving the image.
- Prevents deterioration of building frame through external insulation.
- Replaces window sashes as a countermeasure against condensation.

## Remodeling work

- Proposes optimum remodeling for not only unit floor plans and designs but also for replacement of water supply, drainage pipes and electricity facilities.
- Female interior coordinators make arrangements based on the condominium construction record data.
- Addresses a variety of themes such as lifestyles and adoption of natural materials.
- Conducts remodeling of stand-alone houses as well.

# Condominium Rehabilitation and Building Replacement Business

## Haseko's Business

In conducting the condominium building replacement business, a variety of requests must be met from the management associations, including investigations for choosing repairs or building replacement, building diagnosis, evaluation of seismic capacity, comparison of rough estimates for repairs and building replacement costs, establishment of a building replacement investigation committee, consensus building, mediation of temporary housing, resettlement of the residents and management after the resettlement. This is why the number of condominium building replacement cases remains very small, standing at 268 properties as of April 1, 2017.

In conducting condominium replacement, Haseko has proposed more specific options for building consensus and solving problems to the owners and management associations through coordination among the Group companies. As such, the Company has conducted condominium replacement in 35 cases (31 properties completed and 4 properties underway), the most in Japan, as of April 2017.



Before

### BRANCHERA Senbayashi Omiyai

Utilizing the Group's strengths to successfully implement a building replacement project for which rebuilding of the same size is not permitted due to revisions to the Building Standards, etc.



After



Before

### BRANCHERA Yamamotochominami

Building replacement project for a housing complex to dissolve the mixture of sold and leased units and incorporating an adjoining land owned by Urban Renaissance Agency



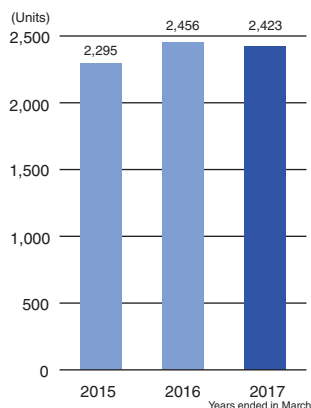
After

## Comprehensive Strengths of the Haseko Group Utilized in Condominium Rehabilitation

Purchase of redundant floors and sale to general consumers:	Housing Development Division of Haseko Corporation
Planning and design of condominium building replacement:	Engineering Division of Haseko Corporation
Mediation of temporary housing and advisory for negotiations on displacement of tenants:	Haseko Livenet, Residential Service, Haseko INET
Condominium building replacement construction:	Construction divisions of Haseko Corporation
Proposal on condominium management and operation:	Haseko Community, Haseko Smile Community, Haseko Community Kyushu, Sohgo Housing Service
Sale of for-sale condominiums and mediation of housing for mover:	Haseko Urbest , Haseko Real Estate
Mediation of paid facilities for the elderly and housing for the elderly:	Century Life , Seikatsu Kagaku Un-Ei



**Changes in the number of paid facilities for the elderly**



In the Haseko Group, which takes the aging society into account, Century Life Co., Ltd. has been planning and operating paid care houses for elderly people. In 2013, the Haseko Group incorporated Seikatsu Kagaku Un-Ei Co., Ltd., which operates paid facilities for the elderly and other facilities, to reinforce the business. Moreover, the Company established Haseko Senior Holdings, Inc., a holding company that controls the entire senior living business and conducts project management, etc., on April 1, 2016. With this arrangement, the Haseko Group started its endeavors in the senior living business under a stronger and more solid management system, working to enhance efficiency and integrate operations of the business. In June of that year, the Haseko Group reinforced home nursing care service by incorporating Furusato Co., Ltd., which operates Furusato, dementia specialized day service and short stay facilities, in Kawasaki and Yokohama. Consequently, the Haseko Group expanded its senior business into wider areas.



## Project with Kobe YMCA

Seikatsu Kagaku Un-Ei has worked with Kobe YMCA to create housing for the elderly that should serve as the base of local communities. This endeavor has led to the completion of Life & Senior House Kobe Kitano, a paid care house for elderly people built at the time of the building replacement of former Kobe YMCA Sannomiya Hall.

In the facility that opened on April 1, 2017, the 1st through 3rd floors are used by Kobe YMCA and the 4th through 11th floors as Life & Senior House Kobe Kitano. The directly operated restaurant on the 1st floor is open to the public as a means to create local communities.

## Haseko Senior Holdings

Haseko Senior Holdings supervises the entire operations while giving support to the operating companies that are subsidiaries under its umbrella.

### Century Life

The company provides senior living with security and comfort by offering well-equipped facilities and a variety of services, centering on facilities with nursing care.

### Seikatsu Kagaku Un-Ei

The company operates housing for elderly people, including paid facilities for the elderly, in Kanto, Chubu and Kansai areas, attaching importance to communities.

### Furusato

Dementia specialized facilities for day and stay-type care services.

### ■ Management of paid facilities for the elderly

Conducts management of paid facilities for the elderly, totaling approximately 2,200 units for the entire Group. Implements living support services to the residents, including eating, bathing and living rehabilitation, medical treatment and nursing in coordination with medical institutions, and periodical health checks and other daily health management.

### ■ Home nursing care service

Conducts preparation of nursing care plans by care managers, periodical review of the plans and consultation on nursing care, etc., and communicates and makes arrangements with service providers. Also visiting nursing care services by the helpers including physical nursing care, providing services to suit the physical conditions of the users.

### ■ Planning and consulting business

Conducts planning for paid facilities for the elderly, housing for the elderly and multi-generation housing, offering services for planning and consultation of nursing care and welfare.

### ■ Others

Develops and provides life support systems, holds lectures, symposiums and seminars on lifestyle and living, and coordinates community creation and town creation.

### ■ Day service and short stay

The company operates Furusato, dementia specialized day service and short stay facilities, in Kawasaki and Yokohama.

# Initiatives on Research and Technological Development

## Haseko's Business

### Haseko Technical Research Institute

Haseko Technical Research Institute features a Housing Performance Test Building, which is a full-scale condominium and the only such facility in Japan, a Thermal Environment Test Building, a Structural Material Test Building, an Outdoor Test Yard and other facilities. Aiming to create “housing in which residents can live with a sense of assurance and comfort over a long term,” the Institute is attempting a variety of performance tests and research and development on apartments in order to always respond to the new needs of customers and the society, such as extending the life of buildings, reinforcing seismic performance and environmental issues including reduction of CO<sub>2</sub> emission.



### Joint Development and Commercialization of New Joints for Resin Pipes

Haseko Corporation has developed a joint for polyethylene pipes, which eliminates electrofusion for connecting pipes in water supply piping works, together with Kubota ChemiX Co., Ltd., a piping material manufacturer.

#### Features

- Shortens the time required for connecting pipes by over 70% compared to using electrofusion
- Prefabricated and unitized at the plant
- Stabilizes construction quality without being affected by the skills gap for electrofusion



### Development of Proprietary ALC Hardware Non-Welding Method

Haseko Corporation has developed “ALC hardware non-welding method,” which allows it to attach autoclaved light weight concrete (ALC) panels to common corridors and balconies of condominiums without conducting welding.



#### Features

- Saves on ALC work labor by eliminating welding and lightening the hardware weight
- Equalizes quality by eliminating welding
- Reduces power usage by eliminating welding

### Major Initiatives

- **Building considerations** based on technological development related to concrete and reinforced bars
- **Maintenance and renovation** applying technological development related to interior fittings and piping
- **Health considerations** through ventilation systems and sick-building syndrome countermeasures, etc.
- **Barrier-free universal design** including bases for attaching handrails, lowering of floor-level differences, low-rise bathtubs and large switches/control boards
- **Anti-earthquake measures** including technologies for earthquake-resistant and seismic isolation structures and construction methods for seismic strengthening
- **Anti-disaster and anti-crime measures** including anti-crime technologies such as front door keys, escape balconies and development of emergency supply kits
- **Energy-saving measures** including energy-efficient heat insulation systems and multi-layer glass
- **Environmental friendliness** through solar power generation systems and rooftop and wall greening technologies