Five-Year Summary
Haseko Corporation and its Consolidated Subsidiaries
(Years ended March 31, 2014, 2015, 2016, 2017 and 2018)

	Millions of Yen				
	2014	2015	2016	2017	**2018**
For the Year:					
Net sales	¥587,571	¥642,167	¥787,354	¥772,328	**¥813,276**
Cost of sales	526,208	563,230	674,007	629,454	**656,031**
Selling, general and administrative expenses	32,525	36,239	44,585	53,842	**56,440**
Operating income	28,838	42,698	68,762	89,032	**100,805**
Ordinary income	25,405	41,889	67,327	88,827	**100,497**
Income before income taxes	30,721	42,306	68,850	78,256	**101,021**
Net income attributable to owners of parent	24,830	28,542	51,226	58,762	**72,289**
For the Year:					
Cash flows from operating activities	55,267	39,984	65,590	109,536	**56,516**
Cash flows from investing activities	29,395	(4,067)	(30,801)	(19,824)	**(16,351)**
Cash flows from financing activities	(65,425)	(40,235)	(16,286)	(40,213)	**(34,743)**
Cash and cash equivalents at end of the year	137,689	133,563	152,115	201,456	**206,866**
At Year-end:					
Total current assets	¥356,926	¥380,841	¥448,140	¥478,611	**¥512,563**
Total assets	457,408	476,914	589,993	630,937	**688,308**
Total current liabilities	209,699	248,586	259,960	270,002	**280,896**
Total long-term liabilities	128,237	84,239	144,658	122,468	**110,577**
Total shareholders' equity	128,632	143,356	191,580	245,358	**301,245**
Net assets	119,472	144,089	185,375	238,467	**296,835**
	Yen				
Per Share Data:					
Net income attributable to owners of parent	¥ 81.36	¥ 94.64	¥170.41	¥195.48	**¥241.98**
Diluted net income	67.98	92.90	–	–	**–**
Net assets	346.17	478.45	615.21	791.24	**995.44**
Ratios:					
Profit ratio of construction contracts	9.2	11.3	15.8	19.2	**21.1**
Operating income ratio	4.9	6.6	8.7	11.5	**12.4**
Equity ratio (%)	26.1	30.2	31.3	37.7	**43.0**
Return on equity (%)	21.3	21.7	31.2	27.8	**27.1**
Price/Earnings ratio (times)	7.94	12.38	6.15	6.16	**6.69**
Payout ratio (%)	3.7	10.6	8.8	15.3	**20.7**
Number of employees	5,188	5,379	6,136	6,602	**6,816**

Analysis of Financial Condition and Business Performance

(1) Business Performance for the Fiscal Year Ended March 2018

For the fiscal year ended March 2018, in which the Japanese economy remained on course for a modest recovery, new supply of condominium units increased from the previous year both in the Tokyo metropolitan area and the Kinki area, with the figure standing at 36,837 units (up 1.1% year-on-year) for the former and 19,849 units (up 8.1% year-on-year) for the latter. In particular, the figure significantly surpassed the year-earlier results in the Kinki area due to a major increase in the supply of condominiums with studio units from 3,631 units to 4,711 units. The initial month sales rate, which serves as a benchmark of sales conditions, was 68.8% (up 0.3 points) in the Tokyo metropolitan area, remaining at the 60% level for two consecutive years, but rose to 76.6% (up 4.7 points) in the Kinki area, surpassing 75% for the first time in three years since fiscal 2014. Moreover, with inventory sales remaining strong, the number of for-sale units being marketed as of the end of March 2018 decreased to 6,498 units (down 3.7%) in the Tokyo metropolitan area and to 2,355 units (down 5.5%) in the Kinki area. An analysis of products supplied in the fiscal year shows that the unit price for for-sale condominiums rose to 864 thousand yen/m^2 (up 7.9%) and the average market price increased to 59.21 million yen (up 6.9%) in the Tokyo metropolitan area, partly due to an increase in the supply of expensive projects. In the Kinki area, while the unit price rose to 636 thousand yen/m^2 (up 3.8%), the average market sales came to 38.46 million yen (down 0.8%) as the average unit space shrank partly due to an increase in the supply of condominiums with studio units.

Under such conditions, for the fiscal year under review, which represents the first year of the "newborn HASEKO Jump Up Plan" (Plan NBj), the Company's medium-term business plan, the Haseko Group renewed record high consolidated ordinary income with condominium construction works in the Construction-Related Business achieving good results. As such, the Company made a good start toward the numerical targets of the Plan NBj that command combined consolidated ordinary income of 240 billion yen for the three years from the fiscal year ending March 2018 to the fiscal year ending March 2020.

As a result of the above, the Company achieved a year-on-year increase both in sales and profits. While net sales grew by 5.3% to 813.3 billion yen due to an increase in the volume of condominium construction works, the Company posted operating income of 100.8 billion yen (up 13.2%), ordinary income of 100.5 billion yen (up 13.1%) and net income attributable to owners of parent of 72.3 billion yen (up 23.0%), due to improved gross profit margin of completed construction contracts for condominium construction works. The operating income ratio was 12.4% (up 0.9 points) and ordinary income ratio came to 12.4% (up 0.9 points).

(2) Performance by Segment

Furthermore, as the Company positioned "securing stable revenues by making investing in blue-chip real estate properties" as one of its new focused strategies in the medium-term business plan that started in the current fiscal year, it has changed the classification of its reportable segments, in which part of the Construction-Related Business has been moved to the Service-Related Business, starting in the first quarter of the fiscal year.

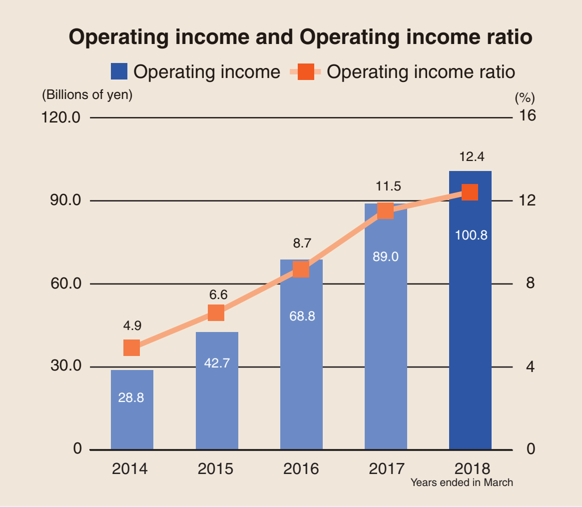
As for the year-on-year comparison, figures for the previous fiscal year have been restated in accordance with the classification method of the reportable segments after the change.

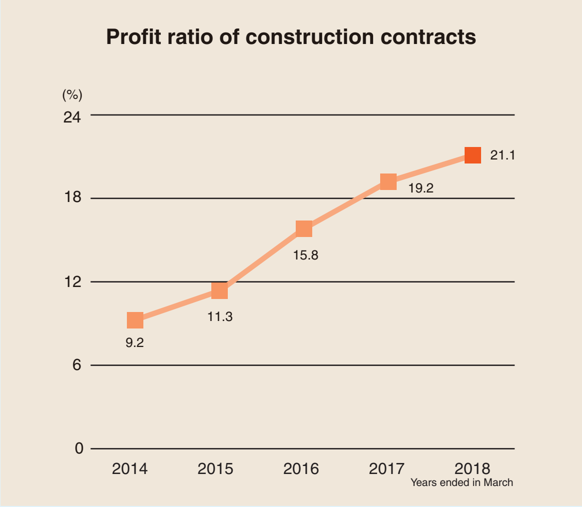
Construction-Related Business

For construction works, project owners have continuously had a high regard for the Company's ability to gather land information and product planning ability, its attitude regarding construction quality and keeping construction schedules, efficient production system and such. Under such circumstances, the Company kept the gross profit margin of completed construction contracts in the fiscal year under review at a high level.

In terms of orders for new construction of for-sale condominiums, the Company won orders for 121 projects in total throughout Japan, comprised of 83 in the Tokyo metropolitan area including 27 large projects with at least 200 units and 38 in the Kinki and Tokai areas including 9 large projects with at least 200 units. In addition, aside from for-sale condominiums, the Company received orders for 12 projects including rental condominiums, company housing, warehouses and stores.

As for construction completion, the Company completed construction of 98 projects including 5 projects for rental housing, etc.





Performance by segment

Billions of yen

	Construction-related business		Service-related business		Overseas-related business	
Net sales	615.0	(+48.2)	215.4	(+5.8)	12.6	(-3.0)
Operating income	91.3	(+10.0)	13.8	(+3.6)	0.3	(+0.2)

Figures in parenthesis represent the amount of increase or decrease from the previous fiscal year.

In design and supervision operations, the Haseko Group proactively works to enrich fundamental performance, improve versatility and secure environmental and disaster prevention performance of condominiums by utilizing plans, technologies and know-how it has accumulated through its construction track record of over 620,000 units built.

In the Tokyo metropolitan area, the Company completed The Gardens Tokyo Oji Airy Court (Kita-ku, Tokyo; 452 units) within the area of the Kita-ku Oji 5-chome Project, a town creation project for multi-use development featuring housing, retail and child-raising with rental housing, a retail facility, a paid nursing care facility for the elderly and a childcare nursery for schoolchildren on a vast site of approximately 43,000m^2. Moreover, Haseko completed Fine City Yokohama Egasaki Rene (Tsurumi-ku, Yokohama; 338 units), which features a variety of common facilities as a venue for creating a community around the vast terrace in the center of the site and was granted the 2017 Good Design Award.

In the Kinki area, construction was completed for Branz Tower Wellith Shinsaibashi South (Chuo-ku, Osaka; 202 units) having thirty stories above ground. Proud City Tsukaguchi Mark Sky (Amagasaki-shi, Hyogo; 366 units) was also completed within the ZUTTOCITY districts, a large-scale, station-front redevelopment project combining residential and retail facilities with a total development area of approximately 8.4 hectares.

As a result of the above, the segment posted a year-on-year increase in sales, which stood at 615.0 billion yen (up 8.5%). It also achieved a year-on-year increase in operating income, amounting to 91.3 billion yen (up 12.4%), partly due to improved gross profit margin of completed construction contracts.

Service-Related Business

In large-scale repair work and interior remodeling, sales remained almost flat but profits increased year-on-year as the profit margin of construction contracts improved due to progress in cost reductions.

In the management of rental condominiums and corporate housing management agency services, the number of units Haseko operates reached a combined total of 150,341 units, an increase of 4.5% from the end of the previous fiscal year, as new consignment of these services increased steadily.

In consigned sales of newly-built condominiums, the number of contracted units remained almost flat, but the number of delivered units increased year-on-year as deliveries of large-scale projects were conducted, among other factors.

In real estate brokerage operations, the number of sold units in the renovation business increased year-on-year, and the number of cases in which the Company conducted brokerage also increased from the previous fiscal year.

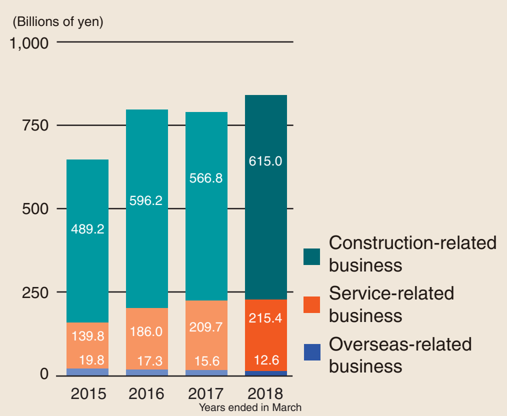
In for-sale condominium management operations, the number of units the Haseko Group is consigned to manage reached 376,488 units (up 1.9% year-on-year), led by the orders received for large-scale projects for which the Company provides land, among other factors.

In the sale of real estate, the Company conducted sale and delivery of 10 for-sale condominiums that were newly completed in the fiscal year under review as well as other products.

In the senior services business, the number of paid facilities for the elderly and housing for the elderly in operation totaled 2,127 units (up 5.8%) as a result of progress made in the opening of new properties and sale of self-support rooms for the elderly.

As a result of the above, the segment achieved a year-on-year increase both in sales and profit, as it did in the previous fiscal year, posting sales of 215.4 billion yen (up 2.8%) and operating income of 13.8 billion yen (up 35.2%).

Sales breakdown by reportable segment



Overseas-Related Business

Sales decreased year-on-year due to a drop in the number of contracted units and delivered units in the for-sale stand-alone housing business in Oahu, Hawaii. Operating income increased year-on-year, however, as profit margin improved.

As a result of the above, the segment posted sales of 12.6 billion yen (down 19.2%), while achieving operating income of 0.3 billion yen (up 166.3%).

(3) Financial Position

Total assets at the end of the consolidated fiscal year ended March 2018 increased by 57.4 billion yen from the end of the previous fiscal year to 688.3 billion yen. This is mainly because of an increase in real estate for sale and costs and advances for real estate operations.

Total liabilities were 391.5 billion yen, a decrease of 1.0 billion yen from the end of the previous fiscal year. This is because of repayment of borrowings, etc., despite an increase in notes and accounts payable and income taxes payable.

Assets by segments

Billions of yen

	Construction-related business		Service-related business		Overseas-related business	
Segment assets	243.6	(+31.4)	276.4	(-1.9)	34.0	(-1.2)

Figures in parenthesis represent the amount of increase or decrease from the previous fiscal year.

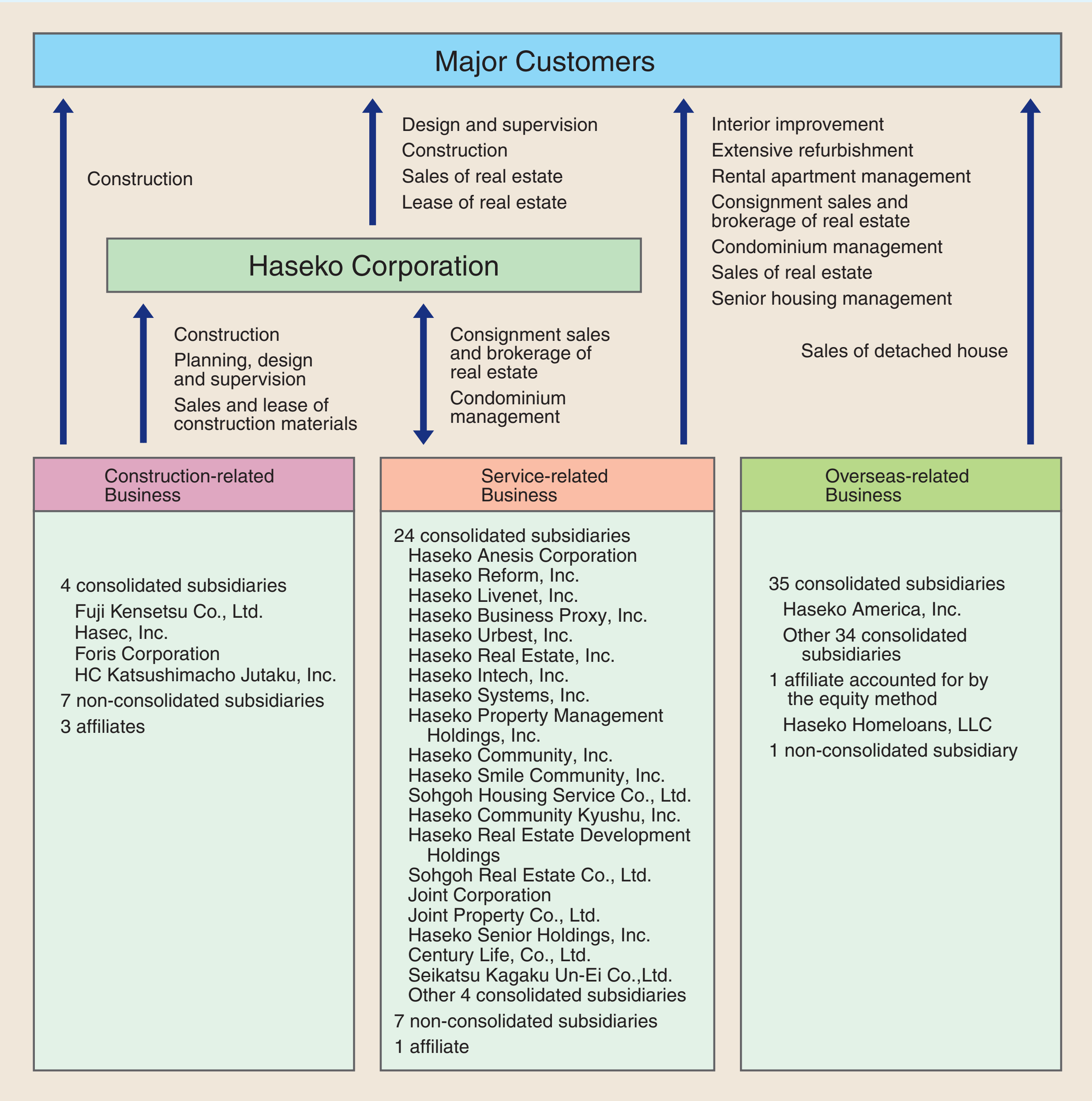
Consolidated net assets were 296.8 billion yen, an increase of 58.4 billion yen from the end of the previous fiscal year, because of an increase in retained earnings due to the recording of net income attributable to owners of parent, among other reasons.

As a result, the equity ratio was 43.0% compared to 37.7% at the end of the previous fiscal year.

Construction-Related Business

Assets of the Construction-Related Business amounted to 243.6 billion yen as of the end of the fiscal year under review, up 31.4 billion yen year on year, due to an increase in real estate for sale through short-term property acquisitions mainly for the purpose of receiving construction orders.

Business schematic of Haseko group's reportable segments



Service-Related Business
Assets of the Service-Related Business totaled 276.4 billion yen as of the end of the fiscal year, down 1.9 billion yen year on year, due to such factors as a decrease in cash and bank deposits as a result of returning deposits for consigned sales of newly-built condominiums despite an increase in real estate for sale and costs and advances for real estate operations mainly due to purchase of for-sale real estate properties.

Overseas-Related Business
Assets of the Overseas-Related Business decreased 1.2 billion yen year on year to 34 billion yen as of the end of the fiscal year due to fluctuations in foreign exchange rates, despite an increase in U.S. dollar-denominated real estate for development projects in the for-sale stand-alone housing business in Oahu, Hawaii.

(4) Cash Flows

Net cash provided by operating activities was 56.5 billion yen, a decrease of 53.0 billion yen compared with the net cash provided by operating activities totaling 109.5 billion yen in the previous fiscal year. Major factors included a decrease in cash of 35.6 billion yen in accordance with an increase in inventories (in contrast to an increase in cash of 4.4 billion yen for the previous fiscal year) and payment of 26.2 billion yen for income taxes (in contrast to 14.7 billion yen for the previous fiscal year).

Net cash used in investing activities was 16.4 billion yen, an increase of 3.5 billion yen in income compared with the net cash used in investing activities totaling 19.8 billion yen in the previous fiscal year. Major factors included a decrease of 13.0 billion yen in cash in accordance with purchase and sale of property and equipment (in contrast to a decrease of 15.7 billion yen in cash for the previous fiscal year).

Net cash used in financing activities was 34.7 billion yen, an increase of 5.5 billion yen in income compared with the net cash used in financing activities totaling 40.2 billion yen in the previous fiscal year. Major factors included a decrease of 16.5 billion yen in cash in accordance with borrowing and repayment of debt (in contrast to a decrease of 34.0 in cash for the previous fiscal year), cash dividend paid of 12.0 billion yen (in contrast to 4.5 billion yen for the previous fiscal year) and a decrease of 4.5 billion yen in cash in accordance with purchase of treasury stock (in contrast to a decrease of 0.0 billion yen in cash for the previous fiscal year).

As a result of the above, the balance of cash and cash equivalents at the end of the consolidated fiscal year totaled 206.9 billion yen, an increase of 5.4 billion yen from 201.5 billion yen at the end of the previous consolidated fiscal year.

Although the real estate owned by the Haseko Group increased due to short-term acquisitions of real estate properties for the purpose of receiving construction orders and purchases of for-sale real estate properties, among other factors, the Group conducts appropriate risk management and promotes business operations.

Net cash provided by operating activities decreased significantly from the previous fiscal year due to short-term acquisitions of real estate properties mainly for the purpose of receiving construction orders and purchases of for-sale real estate properties.