

Haseko Corporation has made it a social mission to create an environment that is optimal for cities and people. With the belief that creation of a truly rich environment can be achieved only after we realize a society that preserves the global environment and can develop in a sustainable manner, the Company operates activities in pursuit of preserving and improving the global environment in a better way.

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 including reduction of construction waste and

promotion of recycling. Moreover, our internal audit and external review are being executed on a regular basis to realize continual improvements.

Haseko Corporation 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. Aside from economic contributions it should naturally make through developing its business, the Company is also working on a variety of social contribution activities as a “trusted corporate citizen.”

## ● 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. In accordance with this, the Group has been participating since 2012 in the Tokyo Greenship Action and the Umi-no-Mori (See Forest) Project sponsored by the Tokyo Metropolitan Government, as part of its social contribution activities for protecting the environment. In the Kansai area, meanwhile, the Company participates in the Creation of Symbiosis Forest project, in which young plants are planted to foster a beautiful forest in the Sakai District No. 7-3 industrial waste disposal site, which spreads in front of Osaka Bay.

In the Kanto area, the Haseko Group participated in environmental preservation activities in the rural natural areas of Takiyama, Hachioji, in May 2015, and in the preservation activities for the green areas in Matsuyama, Kiyose, in November. In the Kansai area, the Company joined the planting activities for the Symbiosis Forests in Sakai District No. 7-3 in November of that year.



The rural natural areas of Takiyama, Hachioji

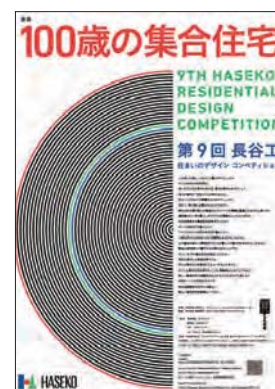
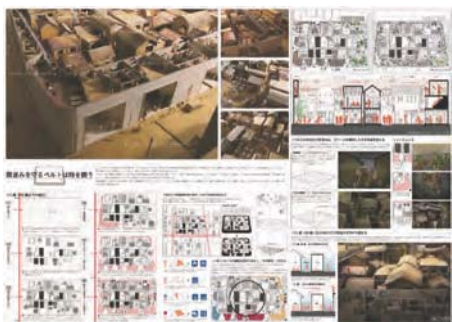


Sakai No. 7-3 District

## “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 ninth competition in 2015 set the theme of “apartments for centenarians” that discusses the role of apartments for making the life of aged people great. A total of 743 proposals were submitted from 743 registrants, awarding one proposal with first prize, three proposals with awards of excellence, 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 the Environment.

Since 2008, Haseko’s management company group (Haseko Community, Haseko Smile Community, Haseko Community Kyushu and SOHGOH HOUSING SERVICE\*) has conducted water sprinkling operations at condominiums, the first such attempt in Japan, under the name of “Mission Uchimizu at Condominiums.”

At present, the initiative also conducts photo and illustration contests, helping to heighten residents’ awareness for preventing global warming and ecological considerations, while promoting exchanges among people residing in the properties managed by Haseko as well as activating the local communities. In 2015, people totaling as many as 62,282 households from 682 management associations participated in the initiative.

\* SOHGOH HOUSING SERVICE started the water sprinkling operations in 2016.



### ■ What is Uchimizu?

An old tradition in Japan, it means sprinkling water on the streets, yards and other outdoor places. Sprinkled water vaporizes while using heat, leading to lowering the temperature. As such, water is sprinkled early in the morning or in the evening, especially in summer, for its cooling effects. In recent years, people mainly use such secondary water around them as surplus water from baths or showers and rainwater, rather than tap water, for sprinkling because of environmental considerations.

## 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.

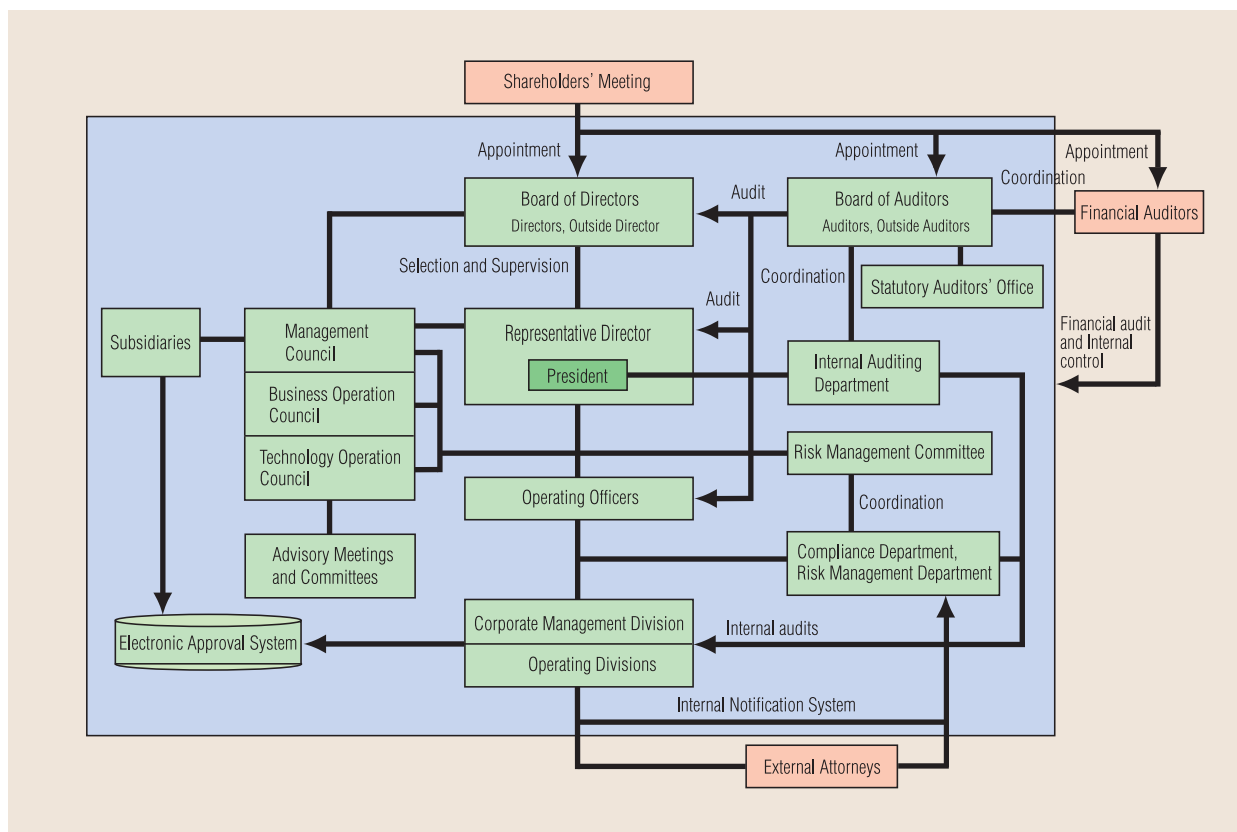
The Board of Directors of Haseko Corporation serves as the institution where directors with expert knowledge and experience in various business sectors conduct decision-making on managerial issues and supervise execution of duties of other directors. As for monitoring of management operations, the Company's 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 Auditors, 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 24, 2016)*

### Directors and Corporate Auditors

**Ikuo Oguri**  
Representative Director  
Chairman

**Noriaki Tsuji**  
Representative Director  
President

**Shosuke Muratsuka**  
Representative Director  
Executive Operating Officer

**Morio Shimada**  
Director  
Executive Operating Officer

**Yuhei Imanaka**  
Director  
Senior Operating Officer

**Kinichi Kitamura**  
Director  
Senior Operating Officer

**Kazuo Ikegami**  
Director  
Senior Operating Officer

**Fujio Hirano**  
Director  
Senior Operating Officer

**Masataka Yamamoto**  
Outside Director

**Kohei Amano**  
Outside Director

**Osamu Takahashi**  
Outside Director

**Kazuhiko Ichimura**  
Outside Director

**Takahisa Chikayama**  
Full-time Corporate Auditor

**Masahiro Okuyama**  
Full-time Corporate Auditor

**Katsuhiko Kamijo**  
Corporate Auditor

**Yoshitaka Fukui**  
Corporate Auditor

**Mitsuo Isoda**  
Corporate Auditor

### Operating Officers

#### Senior Operating Officers

**Junichi Tani**  
**Masaaki Matsuoka**  
**Nobuhiro Tani**  
**Yutaka Okada**

**Takeshi Tsunematsu**  
**Takashi Kawamura**  
**Katsuhide Takahashi**  
**Masahito Koizumi**

**Yoshinori Haraguchi**  
**Toshiyuki Murakawa**  
**Syoji Naraoka**

#### Operating Officers

**Takeshi Yoshioka**  
**Jun Kawamoto**  
**Yoshifumi Sadanaga**  
**Fumihiko Nakata**  
**Makoto Murakami**  
**Eijo Daimon**

**Yoshiaki Yamada**  
**Mamoru Kameoka**  
**Takashi Tsuruta**  
**Toru Yamaguchi**  
**Shinji Yamanaka**

**Misato Yamamoto**  
**Nobuo Imagawa**  
**Satoshi Kumano**  
**Toshihiko Tatsuno**  
**Naoyuki Kumagai**