

Governance

The Group has formulated the Personnel Plan linked to the medium-term business plan, and its progress and results, as well as issues and countermeasures, are reported annually by the officer in charge of human resources for discussion at the Board of Directors' meetings. The Group has also stipulated authorization rules for rules and systems related to personnel affairs with a view mainly to their impact on the management. Matters of high importance are submitted to the Board of Directors for deliberation after preliminary discussion at the Management Council.

The information on rules and systems for officers and employees is posted on the internal portal site or sent to those concerned, to ensure that the systems are well communicated and carefully implemented. Information on personnel affairs of

officers and employees is also managed and updated on a timely basis through the Group's centralized system.

Aiming to enhance the effectiveness of the organizational structure of personnel affairs, the Company has set up Personnel Divisions in Tokyo and Osaka, which respectively oversee offices in eastern and western Japan, and also allows each division to have its own personnel function. The Group's policy for personnel affairs is to improve the personnel base as a group by implementing common measures, while also pursuing the unique characteristics of each affiliate company. In addition, efforts are underway to reinforce collaboration and functions of the Group's personnel affairs through personnel rotations and regular information sharing between the Personnel Divisions of the Company and those of each division and affiliate companies.

Risk management

We believe it is essential to consistently hire and retain a diverse human resources in order to achieve continued business growth. Given the increased mobility of human resources in the labor market, we view as risks the possibilities that the Company may not be able to recruit sufficient number of diverse talent as planned, and that organizational strength may decline as a result of employee turnover. To reduce the turnover of female employees, we target a turnover rate of 3% or below, and are working under the D&I Promotion Office to strengthen measures to promote women's active participation and to develop a pleasant working environment. We also identify risks such as employees' absenteeism (absence from work due to injury or illness), or

presenteeism (poor work performance due to health problems) stemming mainly from working hours and the work environment.

We strive to reduce the risks by developing an environment where employees can positively play an active role, through appropriate working hour management based on the above governance system and job system, the understanding of the workplace environment and individual employees through self-reporting and interviews, the realization of job satisfaction through work, the utilization and appointment of employees based on their career aspirations, and the realization of employment conditions through appropriate appraisal system operation.

Metrics & targets

The Group uses the following metrics for its policy on human resources development, including ensuring the diversity of human

resources, and its policy on the improvement of the corporate environment. Targets and results for these metrics are as follows.

Working toward even greater participation of women

Metrics	Targets	Results (FY2023)
Percentage of female employees	30% or more	31.7%
Percentage of women among new graduates hired*	30%	Haseko Corporation: 21.6% Consolidated: 37.1%
Percentage of female managers	Above the previous year's result (9.8% in the previous year)	10.2%
Percentage of childcare leave taken by male workers*	3% or less	Haseko Corporation: 5.3% Consolidated: 8.2%

Supporting dual-income, co-parenting households

Percentage of childcare leave taken by male workers	50%	36.0%
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Active participation of diverse employees

Percentage of disabled persons employed	2.3%	2.38%
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*Targets of the Haseko Corporation

Working style reform and health and safety at construction sites

Metrics	Targets	Results (FY2023)
Implementation rate* of system with 8 days off every 4 weeks (104 days off annually)	100%	81%
Fatal and serious accidents/disasters*	None	2
Frequency rate of occupational accidents*	0.60 or less	0.14
Severity rate of occupational accidents*	0.01 or less	0.51

Promoting health management

Percentage of employees undergoing health checks	100%	100%
Percentage of employees taking stress checks	100%	98.2%
Implementation rate of the specific health guidance	50%	44.1%
Certification under the Health & Productivity Management Outstanding Organizations Recognition Program	Achievements: Haseko Corporation and associated companies certified as "White 500" companies	

*Targets of the Haseko Corporation



The human resources portfolio of the Haseko Group

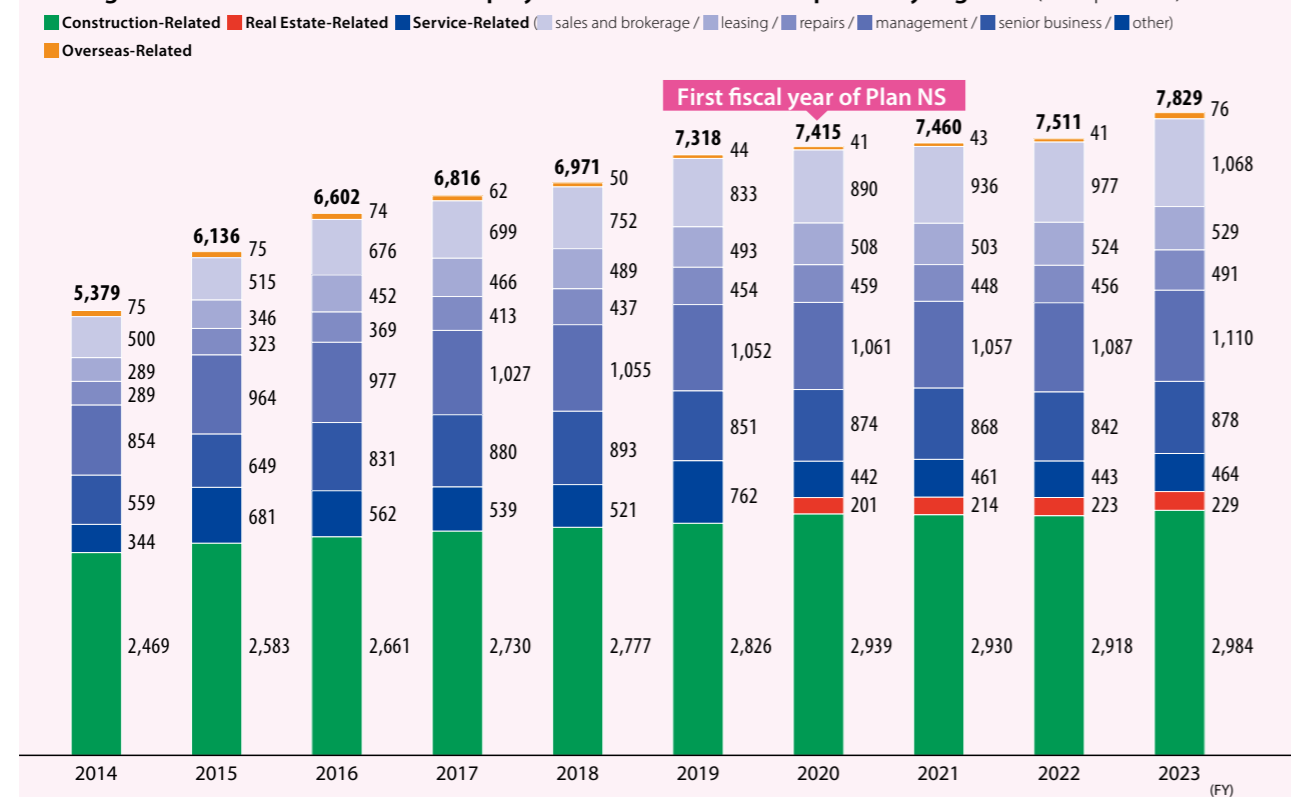
The Haseko Group is a "corporate group for housing to create great living" that is involved in a wide range of businesses, including the construction of condominiums, its principal business, and the sale, management, repair and rebuilding of for-sale condominiums, as well as the operation of rental condominiums, detached houses and facilities for the elderly.

Under our medium-term business plan (Plan NS) that launched in FY2020, in order to respond better to the rapidly changing times, we have been working to strengthen the earnings base in our core businesses, including our service-related businesses. Our aim is to restructure our business model

that centers on the construction-related and real estate-related businesses that have hitherto served as the source of the Haseko Group's profits.

Despite the challenges facing the construction industry as a whole, such as a shortage of manpower and rising costs, we are focusing our efforts on recruiting the human resources we need to secure orders and production systems for the construction of high-quality condominiums and expand the business of the entire Group, as well as developing talent that can create new businesses for the future.

Changes in the number of full-time employees of consolidated companies by segment (unit: persons)

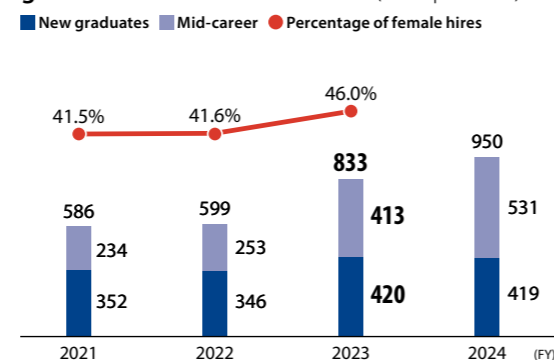


*Prior to FY2020, the Service-Related segment included the Real Estate-Related Business segment and part of the Construction-Related Business segment.

Building a human resources portfolio rich in diversity

With the aim of leaping farther forward as a "corporate group for housing to create great living" from both a hardware and software perspective, we are working to build a diverse human resources portfolio that will form the foundation for business growth. To this end, we will be actively recruiting mid-career professionals with specialized skills and knowledge, in addition to strengthening our personnel structure that has thus far been based on the recruitment of new graduates. The collaboration between our robust human resources system and the diverse talent within it is a driving force behind achieving one of the Plan NS goals of reaching 30 billion yen in ordinary income for consolidated subsidiaries ahead of schedule.

Consolidated companies in Japan: Trends in new graduate and mid-career hires (unit: persons)



*The number of mid-career hires for FY2024 is a planned value

Aiming for the further improvement of products and services

With the aim of providing high-quality products and services in each business area, we are working to develop highly specialized human resources.

On the basis of knowledge backed up by qualifications, we have honed our practical skills through dialogue with our customers. We share the feedback we receive from our customers within the Group, using it to create new added value that meets a wide range of needs. In addition, we are working to obtain Associate Hospitality Coordinator certification so that we can enhance the hospitality that is unique to the Haseko Group.

Furthermore, as part of our efforts to prepare for emergencies, we are encouraging employees to obtain the qualification of "Emergency Risk Discriminator," who assess the danger level of buildings in disaster areas after an earthquake.

The Haseko DNA (our corporate culture)

We conduct an annual questionnaire survey of employees to ask about their careers and the workplace culture, and report the results to the top management of each company to identify issues and work on improvements. The workplace culture survey asks respondents to evaluate 15 items related to workplace culture that Haseko Corporation considers important along a five-point scale. The top three items in the FY2023 survey were as shown below. We believe that these elements comprise the core of our corporate culture and form the basis of the strong identity that we have carefully passed down since the Company's founding.

At the same time, the figures for "a spirit to take on new challenges" had decreased compared to the previous year. We will create a workplace environment that contributes to the creation of new value, such as by actively hiring external talent and providing opportunities for innovative training.

Number of employees with specialist qualifications

First-class architect	First-class building construction management engineer	Real estate transaction agent
749 persons	1,259 persons	3,132 persons
Licensed representatives of condominium management companies	Legal licensed condominium manager	Property manager
1,009 persons	232 persons	469 persons
Emergency risk discriminator	Certified care worker	Associate hospitality coordinator
605 persons	401 persons	443 persons

Pass rates of major licensing examinations in fiscal year 2023

	Real estate transaction agent	First-class architect	First-class building construction management engineer
Haseko Corporation	90.9%	47.6%	87.5%
The entire Haseko Group	79.8%	44.8%	78.4%

Workplace culture survey: Top 10 items



Human resources development

The present and future direction of the Haseko Group

As is

Under the slogan of “continuously produce autonomous human resources and nurture a diverse workforce that will shape the future of Haseko,” we are implementing a broad range of initiatives such as fostering autonomous human resources and career development; developing the next generation of managers, executives and operational leaders with an eye to sustainable growth; developing innovative human resources and global human resources from the perspective of nurturing human resources to realize new strategies; and DX education.

To be

In order to build a diverse and robust human resources portfolio, we will work to foster a culture of independent learning and mutual learning, as well as reskilling, including DX. In addition, we believe that expanding programs to support management-level employees, whose expected roles and level of difficulty continue to increase, will have a direct impact on the success of a diverse range of human resources, and will also lead to the development of management personnel who will play a key role in the future.

Enhancement of job-specific practical education

We are working to develop the young employees who hold the keys to sustainable growth to make them work-ready at an early stage through company- and department-specific curricula that are tailored to the practical work.

Our administrative career-track employees experience on-the-job sales training at the Group's sales companies to better understand the customers' voices and needs and apply them to business planning. First-year employees in design positions receive construction on-the-job training to acquire design capabilities based on the actual conditions of construction sites. We are working to improve the knowledge and collaboration of construction management staff through training in practical work in related other occupations, such as training in construction drawings.

Linking the autonomous human resources development program with career development

We hold training programs by job level for all job types in order to develop autonomous human resources who can think and act on their own and create their own future in the first 10 years after joining the Company.

For employees in their 10th and 20th year of employment, career plans are formulated based on dialogues with supervisors. Progress is monitored at fixed points every three years (CAP 10 System).

Believing that retaining young employees is a top priority, we promote the Be3 system (Be-Cube; a system where younger workers are given support and coaching from their seniors inside and outside the workplace during the first three years of employment).

Manager training

We provide management training for newly appointed section managers with the aim of developing their subordinates and creating a workplace conducive to the development of autonomous human resources, as well as guidance for new evaluators who can set and evaluate appropriate goals. In addition, we will establish D&I training from the fiscal year ending March 2025, and we will support the managers who are working to create a workplace and culture where each employee can find fulfillment in their work.

Systematically producing candidates for management executives, and formulating plans for the development and appointment of the next management team (succession plan)

In order to develop management executive talent, we hold selection-based Executive Leader Development Program for employees at each level. In recent years, particular efforts have been made to nurture female executives. Approximately 70 female executives (including 20 female officers) are actively serving in the Group.

In addition, newly appointed operating officers are provided with training that systematically teaches them the knowledge required of corporate managers, while newly appointed senior operating officers are provided with training to facilitate their awareness and behavioral change as managers through dialogues with lecturers.

For the purpose of selecting the next management of the Company and its affiliates, we have prepared a Group-wide list of candidates, and formulated a succession plan through discussions with the officers of our Company and its affiliates. The candidates for the Company's officers are selected based on the discussions at the Nomination and Remuneration Committee, which is comprised of five outside directors and representative directors, etc.

Haseko Business College (self-learning support programs)

Starting in June 2020, we launched the Haseko Business College based on the concept of lifelong learning. Offering 202 correspondence courses available for selection, the program aims to encourage each employee to develop their career by voluntarily learning what they want to learn.



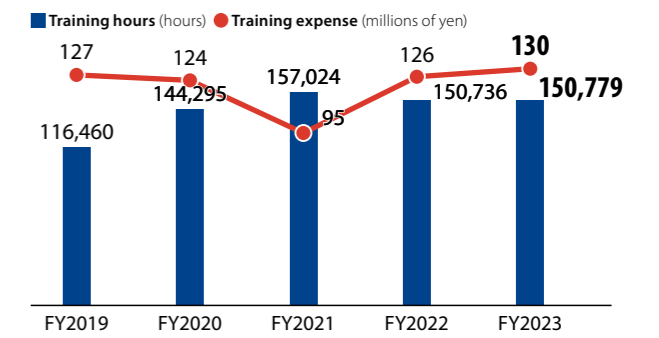
Nurturing and allocating human resources to implement the new strategies

To develop human resources capable of enhancing productivity through operational reforms and creating new businesses, we have started the DX Academy with effect from fiscal year ended March 2022 in collaboration with Dean and Professor Ken Sakamura of Toyo University's Faculty of Information Networking for Innovation And Design (INIAD) under the leadership of the Company's President. In the first round of the course, DX training through e-learning to all Group employees (8,000 participants took the course) was delivered, and in the second round, 80 DX promotion leaders were selected from all Group companies. In the third round, which was implemented in the fiscal year ending March 2024, "DX literacy course" for all general managers in the Group was delivered.

Anticipating the future expansion of the overseas business, we have openly solicited applications for English language education programs in collaboration with external institutions since the fiscal year ended March 2017. More than 100 employees have taken the courses thus far.

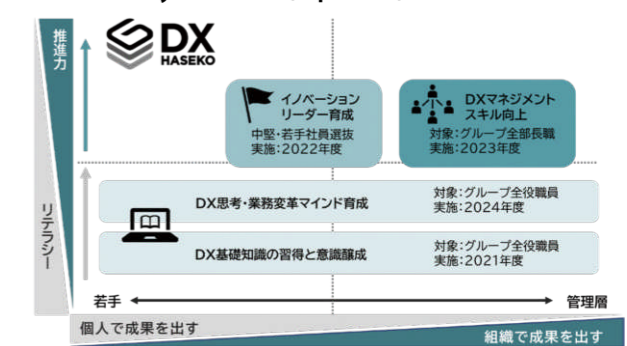
Furthermore, to realize the long-term vision for 2030 and the Plan NS, we conduct joint training with leaders from different industries and innovation education through cross-boundary learning.

Education on human resources development (Training)



The figures are non-consolidated data of Haseko Corporation. *Training expense in fiscal year 2021 decreased from the previous year, mainly because the training was switched from on-site to online amid the COVID-19 pandemic.

DX Academy overview (Japanese)



Haseko Corporation's education system in the fiscal year ending March 31, 2025

<Education slogan> Continuously produce autonomous human resources and nurture a diverse workforce that will shape the future of Haseko. Bringing together individual learning and challenges, we will move to a new stage through organizational collaboration

	Executive Leader Development Program	Manager training	Career Development	DX human resources; innovative and global human resources
Officers	New Managing Executive Officer Training Course New Officer Training Course	Management training D&I training for managers	Training Workshops for 60-year-old Employees	DX human promotion resources Selection program
Executive General Manager	School of New Corporate Management	Mental health line care course	C A P・10	Innovative human resources ALIVE
General Manager	Corporate Management Course	Guidance for new evaluators	20th Year Career Planning	OutSight
Senior manager/Manager	School of Junior Corporate Management		Progress verification every 3 years	Global human resources English training
Mid-level engineer employees	Practical education		10th Year Career Training	
	Sales/Staff	Construction management		
Young Employees	Seminar on the real estate/condominiums market Practical training Technical education for Group Sales rep. Other certifications Real estate transaction agent	Practical training Construction drawing training First-class building construction management engineer First-class architect	20th Year Career Planning 7th Year Career Planning 4th Year Career Planning	Be ³ system (Be-Cube) Nexter System (NX) Brother-Sister Mentoring System (BS)
		Professional engineer TOSS School of Design First-class structural/MEP design architect Practical training in construction	Education for young/mid-level employees Training Workshop for 10th Year Employees Awareness raising seminar Training Workshop for 7th Year Employees Training Workshop for 4th Year Employees	
All Employees	Haseko Business College (self-learning support programs)	DX Academy	Training in risk, compliance, human rights, D&I, hospitality, etc.	



Improvement of the corporate environment

The present and future direction of the Haseko Group

As is

We have taken measures and worked to raise awareness of officers and employees in order to create pleasant workplaces where diverse human resources can thrive while demonstrating their individual characteristics. Viewing the engagement of officers and employees as well as the maintenance of their physical and mental well-being as critical elements that form the foundation of human capital, we strive to create pleasant workplaces and promote safety and health of employees and health management across the Group.

To be

In order to create a corporate culture that promotes employees "getting the most out of their qualities," we will implement D&I training for managers and disseminate information through internal portals and other channels. We will also implement initiatives to confirm the results of these efforts through surveys and other means, and then use the results to create a PDCA cycle that will lead to further improvements, with the aim of creating a workplace that is both comfortable and fulfilling to work at.

Promotion of diversity & inclusion

For more information, please visit ▶

Promotion of diversity & inclusion

In April 2023, D&I Promotion Office was established to further pursue the ongoing initiatives including promotion of women's active participation in the workplace and to create an environment where many employees can work with enthusiasm and satisfaction under the key theme of "getting the most out of their qualities."

Initiatives for promoting active participation of women

The Group has been proactively appointing female employees to senior roles from an early stage, ahead of the industry. To meet the needs of female customers, who tend to play a leading role in home-buying decisions, our female employees are involved in all phases of the business, from acquisition of land information to business planning, design and construction, sales, management, and refurbishments, while sharing and giving shape to their aspirations for housing and living. This has been the driving force behind our sustained competitiveness, and in turn led to the increased corporate value. We continued to proactively hire women even after the enactment of the Act on Promotion of Women's Participation and Advancement in the Workplace in

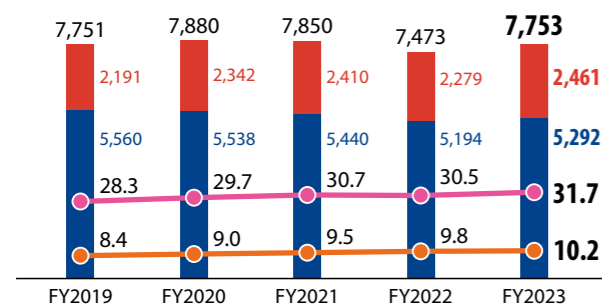
2015, focusing on fostering and retaining core and key personnel.

The percentage of female employees has increased to exceed 30% since fiscal year 2021. While it will take a little more time for those we actively recruited to be promoted to managerial positions, the percentage of female managers has been steadily increasing, reaching 10.2% in fiscal year 2023.

The number of female executives in the Group (General Managers and higher position) has steadily risen to approximately 70, including 20 female officers. In June 2023, the Company was able to produce its first female director, while the Group company Haseko Intech produced its first female president. We will continue our active recruitment of women, aiming to further raising the current ratio of female managers, while promoting the development of female employees and their proactive appointment to managerial positions in line with our aforementioned human resources development policy. Other initiatives to support women's active participation include hosting gatherings of female employees, holding training sessions on health issues peculiar to women, and providing them with follow-up and other programs before and after they give birth and then return to work.

Number of Group employees/ Male Female (persons)

Female employees (%) Female managers (%)



*The scope of aggregation is as follows
 FY2019–FY2021: Haseko Corporation and all Group companies in Japan
 FY2022 and later: Haseko Corporation and consolidated subsidiaries in Japan



(Left) Haseko Corporation Director and Operating Officer Naoko Yoshimura (the first female inside director of the Company)
 (Center) Haseko Corporation President and Representative Director Kazuo Ikegami
 (Right) Haseko Intech Inc. President and Representative Director Misako Kaneko (the first female president in the Haseko Group)

Active participation of diverse employees

As part of our investment in overseas business, mainly in the United States and Vietnam, we are promoting the appointment of foreign nationals. In the United States (Hawaii), most of the officers and core managers are locally hired foreigners who manage the organization. Also in Vietnam, locally hired foreigners are playing a key role in driving the business forward. Foreign personnel are also active in the fields such as the senior and human resource placement businesses of the Group.



Active participation of foreign human resources
 (Left) Human resource placement business (Right) Senior business

We have been continuously recruiting mid-career workers in preparation for the focused strategies of Plan NS: expansion of domain of the Construction-Related Business, expansion of redevelopment and reconstruction business, and expansion of investment in the Real Estate-Related Business. Currently, approximately 40% of our mid-career hires are in managerial positions, and many of them serve as officers and other core personnel in their respective fields.

We were one of the first to work on the active participation of experienced senior personnel, having raised the mandatory retirement age from 60 to 65 in 2005. Currently, 321 employees are actively working even after mandatory retirement (including those reached the mandatory retirement as of March 31, 2024).

On the front lines of construction sites, they are active as site managers, drawing on their many years of experience. In the condominium management business, many senior employees with a wealth of life experience are working as Life Managers, managing condominiums and providing livelihood support to the residents in these condominiums.

For employees who have reached the age of 60, we offer training workshop for writing a professional memoir to help them look back at their careers and think about how to pass on the skills and careers they have accumulated to their successors during the remaining five-year period until mandatory retirement. 141 employees participated in the training in fiscal year 2023.



Active participation of senior personnel
 (Left) Construction site manager (Right) Life manager

We have been hiring and promoting the active participation of persons with disabilities across the Group, and as part of the efforts, established a special subsidiary in 1991. As of March 2024, the employment rate of persons with disabilities was 2.38%. In response to the gradual increase in the statutory employment rate, we will step up our recruitment efforts while expanding the scope of outsourced work within the Group at our satellite office business.



Active participation of people with disabilities Farm business

Developing a working environment that brings the capabilities of diverse employees fully into play

We have put in place a range of frameworks and systems to create a working environment where each and every employee from diverse backgrounds can demonstrate their capabilities to the fullest extent. This includes systems that enable employees to pursue diverse career paths, such as a career assessment system, an open recruitment system, a professional staff system, a job category transfer system, a region-based work assignment system, a system for conversion to full-time employees, a reemployment system, and a returner support program; as well as a framework for fair and equitable personnel assessment by multiple evaluators based on clear criteria.

Aiming to build a working environment where both men and women find it easy to balance work and family, we have put in place a range of systems that enable them to flexibly choose their workstyles depending on their own situations. Such systems include spouse maternity leave, partially paid childcare leave, other childcare-related systems including time off for children, expansion of the nursing care system beyond the statutory requirements, such as the number of days off and leave periods, half-day or hourly paid leave, work-from-home, staggered commuting, flexible working hours, and overtime work exemption/limitation for employees who are unable to work overtime for childcare/nursing care. The percentage of childcare leave taken by male employees increased from 2.6% in fiscal year 2019 to 36.0% in fiscal year 2023. The increase reflects our ongoing efforts to thoroughly communicate the system and introduce actual cases in the company newsletter, as well as the Iku-Boss Declaration (a statement of commitment by management members in charge of business units to supporting employees in balancing work and family) by officers of the Group companies on the internal portal site.

In addition to communicating the commitment by top management, the above initiatives are reported at meetings of the Sustainability Committee and the Board of Directors, and measures are being implemented, such as the Training Workshop for Management, Corporate Management Course, and other training programs for managers. In August 2023, we provided an e-learning program for approximately 10,000 Group officers and employees to help them better understand D&I initiatives, thereby continuing our efforts to further raise awareness of all officers and employees.