

Message from the Management

Driving succession and change forward to build a Haseko Group that evolves

- We consider more for all stakeholders, and aim to have people say “I’m glad I chose Haseko” -

Satoshi Kumano

President and Representative Director
Haseko Corporation

S. Kumano



1. [Succession x Change = Evolution] Creating a new, stronger Haseko Group

Having recently assumed the role of President and Representative Director, something I feel on a daily basis is a sense of gratitude toward founder Takehiko Hasegawa as well as his family and all others who came before us and built up the Haseko Group after its foundation in 1937, in addition to the officers and employees who support the Haseko Group in

its current form, their families, our cooperating companies, and all of our stakeholders. I would like to take this opportunity to express my heartfelt gratitude.

I myself joined the former Hasegawa Komuten in 1985 and was assigned to the headquarters of the sales division of the Osaka Branch. After being transferred to Tokyo in 1990 and working in the Secretary's Office, I went on to spend most of my time in the Business Promotion Planning Division in Tokyo. I also gained experience in the Senior Business, HR, and other

areas, but I spent most of my life at the Company specializing in the area of sales.

I believe that continued growth leads to happiness for companies in the same way that it does for people, and I see corporate growth as being an increase in corporate value. We have seen social change take place at great speed of late, and if we stand still then we will be overtaken by the times and fall into relative regression. This means that companies, too, must change flexibly in line with the times. On the other hand, I think that we must protect things that we have always cherished and things that need to be protected.

What I mean here is that in order to increase our corporate value, there are things that we need to retain and hand down to future generations, and things that we need to change. I think that getting the balance right is extremely important. The way I see it, a combination of **succession** and **change** forms **evolution**, and bringing evolution to a company is the role of management.

In the 1990s, the Haseko Group struggled with the long-term effects of the bursting of Japan's economic bubble. We caused problems for our stakeholders, and received generous support that took forms including substantial debt forgiveness. After years of perseverance and hardship, we finally reinstated dividend payments in 2014. Over the course of the subsequent ten years, our entire Group has worked tirelessly together, and my honest feeling is that we are now finally standing on our own two feet as a fully-fledged company. As such we must ensure we are never arrogant, and must always remain humble. It is my aspiration that the Company will continue to evolve and become a flexible and resilient organization that can withstand even major changes in the surrounding environment.

Furthermore, a theme that I would like to give renewed attention to as president is the pursuit of productivity and efficiency. Since our bankruptcy crisis in the 1990s, we have focused above all else on increasing and growing the amount of capital we have. And thanks to these efforts, we have now finally built up a good level of capital. From here, I believe my mission is to determine how best to utilize that capital effectively. The challenge I face is how to leverage the people, goods, capital, and information that constitute our management resources to enhance productivity and efficiency, deliver results, and translate them into profits.

2. Ensuring the purpose of the Haseko Group is passed on

We completed our first condominium as a company in 1969, and have since gone on to build residential infrastructure in cities around Japan, centering mainly on the Tokyo metropolitan area, the Kinki region, and the Tokai region.

As we have progressed through our journey of creating condominiums that do not merely provide a space in the form of housing but actually build a way of living for the people who live in them, growth for each individual, bonds between family members, and connections between people,

we have identified changes in the social environment and the lifestyles and needs of residents in each generation, and have always aimed for and provided housing that is one step ahead of the curve.

I believe that through its experience of constructing a running total of around 720,000 for-sale condominiums, the Haseko Group has, broadly speaking, gained three core competences that have enabled us to provide such housing that is one step ahead of the curve.

The first is our land information gathering capabilities. This core competency forms the root of our unique business model that achieves high profitability through a process whereby the Business Division's Real Estate Investment Department, which constantly comes up with ideas for potential projects from scratch, gathers land transaction information for the Design Division's Planning & Design Office to swiftly develop into a highly accurate plan for the land. This is then combined with land acquisition information to create a project proposal, and pitched to developers.

The second is our integrated construction system of the Quaternary. This is a quality, cost, and safety management system run jointly by the members of the Ken-ei-kai, an organization of our main cooperating companies, which has a membership composed of our Construction divisions, Design divisions, and Technological Promotion divisions alongside cooperating companies.

The third is the comprehensive strengths of the Haseko Group. This refers to collective capabilities that extend beyond plan development, design, and construction of condominiums to include sales, management, repairs, and all other aspects of the condominium business. I believe our competitive advantage over other companies lies in the know-how, technological capabilities, and business speed we have built up by continuously incorporating customer feedback and needs, obtained and identified through our businesses, into our condominium construction in a timely manner.

On the other hand, there are several important issues that we have to deal with if we are to achieve sustainable growth going forward.

The first is the contraction of the domestic housing market. With a declining population and the progression of a low birthrate and aging society, demand for newly built for-sale condominiums is expected to decrease over the medium to long term. The Haseko Group has built its strength on a business model centered on for-sale condominiums. But conversely, this also means that our revenue structure is heavily concentrated, thus presenting a challenge in terms of adaptability to change. We are faced with the pressing issue of identifying our next pillar of growth and diversifying our business portfolio while demand for newly built for-sale condominiums is still robust.

The second important issue is the labor shortage faced by the construction industry as a whole. Due to the aging of construction workers and a shortage of younger successors, there continue to be chronic labor shortages on worksites. This situation may lead to the risk of increased construction costs, project delays, and a decline in quality. To address this

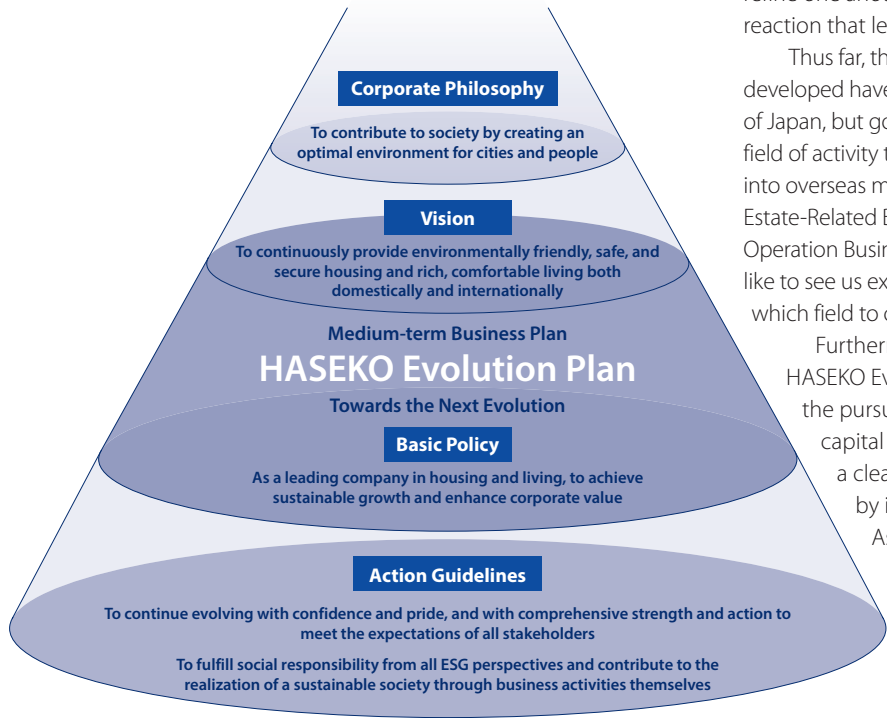
issue, it is essential to further enhance productivity, promote industrialization, and rigorously pursue operational efficiency by leveraging digital transformation (DX). We need to build a system that enables high performance even with a limited workforce by introducing smart and labor-saving technologies at worksites.

The third issue is action on sustainability. A topic of note here is the environment, and the construction industry is under strong pressure to reduce its environmental impact as we head toward the goal of a decarbonized society. Advancing new research and technological development in areas such as the use of wooden materials, renewable energy, and environmentally-friendly housing, as well as strengthening our capacity to respond to climate change, will build trust and lead to us being the preferred choice of customers.

Furthermore, lifestyles themselves are seeing major changes, with a rise in dual-income households, the normalization of remote working, an increase in single-person and elderly households, and advances in AI and other technologies. Given the foreseeable continuation of these trends, I believe it is the role of the Haseko Group to envision the form that future housing and comfortable housing will take, and to deliver products that stay one step ahead of the curve.

3. Vision and basic policy on medium-term business plan

In light of these issues and societal changes, we set out the Haseko Group's vision, basic policy for our medium-term business plan, and Action Guidelines as below in the process of creating our new medium-term business plan, HASEKO Evolution Plan.



4. Overview and aims of new medium-term business plan, HASEKO Evolution Plan

The consolidated ordinary profit of the Haseko Group in the fiscal year ended March 31, 2025 stood at 83.4 billion yen, exceeding the initial plan of 80.0 billion yen. We also reached the target of a total of 400.0 billion yen or more in consolidated ordinary profit over five fiscal years in the previous HASEKO Next Stage Plan (Plan NS) medium-term business plan, and also reached the consolidated subsidiary ordinary profit target of 30.0 billion yen. I believe this, too, is thanks to the support of all our stakeholders, and I would like to express my gratitude once again.

The HASEKO Evolution Plan will run for six years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2031, and we will aim to achieve a further increase in corporate value by successfully implementing changes while ensuring the strengths that Haseko has built up are passed on.

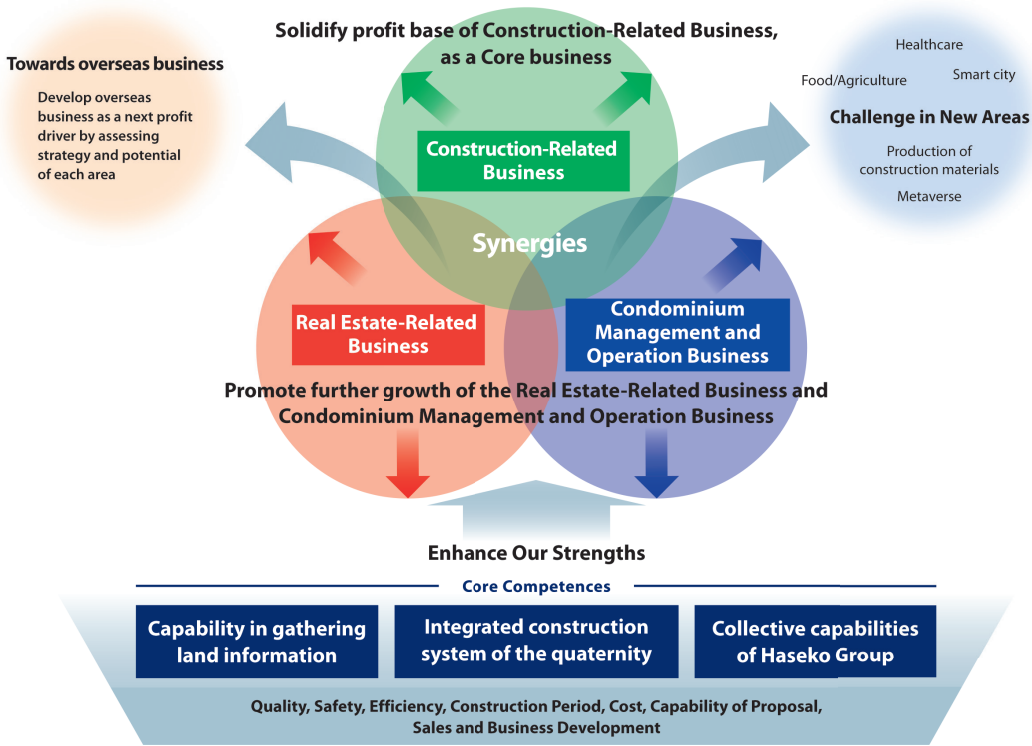
In terms of specific numerical targets, the plan calls for Group consolidated ordinary profit of 100.0 billion yen or more in the year ending March 2028 and 130.0 billion yen or more in the year ending March 2031, and aims to establish a profit base that enables a stable Group consolidated ordinary profit of 100.0 billion yen or more.

As a concrete strategy to achieve this, while we have previously undertaken management based on the two pillars of the Construction-Related Business and the Service-Related Business, henceforth I envision us having three pillars in the form of the Construction-Related Business, the Real Estate-Related Business, and Condominium Management and Operation Business with each Group company working to increase its competitiveness in the relevant industry. I hope that these three businesses will overlap and challenge and refine one another while at times creating a kind of chemical reaction that leads to new businesses and sources of revenue.

Thus far, the fields in which these three areas have developed have mainly been the three major metropolitan areas of Japan, but going forward, I would like to see us expand our field of activity to major provincial cities in Japan and further into overseas markets by placing greater focus on our Real Estate-Related Business and Condominium Management and Operation Business. Within these newly expanded fields, I would like to see us explore which of our strengths to leverage, and in which field to compete to achieve the greatest profit increase.

Furthermore, in striving to achieve the targets of the HASEKO Evolution Plan, what I place most emphasis on is the pursuit of capital efficiency. From the perspective of capital efficiency, we have set ROE (return on equity) as a clear indicator, and will work to achieve our targets by improving business efficiency and productivity. As we always have done, we will maintain a sound financial base while making investment decisions with close attention to capital cost.

Due to the impact of extraordinary losses in the year ended March 31, 2025, ROE declined 6.6% (a decrease of 5.0



percentage points year-on-year), but it is expected that in the year ending March 31, 2026 it will recover to a level exceeding 10%. We also announced a 20.0 billion yen purchase of treasury shares when we announced the financial results for the year ended March 2025, and the aim of this is to ensure an ROE of 10% or more for the fiscal year ending March 31, 2026 We will firstly aim to maintain this level, while aiming for a level of around 13% by the fiscal year ending March 2031.

Furthermore, we expect the annual dividend per share to be 90 yen, which is a year-on-year increase of 5 yen. As our policy for shareholder returns, Plan NS called for total shareholder return ratio of around 40% of the total net income attributable to owners of parent for the period of the plan, but this has been enhanced to around 50% in the HASEKO Evolution Plan. In addition, to ensure that our shareholders can continue to hold their shares with peace of mind, we will implement progressive dividends during the plan period and maintain stable dividend payments.

Share price and market capitalization are indicators of the market's evaluation of our management. Haseko Corporation's market capitalization stood at 330.3 billion yen when Plan NS got underway in April 2020, but it has increased over the last five years and at present stands at 646.1 billion yen as of June 2025.

Share prices are also obviously impacted by short-term external factors, but we do not allow ourselves to be swayed by this, and instead remain focused on maximizing corporate value from a medium- to long-term perspective. As such, we aim to continue being a company chosen by the market by pursuing management with an awareness of capital

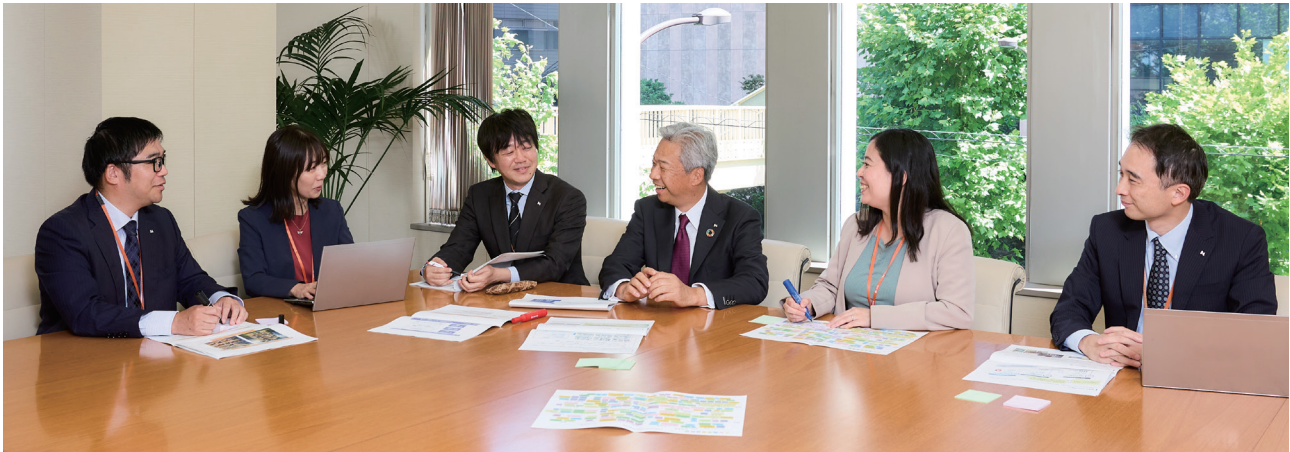
efficiency, implementing sustainable growth strategies, and strengthening our non-financial capital.

5. Evolution in existing businesses and challenge ourselves in new business with a focus on the future

In terms of change in existing businesses, under Plan NS, we worked on DX with a main focus on design and construction divisions and other production divisions, and on the service-related businesses of each company.

Making changes to business based on the HASEKO-version BIM is a particularly unique strength of Haseko Corporation, which is engaged in all aspects of condominium creation from design to construction, and worksites saw progress in the digitalization and computerization of production information. We have also commenced work on a fundamental review of the actual business flow in the Condominium Management and Operation Business, which covers the management and operation of for-sale condominiums and rental condominiums and the senior business. In addition, the Haseko Group is aiming to build and operate a group information coordination platform that enables the mutual use of data across the entire Group.

By building a platform that integrates housing data from condominium creation with living data from customers, we will continue working to create future housing and new services for residents.



Furthermore, we will leverage the knowledge and strengths gained in each business category as we take on challenges in new fields. In particular, I believe that ideas for new businesses may be hidden in the daily work of each employee and in our interactions with customers. As such, starting this fiscal year we have established an in-house award program called the SPARK Project for new business, creating opportunities for every employee to think about new business. We aim to foster a culture of innovation within the Company and to create new products and services that will lead to diversification of our sources of revenue and strengthening of our core business.

As part of taking on the challenge of new areas, we have also launched several projects to envision and communicate the future outlook for Haseko.

For example, at our Haseko Mansion Museum in Tama City, Tokyo, we have opened a new exhibition area where visitors can experience an AI-equipped “living home” from 15 years in the future.

At Expo 2025 Osaka, Kansai, Japan, we endorsed the signature pavilion The Future of Life, which was produced by Professor Hiroshi Ishiguro of Osaka University Graduate School and showcased a vision of society and housing 50 years from now (in 2075) where humans coexist with AI and robots.

We have also launched a new in-house project called the Haseko Future Design, which envisions living and housing in 2050 - the midpoint of this period - presenting it in video form.

In formulating the HASEKO Evolution Plan, the Board of Directors held extensive discussions to refine it, and we also established a working group within the Company to incorporate the voices of mid-level employees to whom the future of Haseko will be entrusted going forward. I also participated as chairperson, and with the guidance of external experts including Professor Jitsuro Terashima, President of Tama University, and we debated our vision for 2050 and what the Haseko Group should do now.

Based on the working group’s recommendation to present to society Haseko’s vision of housing and living in 2050, we launched the Haseko Future Design project. The recommendations from the working group have also been incorporated throughout the HASEKO Evolution Plan.

This project that considers the future of the Haseko Group goes beyond creating housing, and should spark major changes toward realizing a sustainable society. By fusing new technologies and ideas, we aim to shape innovative living environments that will support living in the future. This exciting challenge is already well underway.

In addition, over the course of three years, I held numerous meetings with Professor Hiroshi Ishiguro to discuss future housing, the content of which has been compiled into a book titled “Do Androids Dream of Condominiums?” published in April 2025 (by Mainichi Shimbun Publishing). The book also sets out my own thoughts on the Haseko Group’s vision for future housing and living, so I would be very grateful if you took the time to read it.

6. Enhancing of sustainability management

I view our work on sustainability not merely as a corporate strategy, but as our responsibility in terms of future housing creation and future generations. It is an indication of our responsibility as a company to think about what we can pass on to the next generation, and what kind of future we can envision.

Back in 2017, I was involved in the establishment of the CSR Department (now the Sustainability Promotion Department) as the officer in charge, and helped build the framework that is still in place to this day, including the formulation of our CSR vision and policy (now the Sustainability Vision and Sustainability Policy), as well as the identification of materialities (material issues). Based on this framework, we have established and continue to use a management system centered on the Sustainability Committee, chaired by the President, which deliberates on issues concerning sustainability management and makes decisions at the management level.

The Haseko Group’s main business of construction plays a major role in building and maintaining infrastructure for society and thus has great significance in contributing to a sustainable society while at the same time having a significant impact on the environment. Guided by the Haseko Group’s climate change response policy “HASEKO ZERO-Emission” that was established in 2021 and takes reducing environmental

impact into account, we are making efforts toward achieving carbon neutrality by 2050, while also working diligently on technological development that contributes to providing environmentally conscious, safe, and comfortable housing, as well as enriched and comfortable living.

I believe that these efforts are directly linked to our significance as a company with a track record thus far of constructing approximately 720,000 condominium units. We must take responsibility for the future housing and living of our customers so that someday, or rather on any given day, they will say “I’m glad I chose Haseko,” and “I’m glad to have chosen this condominium.” As we go about working toward sustainability, I want our employees to feel the same way.

As a non-capital-intensive industry, the driving force behind the Haseko Group’s collective capabilities is people. The know-how and experience of each employee and cooperating company, as well as their knowledge and energy for creating new value, are what I regard as human capital.

In the HASEKO Evolution Plan, we have also overhauled our HR strategy to achieve the goals set out in the plan. By enhancing employee engagement and encouraging the creation of new businesses and products, we aim to strengthen our corporate competitiveness and improve corporate value over the medium to long term.

The Haseko Group has faced difficult times on many occasions, yet has overcome each challenge. The source of this ability to overcome difficulties lies in the excellence that has been passed down through generations of Haseko employees. We call this the “Haseko DNA.”

There are four elements to what I see as Haseko DNA.

- 1) Ability to take action: In any situation, we first spring into action

2) Ability to reach targets: We set lofty targets, and do whatever it takes to reach them

3) Ingenuity: We evolve with original ideas, and do not copy others

4) Teamwork: In the face of any challenge, the Group comes together and works as one

I firmly believe that ensuring this Haseko DNA is passed on to the next generation and further polishing our strengths is key to sustainable growth in coming generations, and to evolution.

The Haseko Group is supported by its shareholders and a wide range of other stakeholders that include customers, project owners, employees and those at cooperating companies as well as their families, and local communities. Establishing corporate governance that enables transparent, fair, prompt, and decisive decision-making is of the utmost importance for all of our stakeholders.

On this subject, our subsidiary Haseko Reform Inc. was subjected to an on-site inspection in March this year by the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act. We deeply apologize for the concern this

has caused our stakeholders.

To further increase our efforts toward the achievement of the HASEKO Evolution Plan and the advancement of sustainability management, while naturally continuing to enhance the effectiveness of the Board of Directors, we will also require monthly reports from the presidents of each Group company regarding business performance, capital efficiency, labor risk management, and progress on sustainability, and work closely together for more integrated Group management.

Furthermore, from the fiscal year ending March 31, 2026, we have introduced a new director remuneration system linked to capital efficiency and non-financial KPIs. At Haseko Corporation, we are also increasing the appointment of female officers, while steadily advancing diversity at the executive and management levels across the entire Group.

7. Toward the future, together

We have established a new Haseko Group brand message: “We consider more.”

I myself have set the target of having all stakeholders say “I’m glad I chose Haseko.”

In order to reach out with care to the future, to future housing, and a future sustainable society, I’d like each and every employee to keep the “Customers First” approach of the Haseko Group’s Corporate Philosophy and Action Guidelines in mind as part of the responsibility of the present generation, to reach out with care to the Haseko Group’s various customers, and to work in a way that brings a level of satisfaction to customers that makes them say “I’m glad I chose Haseko.” I’d also like to see us increase our awareness of environmental problems and issues faced by society, and take actions that will help leave behind a better world for future generations.

Ahead of our 90th anniversary in two years and our 100th anniversary in twelve years, the Haseko Group strives to be a leading company in housing and living, and our commitment is to ensure that all of our stakeholders say “I’m glad I chose Haseko.”

You can look forward to great things from the Haseko Group that evolves.



Toward Evolution

(Message from the Chairman/Vice Chairman)



Haseko Corporation was severely affected by the burst of Japan's economic bubble and fell into the red in 1995. At that time, we caused great inconvenience and concern to our partner financial institutions and business partners. Amid unavoidable restructuring, from 1999 we invited top executives from the Ministry of Construction (now the Ministry of Land, Infrastructure, Transport and Tourism) and Daiwa Bank (now Resona Bank) to meet with us, and rallied ourselves to take on the challenge of "a second founding." The Group came together and worked as one to turn our fortunes around, and we successfully completed this in 2014.

Since 2010, Ikuo Oguri (currently Executive Advisor), myself, and Kazuo Ikegami (currently Vice Chairman) have all served as presidents promoted from within the Company, and we have worked to strengthen our management foundation, enhance our technological capabilities and cost competitiveness, expand our business nationwide, and develop new products. We have always aimed to provide higher added value to our customers who purchase condominiums and detached houses, as well as to stakeholders including our business partners, and to achieve growth. During this period, despite facing various challenges such as the Great East Japan Earthquake and the COVID-19 pandemic, the Company's business performance improved dramatically.

I hope to see Satoshi Kumano, who has assumed the role of president from this year, considering more for a wide range of people, and taking the excellence and values of the Company that have been continuously carried forward by successive presidents and all our employees to the world and into the future.

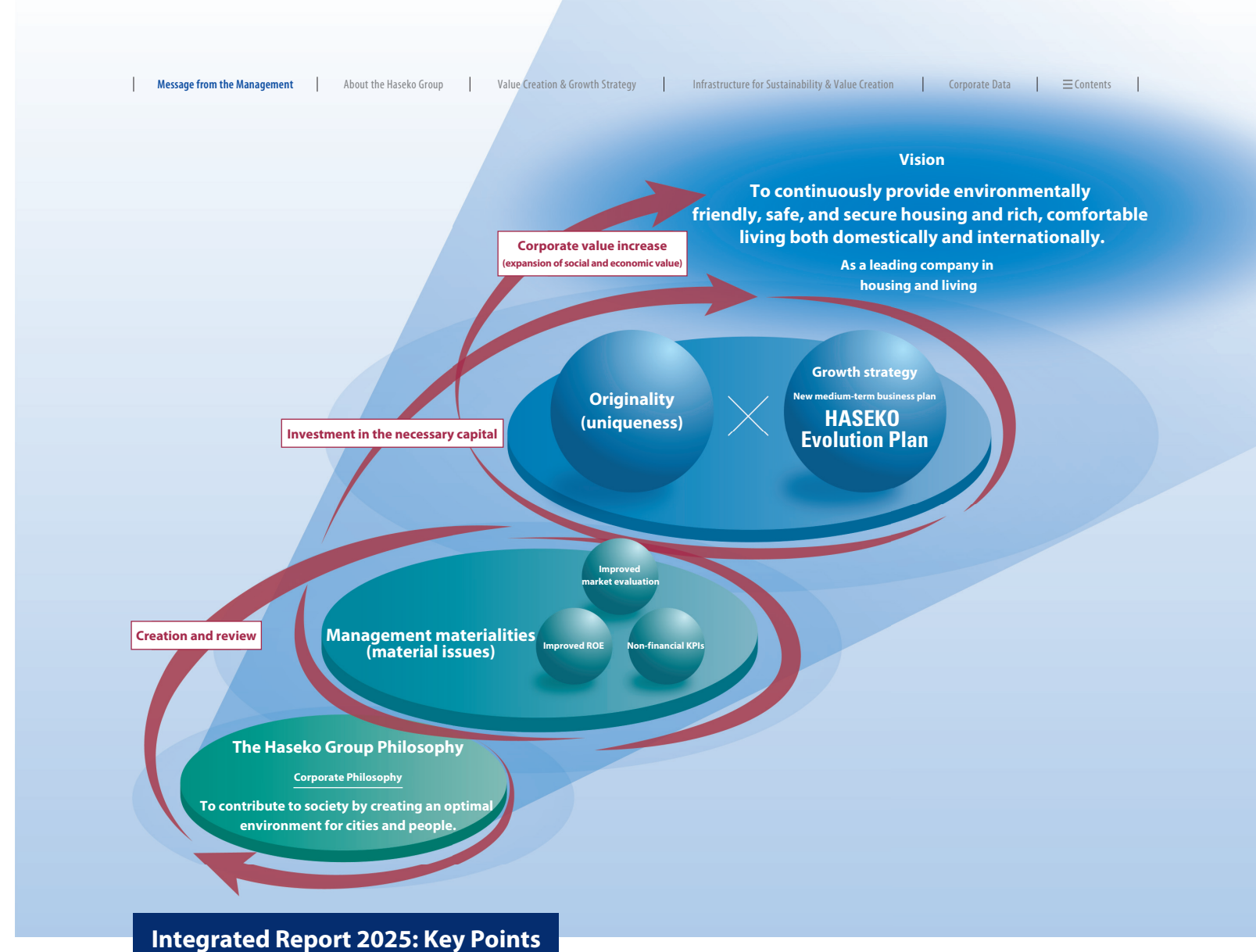


I have been appointed to the role of Vice Chairman and Representative Director, and as of this year I will be responsible for overseeing technology for the Group as a whole.

Since I joined the Company, I have been constantly involved in work in the field of design and construction, and from 2020 I was responsible for the management of the Company as President and Representative Director for five years. In addition, leveraging the broad experience and knowledge I built up in my time as president, I shall also provide support to the new president, Mr. Satoshi Kumano, mainly in terms of technology matters, and shall aim to be of service to society and our stakeholders while helping to achieve both a sustainable society and increased corporate value.

Of particular note, as we go about implementing our medium-term business plan, HASEKO Evolution Plan, we will work to deal with the decreasing numbers and aging of skilled construction workers on construction sites, and shall aim to find solutions for issues faced by society through efforts that include expanding our range of construction methods and nurturing new skilled construction workers with a focus on improving quality, safety, and productivity, taking on challenges with the goal of creating safe and secure housing able to handle intensifying natural disasters and creating new value in condominiums, expanding our refurbishment works toward maintaining and increasing the asset value of condominiums and other buildings, and developing environmental consciousness technologies including switching to wooden structures and materials in order to help achieve carbon neutrality.

The Haseko Group has thus far undertaken BIM and other forms of digital transformation (DX) in all of its businesses. Going forward, we shall continue to proactively take on the challenge of AI and other cutting-edge technologies and provide even greater prosperity in terms of housing and living, both in Japan and overseas.



1 Issues resulting from market changes

The issue with the highest priority when it comes to achieving sustainable growth is responding to the shrinking of the domestic residential market. While a business model focusing on condominiums constitutes the Company's unique strength, there is a pressing need for us to diversify our business while the demand for newly built condominiums remains strong. The second priority is responding to labor shortages. The creation of a structure to increase productivity through the introduction of smart technologies and labor-saving technologies on worksites is required. The third highest priority issue is our response to climate change. There are strong requirements placed on the construction industry to reduce its environmental impact, and the ability to adapt to new technologies and materials is also required.

3 Growth strategy

Under our new medium-term business plan, HASEKO Evolution Plan, we aim to achieve change and increased corporate value while passing on our strengths. Working to obtain synergies from our construction, real estate, and condominium management and operation business, we will also work on overseas and new business with the target of future growth. We will strive to increase business efficiency and productivity with the goal of meeting our ROE target and other such targets, and in addition to enhancing shareholder returns through the optimized capital allocation and maintenance of our financial base, we will make investment decisions with close attention to capital cost.

2 Originality (uniqueness)

Our greatest strength comes from our collective capabilities that enable us to play a comprehensive production role whereby we handle all aspects of business, going beyond just designing and constructing for-sale condominiums and incorporating everything from land information gathering to planning and development. Supporting this is the quaternity of the Ken-ei-kai, an organization of our main cooperating companies that are responsible for construction, and our Construction, Design, and Technological Promotion divisions. This system constitutes our unique competitive advantage, and is our brand. In addition to services that provide full-lifecycle support, we are evolving into a company that supports all aspects of daily living.

4 Sustainability promotion

The HASEKO Evolution Plan states that we will enhance our initiatives toward sustainability. The construction industry has responsibility for building and maintaining the infrastructure that society runs on, and although the industry is very significant when it comes to sustainability, its impact on the environment is by no means small. In addition to reducing environmental impact, we will also undertake other actions such as working to build an environment that enables employees to actively participate and constructing a solid governance structure. We regard this as a responsibility to the future that goes beyond corporate strategy, and we will continue to take on challenges that contribute to society and the global environment.