

Message from the Officer in Charge of Sustainability Promotion



We will contribute to the realization of a sustainable society through evolution to and deepening of sustainability management

Naoko Yoshimura

Director, Operating Officer
Responsible for Sustainability Promotion
in the Corporate Management Division and in
Charge of the Group Senior Living Business

The Haseko Group's basic approach to sustainability

Our corporate philosophy is to contribute to society by creating an optimal environment for cities and people, and under this philosophy, the Haseko Group has been a leading company in the condominium industry over the course of more than half a century. This corporate philosophy is the starting point for Haseko's sustainability management, and also forms an unwavering principle toward the realization of a sustainable society.

In April 2025, the Company embarked on its new medium-term business plan, HASEKO Evolution Plan (FY2025 to FY2030). I believe that it is the Haseko Group's responsibility to change in order to deal with the everchanging issues faced by society while carrying forward the technological capabilities and relationships of trust with customers, business partners, and other stakeholders that we have built up, and to evolve to a new stage as a corporate group for housing to create great living. And it is this evolution that forms the pathway to achieving both increased corporate value and social value creation from a long-term perspective.

From CSR management to sustainability management

Haseko Corporation set out establishing CSR management as one of its important management targets in its previous medium-term business plan, entitled HASEKO Next Stage Plan (NS Plan) and running from FY2020 to FY2024, and has undertaken initiatives centering on the four themes of creating attractive living spaces, building a company worth working at, protecting the precious environment, and nurturing a culture of trust.

Over the course of the past five years, we were able to steadily

achieve results. However, what I did keenly feel over this period was that the traditional approach to CSR had its limits. I have become highly aware that we need to ensure our management evolves and deepens into sustainability management as this is essential in terms of responding to the rapidly changing state of affairs at home and abroad, and meeting the various demands and expectations of our stakeholders.

In FY2023, we commenced a fully-fledged shift toward sustainability. This paradigm shift means a more advanced, integrated approach based on the CSR initiatives we have taken thus far. By shifting away from individual initiatives and instead integrating business strategy with sustainability, we aim to place sustainability at the core of our value creation process and aim for sustainable growth from a long-term perspective.

In this period of transformation, we reviewed our materialities (material issues) and strengthened our sustainability management system. We also reaffirmed the importance of non-financial information and, after structuring and setting out issues such as more advanced KPI setting, medium- to long-term target setting, and formulating a comprehensive roadmap, we have been investigating and trialing mechanisms for more effective monitoring and outcome evaluation. In dialogues with investors, I also feel a growing understanding of and expectations for the Company's initiatives, and every day I keep in mind the building of a pathway toward continuous improvement.

Initiatives under the HASEKO Evolution Plan

I see the period of the HASEKO Evolution Plan as a particularly important phase in our pursuit of sustainable growth and true

value creation based on finding solutions to the issues faced by society through innovation. In 2023, we undertook a review of materialities and identified 13, of which (1) through (4) below have been designated as the most important material issues. However, we are also aware that, depending on changes in the social environment or the business environment surrounding the Company, further reviews of materialities may be necessary.

(1) Response to climate change (⇒ pp. 50–52)

Responding to climate change is one of the most important issues for Haseko Corporation. Toward the realization of a decarbonized society, we are working to enhance our efforts across all of the Group's business areas, from construction and real estate to management and operations.

In addition to putting together our HASEKO Group ZERO-Emission, climate change response policy in 2021, we also disclose information on governance, strategy, risk management, and metrics and targets as per the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We also disclose information in line with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), and we are also aiming to help build a sustainable society and increase corporate value from the perspective of biodiversity.

In terms of CO₂ emission reductions in business activities, we are systematically working to address Scope 1 emissions through measures such as utilizing low-carbon fuel in the construction process to reduce CO₂ emissions, address Scope 2 emissions by working to switch the electric power used in our offices and worksites to 100% renewable energy, and address Scope 3 emissions through the development and use of environmental consciousness concrete, the promotion of ZEH-M (Net Zero Energy House condominiums), and the use of wooden materials and wooden structures in housing complexes. We also proactively undertake disclosure of relevant information.

(2) Human capital (⇒ pp. 53–56)

Human resources are our most important asset, and the development of human resources to lead the way in the next generation forms the motive force to build the future of the Haseko Group.

In 2023, we established a D&I Promotion Office to promote diversity and inclusion, and going forward we will further advance the initiatives undertaken so far, including promotion of the active participation of women, the active participation of senior human resources, working to encourage the employment of disabled persons, and the proactive appointment of human resources from overseas. Furthermore, given the importance of passing on technology in the construction industry, the efforts we are making include ensuring knowledge and skills are passed down from veteran engineers to youngsters, and expanding and enhancing efficient human resource development programs that utilize digital technology.

(3) Respect for human rights (⇒ p. 57)

Respect for human rights is also the basis of all of our business activities. Under a basic policy of respect for human rights, the Haseko Group continuously evaluates the impact that its business activities have on human rights and makes improvements. On the basis of Haseko Group's Human Rights Policy that we created in 2022, we have advanced our human rights due diligence efforts, and on the basis of collaboration with cooperating companies and

other stakeholders, we aim to firmly embed the practice of respect for human rights in all of our business processes.

And with regards to employee education and awareness raising, we strive to increase understanding of human rights among officers and employees through measures that include the creation and distribution of a Human Rights Handbook, and the holding of in-house lectures on subjects such as business and human rights.

(4) Supply chain management (⇒ p. 58)

In order to achieve sustainability in our business and operations, it is essential that we take action across the supply chain as a whole. Our cooperating companies and other business partners are very important partners who promote sustainability alongside us, and while striving to ensure we engage in fair and responsible procurement activities as we further strengthen our framework for cooperation and collaboration, we aim to construct an ecosystem for the creation of a sustainable future.

Having formulated the Haseko Group Sustainable Procurement Guidelines in 2021, we require that all of our cooperating companies agree to comply with these guidelines. And in the important fields of compliance, human rights and labor, and the environment and safety, we regularly check the status of initiatives taken by our main cooperating companies in order to improve risk management and enhance sustainability across the supply chain as a whole.

Continuous growth and sustainability of the Haseko Group

Ongoing dialogues with investors and other stakeholders are an essential element of Haseko Corporation's sustainability strategy.

Investors' expectations are increasing when it comes to expanded and enhanced information disclosure, and we recognize that highly transparent information dissemination and explanations are demanded for climate-related information based on the TCFD Recommendations and other such matters including the disclosure of non-financial information concerning human capital. I see meeting such demands not only as a duty of the Company, but also as a precious opportunity to deepen our integrated thinking and ensure our materialities are clearly set out. I believe that my role as the officer in charge of sustainability promotion is to incorporate the expectations and issues to be dealt with that I discover through dialogue with stakeholders into our management strategy and plans, and to take action on these. I also see it as my role to continuously and thoughtfully raise awareness of these initiatives through a communications strategy.

Haseko Corporation's mission as a leading company in housing and living, is not merely to provide buildings in the form of housing. The true goal of sustainability management is to enrich people's daily life, nurture communities, and hand down a better society to the next generation, and so achieving this goal is also tied to fulfilling our responsibilities toward the next generation and building a legacy of contributing to society.

We must continue to go forward toward achieving a sustainable society through co-creation with our stakeholders. This is the future of the housing and living proposed by the Haseko Group, and our unflinching resolve. We will continue to work sincerely toward the sustainable enhancement of corporate value in order to meet the expectations of all our stakeholders.

Sustainability

>Haseko Group's Sustainability Management

Sustainability Vision

We at the Haseko Group adopt a long-term perspective as we aim to address the social issues surrounding our daily lives through business operations.

As a corporate group for housing to create great living, we will promote sustainability based on our Sustainability Vision to fulfill our corporate philosophy and contribute to a sustainable society.

Better living
now and for the future

We will engage ourselves in the daily lives of our customers
and stakeholders and help create a better tomorrow.

Sustainability Policy

Based on following policy, we, in the Haseko Group, aim to enhance corporate value sustainably to achieve the Sustainability Vision.

1. Through a broad range of businesses related to housing and daily life, we will contribute to the realization of a sustainable society.
2. In collaboration with our stakeholders, we will take action to integrate social and environmental concerns into our businesses processes.
3. Utilizing the collective capabilities of our Group, we will strengthen our management ability in order to create new value for society and meet the expectations of our customers and other stakeholders.
4. In all our business activities, we will comply with the law and act on the basis of high ethical standards.
5. We will continue to improve our initiatives, proactively disclose information, and aim to raise transparency throughout the organization.

Our Four Main Themes

We will promote initiatives toward realization of Our Four Main Themes, which is the goal of the Haseko Group's sustainability.

Our Four Main Themes	Materiality (material issues)	Related SDGs	ESG
Creating attractive living spaces	• Sustainable living and sustainable cities • Product safety (service safety) • Technological development • Care of community and engagement		E/S
Building a company worth working at	• Human capital (diversity & inclusion, human resources development) • A safe and healthy working environment		S
Protecting the precious environment	• Response to climate change • Consideration for biodiversity • Pollution prevention and consideration for the local environment		E
Nurturing a culture of trust	• Respect for human rights • Supply chain management • Governance and risk management • Information disclosure and stakeholder engagement		G

Promotion of the Sustainability Action Plan

As a specific initiative for implementing sustainability, we have established Haseko Group Sustainability Action Plan and are making progress with its implementation. Sustainability Action Plan is based on Our Four Main Themes, and consists of initiative items to move toward the “Vision for 2037 (100th anniversary)”

and key performance indicators (KPIs) to measure how much progress has been made. The Action Plan covers the business activities of the entire Haseko Group and is reviewed and improved each fiscal year.

>FY2024 targets and performance

Main Non-Financial KPIs

Materiality	Initiatives and KPIs	Target
Climate change response	Reduce greenhouse gas (CO ₂) emissions (base year FY2020) • Scope1+Scope2 (base year FY2020) • Scope2 (t-CO ₂) • Scope3 (base year FY2020)	FY2030 -42% FY2026 0 FY2030 -13%
	Introduce renewable energy power (including group companies and offices)	FY2026 100%
	Adopt H-BA Concrete	FY2030 50% or more
	Expand ZEH-M supply • Properties developed by group • Properties constructed by group	Each year 100% FY2030 100%
Human Capital	% of female managers	FY2030 12% or more
	% of DX promotion personnel	FY2030 20% or more
	% of operation with 8 close every 4 weeks	FY2027 100%
	% of eligibles for specific health guidance	FY2030 15% or less
Respect for human rights	Implementation of human rights due diligence	Implement every FY
Supply Chain Management	% of response for sustainable procurement questionnaire (construction-related organizations of cooperating companies)	Each FY 100%
	% of engagement with foreign workers (based on the number of cooperating companies)	Each FY 100%

Sustainability Organizational Framework

The Haseko Group is promoting sustainability organizationally through the operation of the management system shown below. We have established a Sustainability Committee under the Board of Directors. It is chaired by the President of Haseko Corporation. Matters discussed and reported at the Sustainability Committee are reported to and supervised by the board of directors, and important matters are submitted to the board for deliberation and decision.

Additionally, as a subordinate body under the committee, we also have the “Sustainability Promotion Conference” to engage in promoting and instilling sustainability across the Group, including environmental initiatives such as decarbonization, energy and environmental technologies.

Management system



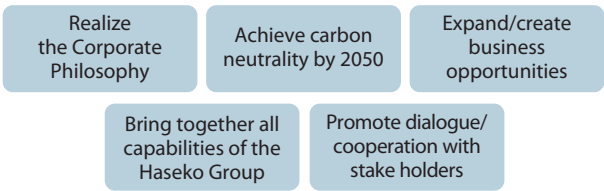
Response to Climate Change

>The Haseko Group's Climate Change Response Policy: HASEKO ZERO-Emission

Basic approach

The Haseko Group as a whole believes that addressing climate change is an important management issue and promotes initiatives in order to achieve its corporate philosophy: “To contribute to society by creating an optimal environment for cities and people.” By following HASEKO ZERO-Emission, the Haseko Group’s climate change response policy, we are aiming to become carbon neutral by 2050.

HASEKO ZERO-Emission (key items)



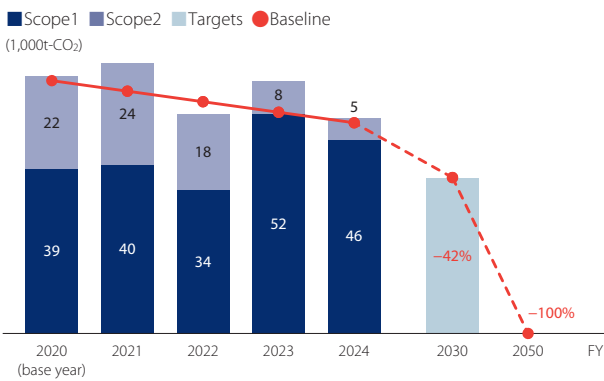
Targets and initiatives for realization

In May 2022, among the greenhouse gas (CO₂) reduction targets set by the Haseko Group, the FY2030 reduction targets were approved as science-based targets by the SBT (Science Based Targets) initiative.

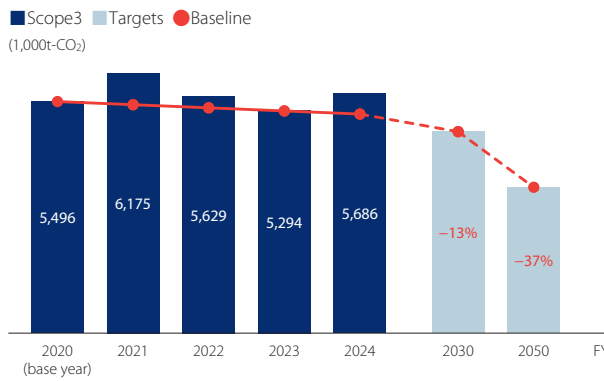


• Haseko Group CO₂ emissions reduction targets and results

Scope 1+2 emissions results and reduction targets



Scope 3 emissions results and reduction targets



- For Scope 1 + Scope 2, although the number of construction sites remained the same as in the previous fiscal year, Scope 2 reductions progressed smoothly, leading to a 16.6% reduction compared to the base year.
- For Scope 3, there was a 3.5% increase compared to the base year due to an increase in raw materials procured and the amount of waste material from demolished properties that occurred in line with greater sales.

Roadmap based on Haseko Group's CO₂ emissions reduction plan (transition plan)

		By FY2025	By FY2030	By FY2050
CO ₂ reduction target (vs FY2020)		-	Scope 1+2 -42% Scope 3 -13%	Scope 1+2 -100% Scope 3 -37%
Scope 1 FY2020 emissions: 39,000 t-CO ₂ (64% of Scope 1 and 2)	Construction sites	• Thoroughly implement energy-saving measures • Promote the introduction of low carbon fuels • Introduction of electric forklifts : end of FY2025: 100%	• Thoroughly implement energy-saving measures • Full-scale introduction of low carbon fuels • Full-scale introduction of electric heavy machinery	• Promote the use of CN* fuel, heavy machinery, construction methods, etc. (Depending on the status of technological development and commercialization)
	Offices, etc.	• Thoroughly implement energy-saving measures • Partial introduction of hybrid vehicles and EV vehicles	• Thoroughly implement energy-saving measures • Full-scale introduction of EV vehicles	• Promote the use of CN* fuel and equipment, etc. (Depending on the status of technological development and commercialization)
Scope 2 FY2020 emissions: 22,000 t-CO ₂ (36% of Scope 1 and 2)	Construction sites	• Expand the introduction of renewable power sources : Expand the introduction of renewable power sources in May 2023 : Similarly, it is planned that each Group company will achieve a 100% switch by the end of 2022	• Use 100% renewable energy sources (Generate zero Scope 2 emissions for FY2026 and beyond)	
	Offices, etc.	• Expand the introduction of renewable power sources : Haseko Corporation's offices switched to 100% renewable energy sources in FY2022 : It is planned that other sites will switch to 100% renewable energy sources in FY2026		
Scope 3 FY2020 emissions: 5,500,000 t-CO ₂	Construction materials, etc. (Category1)	• Promote the use of H-BA Concrete • Conduct studies and research on low carbon materials	• Promote the use of H-BA Concrete : FY2030: Achieve 50% or more use rate • Promote the use of low carbon materials	• Promote the use of CN* materials (Depending on the status of technological development and commercialization)
	Building use stage (Category11)	• Condominiums developed primarily by the Group (for-sale/rental) : Achieve adherence to ZEH-M Oriented standard (all condominiums designed in FY2022 or later) • Promote proposals for adoption of ZEH-M Oriented standard in design and construction projects	• Achieve adherence of new condominiums to ZEH-M Oriented standard : FY2030: 100% • Conduct further studies and research to improve environmental efficiency	• Promote CN in new condominiums in existing condominiums (Depending on the status of technological development and commercialization)

*CN: Carbon neutral

Response to Climate Change

The Company’s emissions reduction initiatives

Scope 1 Fuel decarbonization

• Initiatives to reduce CO₂ emissions at construction sites

To reduce the amount of CO₂ emitted at the construction stage, we are working to switch the fuel used by construction vehicles and reduce the amount.

Main initiatives	Status of implementation
Switch to low-carbon fuel	Consumption of GTL fuel and B5 light oil: 780,000L
Introduction of electric forklifts	Adoption of electric models in forklift-using sites: 100%

As a new initiative, two of our new condominium construction sites in Yokohama City were the first in Japan to adopt the use of the EVOLT eGR-250N, the world’s first fully electric rough terrain crane.



A site using the EVOLT eGR-250N

► FY2024 CO₂ reduction: 216.8t-CO₂ compared to FY2020, the base year

Scope 2 Decarbonization of electric power

• Promoting the switch to using 100% renewable energy

To reduce CO₂ emissions from power consumption, we are aiming to switch to the use of 100% renewable energy for the electric power at our construction sites, offices, and other locations.

In May 2023, Haseko Corporation’s construction sites achieved 100% renewable energy use, a feat followed by Haseko Group construction sites in March 2025.

Examples of initiatives

Generating biomass by recycling waste wooden materials

We have built a system where waste wooden materials generated at construction sites is collected and chipped and used as biomass power generation fuel, and the resulting electric power generated is used at construction sites.



Invested in woody biomass power plant in Ikoma City, Nara Prefecture

We invested in a biomass power plant that uses waste wood material and underused wood from the Kinki region as fuel. We also intend to use the electric power generated from the plant.

► Introduction of renewable energy for electric power used in FY2024: 100% at construction sites, 70.1% at offices, etc.

Supply chain emission reduction initiatives

Scope 3 Category 1 Developing and using low-carbon building materials

• Development and use of H-BA Concrete, an environmentally-friendly concrete

H-BA concrete is our proprietary environmentally-friendly concrete that reduces CO₂ emissions derived from concrete materials by approximately 20% while displaying the same performance as conventional concrete. Since it can be used in place of almost all the concrete in buildings and can be expected to greatly reduce CO₂, we plan to adopt it in 50% or more of Haseko Group business projects by FY2030, and we will endeavor to increase its use even further beyond that.

Main properties adopting H-BA Concrete and CO₂ reduction effects

FY	Usage volume (m ³)	Reduction of CO ₂ (t-CO ₂)
2017	125	6.2
2020	25	1.1
2022	2,945	162.6
2023	2,361	140.8
2024	37,594	2,186.2
Total	43,050	2,496.9

► FY2024 adoption rate: 15 out of 96 properties (15.6%)

• Initiatives to increase wooden structures and the use of wood in housing complexes

Bransieta Meguro Chuocho (completed in March 2025) is a rental condominium which features a wood and reinforced concrete hybrid structure on the upper four floors. We conserved approximately 603t-CO₂ through the use of wood. Additionally, by adopting H-BA concrete and other materials, we also succeeded in reducing CO₂ emissions by roughly 570t-CO₂ compared to RC buildings.



Exterior of Bransieta Meguro Chuocho

► Wooden structure projects commenced in FY2024: 4

Scope 3 Category 11 Switching to low-carbon buildings

• Popularizing ZEH-M (ZEH Mansions, i.e. condominiums)

We are working to popularize ZEH-M in order to reduce CO₂ emissions during building operations. The Haseko Group will strive to increase the ratio of ZEH-M among the new condominiums primarily developed by the Group. In addition, we will ensure that all for-sale and rental condominiums held by the Group and designed in FY2022 or later meet the ZEH-M Oriented standard. In the future, we will expand the target to all new condominiums constructed by the Group with the aim of making all our properties meet the net-zero energy housing (ZEH) standard by 2030.

► ZEH-M projects commenced in FY2024: 61

Information disclosures based on the recommendations of the TCFD*

>Disclosures based on the recommendations of the TCFD

In line with TCFD Recommendations, since 2021 the Haseko Group has been making disclosures about “Governance,” “Strategy,” “Risk Management” and “Metrics & Targets” as pertains to our response to climate change response.

Under “Strategy,” having identified the climate change-related risks and opportunities that could have a major impact on our business as shown in the table on the right, we are undertaking initiatives to minimize the risks while maximizing the opportunities (for more information on targets and initiatives concerning the “Impact of the transition to a decarbonized society,” please see pp. 50–51).

Impact of the transition to a decarbonized society	<ul style="list-style-type: none">• If a carbon tax is adopted, business operating costs may increase through rising energy and goods prices (common to all businesses).• If environmental regulations concerning building become more stringent, construction and repair costs may increase (construction business, real estate business)• If demand for energy-saving buildings increases, business opportunities may increase as well (construction business, real estate business)
Physical effects of climate change	<ul style="list-style-type: none">• If the number of hours of suspended work to prevent heatstroke increases, construction work could be delayed (construction business, real estate business)• If there are more frequent and intensified meteorological disasters, properties under development, facilities owned and employees could suffer from disasters, and supply chains could be disrupted (common to all businesses)• If demand for disaster-resistant buildings increases, business opportunities may increase as well (construction business, real estate business)

Information disclosure based on the recommendations of the TNFD

>Disclosures based on the recommendations of the TNFD

While disclosing information in line with the recommendations of the TNFD, Haseko Group will also aim to help build a sustainable society and increase corporate value from the perspective of biodiversity.

• Governance

Please see p. 49 for more information about our sustainability management structure, including our response to biodiversity.

• Strategy

We evaluated the nature-related dependencies, impacts, risks, and opportunities for the Company’s business in accordance with the LEAP Approach recommended by the TNFD. As a result, we selected cement in the upstream supply chain and Construction-Related Business in direct operations as the targets for evaluation.

Scope of evaluation

Upstream supply chain	Direct operations	Downstream supply chain
Cement	Construction-related business	Management and disposal of buildings
Iron and steel		
Wood		

We also identified the nature-related risks and opportunities in the construction business and studied their significance and likelihood of occurrence. Concerning the management of risks and impacts, while we have not performed a quantitative calculation of their effect on financial affairs, as the first stage of analysis we have done a qualitative evaluation of the status of countermeasures and categorized the levels of impact as major, medium, or minor. Please visit the Company’s website for the details of risks and opportunities.

Countermeasures for the risks evaluated and initiatives that correspond to opportunities have been organized as shown below.

Upstream (cement)	<ul style="list-style-type: none">• Adherence to the Sustainable Procurement Guidelines• Technological development of new building materials (promotion of environmentally-conscious concrete, etc.)• Promotion of the reuse and recycling of construction materials• Reduction of amounts used through the usage of substitutes
Direct operations (construction-related business)	<ul style="list-style-type: none">• Promotion of wood use in construction of housing complexes• Adoption of environmentally-conscious designs• Consideration of biodiversity, acquisition of Natural Symbiosis Sites and ABINC certification• Appropriate management of pollution and noise during construction• Formulation of BCP• Optimization, labor-saving and personnel-saving in construction operations through the promotion of mechanization

• Metrics & targets

We measure, disclose and monitor the performance of the metrics below.

Metrics	Significance
Total amount by type of pollutants emanating from soil	Zero environmental defects
Wastewater emissions	See “Total effluents” under “Water usage (thousand m ³)” on the ESG Data page of our website.
Generation and disposal of waste	See “Volume of waste generated and discharged,” “Volume of recycled waste,” and “Final amount of waste processed” on the ESG Data page of our website.
Plastic pollution	See Resource Recycling “Construction waste treatment status” under Cyclical Resource Use on our website.
Total volume of atmospheric pollutants	See “Hazardous substances and atmospheric pollutants” on the ESG Data page of our website.
Water acquired and consumed from regions with water shortages	See “Total water intake” under “Water usage (thousand m ³)” on the ESG Data page of our website.
Volume of high risk commodities procured	See “Reinforcing steel,” “Steel frame” and “Freshly-mixed concrete” under resources injected in Flow of materials on our website.

Please see the Company’s website for more information about targets and performance.

>FY2024 targets and results

>ESG Data

>Cyclical resource use

>Flow of materials

Human Resources

>Building a Company Worth Working At

Message from the officer in charge of personnel

As the Haseko Group aims to becoming the leading company in housing and living, our collective capabilities are supported by employees of the Group and its cooperating companies. We believe that the know-how and experiences those employees possess and their wisdom and vitality that brings forth fresh value is the origin of our corporate value and the core of our human capital. Through a comprehensive educational structure, we carry out practical, step-by-step human resources development that covers everything from the early-stage training of young employees to the nurturing of executive leaders. Additionally, to create an environment where a diverse workforce can actively participate, we have developed systems that support more flexible workstyles and taking on challenges in new areas.

Through such initiatives, we are fostering a culture where employees can think, act, and grow autonomously, thereby increasing the total strength of the organization. I am confident that this will result in greater corporate value and more trust from our customers, making us a company that makes customers say, "I'm glad I chose Haseko."

In HASEKO Evolution Plan, the Group's medium-term business plan which commenced in FY2025, we reformed our personnel strategy to achieve this, and we will work to realize the "visions" set out below so that we can create new value that provides ideal housing and living to cities.

These initiatives will encourage greater employee engagement and innovation creation, enhancing the Company's competitiveness and increasing corporate value in the medium and long term. By making strategic investments in human capital, the Haseko Group will keep striving to resolve social issues while also growing our businesses sustainably.



Masaru Naoe
Senior Operating Officer
In Charge of Personnel,
Corporate Communication and Haseko
Mansion Museum Management,
Corporate Management Div.

Personnel plan (April 2025 - March 2031)

Visions

- Create a profound workforce and organization capable of steadily executing business plans and promoting new businesses and DX.
- Become a corporate group where the organization and its employees pursue greater productivity and engagement and where a diverse body of employees can actively participate in good health.
- Stimulate employees' desire to achieve targets by ensuring that high performance leads to high compensation. Become a corporate group that always displays its maximum ability and grows sustainably in the medium to long term.
- A state where individual Group employees grow through their careers and respond flexibly to changes while displaying their individual and organizational strengths to the maximum level.

Workforce management policy	Purpose of initiatives & main KPI metrics		Effects	Outputs
Pursue the Group's management foundation and a solid personnel and organizational structure	Enhanced human resource base Workforce interaction	<ul style="list-style-type: none">• Percentage of DX promotion personnel 20% (FY2030)• Implementation rate of system with eight days closed every four weeks 100% (FY2027)• Percentage of female managers 12% consolidated (FY2030)• Percentage of persons eligible for specific health guidance 15% or less	Enhanced engagement of employees Blending of knowledge and experiences Improved business performance	Provide optimal housing and living for cities
Create a comfortable environment where a diverse workforce can work in health and peace of mind	Greater productivity Secured diversity			
Provide compensation that contributes to performance, results, and medium- to long-term growth	Desire to meet targets Desire to grow sustainably			
Support education and taking on challenges that lead to individual growth	Employees' self-driven skills development			
Promote scientific personnel management that uses data effectively (enhance HR Tech)				
Promote digital transformation (DX) in all business areas				
Pass on the Haseko DNA and practice hospitality				

Pursue the Group's management foundation and a solid personnel and organizational structure

Vision

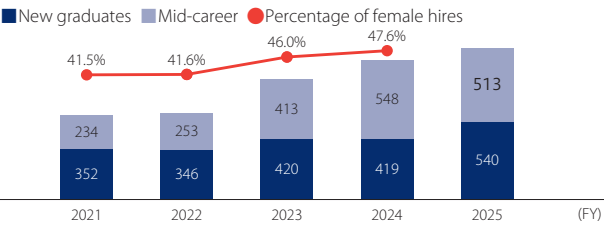
Our goal is to create a profound workforce and organization capable of steadily executing business plans and promoting new businesses and DX.

By expanding the recruitment of new graduates and mid-career hires and improving the employee turnover rate, we secured a stable order-receiving and production structure, contributing to the fulfillment of business plan targets. However, competition for recruitment of personnel, especially technological personnel, at each Group company is intensifying, so we will introduce alumni

and referral recruitment and endeavor to unearth personnel with diverse backgrounds (such as those from other countries, students studying abroad, and graduates of the National Institute of Technology).

Furthermore, to achieve the HASEKO Evolution Plan, we will increase the ranks of specialized personnel through mid-career recruitment, provide a range of educational programs (such as DX training and global human resources training) for existing employees, and continue to secure and train personnel that will pioneer new business areas.

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

Create a comfortable environment where a diverse workforce can work in health and peace of mind

Vision

We aim to become a corporate group where the organization and its employees pursue greater productivity and engagement and where a diverse body of employees can actively participate in good health.

(1) Creating a comfortable environment

We will promote company-wide workstyle reform and focus on improving the work environment. We will work together with management to ensure employees take their leave and that working hours are reduced, with a particular target of making sure 100% of construction site workers take eight days off after every four weeks of work.

Henceforth, we will visualize the working status and condition of individual employees and endeavor to evolve the management of working hours. We will also consider workstyles that improve the quantity and quality of output while taking the characteristics of the role and the employee's circumstances into consideration and aim to increase productivity and engagement.

• MOST Activities

Since FY2005, the Haseko Group has been engaging in MOST Activities, with the objective of creating an operating environment where employees can seek physical and mental fulfillment and demonstrate their capabilities through reforming and improving operations, shortening working hours and encouraging employees to take leave, and raising awareness of officers and employees.

In FY2024, we promoted workstyle reform throughout the company through means such as courses on the use of generative AI and promoting the "My Interval" initiative, which encourages employees to take leave on important work milestones and to go home on time.

	Eight days off every four weeks for construction workers	Overtime	Annual paid leave taken	(Of which, scheduled leave taken)
Haseko Corporation	83.9%	28.0 hours	68.6%	98.0%
Haseko Group	-	19.1 hours	72.2%	97.9%

>What are MOST activities?

• HASEKO Value Enhancement Activities

Haseko Corporation is in charge of building condominiums with a high degree of precision through the combined efforts of the quaternity (i.e., the construction divisions, architecture & engineering divisions and technological promotion divisions of Haseko Corporation as well as the Ken-ei-kai, an organization of approximately 300 our main cooperating companies. This cooperative relationship has continued for more than 25 years, and our quality control framework built on the strong ties is a strength that no other company has.

In collaboration with Ken-ei-kai, we carry out HASEKO Value Enhancement Activities, strive to optimize tasks by using the latest technology, and work on initiatives to achieve even greater productivity. In addition, approximately 2,800 people, mainly from organizations of cooperating companies, participated in the Value Enhancement Expansion Study Session held online. The result of the activities are announced at the annual Debriefing Session on Value Enhancement Activities.

>What are HASEKO Value Enhancement Activities?

(2) Creating an environment where a diverse body of employees can actively participate

• Active participation of diverse employees

Employees with diverse backgrounds work at the Haseko Group and its cooperating companies. We intend to build environments and systems that will enable this workforce to display their abilities to the fullest.

Main systems and initiatives that support the active participation of a diverse workforce

Active participation of individuals	• D&I e-learning for all employees (including temporary workers) • D&I training for personnel in management positions (unconscious biases, psychological safety, etc.)
Active participation of women	• Networking events for women based on job type • Training about health issues unique to women • Follow-up program before and after childbirth and before and after returning to work
Support for active participation of people with disabilities	• Support for recruitment and settling in through Haseko Systems Inc., our special-purpose subsidiary • Time off for hospital visits, barrier-free facilities • Holding HASEKO Marche and satellite office briefing sessions as a contact point with staff and employees with disabilities.
Active participation of foreign human resources	• Holding "Global Worker Meetings" (round-table discussions between Japanese staff and staff from other countries at construction sites)
Active participation of senior personnel	• Retirement reemployment system • Training on writing a professional memoir

>D&I at the Haseko Group

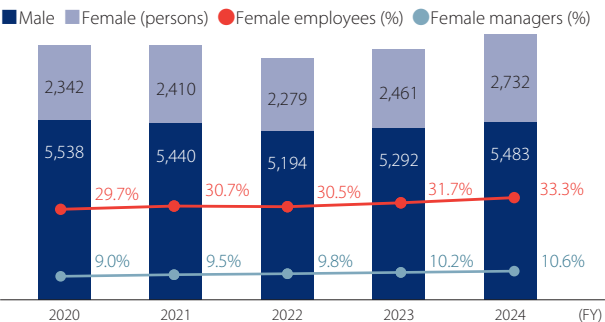
>Haseko Group Diversity & Inclusion Promotion Policy

Human Resources

• Promoting the active participation of women

In 2023, the Company's first female inside director was appointed. This fiscal year, we also appointed a new female operating officer. This makes total of fifteen female officers across the entire Group. It will take a little more time for the women the Company is actively recruiting to become managers, however we will aim to increase the percentage of female managers by continuing to create environments where childrearing and caregiving do not become obstacles to a career, and by further strengthening and enhancing training. We also proactively select female employees to participate in the internal training sessions called the Executive Leader Development Program. Through such opportunities, we hope to nurture and raise awareness of officer positions in female managers, and we will actively consider them for promotion to officer positions.

Trends in the percentage of female employees and managers



*FY2020-2021: Haseko Corporation and all Group companies in Japan
FY2022 and later: Haseko Corporation and consolidated subsidiaries in Japan

In FY2024, Haseko Corporation earned a top rating of three stars in Eruboshi Certification for the first time based on the Act on Promotion of Women's Participation and Advancement in the Workplace. Haseko Reform Inc. received two stars in the same certification.

• Support for work-life balance

We are striving to build system and a culture that supports a work-life balance to enable us to realize a variety of workstyles to suit various life stages. By creating environments where employees can work for a long time in peace of mind, we will increase engagement and retention, which will contribute to better results for the organization as a whole.

Main systems and initiatives

Support for work-life balance	<div><div>• Partial paid leave for spousal childbirth leave/childcare leave</div><div>• Time off for children, and shorter working hours system (until the third year of elementary school)</div><div>• Nursing care leave (can be taken in instalments for a total of one year)</div><div>• Nursing care leave (fifty days per year for one family member needing care)</div><div>• Annual leave in hourly units, work-from-home, staggered commuting</div><div>• Job category transfer system, reemployment system</div><div>• Iku-Boss Declaration (a statement of commitment by management members in charge of business units to supporting employees in balancing work and family) and showcasing examples through the company newsletter, etc.</div></div>
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(3) Promoting health management

Various measures are in place to help officers and employees improve their physical and mental health in line with the Healthy HASEKO Full-of-life Plan under the slogan of “No success without

healthy officers and employees.”

In accordance with the Haseko Group's Declaration of Health issued by our president, we established the Haseko Group Health Management Promotion Committee (Chairperson: the president of the Company, Members: the officers in charge of various departments in the Company, the presidents of various Group companies, industrial physicians, labor unions) in FY2018. The Committee makes decisions on company-wide policies, targets, plans and progress on the maintenance and promotion of employees' health, and shares related information.

We will pursue and implement health-focused initiatives that contributes to greater task performance (productivity) and engagement for employees and the organization so that we can realize true “health management.”

Highly unique initiatives

• PET-CT scans for employees aged 45 and those over 50 (all expenses paid by the company)

• “Haseko Health Challenge” specific health guidance

With these efforts paying off, the Company and its affiliates were selected under the “2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)” in the large enterprise category hosted by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

>Promoting health management

Provide compensation that contributes to performance, results, and medium- to long-term growth

Vision

Stimulate employees' desire to achieve targets by ensuring that high performance leads to high compensation. We will aim to become a corporate group that always displays its maximum ability and grows sustainably in the medium to long term.

Through evaluations based on the degree of contribution to performance and the level of achievement of individual goals, the Company has created a mechanism where high evaluations lead to better compensation. Further, in FY2020 we expanded the scope of the share-based remuneration system to all managers to foster awareness in management, encouraging them to contribute proactively to the company's growth.

Furthermore, to secure and retain the workforce that will drive our future in the face of intensifying competition to obtain human resources, we spent four years increasing initial salaries and compensation standards as a whole. By enhancing our recruiting competitiveness and improving retention, we intend to strengthen our workforce so that we can further expand our business areas and start new businesses.

Trends in starting and average annual salaries for university graduates (Haseko Corporation) <div>(thousand yen)</div>				
	2022	2023	2024	2025
Starting salary	250	255	300	310
Average annual salary	9,418	9,634	10,578	–

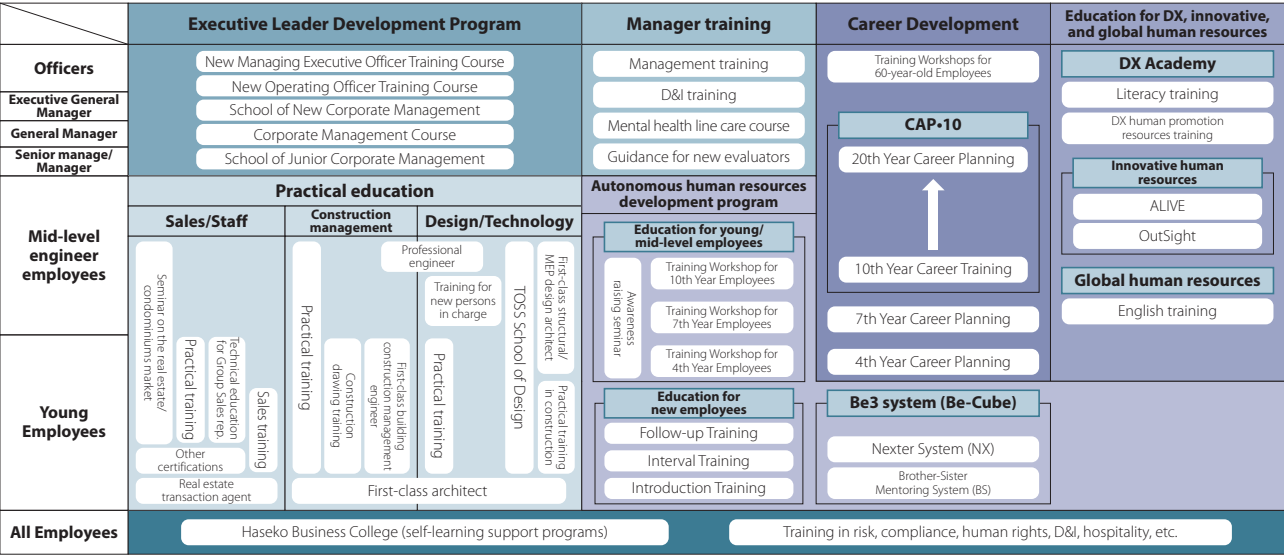
Support education and taking on challenges that lead to individual growth

Vision

We will aim to achieve a state where individual Group employees grow through their careers and respond flexibly to changes while displaying their individual and organizational strengths to the maximum level.

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;

Haseko Corporation's education system



>Haseko Corporation's education system

FY2024 targets and performance

Pursue the Group's management foundation and a solid personnel and organizational structure

Metrics	Targets	Results
Achievement rate of new graduate recruitment plan	100%	81.5%
Turnover rate of full-time employees	5.0%	5.1%

Create a comfortable environment where a diverse workforce can work in health and peace of mind

(1) Creating a comfortable environment		
Metrics	Targets	Results
Implementation rate of operation with 8 days closed every 4 weeks	100%*	30.4%
Implementation rate* of operation with 8 days off every 4 weeks (104 days off annually)	100%	30.4%
Fatal and serious accidents/disasters*	None	2
Frequency rate of occupational accidents*	0.60 or less	0.28
Severity rate of occupational accidents*	0.01 or less	0.26

*Targets of the Haseko Corporation

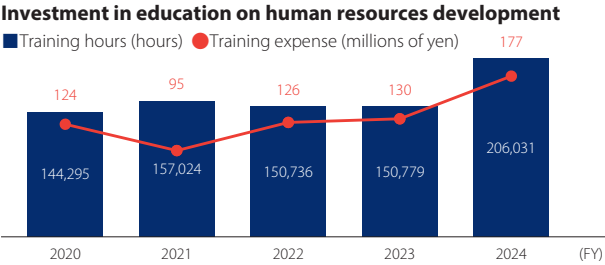
(2) Creating an environment where a diverse body of employees can actively participate

Metrics	Targets	Results
Percentage of women among new graduates hired*	30%	36.5%
Percentage of female employees	30% or more	33.3%
Percentage of female managers	12%	10.6%
Percentage of male workers using the childcare participation system*	100%	81.1%
Percentage of childcare leave taken by male workers	50%	59.4%
Percentage of disabled persons employed	2.5%	2.48%

*The childcare participation system refers to childcare leave and spousal childbirth leave.

and DX education.

We will support self-directed skills development aimed at career development with the hope that the combination of knowledge and experiences from Group employees as they each growth through their careers will lead to new value creation.



(3) Promoting health management		
Metrics	Targets	Results
Percentage of employees undergoing health checks	100%	100%
Percentage of employees taking stress checks	100%	99.3%
Percentage of persons eligible for specific health guidance	15% or less	16.4%
Implementation rate of the specific health guidance	55%	55.6%
Certification under the Health & Productivity Management Outstanding Organizations Recognition Program	White 500 certification acquired	White 500 certification acquired

Support education and taking on challenges that lead to individual growth

Metrics	Targets	Results
Percentage of employees holding key qualifications*	100%	82.2%
Participation in Haseko Business College courses	30%	12.4%

*Key qualifications refers to the following.

Real estate notary, First-class architect, First-class building construction management engineer, Licensed representative of condominium management companies, Property manager, First-class plumbing construction management engineer, First-class electrical construction management engineer, First-class civil engineering construction management engineer, Interior coordinator, Mansion reform manager

Respect for Human Rights

>Nurturing a Culture of Trust Respect for Human Rights

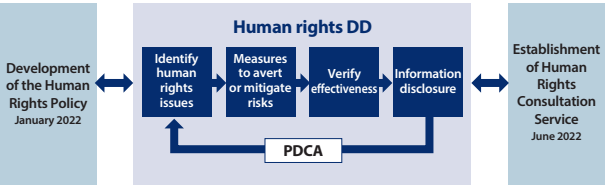
Basic approach to human rights

The Haseko Group explicitly states “respect for human rights” in the Haseko Group Standards of Conduct. Moreover, in order to deepen our initiatives for respecting human rights, in January 2022 we established the Haseko Group’s Human Rights Policy in line with the United Nations Guiding Principles on Business and Human Rights. We instill the Standards and Policy throughout the Group so that each and every employee can deepen his/her understanding of human rights and engage in operations with a high level of awareness at all times, as well as require our cooperating companies and other supply chain constituents to respect human rights in their own business activities. Moreover, we will pursue management that respects human rights through efforts including human rights due diligence initiatives.

[>Haseko Group Code of Conduct](#) [>Haseko Group’s Human Rights Policy](#)

Status of human rights due diligence initiatives

Having developed the Haseko Group’s Human Rights Policy, we continue to carry out human rights due diligence (hereinafter “human rights DD”) initiatives.



Human rights issues identified

The Corporate Management Division and Construction Division, a division that serve as contact points with cooperating companies, have created the “Human Rights Working Group” (hereinafter the working group) and identified potential human rights violations related to the business activities of the Haseko Group. The working group identified human rights issues, assessing those risks in terms of their degree of severity and likelihood of occurring and verifying the status of actions taken by relevant divisions and Group companies. In October 2022, the working group identified human rights risks that needed to be prioritized for addressing. (In February 2024, having considered the measures to avert and mitigate risks that were implemented after the human rights issues had been identified, as well as changes to the nature and environmental conditions of the Group’s business, the working group determined that no review of human rights issues was necessary. The Group will continue to determine the necessity of reviews on an as-needed basis.)

Human rights issue	<ul style="list-style-type: none">• Human rights issues in the upstream supply chain• Forced labor and child labor• Occupational health and safety• Employment and working conditions• Harassment and discrimination• Impact on local communities• Customer safety and security
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KPI	
Initiative item & KPI	Target value
Implementation of human rights due diligence	Implemented every fiscal year

Main initiatives

- **Consideration and implementation of measures to avert or mitigate risks**
Many of the human rights issues identified had already been recognized as “company-wide risks” or “department-specific risks” and has been addressed as part of our existing “risk prevention activities.”
In our yearly “risk prevention activities,” we work on raising awareness of the human rights issues that had been identified, along with identifying human rights issues among the risks that had been recognized by each department. In this way, each department could check for any human rights issues that might exist within their own department, based on which we consider whether there is the need to take additional measures or not.

- **Distribution of Human Rights Handbook**
The Group created the Human Rights Handbook as part of its efforts to develop its officers’ and employees’ awareness of human rights. The book explains the social demands for human rights and the Company’s human rights initiatives. In addition, it explains the connection between human rights and the Group’s various businesses so that each officer and employee can understand how human rights relates their individual duties. To promote understanding of the issues, the handbook is distributed to all officers and employees (including temporary staff) and to new employees during their on-boarding training. It is also published on the Company’s internal portal website. We will continue to make active use of this handbook and enrich our understanding of business and human rights as a whole.

- **Human Rights Help Desk**
We have established a human rights help desk on the Haseko Corporation website. The help desk receives inquiries regarding concerns about human rights violations in connection with the Group’s corporate activities. It is also open to the general public, and handles cases received respecting confidentiality and anonymity, so that the inquirers will not suffer any disadvantages.

- **Sustainability lectures**
The Haseko Group organized a lecture on the topic “Business and Human Rights” for employees higher than the general manager rank. The contents of the lecture were also posted on the internal portal so they can be viewed by everyone. Going forward, we will work to deepen understanding of business and human rights along with the use of the Human Rights Handbook.

Announcement of “My Declaration of Human Rights”
Haseko Corporation affirms the significance of the “My Declaration of Human Rights” initiative promoted by the Ministry of Justice, and aims to realize a society in which all people show mutual respect for each other’s human rights. Through “My Declaration of Human Rights,” we announced that we will engage in business activities in a manner that respects human rights. This declaration is published on the website of the Human Rights Library.

Supply Chain Management

>Nurturing a Culture of Trust Supply Chain Management

Basic approach

The Haseko Group’s business activities are sustained by the support of our cooperating companies and many other organizations, and we consider our business partners to be vital partners that we seek to promote sustainability together with.
To build a sustainable supply chain, we carry out procurement based on the Haseko Group Sustainable Procurement Guidelines (hereinafter referred to as “the Guidelines”). These guidelines set out basic items for conducting procurement in an environmentally- and societally-conscious manner, and we ask all our business partners, including independent contractors and agents, to conduct their businesses in compliance with their contents.

Sustainable Procurement Guidelines List of items

1. Thorough compliance
2. Respect for human rights
3. Fair business activities
4. Commitment to safety and hygiene
5. Securing quality
6. Care for the environment
7. Proper disclosure of information
8. Thorough information security
9. Contribution to society
10. Preparation of the Business Continuity Plan (BCP)

[>Haseko Group Sustainable Procurement Guidelines](#)

Haseko Group Sustainable Procurement Guidelines

To ensure proper implementation of the Haseko Group Sustainable Procurement Guidelines, the Haseko Group obtains written consent on the Guidelines from its main business partners (companies who are members of Group companies’ organizations of cooperating companies). Additionally, to clarify our request for compliance with the Guidelines with all business partners, including those outside the organizations of cooperating companies, we are in the process of adding Guideline compliance clauses to contracts and obtaining written consent.
Furthermore, we have been conducting surveys of our business partners since FY2022 to verify the status of their compliance with the Guidelines and to promote understanding and adoption of our initiatives.

- **Overview of self-checklist of the “Haseko Group Sustainable Procurement Guidelines”**
An overview of the questionnaire we conducted on our business partners in FY2024 is given below.

Survey period	July–August 2024
Companies surveyed	1,064 companies consisting of the member companies of Haseko Corporation’s Ken-ei-kai, Hosoda Corporation’s Shinwakai, Haseko Reform Inc.’s Ju-yu-kai, Fujikensetsu Co., Ltd.’s Kenshou-kai and Haseko Community, Inc.’s Ko-sho-kai. *Some business partners who are not members of the organizations of cooperating companies were also included
Objectives	The survey was conducted to understand the implementation status of initiatives and raise awareness of compliance with the Haseko Group CSR Procurement Guidelines (now the Haseko Group Sustainable Procurement Guidelines).
Survey items	The state of adherence to each of the items in the guidelines
Responses	866 companies (a response rate of 81.4%)
Results	<ul style="list-style-type: none">• We confirmed that there were no issues with the state of adherence, by and large.• We checked with certain cooperating companies on an individual basis to encourage understanding of applicable laws and regulations.

KPIs	
Initiative item & KPIs	Target value
Sustainable procurement survey response rate (Construction-related organizations of cooperating companies)	Every fiscal year 100%
Rate of implementation of engagement with foreign workers (based on number of target cooperating companies)	Every fiscal year 100%

Main initiatives

- **Activities through organizations of cooperating companies**
Haseko Corporation is in charge of building condominiums with a high degree of precision through the combined efforts of the “quaternity” (i.e., the construction divisions, design divisions and technological promotion divisions of Haseko Corporation as well as “Ken-ei-kai,” an organization of business partners consisting of approximately 300 major cooperating companies). This cooperative relationship has continued for more than 25 years, and through the unique Haseko Value Enhancement activities jointly carried out by technological departments and Ken-ei-kai, we endeavor to strengthen our relationship and further advance quality management and other initiatives.
Our activities in pursuit of growth are conducted together with organizations of business partners, namely: “Koshokai” and “Koshokai Kansai” at Haseko Community, Inc.; “Tokyo Juyukai” and “Kansai Juyukai” at Haseko Reform, Inc.; “Tokyo Kenshokai” and “Kansai Kenshokai” at Fuji Kensetsu Co., Ltd; and “Shinwakai” at Hosoda Corporation.



- **Engagement with foreign workers from partner companies**
In response to the increasing number of foreign workers working at construction sites, the Workstyle Reform Subcommittee of the HASEKO Value Enhancement Committee took the lead in holding “Global Workers Meetings” at four of Haseko Corporation’s construction sites with the aim of sharing information, promoting cultural exchange, and improving skills.
This engagement revealed that issues caused by differences in language and culture are especially serious.
While working to address and improve such issues, we will aim to increase feelings of solidarity at workplaces and create safer and more pleasant construction sites by encouraging interaction between fellow foreign workers.



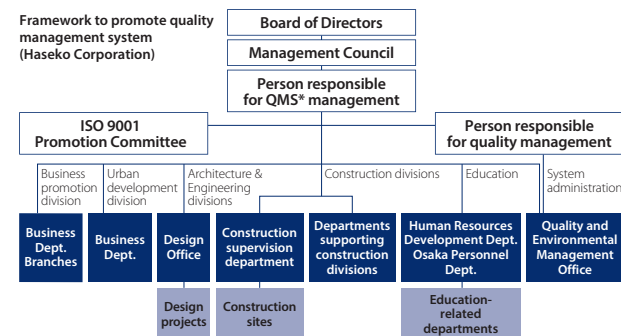
The atmosphere of the Global Workers Meeting

Sustainability Topics

Quality management system

Safety, security and comfort

Haseko Corporation, Haseko Reform Inc., and Fujikensetsu Co., Ltd. have established a quality management system based on ISO 9001 and are working to improve quality by setting a quality policy.



*Quality Management System

As of April 1, 2024

Haseko's Premium After-sales Service (PAS)

Safety, security and comfort

In the past, receiving messages through management companies and sellers was the norm. However the Company's introduction of PAS in 2008 made it possible for customers to contact us directly, allowing staff with expert knowledge of condominiums to respond more smoothly. We offer various kinds of support, such as extended after-sales service periods and periodic services, so that customers to stay for long periods with peace of mind.

Haseko's "Three-piece set disaster prevention equipment" to secure post-disaster living necessities

Safety, security and comfort

We became the first in Japan to adopt an emergency potable water generation system in a for-sale condominium in 2003, and have since been putting efforts into adopting and proposing the "three-piece set disaster prevention equipment"—which consists of an "emergency potable water generation system," "emergency manhole toilets," and "benches that convert into cooking stoves" as disaster prevention equipment to secure post-disaster living foundation, i.e., water, toilets and fire—in for-sale condominiums designed and constructed by us.

The Haseko Living Metaverse Project

New value creation

We have launched the Haseko Living Metaverse Project, in which the latest metaverse technology is used to create "the future norm for housing and lifestyle." In the first phase of the project, we introduced the Metaverse Model Room Tour which aims to increase customer satisfaction levels during the condominium consideration stage.

"UGOCLO" movable storage unit to suit residents' lifestyles

Enabling diverse lifestyles

UGOCLO is a movable storage unit. Whether they alone or as a family, users can easily alter the size and usability of their living and storage spaces by themselves to suit the changes in their family size and lifestyle.



"Be-Fit"*, a new living space

Enabling diverse lifestyles

"Be-Fit" allows residents the freedom to use their space as they wish by aggregating each housing unit's storage spaces and moving the pillars to the exterior to create a streamlined living area. Utilizing shelving, boxes, and other height-adjustable and movable wall furniture, it becomes easy to adapt to changes in life stages, such as their children's growth, their hobbies, etc.

*Be-Fit: Be = Ensuring all Basic & Essential features are in place, creating a living space that Fits

3D design and construction system HASEKO-version BIM

New value creation

We have developed HASEKO-version BIM (Building Information Modeling) specialized for condominiums, which we use for all aspects of a condominium's life cycle, from design and construction to sale and management.

Opened H/DTL (HASEKO Digital Technology Lab), a condominium future experience space, in April 2025

H/DTL is a creation and communication base for new condominium sales, merchandise display, design and production methods. It is based on HASEKO-version BIM and uses cutting-edge digital technology to blend the virtual world with reality.



HASEKO Digital Technology Lab

• Main initiatives

- Metaverse Model Room Tour
- Housing design competition in metaverse model room
- Metaverse furniture coordination service



Model room tour



Furniture coordination service

Net-zero CO₂ emissions meets experimental residential housing Sustaina Branche Hongyotoku

Sustainable urban development

Completed in September 2023, "Sustaina Branche Hongyotoku" is Japan's first renovation project that achieves virtually zero CO₂ emissions during the building operation.

This condominium introduces various state-of-the-art technologies of the Haseko Group, including energy-saving technologies that contribute to realizing a decarbonized society, technologies for extending the life of buildings, and wellness housing technologies while also promoting future-minded housing development that makes use of IoT devices and AI technology. Furthermore, this project's initiatives have been positively received, and it won the Excellence Award at the 23rd Environmental and Equipment Design Award and the 2025 Demand Side Management Award in addition to the Minister of the Environment Award for Climate Action 2024.



>Sustaina Branche Hongyotoku concept site (Japanese only)

Urban development that circulates prosperity HASEKO Well-Doing Smart City

Sustainable urban development

Leveraging its experience in constructing a total of approximately 720,000 condominiums and its service business know-how, the Haseko Group has launched the idea of HASEKO Well-Doing Smart City.

This idea is based on the concept of three types of "circulation." We will combine the knowledge of developers, manufacturers and various service providers with the Group's know-how, and cooperate with communities and local authorities to address problems and contribute to the community. By drawing out the continuing needs of the residents and reflecting them in our efforts, we will create new value. This will create cycles of continued improvement in housing value while realizing a foundational structure of mutual assistance that supports those cycles.

We intend to implement the Kajiwara, Kamakura City Plan (provisional name) as the first stage of the project.



Urban development that circulates prosperity
Concept diagram of "HASEKO Well-Doing Smart City"

Initiatives at Haseko Technical Center

Biodiversity

Haseko Technical Center brings together the Haseko Group's technological R&D functions. It is a joint facility with Haseko Condominium Museum, and we conduct a variety of initiatives there to help us build a regional ecosystem network. In October 2023, it was certified as a Natural Symbiosis Site, and in August 2024 it became one of the first 159 OECM registered in Japan. The "Ikimono Hakken in Tama" (Discover Living Things in Tama event is held at the biotope installed at the Haseko Technical Center to teach people about the connections between living things and other aspects of biodiversity. Going forward, the Haseko Group will show even more consideration for biodiversity and use the Haseko Technical Center as an information dissemination base by holding events and other initiatives.



Haseko Technical Center

"Haseko no Mori" project

Biodiversity

The "Haseko no Mori" project is one of the projects commemorating the Group's 80th anniversary. The Group has been conducting forest conservation and afforestation activities such as forest thinning and tree-planting at two locations: Chino City, Nagano Prefecture (approximately thirteen hectares), and Tanabe City, Wakayama Prefecture (approximately three hectares), based on the themes of social contribution, future-oriented, and collaboration with the local community. We will proactively make Group-wide efforts in this project together with the local communities.



A "Haseko no Mori" activity

Initiatives with Professor Hiroshi Ishiguro of The University of Osaka Graduate School

The Haseko Group is supporting, as a Platinum Partner, the "Future of Life" Pavilion created by producer Hiroshi Ishiguro in the Signature Pavilion, which is a thematic project of the 2025 Japan World Exposition (Osaka/Kansai Expo). In addition, Haseko Corporation will deliver the physical building itself, having cooperated in its design and construction.

We also worked with Professor Ishiguro, creative director Akane Kikuchi and others on a joint project called the "ivi project" and completed construction of "ivi house" a residence filled with a sense of vitality, in March 2025.



Exterior of the Future of Life Signature Pavilion









Exterior of ivi house

Corporate Governance

List of Directors and Corporate Auditors

	<p>Noriaki Tsuji Chairman and Director</p> <p>Skills ① ③ ⑥ ⑦ ⑨</p> <p>Attendance at Board Meetings in fiscal year 2024 14 out of 14 meetings (100%)</p>	<p>Reasons for appointment and expected roles</p> <p>Noriaki Tsuji has been mainly responsible for construction orders and sales and real estate businesses since he joined the Company, and has abundant business experience. He has been in charge of management of the Company as President and Representative Director since 2014, as Chairman and Representative Director since 2020 and as Chairman and Director since 2022, and he has been making great efforts on the strengthening of the HASEKO Group, accumulating extensive knowledge about management. By leveraging his experience and knowledge into the Company's management as a Director, has contributed to the improvement of the Company's business performance and corporate value.</p>
	<p>Kazuo Ikegami Executive Vice Chairman and Representative Director</p> <p>Skills ① ③ ⑤ ⑧ ⑨</p> <p>Attendance at Board Meetings in fiscal year 2024 14 out of 14 meetings (100%)</p>	<p>Reasons for appointment and expected roles</p> <p>Kazuo Ikegami has been mainly responsible for architecture and engineering business since he joined the Company, and has abundant business experience. He has been responsible for the Company's management as President and Representative Director since 2020 and as Executive Vice Chairman and Representative Director since 2025, making great efforts to strengthen the HASEKO Group and possessing extensive knowledge about management. By leveraging his experience and knowledge into the Company's management as a Director, he has contributed to the improvement of the Company's business performance and corporate value.</p>
	<p>Satoshi Kumano President and Representative Director</p> <p>Skills ① ③ ⑥ ⑦ ⑨</p> <p>Attendance at Board Meetings in fiscal year 2024 14 out of 14 meetings (100%)</p>	<p>Reasons for appointment and expected roles</p> <p>Satoshi Kumano has been mainly responsible for construction orders and sales, real estate businesses and corporate management since he joined the Company, and has abundant business experience. He has been in charge of management of the Company as President and Representative Director since 2025, and he has been making great efforts on the strengthening of the HASEKO Group, accumulating extensive knowledge about management. By leveraging his experience and knowledge into the Company's management as a Director, he has contributed to the improvement of the Company's business performance and corporate value.</p>
	<p>Shoji Naraoka Director, Executive Vice President</p> <p>Skills ① ② ④ ⑧</p> <p>Attendance at Board Meetings in fiscal year 2024 14 out of 14 meetings (100%)</p>	<p>Reasons for appointment and expected roles</p> <p>Shoji Naraoka has been mainly responsible for the corporate planning since he joined the Company. He has been engaged in the identification of Group management issues and formulation of the management plan. He has abundant business experience and extensive knowledge about management. Since his assumption of office of Director, he has greatly contributed to the improvement of the Company's performance and value creation for the Group as a whole.</p>
	<p>Kuniyoshi Mimori Director, Executive Vice President</p> <p>Skills ① ⑤ ⑧</p> <p>Attendance at Board Meetings in fiscal year 2024 11 out of 11 meetings (100%)</p>	<p>Reasons for appointment and expected roles</p> <p>Kuniyoshi Mimori has been mainly responsible for construction business since he joined the Company. He has abundant business experience in construction work, the Company's core business, and extensive knowledge about management. Since assuming his position as a Director, he has made significant contributions to improving the Company's business performance.</p>
	<p>Toru Yamaguchi Director, Executive Operating Officer</p> <p>Skills ① ⑥ ⑦</p> <p>Attendance at Board Meetings in fiscal year 2024 14 out of 14 meetings (100%)</p>	<p>Reasons for appointment and expected roles</p> <p>Toru Yamaguchi has been mainly responsible for construction orders and sales and real estate businesses since he joined the Company. Possessing abundant business experience and extensive knowledge of management, since assuming his position as a Director, he has made significant contributions to improving the Company's business performance.</p>

	<p>Naoko Yoshimura Director, Operating Officer</p> <p>Skills ① ⑨</p> <p>Attendance at Board Meetings in fiscal year 2024 14 out of 14 meetings (100%)</p>	<p>Reasons for appointment and expected roles</p> <p>Since joining the Company, Naoko Yoshimura has been mainly involved in the evaluation and analysis of systems, policies, and market environment related to the senior housing and facilities business, study and research for the formulation of business plans, and consulting at Haseko Research Institute, Inc. She possesses extensive research achievements and practical experience, and since assuming her position as a Director, she has made significant contributions to improving the performance of the Company and its Group companies.</p>
	<p>Kazuhiko Ichimura Outside Director</p> <p>Skills ① ② ③ ⑦ ⑨</p> <p>Attendance at Board Meetings in fiscal year 2024 13 out of 14 meetings (92 %)</p>	<p>Reasons for appointment and expected roles</p> <p>Kazuhiko Ichimura has abundant experience in promoting urban redevelopment projects and large-scale commercial development at Mitsubishi Corporation. In addition, as Representative Director of Mitsubishi Corporation Urban Development, Inc., he gained an extensive track record and experience in company management, overseeing the operation of a developer specializing in income-generating real estate, primarily commercial facilities. He also has a business perspective targeted at consumers gained as an Operating Officer at ASATSU-DK INC. Since he assumed the office of Outside Director, he has greatly contributed to the enhancement of the Company's governance. For such reasons, he is expected to draw on this abundant experience and track record to supervise corporate management from an objective standpoint.</p>
	<p>Mami Nagasaki Outside Director</p> <p>Skills ② ③ ⑨</p> <p>Attendance at Board Meetings in fiscal year 2024 14 out of 14 meetings (100%)</p>	<p>Reasons for appointment and expected roles</p> <p>Mami Nagasaki has diverse experiences as an attorney and knowledge about legal affairs in general, and also is engaged in duties related to the Company's main construction business. Additionally, she has experience and a proven track record in corporate management gained through executing the overall business operations of an investment company as an Executive Officer. Since she assumed the office of Outside Director, she has greatly contributed to the enhancement of the Company's governance. For such reasons, she is expected to draw on this abundant experience and track record to supervise corporate management from an objective standpoint.</p>
	<p>Toshikatsu Ogura Outside Director</p> <p>Skills ① ② ③ ⑧ ⑨</p> <p>Attendance at Board Meetings in fiscal year 2024 14 out of 14 meetings (100%)</p>	<p>Reasons for appointment and expected roles</p> <p>Toshikatsu Ogura was engaged in business management of companies as a Representative Director at Nippon Telegraph and Telephone West Corporation and NTT BUSINESS ASSOCIE Corporation, and has abundant experience and excellent track record in management. Since he assumed the office of Outside Director, he has greatly contributed to the enhancement of the Company's governance. For such reasons, he is expected to draw on this abundant experience and track record to supervise corporate management from an objective standpoint.</p>
	<p>Shinsuke Fujii Outside Director</p> <p>Skills ① ② ③ ④ ⑨</p> <p>Attendance at Board Meetings in fiscal year 2024 14 out of 14 meetings (100%)</p>	<p>Reasons for appointment and expected roles</p> <p>Shinsuke Fujii served as the Director-General of the National Spatial Planning and Regional Policy Bureau, and possesses extensive knowledge about the construction industry. In addition, as Representative Director of Metropolitan Expressway Co., Ltd., he has also been engaged in business management of a company and has abundant experience and an excellent track record in management. For such reasons, he is expected to draw on this abundant experience and track record to supervise corporate management from an objective standpoint.</p>
	<p>Takeshi Fujii Outside Director</p> <p>Skills ① ② ③ ⑤ ⑨</p> <p>Attendance at Board Meetings in fiscal year 2024 —/— (Newly appointed)</p>	<p>Reasons for appointment and expected roles</p> <p>Takeshi Fujii served as the Director-General of the National Spatial Planning and Regional Policy Bureau, and possesses extensive knowledge about the construction industry. In addition, as Representative Director of Metropolitan Expressway Co., Ltd., he has also been engaged in business management of a company and has abundant experience and an excellent track record in management. For such reasons, he is expected to draw on this abundant experience and track record to supervise corporate management from an objective standpoint.</p>

Corporate Governance

Messages from the Outside Directors

Kazuhiko Ichimura Outside Director



Our new medium-term business plan, the HASEKO Evolution Plan, has commenced. At its core, we have established the commitment to “fulfill social responsibility from all ESG perspectives and contribute to the realization of a sustainable society.” Furthermore, in establishing sustainability management, we have long defined our approach as “balancing the creation of social value and the growth of the Group by solving various challenges through our business, thereby enhancing corporate value,” with a core vision for the Company of “nurturing a culture of trust.”

Recently, however, an incident occurred in which a Group company was subject to an on-site inspection by the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act. This is an unacceptable situation for a company striving to fulfill its social responsibility and nurture a culture of trust. We will thoroughly reexamine whether there are any actions within our immediate surroundings that are inappropriate or lack transparency —actions we could not explain to our company, family, or friends. With renewed resolve, we will pursue the HASEKO Evolution Plan to achieve the outstanding goals we have set as a well-governed, excellent company.

The year 2027 marks Haseko Corporation’s 90th anniversary. The trust that the Company has built over 90 years through the efforts of our predecessors is a tremendous asset, but it can be lost in an instant with a single misstep. By keeping in mind the saying, “three years to build a castle, one day to destroy it,” we will conduct our daily business with integrity and fairness.

Mami Nagasaki Outside Director



This fiscal year saw the launch of our new medium-term business plan, the HASEKO Evolution Plan. Regarding management metrics, we have incorporated target figures not only for ordinary profit but also for ROE, reflecting a change in management’s mindset to one focused on improving capital efficiency.

In formulating the plan, we held multiple meetings where members of the Board of Directors freely exchanged opinions on each theme. During this process, we analyzed market growth potential and competitors for each business portfolio, engaging in earnest discussions on how to leverage the Group’s comprehensive strengths to enhance productivity and drive growth. Amidst increasingly challenging business conditions facing the Company, including population decline, rising costs of land and materials, and labor shortages, our business strategy encompasses a wide range of initiatives to drive further growth in our core Construction-Related Business, alongside our Real Estate-Related Business and our Condominium Management and Operation Business.

Drawing on my experience as a lawyer and outside director, I intend to continue advocating for the thorough implementation of compliance and the further enhancement of corporate governance as a representative of shareholder interests. I will also supervise whether plans are being steadily executed and actively voice my opinions. In addition, should business risks or the environment change after the plan is formulated, it is crucial that management responds with a sense of urgency. Furthermore, the executive team has indicated its intention to begin discussions on ROIC at future meetings of the Board of Directors, and I expect that conducting more in-depth discussions on the business portfolio will contribute to the sustainable growth of the Company.

Toshikatsu Ogura Outside Director



It has been five years since I joined the Company as an outside director, and through discussions at meetings of the Board of Director and elsewhere, two things have become strongly apparent to me. The first is that this is a company that once went through some tough times. In January 1999, its share price fell to just 13 yen.

From there, it fundamentally revised its management policies and worked together as one to steadily implement various turnaround measures, transforming into the “new Haseko.” The difficult experiences of that period continue to be passed down to employees who joined after the management crisis, and this is something that I am often reminded of not only in meetings of the Board of Directors but also in conversations with employees in various settings. The other thing that strikes me is that it is a company with a unique business model. Through conversations with employees, I sense their confidence and pride in being a company that possesses something unmatched — not merely a condominium construction firm, but a company involved in land acquisition, sometimes even in stages preceding that, and engaged in various customer follow-up even after a condominium is completed. However, continuing corporate activities solely on that basis offers little hope for significant future growth. It is time to expand the Company’s business into fields where it already has a proven track record and where future growth is anticipated, such as the Real Estate-Related Business, Condominium Management and Operation Business, and Overseas Business. The five-year medium-term business plan coinciding with former President Ikegami’s tenure successfully achieved its targets, including for operating profit.

I expect President Kumano to build upon this foundation and actively yet steadily pursue new business initiatives. As an outside director, I intend to continue providing necessary advice and proposals as I have done to date.

Shinsuke Fujii Outside Director



In April of this year, Director Kumano assumed the position of the Company’s new president. On his appointment, he stated that the theme he wishes to focus on during his time as President is capital efficiency. With the Company having faced a management crisis in the 1990s, it lacked capital flexibility and therefore focused its turnaround efforts on the construction industry, which requires relatively less capital. During that period, the emphasis was on management metrics such as gross profit and gross profit margin. These simple metrics were easy to understand, making them ideal as a focus for a collective effort that could be shared with all employees.

However, with the Company having recovered its capital base in recent years, and as it expands its real estate business once again to pursue new growth, continuing to operate based solely on the same metrics as before could potentially lead to a decline in corporate value. As such, President Kumano’s New Year’s statement can be seen as a timely policy announcement reflecting the recent changes in the Company’s business model, where new metrics such as the cost of capital, efficiency, and the present value of investments have become increasingly important. While preserving the vitality and precious DNA of the frontline teams, who work strenuously to achieve their gross profit targets no matter what, I would like to support the company-wide adoption of a capital efficiency-focused mindset as quickly as possible, as well as ensuring that the market recognizes and values this shift.

Takeshi Fujii Outside Director



The world faces unprecedented major risks, including extreme weather events and armed conflicts. Meanwhile, Japan is experiencing rapid population decline. Amid such circumstances, it is crucial to adopt a strategic perspective that goes beyond mere business continuity — one that views these changes as new opportunities and strives to create value for the future.

The Haseko Group’s medium-term business plan, the HASEKO Evolution Plan, also aims for evolution by combining “succession” and “change.” As an outside director, I will work toward making this a reality.

Basic Approach to Corporate Governance

Haseko Corporation’s basic management policy is “as a leading company in housing and living, to achieve sustainable growth and enhance corporate value.” It 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.

[>Basic Policy on Corporate Governance](#)

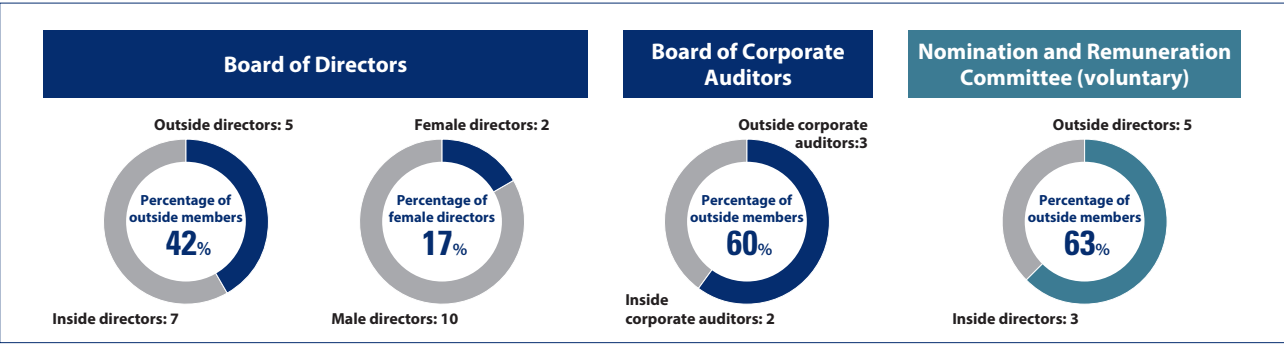
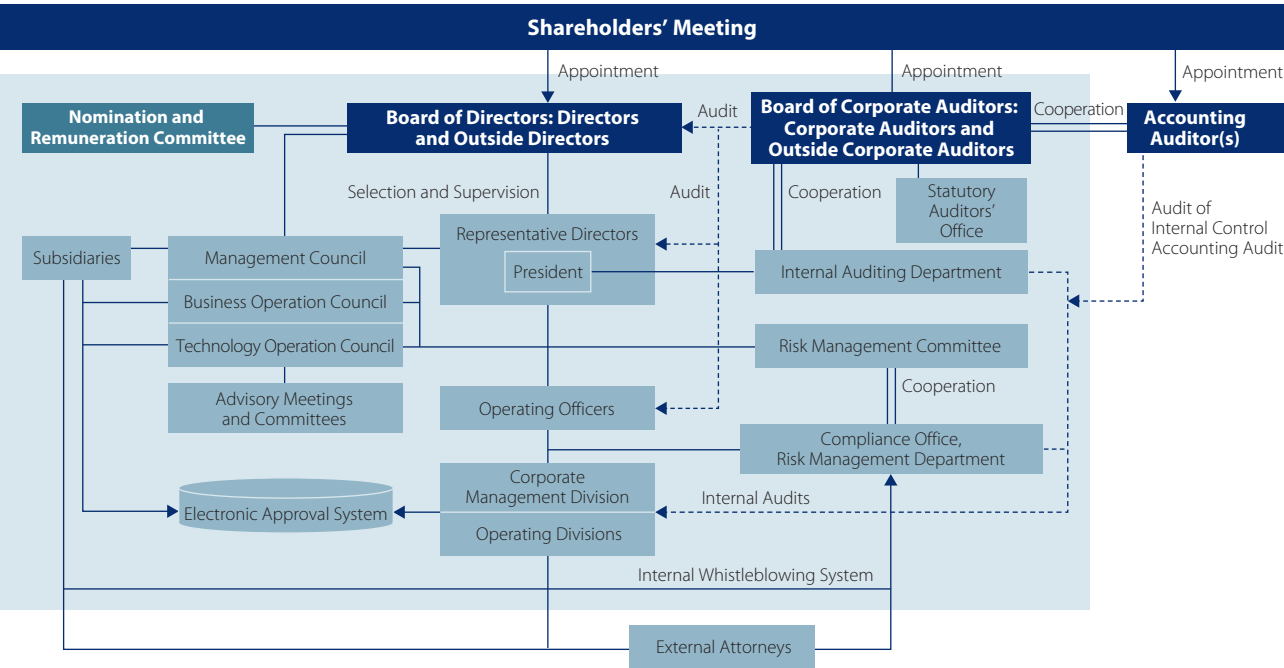
Company Institutions

Haseko Corporation has adopted an auditor system as a corporate institution. 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 Directors, so that they shall provide appropriate opinions and advice in order to further activate discussions at the Board of Directors and enhance the function to monitor business management. With this system in place, we are making efforts to build an optimum system for the Company, taking into consideration the balance between the operation of the Board of Directors and the monitoring functions. In addition, the appointments of both inside directors and outside directors include a woman respectively, and we are continuing to work towards ensuring the diversity of the Board of Directors.

Decisions on certain matters authorized by the Board of Directors are made by the Management Council, Business Operation Council, and Technology Operation Council, each of which limits the participation of directors to a certain extent. In doing so, we have developed a system to separate the functions of decision-making and supervising such decision-making, so that each director can supervise the execution of duties by other directors. In addition, the Management Council is also responsible for the function of discussing in advance the important issues to be decided by the Board of Directors.

Diagram of company institutions and internal governance



Corporate Governance

>Nurturing a culture of trust Corporate ethics and compliance with the law

Board of Directors

The Board of Directors holds regular meetings once a month and extraordinary meetings as necessary. It is made up of 17 directors and outside directors, as well as full-time corporate auditors and outside corporate auditors, with Chairman and Director Noriaki Tsuji serving as chair. In addition to important decision-making and regular reports on matters related to management, it holds discussions on matters such as reports on business operations from operating officers and responses to various environmental changes affecting society.

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is an advisory body for the Board of Directors, a consulting body to secure objectivity, transparency and fairness of the procedures related to the nomination and remuneration, etc. of Directors and enhance corporate governance. The committee comprises all independent Outside Directors and an equivalent or below number of Representative Directors, etc.

It is made up of eight members, with President and Representative Director Satoshi Kumano serving as chair.

The Nomination and Remuneration Committee met five times in fiscal year 2024, with all members, two inside directors and five outside directors, attending each meeting. As an advisory body to the Board of Directors, the Nomination and Remuneration Committee deliberates on the following matters and submits reports to the Board of Directors accordingly.

- the appointment of Directors and Corporate Auditors
- the selection of Representative Directors
- the remuneration system for Directors and the policy for annual revision
- the maximum amount of remuneration of Directors
- Other matters consulted by the Board of Directors

We held extensive discussions with all outside directors in the Nomination and Remuneration Committee and formulated a clear profile of the candidate as well as the selection process. For the appointment, the Committee reviews the backgrounds of all directors and aligns on potential candidates based on the succession plan.

Executive remuneration

In accordance with the Basic Policy on Corporate Governance, the remuneration of directors is determined by resolutions of the Board of Directors based on the criteria for payment of remuneration of directors prepared by the President in consideration of discussions at the Nomination and Remuneration Committee, which is comprised entirely of independent outside directors as well as representative directors, etc., numbering not more than the independent outside directors.

We have revised our performance-linked stock remuneration scheme with the aim of fostering greater awareness of contributing to improved medium- to long term performance and increased corporate value.

Overview of Director Remuneration System

• Basic remuneration

Basic remuneration is a fixed, standard amount determined based on the Director's position and paid once a month.

• Performance-linked remuneration

Performance -linked remuneration consists of executive bonuses and stock remuneration. This system makes adjustments according to business performance, with the purpose of offering incentives for achieving business plans and increasing corporate value.

Formula for calculation of executive bonuses

Amount of bonus = Standard amount based on position × Performance coefficient + Director's allowance

Formula for calculation of stock remuneration

Points awarded = Amount of bonus × 0.3 × The corporate value improvement coefficient / book value of BBT (Board Benefit Trust) per share

*The corporate value improvement coefficient is determined based on the level of attainment of capital efficiency metrics and non-financial indicators such as human capital management and climate change response.

• Ratio of basic remuneration to performance-linked remuneration (executive bonuses and stock remuneration)

The ratio of basic remuneration : executive bonuses : stock remuneration is approximately 47:41:12. The ratio of basic remuneration : performance-linked remuneration for directors (excluding outside directors) is determined based on a fixed formula in accordance with a structure that allows for adjustment commensurate with business performance.

Board of auditors

- Haseko Corporation is a company with the Board of Corporate Auditors. It consists of five corporate auditors, of which two are full-time and three are outside, and meets once every month and on an ad hoc basis as necessary.
- The two full-time corporate auditors cooperate with each other to conduct audit activities including an audit of the Company's internal control system. More specifically, the corporate auditors attend the Management Council, Business Operation Council, Technology Operation Council, Risk Management Committee, and other important meetings, observe internal audits, interview directors and other officers and employees about the status of business operations as necessary, and inspect approval documents, minutes, meeting materials, and reports, among others. The corporate auditors also hold a Group Corporate Auditors' Liaison Meeting to cooperate with Group companies' corporate auditors.
- In accounting audits, all the corporate auditors meet with Ernst & Young ShinNihon LLC., the accounting auditor of the Company, to receive the explanations of accounting audit plans, quarterly reviews, and accounting audit reports from the accounting auditor. As necessary, the full-time corporate auditors interview the Accounting Department and the accounting auditor.

Status of internal audits

In internal audits, the Internal Auditing Department comprised of 11 members conducts internal audits of information management, risk management, etc. and assesses internal control over financial reporting. Whenever internal control issues are found in an accounting audit, information on the issues is communicated to each division, and improvements to resolve the issues are considered. At the same time, as part of the assessment of internal control, the Internal Auditing Department obtains the information, gives feedback to each division, and monitors the progress of improvements made in each division. The Internal Auditing Department also reports the status of such improvements to the President, the Board of Directors, corporate auditors, and the accounting auditor.

Further, the Internal Auditing Department carries out such activities while reporting the status of them to corporate auditors as appropriate in order to coordinate the roles of internal audits with the roles of audits by the Board of Corporate Auditors and ensure consistency between these roles. Corporate auditors observe internal audits, receive the reports of internal audit results, and exchange information about in-house status with the Internal Auditing Department as appropriate.

Evaluation of the Effectiveness of the Board of Directors

We analyzed and evaluated the effectiveness of the Board of Directors for fiscal 2024 in accordance with the Basic Policy on Corporate Governance, and confirmed that the Board of Directors held constructive and active discussions and was sufficiently effective.

• Evaluation methods and evaluation items for FY2024 (same as FY2023)

Continuing into fiscal 2023, we conducted a questionnaire regarding the effectiveness of the Board of Directors for all directors and corporate auditors. Reflecting on the results of this questionnaire and reports from the secretariat on the operation of the Board of Directors in fiscal 2024, deliberations were held and the effectiveness of the Board of Directors as a whole was analyzed and evaluated at the Board of Directors meeting held on April 18, 2025, based on opinions presented by the Board of Corporate Auditors and individual directors.

Evaluation Items

Institutional Design/ Composition	Number of members, percentage of independent Outside Directors, diversity, frequency of meetings, meeting length
Operation	Number and content of agenda items, quality and quantity of agenda materials, timing of prior distribution, quality of prior explanations
Deliberation / function	Constructive discussions and multifaceted considerations in meetings, ethos, one's own roles and responsibilities
PDCA	Addressing issues raised, reporting results after resolutions, efforts toward improvement

• Response to issues identified in the FY2023 evaluation

Regarding the proposal to conduct more exchanges of opinions regarding strategy than in the past, since FY2024 was the year for formulating the new medium-term business plan, the HASEKO

Evolution Plan, which will start in FY2025, multiple meetings for exchanging opinions among directors were held outside of the Board of Directors meetings, and active discussions took place.

- Regarding the need for more intensive discussions and exchanges of opinions on capital efficiency and management metrics, the Board of Directors has actively engaged in discussions to introduce management practices conscious of capital efficiency, and these have been incorporated into the HASEKO Evolution Plan.
- Regarding requests to bring forward the timing for distributing materials to outside directors, to share information, and to eliminate information asymmetry, we strictly adhere to the principle of providing materials no later than two business days prior to meetings of the Board of Directors. We conduct advance briefings for outside directors before meetings of the Board of Directors and strive to eliminate disparities in access to internal information through thorough explanations provided by the secretariat.

• FY2024 evaluation results and future response

Evaluation results

Relative to the FY2023 evaluation, the same high standards have been largely maintained across all evaluation items.

- With FY2024 being the final year of the previous medium-term business plan, the HASEKO Next Stage Plan (NS Plan), the Board of Directors held lively discussions on how to respond to the various environmental changes in society, in addition to addressing concrete business issues, with a view to achieving the goals of the business plan.
- Regarding high-risk projects, the Board carried out active deliberations, such as deciding on policies over the course of multiple discussions
- When discussing important matters, particularly the HASEKO Evolution Plan, separate meetings were held in advance apart from Board of Directors meetings to facilitate a multifaceted discussion.
- There were also regular reports on future-oriented digital transformation (DX) initiatives, and meaningful exchanges of opinion were held.
- In response to changes in the environment surrounding society, the Board actively discussed how to reach a higher level in terms of its policy on sustainability initiatives, climate change response, human rights policy, harassment, etc.

Future response

- In order to further improve the effectiveness of the Board of Directors, we will strive to revitalize discussions about the focused strategies laid out in the HASEKO Evolution Plan from a medium- to long-term perspective.
- Regarding “defensive” aspects, even greater attention will be given to matters that companies are required to abide by, such as risk management and compliance.
- To ensure sufficient time for discussion, we will implement measures such as reviewing necessary materials and shortening presentation times, particularly for reporting items such as regular business execution reports.

Corporate Governance

Message from the Chair of the Board of Directors

With the changing business environment, the agenda of the Board of Directors becomes increasingly varied each year. The Board of Directors holds important functions such as overseeing the medium- to long-term direction of the Company and adjusting its strategic course. Within this framework, I believe that the role of the Chair is to ensure management transparency and contribute to enhancing corporate value.



Noriaki Tsuji
Chairman and Director

Examples of Discussion Points at Meetings of the Board of Directors

Keywords



- The Company should proactively disclose its target ROE figures and communicate to investors its commitment to pursuing capital-efficient management. In addition, there should be further enhancement of shareholder returns.
- Amid uncertainty surrounding industry trends and the global outlook, we will engage in discussions on growth strategies, including how to utilize management resources while maintaining a clear view of the market, and present these in our new medium-term business plan.

Keywords



- To enhance human capital, we need to provide not just education, but also foster a corporate culture where employees feel empowered to take on new businesses and assignments.
- After undertaking various initiatives, it is clear that education and awareness-raising alone have their limits. The only way forward is to foster an environment conducive to innovation by actively recruiting experienced professionals and ensuring workforce diversity.
- On the other hand, when open recruitment is conducted for new business projects, employees are now stepping forward. For example, it is time to actively pursue measures to enhance human capital, such as establishing an internal venture system.

Keywords



- In this era of great uncertainty, we need to consider which areas to allocate the workforce to and how to handle research and development investments going forward.
- Securing and developing a workforce is important, but the current trend is toward collaboration not only with competitors but also with external partners. The era of competing solely within Japan's domestic industry is over.
- We must also consider optimizing the allocation of management resources with a view to enhancing productivity across the entire construction industry through shared technologies.

Frequently mentioned keywords in Board of Directors meetings



Compliance and Risk Management

- >Nurturing a culture of trust Corporate ethics and compliance with the law

Basic approach and policy for compliance

With the recognition that strict compliance is indispensable for the continuity of a corporation, the Company formulated the Haseko Group Code of Conduct, 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 regulations both in Japan and abroad, and the Company's articles of incorporation, so that the Company can win the confidence of society.

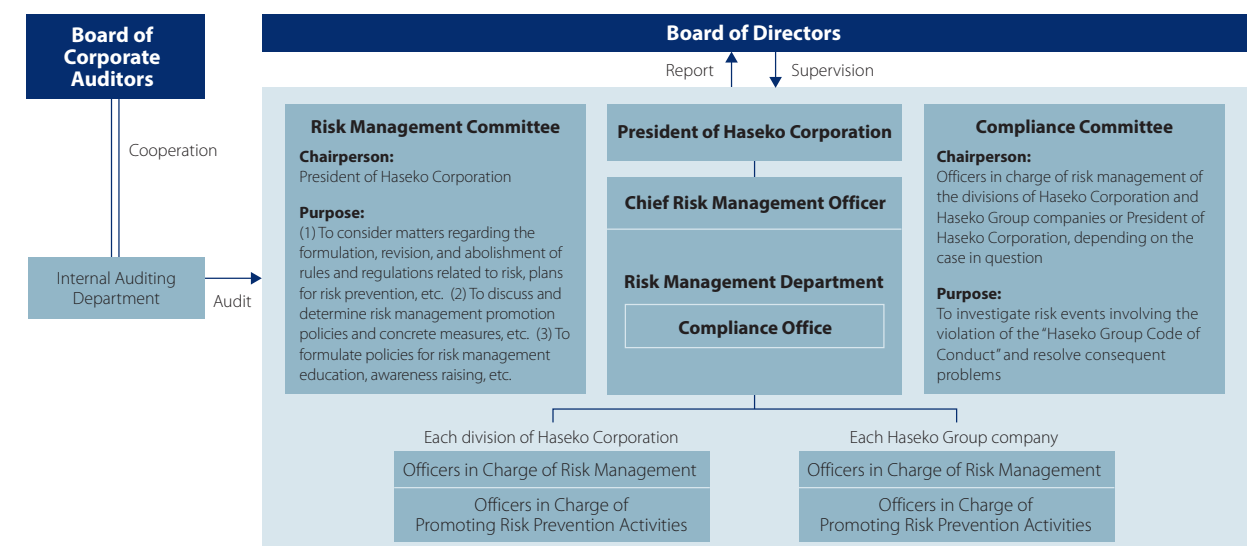
>Haseko Group Code of Conduct

System for promoting compliance

The Compliance Office, established in the Risk Management Department as an office responsible for instilling the Standards of Conduct across the Group and advancing compliance efforts, is working to enhance the Group's compliance.

In addition, pursuant to internal rules and regulations on internal audits, the Internal Auditing Department, which is under the direct control of the President, 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.

Diagram of the compliance and risk management system



Compliance and Risk Management

>Nurturing a culture of trust Corporate ethics and compliance with the law

Promotion of risk prevention efforts

To prevent risk events, the Haseko Group is promoting risk prevention efforts, from identifying and assessing risks, formulating plans for countermeasures, and implementing risk mitigation measures, to internal auditing and reporting.

The Company seeks to continue to improve and raise its performance by using the PDCA cycle in these risk prevention efforts.



Internal Whistleblowing System

In accordance with the Whistleblower Protection Act and related laws and regulations, the Haseko Group has established the “Haseko Group Whistleblower Protection Rules” and has implemented an internal whistleblowing and consultation system for all officers and employees, as well as all providers of labor at all business sites. We have established an internal contact desk in the Compliance Office in the Risk Management Department, as well as an external contact point at a law firm, and we accept consultations not only about legal and regulatory violations, but also about violations of internal rules, harassment, and general compliance issues. The Company has put in place a system for protecting whistleblowers and preserving their anonymity, creating an environment where employees feel free to file a report or request consultation in order to ensure that any wrongful act or misconduct be immediately detected and corrected.

Business risks and other risks

Here we present key matters concerning business risks and other risks facing the Haseko Group that we believe could materially affect decision-making by investors. Please visit the Company’s website for the details regarding other matters.

>Business risks

Dependence on the condominium business	The Haseko Group’s core business involves for-sale condominiums in the Tokyo metropolitan area, Kansai region, and Tokai region, with a particularly heavy reliance on construction of for-sale condominiums. As such, orders received and other transaction volumes related to for-sale condominiums may fluctuate significantly depending on factors such as the supply of new condominiums and their sales conditions, the availability of land for condominium construction, the scale of operations of our partner developers, housing-related policies, and trends in housing-related taxation and interest rates. These fluctuations could adversely affect the Group’s business performance and financial position. Furthermore, while primary business model relies on securing orders by bringing in land, leveraging our capabilities in land information gathering and management of for-sale condominium projects, there is no guarantee that this business model will continue to provide a competitive advantage or to enable us to maintain and expand our market share and profitability going forward. Therefore, in order to raise the level of stable revenue sources, the Haseko Group is working to expand its business domains and operational areas within the Construction-Related Business, the Real Estate-Related Business, and the Condominium Management and Operation Business. In doing so, we aim to enhance our revenue base and transform our revenue structure.
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Accounts submitted to the office responsible for consultation on internal whistleblowing, and the status of subsequent responses provided, are reported to the representative directors, outside directors, and corporate auditors on a regular basis.

Prevention of Bribery and Corruption

The Haseko Group endeavors to ensure compliance and to prevent bribery and corruption. The “Haseko Group Code of Conduct” stipulates measures for preventing bribery and corruption, and in accordance with the standards, the Company has taken actions, such as distributing “Haseko Group Compliance Book” to all officers and employees and offering e-learning programs.

For relationships with public employees and the like, the Company, as part of risk prevention efforts, has implemented in high-risk departments a system in which the self-checking function autonomously works. How this checking function is working is examined in internal audits.

For relationships with business partners, the “Purchasing Business Regulations” prohibit departments involved in purchasing, which have many opportunities for negotiation, from using their status or authority within the company to seek personal benefits from business partners.

Business Continuity Plan (BCP)

The Haseko Group has formulated a “Business Continuity Plan” with the aim of establishing a mechanism of clarifying operations of Group companies in the event of a major earthquake and other natural disasters, ensuring the safety of housing provided by us, preventing the suspension of operations or in the event that they are suspended, enabling the resumption of operations within the shortest possible time, as well as promptly preserving offices and tasks after ensuring the safety of employees and their families, enabling employees engaged in restoration activities and restoration support to take action autonomously. Drills are conducted at least once a year to ensure swift and precise execution of this plan.

Construction market trends	The Company conducts centralized procurement of construction materials and labor through its functional divisions at Head Office, striving to enhance cost competitiveness through operations based on forecasts of future project start dates and overall procurement. However, in the event of increased competition in the condominium construction sector due to broader industry performance trends, intensifying price competition with other companies in the same industry, or a decline in production capacity due to factors such as a sharp rise in prices for construction materials and labor, procurement difficulties, or issues in the availability of contractors, our business performance and financial position could be adversely affected.
Relationships with local residents	Prior to commencing construction work, we provide explanations of the project plan and other details to local residents. However, should opposition movements and associated litigation result in significant changes to the project plan or to the delay or suspension of construction work, our business performance and financial position could be adversely affected.
Accidents and other incidents in the construction business	The Haseko Group thoroughly implements safety management and construction management to eliminate construction accidents, quality incidents, and disasters through safety education, inspection patrols, and other measures. Furthermore, we establish a safe working environment and execute construction by carefully formulating construction plans when starting projects. However, in the unlikely event of a major construction accident, quality incident, or occupational accident, the Company could lose public trust and suffer damage to its corporate image, leading to adverse effects on our business performance and financial position.
Credit risk of clients	In the construction industry, the financial value of a single business deal is substantial, and payments for construction work are often made in installments, with large sums typically paid on and after delivery of the completed building. The Haseko Group conducts management regarding the creditworthiness and credit limits of its business partners. However, should a business partner experience credit difficulties before payment for construction work is received, our business performance and financial position could be adversely affected.
Owned real estate	The Haseko Group holds real estate based on necessity with regard to sales activities, conducting acquisition according to an investment plan that sets upper limits for each real estate investment category from the perspectives of business diversification and risk management. However, real estate carries the risk of market value fluctuations and is generally illiquid. Consequently, depending on supply and demand conditions at the time of sale, it may not be possible to sell at the market price. Regarding inventory real estate, the Group primarily invests in residential properties for sale, an area in which it possesses development expertise. However, depending on the progress of business plans, amounts recovered may fall short of projections, or plans may need to be discontinued due to various factors. Additionally, regarding fixed assets, the Group invests primarily in rental condominiums, an area in which it possesses development and operational expertise. However, circumstances such as deterioration of leasing conditions and business income may arise, potentially preventing us from obtaining the anticipated cash flows. In such cases, valuation losses, impairment losses on fixed assets, or disposal losses may occur, leading to adverse effects on our business performance and financial position.
Unbalanced business areas	The Haseko Group is working to expand its business areas, primarily in major regional cities, with the aim of growing its operations and strengthening its revenue base. However, a significant portion of the Company’s management resources remains concentrated in the Tokyo metropolitan area, the Kansai region, and the Tokai region. Therefore, should earthquakes, storms, floods, other natural disasters, infectious diseases, accidents, fires, or other man-made disasters occur in the future within the Tokyo metropolitan area, the Kansai region, the Tokai region, or their surrounding areas, resulting in construction delays, reduced willingness to purchase among consumers, or damage to owned assets, our business performance and financial position could be adversely affected.
Overseas business risks	Overseas business activities involve risks related to differences in social practices, unexpected changes in laws and regulations, economic and exchange rate fluctuations, as well as political, military, and geopolitical factors. Should issues arise in connection with these risks, our business performance and financial position could be adversely affected. Therefore, when evaluating new business ventures in regions where we have limited operational experience, we strive to enhance internal risk control by making decisions based on multifaceted assessments conducted by third-party experts and other professionals.
Climate change risk	Risks associated with the transition to a decarbonized society include increased construction and property development costs due to the introduction of carbon taxes and stricter regulations, which could lead to adverse effects on our business performance and financial position. Moreover, in terms of physical risks, factors such as reduced productivity at construction sites and property development sites due to rising average summer temperatures, delays in construction projects caused by more frequent and severe weather disasters, and restoration costs incurred due to damage to owned properties could have adverse effects on our business performance and financial condition. Taking into account these climate change risks, the Haseko Group established the “Haseko Group Climate Change Response Policy —HASEKO ZERO-Emission—” in December 2021. In accordance with this policy, we are working to reduce greenhouse gas emissions by increasing our use of renewable energy, promoting the use of environmentally-conscious materials, and developing technologies related to low-carbon construction and decarbonized housing. Additionally, we are working to mitigate the impact of physical risks through efforts such as improving work efficiency at construction sites through mechanization and the application of IT, as well as researching construction methods less susceptible to climate impacts. Furthermore, we are putting efforts into enhancing our disaster-response BCP (Business Continuity Plan) framework to swiftly address damage to related properties and facilities, including those under construction, as well as into building disaster-resilient condominiums.

Communication with Stakeholders

>Nurturing a culture of trust Information disclosure and stakeholder engagement

Methods of dialogue with key stakeholders

Stakeholders	Definition	Purpose of communication	Main opportunities for dialogue
Customers	Residents and purchasers of housing, etc.	Providing safe, secure, and comfortable living environments and enhancing satisfaction	After-sales service (see P. 59) Customer surveys, coordination with condominium management associations, company website
Local communities	Local communities and residents affected by our business	Building coexistence and social trust with communities	Environmental conservation activities (see P. 60) Visits to the Haseko Condominium Museum Community events, community clean-ups
Shareholders, investors, and financial institutions	Individual and institutional investors, banks, etc.	Sharing of increased corporate value and sustainable growth	Shareholders' meetings, financial results briefings, online conferences following the release of financial results, institutional investor meetings, integrated report, company website
Employees and their families	Haseko Group employees and their families	Creating a workplace that is worth working at, developing the workforce, and building relationships of trust with families	Education and training (see P. 56) Self-reporting system, intranet, labor-management consultations, events with family participation
Business partners and cooperating companies	Business owners, business partners, suppliers, etc.	Building relationships based on fair dealings and establishing a sustainable supply chain	Activities within associations of cooperating companies (see P. 39) Procurement activities (see P. 58) Daily business activities
Educational institutions and students	Universities and other educational institutions, students	Joint research, fair recruitment practices, and value creation through development of the next generation	Joint research with universities, internships, company information sessions, and the Design Competition, the HASEKO Riko Challenge
Government and industry organizations	National government, local governments, and various industry associations, etc.	Addressing institutional and policy changes and ensuring sound development of the industry as a whole	Policy proposals, collaboration with government agencies, industry association meetings, compliance with building codes and environmental standards

>Multi-Stakeholder Policy (Japanese only)

Constructive conversations with shareholders, institutional investors, and analysts

Aiming for sustainable growth and the medium- to long-term enhancement of corporate value, the Company proactively converses with its shareholders, institutional investors, and analysts and holds a variety of explanatory meetings, such as a financial results briefing in which the President himself participates.

In addition, it discloses information in a timely and fair manner by posting information such as financial results, integrated reports, and other timely disclosure materials (including English versions) on its website.

Main IR activities in FY2024		
Item	Number of times conducted	Details
Financial results briefing	2	The Company holds the financial results briefings in which top management participates, twice a year (in May and November)
Internet conference after the announcement of financial statements	4	The Company holds on the same day as the announcement of quarterly financial statements, four times a year (in May, August, November and February)
Medium-term business plan explanatory meetings	1	Explanatory meetings held alongside the announcement of medium-term business plan, HASEKO Evolution Plan
Meeting with institutional investor	247	The Company had meetings with a cumulative total of 247 domestic and foreign institutional investors and sell-side analysts through individual interviews, phone interviews, small meetings, etc.
Condominium market explanatory meeting	2	The Company holds twice a year (in September and March)
Site tours	2	Held tours of construction sites and explanatory meetings

Participation in initiatives and external evaluations







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>Participation in initiatives and external evaluations

Leading Examples

Communication at Haseko Mansion Museum

Haseko Mansion Museum opened in Tama City, Tokyo in 2018 as part of the Haseko Group's 80th anniversary projects. It is the first condominium museum in Japan in which visitors can see, touch, feel, and learn various things about condominiums, including the history of condominiums and transition of floor plans as well as design, construction, repair, and rebuilding of condominiums.

The museum has had a wide array of visitors, including residents from the community, business partners, and persons engaged in domestic and foreign housing industry. In addition to training for new employees and staff of Group companies, it is also used for training conducted by third parties.

Additionally, we actively host events like "HASEKO Riko Challenge Summer" and a "Disaster Prevention Festival," which appeal not only to local residents but also to children and younger generations. These events serve as venues for relaxation, learning, and communication. In 2025, the museum will undergo partial renovations, further enhancing its role as an information hub by evolving with the times. This will include



"Future housing" zone

establishing a zone themed around the "Living House," which showcases the lifestyles of the future.

"U's+ (U's plus)": Reflecting the voices of our customers in product development

"U's+ (U's plus)" is our own specifications cation jointly developed by Haseko Urbest Inc., a member of the Haseko Group engaged in the sales of condominiums, and Haseko Corporation.

By listening to the wide-ranging needs of our customers, we develop products that aim to provide a smarter and more functional living experience from the perspective of those who actually live in them.



Smart laundry, for making the most of the unused space above the washing machine

A construction site tour for employees and their families "Condominium Building Community Festival"

The "Condominium Building Community Festival" is an event in which Haseko Group employees and their families are invited to construction sites. By experiencing actual construction tasks and the equipment used, participants can develop a deeper appreciation for the appeal of building things and a better understanding of the work involved. The event has been held on an ongoing basis since 2007, serving as a valuable opportunity to give employees and their families a sense of pride in their work while conveying the appeal of the construction industry to the next generation.



Long-span elevator ride experience