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HASEKO

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Subscription to Ecoba Vietnam Joint Stock Company's Third-Party Allocation of Shares Toward Strengthening Construction Business in Vietnam

Tokyo, Japan, May 15, 2020--Haseko Corporation (head office: Minato-ku, Tokyo; president: Kazuo Ikegami) announced that it has agreed to subscribe—in two phases—to a third-party allocation of shares (Haseko's total investment ratio: 36%) conducted by Ecoba Vietnam Joint Stock Company (president: Vo Tien Dat). The two companies signed a new share subscription agreement and an agreement between shareholders (collectively referred to as "this agreement") on March 6, 2020. The first phase of investment was completed today.

In April 2012, in light of changes in Japan's for-sale condominium market and other factors, and in pursuit of new profit opportunities, Haseko established a representative office in Hanoi City, Vietnam[1] in April 2012. The office has been conducting market research, collection of information related to housing construction, and networking with local companies for the purpose of engaging in the construction business in Vietnam. In March 2017, Haseko opened its first project in Vietnam, THE AUTHENTIC. Located in Hanoi City and developed and constructed by Haseko, THE AUTHENTIC is a serviced apartment for Japanese nationals. It is a reinforced concrete structure with 18 floors above ground and one basement floor and a total of 110 units, and Haseko continues to operate this property.
Under the new medium-term business plan "HASEKO Next Stage Plan" that started from this fiscal year, the overseas business has been positioned as a growth strategy. In Southeast Asia, Haseko has focused on establishing a design and construction system for housing complexes as priority issues while also utilizing real estate investment, and has been searching for local partners to strengthen its business.

Ecoba, the subject of this subscription to third-party allocation of shares, is a construction company based in Hanoi City, Vietnam. Initially, it mainly undertook the construction of industrial facilities. After adopting its current structure in 2013, it has been focusing on establishing advanced construction management and business management systems. Today, the company's main business activity is the construction of housing complexes, and it is growing rapidly, having doubled its sales in recent years. With major and medium-sized local developers as its key customers, it has a strong track record as the prime contractor and main contractor of large-scale housing complex construction projects.
In addition, Ecoba has a high aspiration to be a construction company with the highest level of technological capabilities in Vietnam. It places emphasis on quality, actively introducing overseas technologies and

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1 Since 2011, the Vietnamese government has promoted the development of urban housing complexes through measures such as easing floor area ratio regulations, implementing policies aimed at developing the housing market, including revising laws to ease restrictions on foreign investment, and actively signing free trade agreements. Furthermore, nominal GDP has increased by 6% to 7% annually, and the urban population has grown at around 3% annually. The total number of housing complex units sold in Hanoi City and Ho Chi Minh City combined exceeded 80,000 in 2018, and further expansion of the housing market and housing construction markets is expected.

2 Ashui Awards 2019 (awarded by a Vietnamese industry magazine) and APEA Asian Business Award(2018) (awarded by an organization that evaluates businesses in Asia)

receiving several external awards[2] to date, and is expected to achieve further growth and expansion going forward.

Haseko will be dispatching a board member and several other employees to Ecoba, and as strategic partners, the two companies will seek further growth for both parties by maximizing synergy, including the sharing of each other's expertise, referral of business partners, and activities to secure orders through joint ventures. At the same time, they will work to supply safe, secured, and comfortable housing in Vietnam, a growth market in Asia.

Corporate Profile of Ecoba

Name: Ecoba Vietnam Joint Stock Company
Established: 2007 (Originally established as Lideco Enterprise No. 3; company name changed to current name in 2013)
Location: Hanoi City, Vietnam
Representative's title and name: General Director Vo Tien Dat
Capital: 1.06 billion yen (as of March 31, 2019)
Number of employees: 667 (as of October 31, 2019)
Key business activities: Construction, civil engineering works, and design

Related subsidiaries: Ecoba Environmental Technology,. Ltd. (wholly owned subsidiary; plant construction)
Ecoba Mechanical and Electrical Co., Ltd. (wholly owned subsidiary; electrical and facility construction)
Ecoba Renewable Energy Solution Joint Stock Company (68% share; solar power business)

Major construction achievements:

Name: Ecopark
Purpose: Housing complex
Involvement: Main contractor

Name: 201 Minh Khai Plaza
Purpose: Building with commercial lower floors and residential upper floors; office building
Involvement: Main contractor

Name: IRIS GARDEN
Purpose: Commercial lower floors and residential upper floors
Involvement: Main contractor

Name: Vincity Ocean Park
Purpose: Housing complex, commercial facilities, and offices (integrated development)
Involvement: Main contractor