August 19, 2020

Haseko Group Participates in Rental Housing Development Project (Duarte II Project) in the United States as Overseas Joint Business with Mitsui & Co. Group

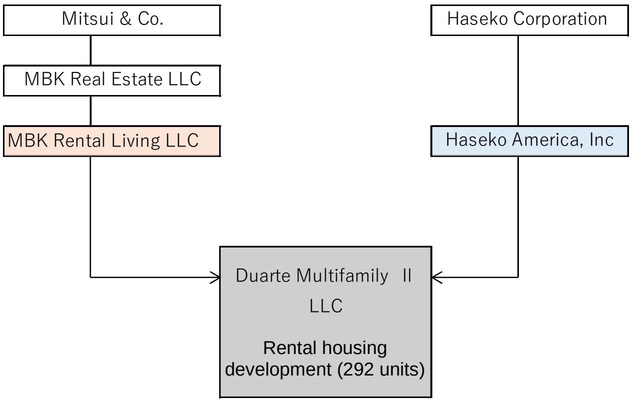
Tokyo, Japan, August 19, 2020--Haseko Corporation (head office: Minato-ku, Tokyo; president: Kazuo Ikegami) announced that its wholly owned subsidiary Haseko America Inc. (HAI) has signed a joint business agreement on August 4, 2020 with MBK Rental Living LLC—which is the rental housing development subsidiary of MBK Real Estate LLC, a wholly owned U.S. subsidiary of Mitsui & Co., Ltd. (head office: Chiyoda-ku, Tokyo; president: Tatsuo Yasunaga)—regarding Duarte Station Apartments II Project, the second phase of a rental housing development project. The property is located in land adjacent to the Duarte Station Apartments Project (Duarte I Project, with 344 units to be completed in 2023), a rental housing development project being undertaken jointly since December 2019 in the city of Duarte, Los Angeles County, California. Haseko has also invested in Duarte Multifamily II LLC, the special purpose company for development of Duarte Station Apartment II Project.

Similar to the first phase Duarte I Project, this property is in a highly accessible location and offers excellent convenience for daily life (large supermarkets and electronics stores in its vicinity). Besides expanding the scale, it was deemed possible to advance the project efficiently and further increase added value by carry out development together with Duarte I Project. The supply of rental housing demand is also predicted to remain insufficient in this area in the future, and stable rental demand can be expected to continue going forward.

The Haseko Group expanded its real estate business to the United States in 1973 with its entry into the state of Hawaii, and has since expanded into California, New York, and other locations, developing mid- to high-rise condominiums, offices, hotels, and commercial facilities. Since 1999, the Group has been specializing in housing development for actual demand in the Ewa district of Hawaii, completing a housing development project of approximately 4,000 units in 2018. Together with continuing to undertake resort and housing development in the Ewa district, the Group is also working on new housing development projects in other areas of Hawaii. Embarking on studies about investing in mainland United States in 2018, following a senior housing project undertaken by the Mitsui & Co. Group on the West Coast of the United States in March 2019 and the Duarte I rental housing project in December 2019, the Group decided to participate in this third project.

The Haseko Group aims to expand its business beyond Hawaii, its main battleground in the U.S. real estate business, by continuing to participate in the U.S. mainland market, where robust real estate demand is expected. Through these efforts, the Group will seek to establish a profit base, expand its expertise regarding development projects in the mainland United States, and build networks.

Investment Concept



Overview of the Property's Plan

Project name: Duarte Station Apartments II
Location: Duarte, Los Angeles County, California, United States
Site area: Approx. 3.41 acres (13,800 m^2)
Structure and scale: 5-story wooden building (residential units), 8-story reinforced concrete structure (car park)
Total units: 292
Rental floor area: 23,178 m^2
Planned start of construction: 2022
Planned completion: 2024

Conceptual Image of Completed Property

* The overview of the plan and conceptual image are based on current plans and are subject to change.

Location

This property has an excellent location that is a 30-minute drive from downtown Los Angeles and a 15-minute drive from the nearby city of Pasadena. It is a rental housing development project that is adjacent to the Duarte/City of Hope Station, which is served by the Gold Line connecting major cities and residential areas in the LA suburbs. The nearby City of Hope is a renowned hospital and research facility for cutting-edge cancer treatment in southern California, and with plans for expansion, the area is expected to see growth in employment.

Corporate Profiles

Haseko America, Inc.

- Business activities: Housing and resort development
- Shareholders: Haseko Corporation (100%)
- Commencement of business: 2001 * The Haseko Group ventured into Hawaii in 1973 through another company
- Number of employees: Approx. 50 (consolidated)
- Area of operation: Hawaii, United States

MBK Real Estate LLC

- Business activities: Management of senior-related business, housing business, and logistic business
- Shareholders: Mitsui & Co., Ltd. (100%)
- Commencement of business: 1990
- Number of employees: Approx. 2,400 (consolidated)
- Area of operation: Western United States

MBK Rental Living LLC

- Business activities: Development of rental housing
- Shareholders: MBK Real Estate LLC (100%)
- Commencement of business: 2015 * Year of establishment; commenced rental housing business in 2012
- Number of employees: Approx. 15 (consolidated)
- Area of operation: California, United States