

# **Summary of Financial Statements**

**- For the six months ended September 30, 2021 -**



**November 2021**

Disclaimer:

Forecasts or assessment figures on this document is depend and based on data available at the date of issue.

Results or actual performances may be different from those estimates because of unexpected affairs.

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- Net sales increased 12.1% y/y to ¥414.8 billion because Real estate sale increased mainly due to an increase in the number of condominium units sold by subsidiaries.
- Operating income increased 33.9% y/y to ¥41.4 billion due to an increase in the profit of Real estate sale.
- Ordinary income increased 36.3% y/y to ¥40.9 billion because Financial income improved due to an increase in dividend income.

Billions of yen

	March 2021 Interim < A >	March 2022 Interim < B >	Change		March 2021 Result < C >	March 2022 Forecast		
			Amount < B - A >	%		Annual < D >	Change < D - C >	Progress
<b>Net sales</b>	<b>369.9</b>	<b>414.8</b>	<b>44.9</b>	<b>12.1%</b>	<b>809.4</b>	<b>850.0</b>	<b>40.6</b>	<b>48.8%</b>
Construction contracts	229.1	228.0	(1.1)	(0.5%)	479.2	489.0	9.8	46.6%
Design and supervision	3.5	3.4	(0.1)	(3.1%)	9.9	10.0	0.1	33.7%
Leasing and management	41.5	41.3	(0.3)	(0.7%)	86.3	84.5	(1.8)	48.8%
Real estate sale	87.4	133.4	46.0	52.6%	217.1	249.5	32.4	53.5%
Others	8.4	8.8	0.4	5.1%	16.9	17.0	0.1	51.7%
<b>Gross profit</b>	<b>60.8</b>	<b>73.1</b>	<b>12.3</b>	<b>20.2%</b>	<b>136.2</b>	<b>143.5</b>	<b>7.3</b>	<b>50.9%</b>
Construction contracts	39.5	40.2	0.7	1.7%	81.4	83.0	1.6	48.4%
[Profit ratio of construction contracts]	[17.3%]	[17.6%]	[0.3p]		[17.0%]	[17.0%]	(-p)	
Design and supervision	1.6	1.5	(0.2)	(9.4%)	4.5	4.5	0.0	33.1%
Leasing and management	9.2	9.5	0.2	2.4%	19.3	19.0	(0.3)	49.9%
Real estate sale	9.2	20.3	11.1	121.1%	29.0	35.0	6.0	58.1%
Others	1.2	1.5	0.4	30.7%	2.0	2.0	0.0	77.1%
Selling, general and administrative expense	29.9	31.6	1.8	5.9%	63.3	65.5	2.2	48.3%
<b>Operating income</b>	<b>30.9</b>	<b>41.4</b>	<b>10.5</b>	<b>33.9%</b>	<b>72.9</b>	<b>78.0</b>	<b>5.1</b>	<b>53.1%</b>
[Operating income ratio]	[8.4%]	[10.0%]	[1.6p]		[9.0%]	[9.2%]	[0.2p]	
Financial income (expenses)	(1.8)	(1.1)	0.8		(2.7)	(3.7)	(1.0)	
Others, net	0.9	0.6	(0.4)		1.7	0.7	(1.0)	
<b>Ordinary income</b>	<b>30.0</b>	<b>40.9</b>	<b>10.9</b>	<b>36.3%</b>	<b>71.8</b>	<b>75.0</b>	<b>3.2</b>	<b>54.6%</b>
[Ordinary income ratio]	[8.1%]	[9.9%]	[1.8p]		[8.9%]	[8.8%]	[(0.1p)]	
Special income (losses), net	(0.0)	0.1	0.1		(1.0)	-	1.0	
Income before income taxes	30.0	41.0	11.0	36.6%	70.9	75.0	4.1	54.7%
Current tax	8.9	10.1	1.1		23.0	} 24.0	1.4	
Deferred tax	0.5	2.6	2.1		(0.4)			
Net income attributable to non-controlling interests	(0.0)	(0.0)	(0.0)		(0.0)			
<b>Net Income attributable to owners of parent</b>	<b>20.5</b>	<b>28.3</b>	<b>7.7</b>	<b>37.7%</b>	<b>48.3</b>	<b>51.0</b>	<b>2.7</b>	<b>55.5%</b>
Depreciation and amortization, excluding goodwill-amortization	2.4	2.8	0.4	16.5%				

- Net sales decreased 3.4% y/y to ¥268.9 billion due to a decrease in the sale of Construction contracts, despite increase in Real estate sales.
- Operating income decreased 7.8% y/y to ¥25.9 billion due to a decrease in the profit of Construction contracts.
- Ordinary income decreased 11.3% y/y to ¥33.3 billion due to a decrease in dividend income from subsidiaries.

Billions of yen

	March 2021	March 2022	Change		March 2021	March 2022 Forecast		
	Interim < A >	Interim < B >	Amount < B - A >	%	Result < C >	Annual < D >	Change < D - C >	Progress
<b>Net sales</b>	<b>278.4</b>	<b>268.9</b>	<b>(9.5)</b>	<b>( 3.4%)</b>	<b>563.3</b>	<b>580.0</b>	<b>16.7</b>	<b>46.4%</b>
Construction contracts	201.2	188.2	(13.0)	( 6.4%)	412.6	410.0	(2.6)	45.9%
Commissioned works	1.9	2.1	0.3	15.9%	4.9	5.0	0.1	43.0%
Design and supervision	3.7	3.6	(0.0)	( 0.7%)	11.1	11.0	(0.1)	33.1%
Lease rentals of buildings	2.3	2.8	0.5	23.1%	4.8	5.5	0.7	50.7%
Real estate sale	69.4	72.1	2.7	3.9%	130.0	148.5	18.5	48.6%
<b>Gross profit</b>	<b>44.6</b>	<b>44.0</b>	<b>(0.6)</b>	<b>( 1.4%)</b>	<b>90.4</b>	<b>93.5</b>	<b>3.1</b>	<b>47.0%</b>
Construction contracts	35.1	33.7	(1.4)	( 3.9%)	70.8	70.0	(0.8)	48.2%
Commissioned works	1.2	1.5	0.3	24.8%	3.0	3.0	(0.0)	49.0%
[Profit ratio of construction works]	[ 17.9%]	[ 18.5%]	[0.6p]		[ 17.7%]	[ 17.6%]	[(0.1p)]	
Design and supervision	1.7	1.6	(0.1)	( 5.0%)	5.1	5.0	(0.1)	32.9%
Lease rentals of buildings	1.1	1.0	(0.1)	( 8.8%)	1.7	2.0	0.3	49.3%
Real estate sale	5.5	6.2	0.6	11.4%	9.8	13.5	3.7	45.7%
Selling, general and administrative expense	16.5	18.1	1.6	9.5%	35.8	38.0	2.2	47.6%
<b>Operating income</b>	<b>28.1</b>	<b>25.9</b>	<b>(2.2)</b>	<b>( 7.8%)</b>	<b>54.6</b>	<b>55.5</b>	<b>0.9</b>	<b>46.6%</b>
[Operating income ratio]	[ 10.1%]	[ 9.6%]	[(0.5p)]		[ 9.7%]	[ 9.6%]	[(0.1p)]	
Financial income (expenses)	9.0	7.1	(1.9)		9.2	7.0	(2.2)	
Others, net	0.4	0.3	(0.1)		0.7	0.5	(0.2)	
<b>Ordinary income</b>	<b>37.5</b>	<b>33.3</b>	<b>(4.2)</b>	<b>( 11.3%)</b>	<b>64.6</b>	<b>63.0</b>	<b>(1.6)</b>	<b>52.8%</b>
[Ordinary income ratio]	[ 13.5%]	[ 12.4%]	[(1.1p)]		[ 11.5%]	[ 10.9%]	[(0.6p)]	
Special income (losses), net	(0.0)	0.0	0.0		(0.7)	-	0.7	
Income before income taxes	37.5	33.3	(4.2)	( 11.3%)	63.8	63.0	(0.8)	52.8%
Current tax	7.6	6.6	(1.0)		17.6	} 18.0	1.4	
Deferred tax	0.5	1.3	0.8		(1.0)			
<b>Net income</b>	<b>29.3</b>	<b>25.4</b>	<b>(4.0)</b>	<b>( 13.5%)</b>	<b>47.2</b>	<b>45.0</b>	<b>(2.2)</b>	<b>56.4%</b>
Depreciation and amortization, excluding goodwill-amortization	1.3	1.6	0.3	26.9%				

- Total assets increased by ¥47.2 bil from 3/31/21 to ¥1,000.8 bil due to increases in Cash and bank deposit, Real estate for sale and Cost and advances for real estate operations.
- Total liabilities increased by ¥40 billion from 3/31/21 to ¥599.3 billion due to an increase in Long-term debt.
- Total net assets increased by ¥7.1 bil from 3/31/21 to ¥401.5 bil despite the impact of the application of the “Accounting Standard for Revenue Recognition” and the payment of dividends.

	3/31/2021	9/30/2021	Change			3/31/2021	9/30/2021	Change	
			Amount	%				Amount	%
<b>Current assets:</b>	<b>689.5</b>	<b>745.3</b>	<b>55.7</b>	<b>8.1%</b>	<b>Current liabilities:</b>	<b>272.0</b>	<b>254.4</b>	<b>(17.6)</b>	<b>(6.5%)</b>
Cash and bank deposits	216.1	238.8	22.7	10.5%	Notes and accounts payable	87.1	73.7	(13.4)	(15.4%)
Notes and accounts receivable, trade	132.3	133.9	1.6	1.2%	Electronically recorded obligations	54.9	48.2	(6.7)	(12.3%)
Negotiable Certificates of Deposit	0.5	0.6	0.0	7.6%	Current portion of long-term debt	6.0	5.9	(0.0)	(0.8%)
Costs on uncompleted construction contracts	10.8	12.7	2.0	18.3%	Advances received on uncompleted construction contracts	17.6	23.4	5.8	32.7%
Real estate for sale	166.7	183.6	16.9	10.2%	Deposits	39.6	39.5	(0.2)	(0.4%)
Cost and advances for real estate operations	113.3	131.9	18.6	16.4%	Other current liabilities	66.7	63.7	(3.0)	(4.5%)
Real estate for development projects	25.7	28.6	2.8	11.0%	<b>Long-term liabilities:</b>	<b>287.3</b>	<b>344.9</b>	<b>57.6</b>	<b>20.0%</b>
Other current assets	24.2	15.2	(9.0)	(37.2%)	Straight bonds	90.0	90.0	-	-%
Allowance for doubtful accounts	(0.1)	(0.1)	(0.0)	-%	Long-term debt	172.0	221.3	49.4	28.7%
					Net defined benefit liability	1.4	1.4	0.1	3.8%
					Provision for loss on litigation	2.2	2.4	0.2	7.5%
					Other long-term liabilities	21.7	29.8	8.0	36.9%
					<b>Total liabilities</b>	<b>559.3</b>	<b>599.3</b>	<b>40.0</b>	<b>7.2%</b>
<b>Fixed assets:</b>	<b>264.1</b>	<b>255.6</b>	<b>(8.6)</b>	<b>(3.2%)</b>	<b>Shareholders' Equity:</b>	<b>402.9</b>	<b>406.2</b>	<b>3.3</b>	<b>0.8%</b>
Property and equipment, Land leasehold rights	174.9	163.9	(11.0)	(6.3%)	Capital stock	57.5	57.5	-	-%
Goodwill	2.6	2.5	(0.1)	(3.9%)	Capital surplus	7.4	7.4	0.0	0.0%
Investment securities	40.9	40.9	0.1	0.2%	Retained earnings	369.3	375.7	6.3	1.7%
Deferred tax assets	5.8	7.2	1.4	24.1%	Treasury stock	(31.4)	(34.3)	(3.0)	-%
Other fixed assets	40.8	41.8	1.0	2.6%	<b>Accumulated Other Comprehensive Income:</b>	<b>(8.5)</b>	<b>(4.7)</b>	<b>3.8</b>	<b>-%</b>
Allowance for doubtful accounts	(0.8)	(0.8)	0.0	-%	Net unrealized gain on other securities	4.3	4.5	0.2	4.8%
					Translation adjustments	(7.3)	(4.1)	3.2	-%
					Retirement benefits liability adjustments	(5.4)	(5.0)	0.4	-%
					<b>Non-controlling interests</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(8.5%)</b>
					<b>Total net assets</b>	<b>394.4</b>	<b>401.5</b>	<b>7.1</b>	<b>1.8%</b>
<b>Total assets</b>	<b>953.7</b>	<b>1,000.8</b>	<b>47.2</b>	<b>4.9%</b>	<b>Total liabilities and net assets</b>	<b>953.7</b>	<b>1,000.8</b>	<b>47.2</b>	<b>4.9%</b>

### 《Real estate balance》

Billions of yen

	3/31/2021	9/30/2021	Change	
			Amount	%
Land for orders	106.6	117.6	10.9	10.3%
For-sale Condominiums business	110.7	106.9	(3.8)	( 3.5%)
Leasing real estate business	99.3	101.3	2.0	2.0%
Overseas related business	27.8	32.8	5.0	17.8%
Other short-term real estate	86.8	100.4	13.7	15.7%
Real estate for own use	49.4	49.1	(0.3)	( 0.5%)
<b>Real estate balance, total*</b>	<b>480.6</b>	<b>508.0</b>	<b>27.4</b>	<b>5.7%</b>

### 《Interest-bearing debt balance》

Billions of yen

	3/31/2021	9/30/2021	Change	
			Amount	%
Current portion of long-term debt	6.0	5.9	(0.0)	( 0.8%)
Long-term debt	172.0	221.3	49.4	28.7%
Straight bonds	90.0	90.0	-	-%
<b>Total</b>	<b>268.0</b>	<b>317.3</b>	<b>49.3</b>	<b>18.4%</b>

\* Real estate balance is the sum of Real estate for sale, Cost and advances for real estate operations, Real estate for development projects, and Property and equipment, Land leasehold rights, which are listed on the balance sheet.

### 《Dividend》

	Dividend (Yen)			Amount (Bil. Yen)
	Interim	Year-end	Total	
FY ended of March 31, 2021	35.00	35.00	70.00	19.945
FY ended of March 31, 2022 (Forecast)	35.00	35.00	70.00	-

### 《Equity ratio》

Billions of yen

	3/31/2021	9/30/2021	Change	
			Amount	%
Shareholders' equity	394.4	401.5	7.1	1.8%
<b>[Equity ratio]</b>	<b>[ 41.4%]</b>	<b>[ 40.1%]</b>	<b>[(1.3p)]</b>	

### 《Summary of Consolidated Statements of Change in Net Assets》

Billions of yen

	3/31/2021	Cumulative effect of accounting change*	Cash dividends	Treasury stock Purchased etc.	Net Income attributable to owners of parent	Other	9/30/2021
Shareholders' Equity:	402.9	(11.9)	(9.8)	(3.0)	28.3	(0.3)	406.2
Capital stock	57.5						57.5
Capital surplus	7.4			0.0			7.4
Retained earnings	369.3	(11.9)	(9.8)		28.3	(0.3)	375.7
Treasury stock	(31.4)			(3.0)			(34.3)
Accumulated other comprehensive income	(8.5)					3.8	(4.7)
Non-controlling interests	0.0					(0.0)	0.0
<b>Total net assets</b>	<b>394.4</b>	<b>(11.9)</b>	<b>(9.8)</b>	<b>(3.0)</b>	<b>28.3</b>	<b>3.5</b>	<b>401.5</b>

\* Due to applying the "Accounting Standard for Revenue Recognition", the cumulative impact of retroactively applying the new accounting policy before the beginning of the first quarter consolidated accounting period is adjusted to Retained earnings at the beginning of the first quarter consolidated accounting period.

	Billions of yen			
	March 2021 Interim < A >	March 2022 Interim < B >	Change Amount < B - A >	March 2021 Result
Income before income taxes	30.0	41.0	11.0	70.9
Depreciation and amortization	2.4	2.8	0.4	5.3
Special income (losses)	0.0	(0.1)	(0.1)	1.0
Amortization of goodwill	0.1	0.1	-	0.2
Provision (reversal) of allowance for doubtful accounts, net	0.0	0.0	(0.0)	(0.0)
Increase (decrease) in provision for loss on litigation	(0.0)	(0.0)	0.0	(0.1)
Valuation loss on inventories	0.1	0.4	0.3	0.7
Decrease (increase) in costs on uncompleted construction contracts	(2.4)	(2.0)	0.4	0.3
Increase (decrease) in amounts received for uncompleted construction contracts	(4.3)	2.1	6.4	(1.1)
Decrease (increase) in notes and accounts receivable	17.6	(1.4)	(19.0)	9.2
Increase (decrease) in notes, accounts payable and accrued expenses	(15.7)	(20.2)	(4.4)	3.8
Decrease (increase) in inventories	(24.0)	(10.7)	13.3	(53.2)
Increase (decrease) in deposits	(4.1)	(0.2)	4.0	11.4
Others	(6.0)	10.2	16.2	(5.8)
Income taxes paid	(4.4)	(17.2)	(12.7)	(10.6)
<b>Net cash provided by (used in) operating activities</b>	<b>(10.6)</b>	<b>5.1</b>	<b>15.7</b>	<b>31.9</b>
Proceeds from redemption of securities	2.2	-	(2.2)	2.1
Purchases of property, equipment and intangible assets	(6.3)	(12.8)	(6.6)	(29.8)
Payment for purchase of investment securities	(3.0)	(0.8)	2.2	(8.3)
Payment on loans	(1.9)	(4.9)	(3.0)	(4.7)
Income from loan collection	1.7	4.4	2.6	4.6
Others	0.0	0.3	0.3	0.3
<b>Net cash provided by (used in) investing activities</b>	<b>(7.4)</b>	<b>(13.9)</b>	<b>(6.5)</b>	<b>(35.8)</b>
Increase in long-term debt	60.0	50.0	(10.0)	60.0
Repayment of long-term debt	(0.7)	(4.5)	(3.8)	(4.3)
Proceeds from issuance of bonds	40.0	-	(40.0)	70.0
Payment for redemption of straight bond	(10.0)	-	10.0	(10.0)
Cash dividends paid	(14.8)	(9.8)	5.0	(25.0)
Purchase of treasury stock	(7.4)	(3.1)	4.3	(21.5)
Incidental expenses for loan	(1.3)	(1.3)	0.0	(1.5)
Others	(0.7)	(0.3)	0.4	(0.9)
<b>Net cash provided by (used in) financing activities</b>	<b>65.1</b>	<b>31.1</b>	<b>(34.0)</b>	<b>66.8</b>
Effect of exchange rate changes on cash and cash equivalents	(0.0)	0.5	0.5	(0.4)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>47.2</b>	<b>22.8</b>	<b>(24.3)</b>	<b>62.5</b>
Cash and cash equivalents at beginning of the year	151.8	214.3	62.5	151.8
Increase in cash and cash equivalents resulting from change in scope of consolidation	-	0.0	0.0	-
<b>Cash and cash equivalents at end of the period</b>	<b>198.9</b>	<b>237.1</b>	<b>38.2</b>	<b>214.3</b>

Operating Cash Flow increased by 5.1 billion yen mainly due to a small "Increase in inventories" despite "Decreases in notes, accounts payable and accrued expenses".

Investing Cash Flow decreased by 13.9 billion yen mainly due to "Purchases of property, equipment and intangible

Financing Cash Flow increased by 31.1 billion yen due to "Increase in long-term debt".

Mainly due to the above factors, Cash and cash equivalents at the end of the period increased by 22.8 billion yen from the beginning of ended March 2021 to 237.1 billion yen.



• Orders received decreased by 22.8 billion yen y/y to 141.4 billion yen due to a decrease in non-residential orders, which is a progress rate of 30.1% compared to the full-year forecast of 470 billion yen. Orders received have exceeded the Interim Orders received forecast of 120 billion yen and are performing well.

## 《Orders received》

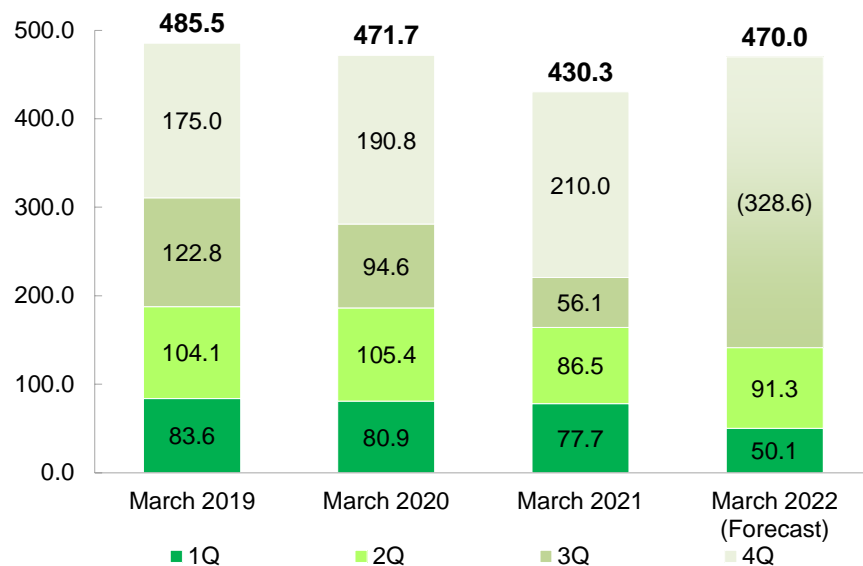
Billions of yen

	March 2021 Interim Result	March 2022 Interim Result	Change
<b>Orders received</b>	164.2	141.4	(22.8)
<b>Construction business</b>	158.5	136.3	(22.2)
Residence	129.7	127.5	(2.2)
Private-sector condominiums	129.0	124.6	(4.3)
Rental condominiums, Company housing, etc.	0.8	2.9	2.1
Non-Residence	22.1	0.1	(21.9)
Other	4.8	5.9	1.1
Consulting contracts	1.9	2.7	0.8
<b>Design and supervision</b>	5.7	5.1	(0.6)

March 2021 Result < C >	March 2022 Forecast		
	Annual < D >	Change < D - C >	Progress
430.3	470.0	39.7	30.1%
417.9	458.0	40.1	29.7%
380.5	442.5	62.0	28.8%
350.9	407.5	56.6	30.6%
29.7	35.0	5.3	8.3%
23.2	9.0	(14.2)	1.6%
9.5	3.0	(6.5)	196.2%
4.7	3.5	(1.2)	76.8%
12.4	12.0	(0.4)	42.6%

## 《Orders received, quarterly》

(Billions of yen)



## 《Primary Orders》

Project name	Project Owner	Location	Total Units
Oyamacho Crosspoint District 1st-class Urban area Redevelopment Project	Oyamacho Crosspoint District Urban Redevelopment Association	Itabashi-ku, Tokyo	345
City Terrace Inagekaigan	Sumitomo Realty & Development Co., Ltd.	Mihama-ku, Chiba-shi	302
Nouvelle Akabanedai (rebuilding) 9th house (F1 pre-construction area) construction work	Urban Renaissance Agency	Kita-ku, Tokyo	173
Libio City Mikunigaoka East County (Construction II)	Nippon Steel Kowa Real Estate Co., Ltd.	Sakai-ku, Sakai-shi	163
(Tentative name) Nishioji Ekimae PFI plan	Meitetsu Real Estate Co., Ltd.	Minami-ku, Kyoto-shi	109
(Tentative name) Nakamura-ku Nakajima-cho plan	Sohgoh Real Estate Co., Ltd., etc.	Nakamura-ku, Nagoya-shi	220

### 《Orders received by Size (Private-sector condominiums)》

	March 2021		March 2022		Change	
	Interim	Share	Interim	Share	Amount	%
Less than 200 units	65.1	52.1%	73.7	61.7%	8.6	13.2%
200 to 399 units	23.4	18.7%	29.8	25.0%	6.4	27.4%
400 units or more	36.5	29.2%	15.8	13.3%	(20.6)	( 56.6%)
Total	125.0	100.0%	119.4	100.0%	(5.6)	( 4.5%)

### Billions of yen

March 2021	
Annual	Share
162.1	47.6%
133.8	39.2%
45.0	13.2%
340.9	100.0%

\* Excluding construction incidental to the condominiums

### 《Orders received by Region》

	March 2021		March 2022		Change	
	Interim	Share	Interim	Share	Amount	%
Tokyo metropolitan area	112.5	68.5%	115.8	81.9%	3.3	2.9%
Kinki area	45.9	28.0%	17.0	12.0%	(28.9)	( 63.0%)
Tokai area	5.8	3.5%	8.6	6.1%	2.8	48.7%
Total	164.2	100.0%	141.4	100.0%	(22.8)	( 13.9%)

### Billions of yen

March 2021	
Annual	Share
290.0	67.4%
119.0	27.6%
21.4	5.0%
430.3	100.0%

### 《Exclusive contract and Construction-with-design orders》

	March 2021	March 2022	Change
	Interim	Interim	
Exclusive contract	76.6%	78.8%	2.2p
Construction-with-design orders	86.1%	82.1%	( 4.0p)

March 2021
Annual
77.3%
91.8%

\*Excluding Consulting contracts in Construction business

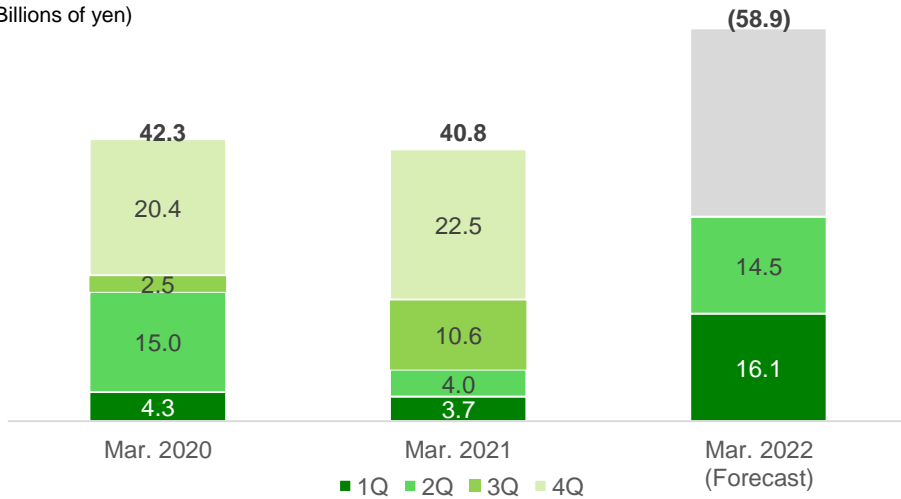
Tokyo metropolitan area																
	From 4/1/2019 to 3/31/2020					From 4/1/2020 to 3/31/2021					From 4/1/2021 to 9/30/2021					
	Supplied			Initial month sales rate		Supplied			Initial month sales rate		Supplied			Initial month sales rate		
	Total	Haseko	Share	Total	Haseko	Total	Haseko	Share	Total	Haseko	Total	Haseko	Share	Total	Haseko	
Under 50 units	4,629	36	0.8%	67.7%	36.1%	5,681	12	0.2%	71.6%	0.0%	2,250	0	0.0%	75.5%	-	
50 ~ 99 units	6,156	1,313	21.3%	66.2%	62.7%	7,211	1,507	20.9%	68.5%	68.2%	3,154	629	19.9%	73.7%	75.2%	
100 ~ 199 units	5,523	2,298	41.6%	67.5%	61.1%	5,064	1,894	37.4%	67.6%	65.5%	2,748	1,353	49.2%	71.5%	69.5%	
200 ~ 399 units	4,825	3,036	62.9%	49.0%	50.6%	4,498	3,426	76.2%	66.8%	64.9%	1,620	1,236	76.3%	54.4%	52.6%	
400 units or more	7,422	4,125	55.6%	56.4%	54.0%	6,578	3,882	59.0%	64.9%	51.6%	3,037	1,371	45.1%	71.6%	62.1%	
Total: Fiscal year base	28,555	10,808	37.8%	61.3%	55.5%	29,032	10,721	36.9%	67.9%	60.6%	12,809	4,589	35.8%	70.6%	63.5%	
Of which 20 stories and above	4,430	629	14.2%	—	—	4,441	775	17.5%	—	—	2,280	229	10.0%	—	—	
Total: Calendar year base	31,238	11,962	38.3%	(Jan.19~Dec.19)		27,228	10,001	36.7%	(Jan.20~Dec.20)		19,480	7,170	36.8%	(Jan.21~Sep.21)		

Kinki area (*excluding Tokai area)																
	From 4/1/2019 to 3/31/2020					From 4/1/2020 to 3/31/2021					From 4/1/2021 to 9/30/2021					
	Supplied			Initial month sales rate		Supplied			Initial month sales rate		Supplied			Initial month sales rate		
	Total	Haseko	Share	Total	Haseko	Total	Haseko	Share	Total	Haseko	Total	Haseko	Share	Total	Haseko	
Under 50 units	2,487	21	0.8%	81.3%	38.1%	2,111	7	0.3%	74.3%	28.6%	1,152	7	0.6%	72.7%	0.0%	
50 ~ 99 units	5,701	854	15.0%	76.1%	61.7%	4,982	476	9.6%	71.4%	40.3%	2,640	362	13.7%	78.4%	70.7%	
100 ~ 199 units	4,698	1,126	24.0%	72.1%	68.6%	5,240	1,144	21.8%	74.6%	57.6%	2,757	364	13.2%	65.7%	55.5%	
200 ~ 399 units	2,869	1,249	43.5%	70.4%	62.1%	2,845	1,150	40.4%	79.2%	78.7%	1,379	732	53.1%	58.2%	66.3%	
400 units or more	1,697	289	17.0%	58.1%	57.8%	1,061	253	23.8%	45.6%	72.7%	427	277	64.9%	67.9%	72.2%	
Total: Fiscal year base	17,452	3,539	20.3%	73.1%	64.2%	16,239	3,030	18.7%	72.5%	64.1%	8,355	1,742	20.8%	69.6%	65.6%	
Of which 20 stories and above	2,384	353	14.8%	—	—	1,590	362	22.8%	—	—	1,181	361	30.6%	—	—	
Excluding studio apartment	12,388	3,539	28.6%	67.7%	63.6%	13,041	3,030	23.2%	69.3%	64.1%	6,872	1,742	25.3%	66.2%	65.6%	
Total: Calendar year base	18,042	3,563	19.7%	(Jan.19~Dec.19)		15,195	2,960	19.5%	(Jan.20~Dec.20)		12,583	2,612	20.8%	(Jan.21~Sep.21)		

• The For-sale Condominium business is progressing steadily, with sales in 1st Half of ¥ 30.6 bil and a contract progress rate of approx. 80% of the annual forecast.

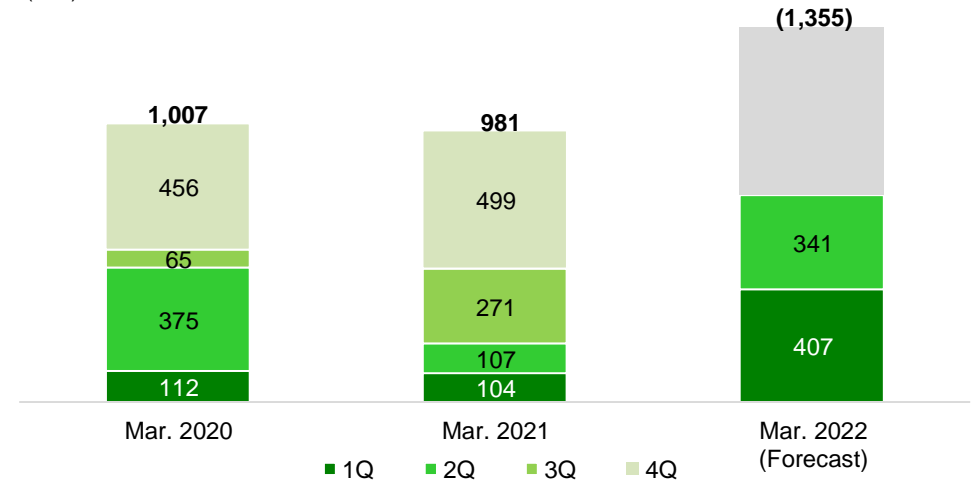
## Sales of For-sale Condominium business

(Billions of yen)



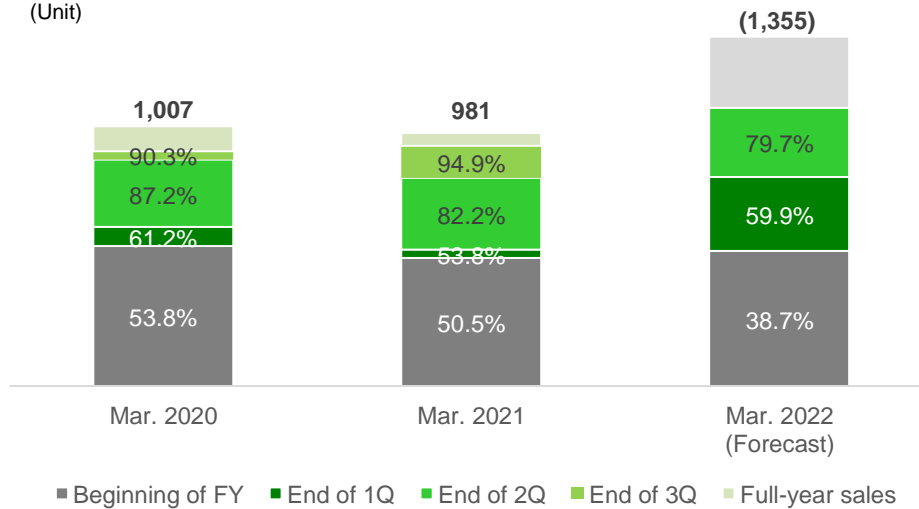
## Number of units for For-sale Condominium Sales

(Unit)

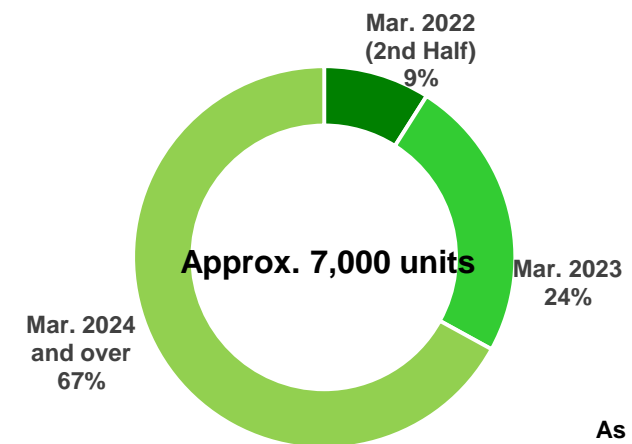


## Contract progress rate against the number of annual expected units

(Unit)



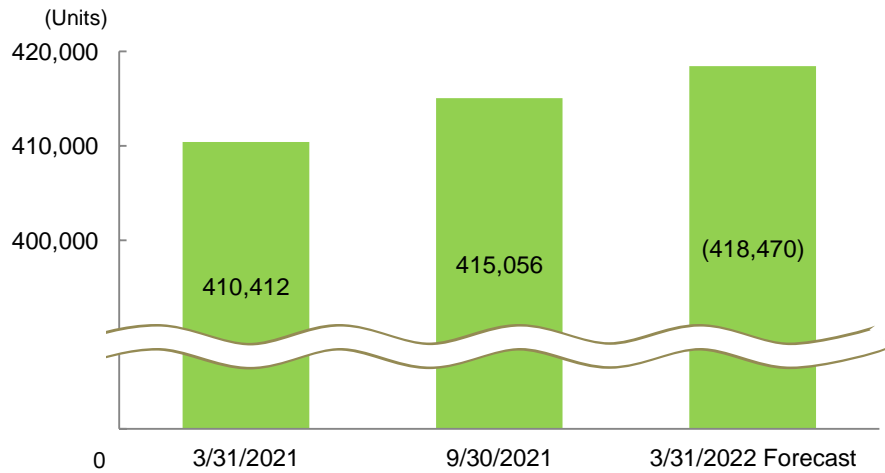
## For-sale Condominium units planning by fiscal year



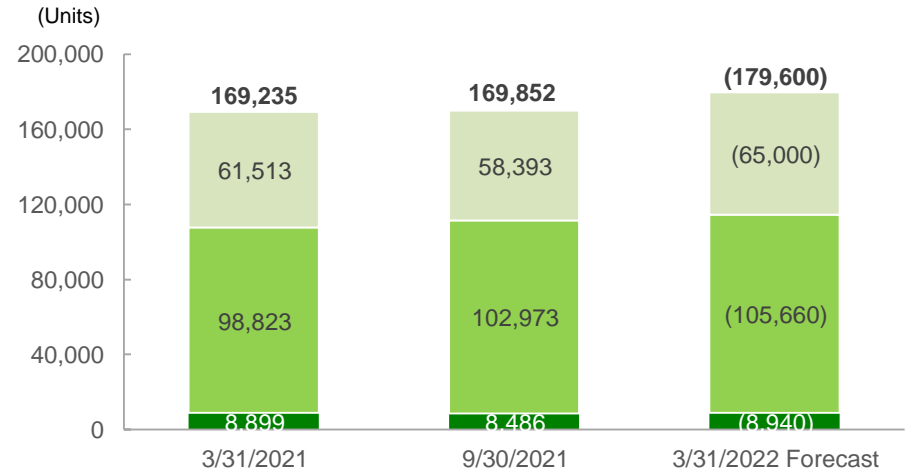
As of 2021/9/30

(Note) Each graph shows by total number of Haseko Corporation, Haseko Real Estate Development Holdings, Haseko Real Estate Development, and Sohgo Real Estate after considering the companies' share.

## Condominium Building Management

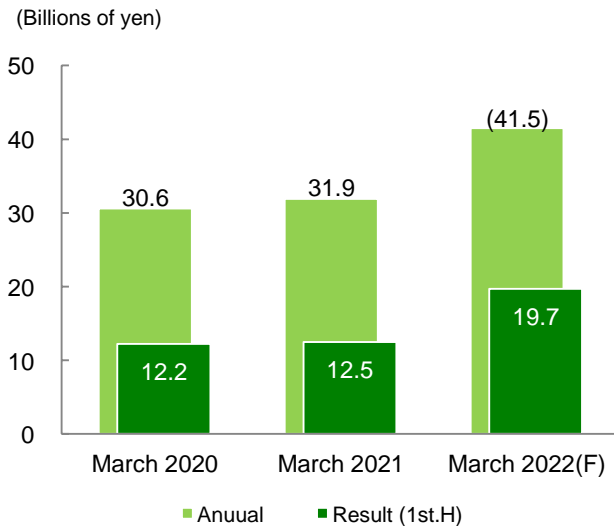


## Rental Apartment Management and Operation

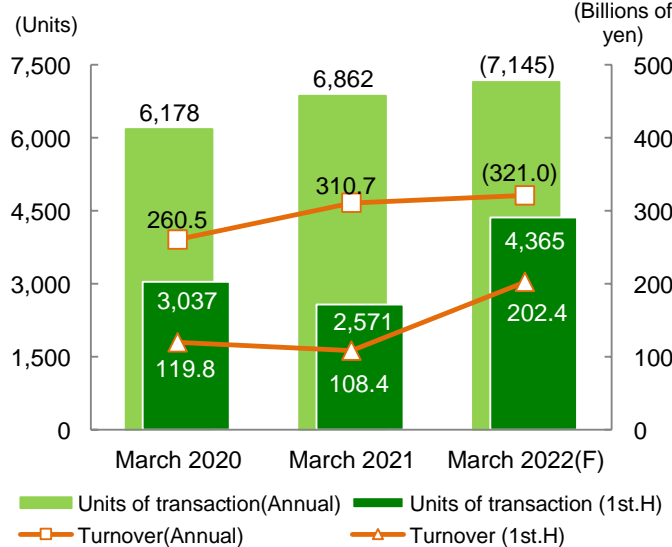


■ Sublease ■ Commissioned property management ■ Company housing management agency

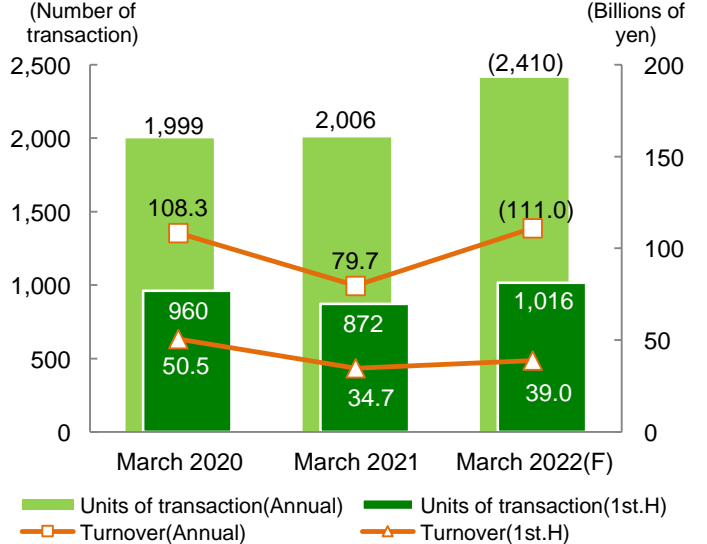
## Extensive Refurbishment and Interior



## Consignment Sales



## Real estate brokerage





## 9. Principal Consolidated Companies

P.11

Billions of yen

Company Name	March 2021 Interim			March 2022 Interim			March 2022 Annual forecast		
	Net sales	Ordinary income	Net income	Net sales	Ordinary income	Net income	Net sales	Ordinary income	Net income
Haseko Corporation	278.4	37.5	29.3	268.9	33.3	25.4	580.0	63.0	45.0
<b>Construction-Related Business</b>									
Fuji Kensetsu, Co., Ltd.	17.3	1.4	1.0	17.8	1.7	1.1	34.0	3.1	2.0
Hasec, Inc. *1	31.9	0.2	0.2	0.4	0.3	0.2	0.8	0.5	0.3
Foris Corporation	5.2	0.3	0.2	4.5	0.4	0.2	9.3	0.5	0.3
Hosoda Corporation	6.7	(0.1)	(0.1)	8.1	0.2	0.4	15.2	0.2	0.3
<b>Real Estate-Related Business</b>									
Haseko Real Estate Development Holdings, Inc.									
Haseko Real Estate Development, Inc.	7.2	0.6	0.4	15.2	1.7	1.2	33.6	1.3	0.9
Sohgoh Real Estate, Co., Ltd.	8.1	0.4	0.3	29.2	4.0	2.7	37.2	3.1	2.0
<b>Service-Related Business</b>									
Haseko Anesis Corporation	5.9	4.8	4.8	3.8	2.9	2.9	4.7	2.6	2.6
Haseko Reform, Inc.	13.3	(0.2)	(0.2)	16.6	0.1	0.1	37.6	0.9	0.6
Haseko Livenet, Inc.	16.2	1.1	0.8	20.5	2.1	1.6	38.2	3.6	2.7
Haseko Business Proxy, Inc.	1.0	0.1	0.1	1.0	0.1	0.1	2.1	0.2	0.1
Haseko Urbest, Inc.	2.9	(0.2)	(0.1)	5.2	1.6	1.1	10.1	2.4	1.6
Haseko Real Estate, Inc.	9.8	(0.1)	(0.1)	11.2	0.4	0.2	30.1	1.9	1.2
Haseko Intec, Inc.	1.6	(0.0)	(0.0)	2.0	(0.0)	(0.0)	6.1	0.4	0.3
Haseko Systems, Inc.	3.8	0.5	0.3	4.3	0.5	0.3	9.0	1.2	0.8
Haseko Property Management Holdings, Inc.									
Haseko Community, Inc.	24.2	1.1	0.5	26.1	2.0	1.3	59.8	4.5	3.1
Haseko Community Kyushu, Inc.	1.2	0.1	0.0	1.3	0.1	0.1	2.7	0.2	0.1
Haseko Community Nishinohon, Inc.	0.4	(0.0)	(0.0)	0.5	0.0	0.0	1.1	0.0	0.0
Haseko Community Okinawa, Inc.	0.2	0.0	0.0	0.2	0.0	0.0	0.5	0.1	0.0
JOINT PROPERTY, CO., LTD	0.8	0.0	0.0	0.9	0.0	0.0	1.8	0.1	0.1
Haseko Senior Holdings, Co., Ltd. *2									
Century Life, Co., Ltd. *2	1.8	(0.0)	(0.0)	1.8	0.0	0.1	3.4	0.0	(0.0)
Seikatsu Kagaku Un-Ei, Co., Ltd. *2	3.9	(0.2)	(0.2)	4.2	0.4	0.3	8.1	0.0	(0.0)
Furusato, Co., Ltd. *2	1.0	(0.0)	(0.0)	1.1	0.1	0.0	2.1	0.0	0.0
<b>Overseas-Related Business</b>									
Haseko America, Inc.	0.1	(0.6)	(0.6)	0.0	(0.9)	(0.9)	0.0	(1.5)	(1.5)
<b>Consolidated</b>	<b>369.9</b>	<b>30.0</b>	<b>20.5</b>	<b>414.8</b>	<b>40.9</b>	<b>28.3</b>	<b>850.0</b>	<b>75.0</b>	<b>51.0</b>

\*1 By applying the "Accounting Standard for Revenue Recognition", Hasec's Net sales of March 2022 Interim y/y have decreased significantly, and Net sales of March 2022 Annual forecast have changed. However, Hasec's sales do not affect much consolidated results, because most of Hasec's sales come from the Haseko group.

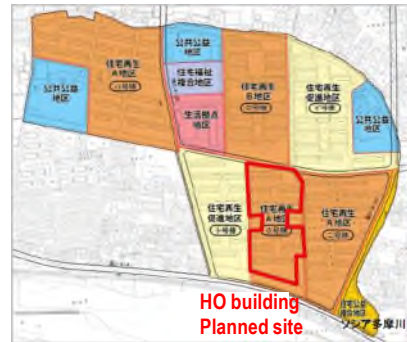
\*2 Haseko Senior Holdings, Century Life, and Seikatsu Kagaku Un-Ei merged on October 1, 2021 and changed the company name to Haseko Senior Well Design, making Furusato a subsidiary of Haseko Senior Well Design. March 2022 Annual forecasts for Century Life and Seikatsu Kagaku Un-Ei are the full-year forecasts for each company before the merger.

**Permission based on the Condominium Rebuilding Facilitation Law  
Established "Tamagawa Housing HO Building Condominium Reconstruction  
Association"**

Regarding the Tamagawa Housing HO Building Condominium Reconstruction Business promoted at Somechi 3-chome, Chofu City, Tokyo, the condominium reconstruction association was established on April 26, 2021 after approving in Chofu City.

Sumitomo Realty & Development Co., Ltd. and Haseko Corporation have been selected as business cooperators for "HO Building" from November 2015, and will engage in administrative consultations and consensus activities with all rights owners together with City Consultants Co., Ltd.

In August 2020, a resolution to rebuild the condominium was passed, and in April 2021, with the approval of Chofu City, the "Tamagawa Housing HO Building Condominium Rebuilding Association" was established. Following the establishment of the association, Sumitomo Realty & Development and Haseko Corporation will also participate as participating association members.



[Name] Tamagawa Housing  
 [Address] Somechi 3-chome, Chofu-shi, etc. (RO, HA, HO, To building are in Chofu-shi)  
 1-2 Chome, Nishiizumi, Komae City, etc.  
 [Site area] Approximately 48.9ha  
 [Housing] Approximately 3,900 units  
 Rental building: Building I-RO  
 For-sale building: HA-NI-HO-TO Building, Socia Tamagawa

**Rebuilding in the second case damaged by Kumamoto earthquake  
"Grandpia New Sky Mae Condominium Reconstruction Project"  
Demolition Start**

Asahi Kasei Real Estate Residence Co., Ltd. and Haseko Real Estate Co., Ltd. received the rights conversion approval in May 2021 for the "Grandpia New Sky Mae Condominium Reconstruction Project" that is being promoted together with the Grandpia New Sky Mae Condominium Reconstruction Association as a participating association members. The demolition started on June 1st, 2021.

The Grandpia New Sky Mae Condominium is a 33-year-old condominium that was supplied in 1987 and has 11 floors above ground, 77 dwelling units, and 1 store. Although the building was not old enough to consider rebuilding, due to the Kumamoto earthquake that occurred in April 2016, not only was it difficult to live in, but there is a risk of damage against third parties such as falling exterior wall tiles. So we decided to consider rebuilding it.

This time, Asahi Kasei Real Estate Residence and Haseko Real Estate, which have been involved in many condominium rebuilding, are promoting their business by cooperating with the rebuilding associations by leveraging their strengths. After the rebuilding resolution in May 2020, which was in the midst of the corona disaster, we were able to safely start construction.

The rebuilt condominium will have 14 floors (1 building) above ground and 78 dwelling units, and is scheduled to be completed in the spring of 2024. Approximately 15% of the previous owners are planning to acquire a reconstructed condominium.



[Address] 1-1 Nishiamidajimachi, Chuo-ku, Kumamoto City  
 [Right form] Ownership (Number of owners before rebuilding: 78)  
 [Site area] 1,218.23m<sup>2</sup>  
 [Operator] Grandpia New Sky Mae Condo Replacement Association

**Seismic retrofitting of condominiums while living without spoiling the view**  
**"Haseko non-brace reinforcement frame construction method"**

Haseko Group has newly developed a unique seismic retrofitting method "Haseko non-brace reinforcement frame construction method" that allows construction while living without spoiling the view. In addition, we have obtained a rating from Better Living, a general incorporated foundation, and it has been recognized that the seismic performance after reinforcement by this method is appropriate.

The features of the "Haseko non-brace reinforcement frame construction method" are as follows: (1) The view on the balcony side is not spoiled, (2) Since construction inside the dwelling unit is not required, construction can be done while the resident lives, and (3) Reduce cost compared to the existing reinforcement construction method, (4) Minimize the dismantling / removal of existing buildings and consider the environment.

In existing condominiums where seismic resistance is a concern, the factors that make it difficult for seismic diagnosis and seismic retrofitting work to proceed are "no budget to repair", "no budget to diagnose", "lack interest in seismic diagnosis", and "lack interest due to aging residential".

In the future, for existing condominiums that require seismic retrofitting, we will make known about the development of the "Haseko non-brace reinforcement frame construction method" and proactively make optimal proposals according to individual circumstances and requests while considering other seismic retrofitting methods.

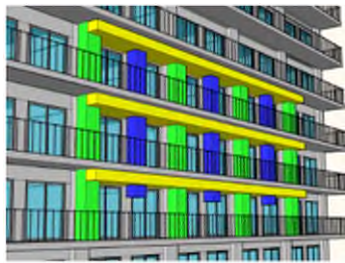


Image of Haseko non-brace reinforcement frame construction method

**[Outline of "Haseko non-brace reinforcement frame construction method"]**

In this method, the reinforcement effect can be adjusted by arranging the reinforcing studs without using diagonal braces that obstruct the view, and by constructing a reinforcing frame composed of wide flat beams, reinforcing columns, and reinforcing studs, earthquake resistance is improved.

**Seismic retrofitting while living**  
**"Seismic retrofitting of columns with post-construction slits"**

Haseko Corporation and Ronbic Japan Co., Ltd. have expanded the scope of application, such as changing the shape of slits and adding them, in the "seismic retrofitting method for columns with post-construction partial slits," which provides the same seismic retrofitting effect as complete slits. The technical evaluation of the Japan Building Disaster Prevention Association has been updated.

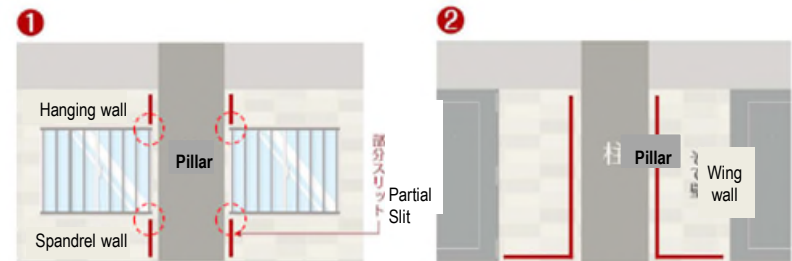
The "seismic retrofitting method for columns with post-construction partial slits" has been adopted by 145 cases in condominiums and schools. With this update of the technical evaluation, Haseko Reform, Inc. will proactively propose to the condominium management association constructed before the new seismic standard (revised in June 1981) while continuing to emphasize the feature of this construction method that seismic reinforcement is possible while living.

[New scope of application] Target: Existing RC structure / Existing SRC structure

- ① Change the slit shape of the pillar with the spandrel wall and the hanging wall

The slit shape that opens up to the conventional opening has been changed to a slit shape that leaves a piece of concrete between the opening and the slit.

- ② Addition of two-way slits to the vertical and horizontal slits of pillars with wing walls
- ③ Increased the upper limit of applicable concrete strength of existing buildings from 27N / mm<sup>2</sup> to 36N / mm<sup>2</sup>



Slit shape after change

Two way slits of pillar with wing wall



**Established a consortium on technical cooperation in the field of construction robots and IoT**

The 16 construction companies, including Haseko Corporation, agreed to establish the "Construction RX \* Consortium," a consortium on technical collaboration in the fields of construction robots and IoT, with the aim of further promoting the productivity and attractiveness of the entire construction industry.

The target of this technical cooperation is joint research and development related to robots, IoT applications, etc. among construction-related technologies, and includes licenses for new developments, improvements, practical applications, and technologies associated with technological development.

By collaborating on the development and promotion of the use of robots and IoT apps used for construction, common issues in the construction industry such as solving labor shortages, improving productivity and safety at construction site, and reducing costs can be solved. We believe it will solve the problem and improve the productivity and attractiveness of the entire construction industry.

In the future, we will promote collaboration in this consortium, actively disseminate the results, and encourage the participation of the entire construction industry in order to further expand the circle of technical cooperation. Furthermore, we will invite all of the various companies who can take charge of technological development and development in collaboration with us to participate.

※RX:Robotics transformation similar to the Digital transformation (DX)



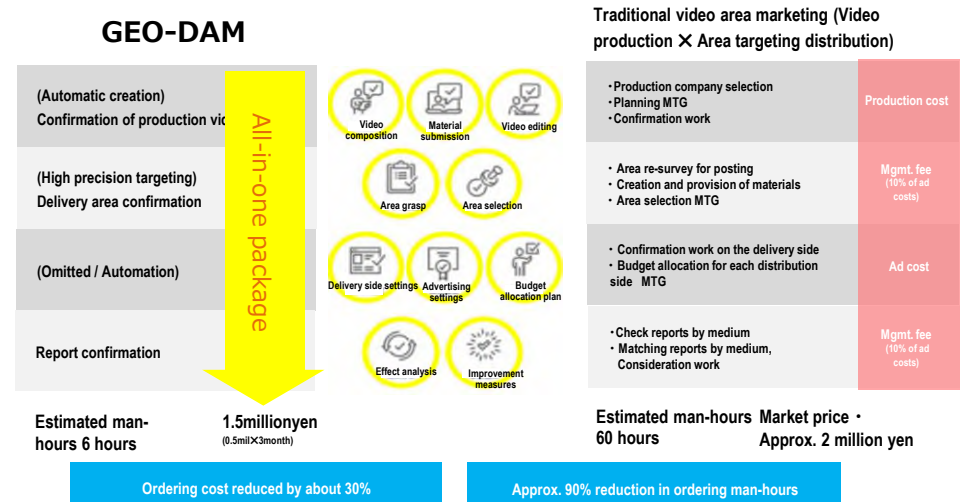
Construction RX Consortium Logo

**DX solution package to replace Flyer advertisements for newly built condominiums Full-scale provision of "GEO-DAM" launched**

Develop Japan Co., Ltd., which provides digital marketing solutions in the Haseko Group, launched a video area marketing DX solution package "GEO-DAM" that integrates and automates the process from video advertisement creation to distribution and analysis in order to promote DX in the real estate industry in September 2021.

Flyer advertisements, which are the mainstream of promotion in the sale of newly built condominiums, have problems such as "the possibility of being thrown away without being seen" and "the accuracy of selection of distribution areas is low", while digital promotion using conventional videos has barriers such as "it takes time and money" and "there is no know-how", so the digital advertisements have not been actively adopted at the condominium sales.

"GEO-DAM" solves these existing promotional issues and realizes an efficient and inexpensive video area marketing DX solution within the area specified by the client, which is a highly accurate alternative to conventional flyer advertisements.



\* Trial calculation compared to the case of receiving an order by the conventional method, assuming the same amount and the same number of deliveries

## Promotion of ZEH-M (Zero energy house - Mansion) business

For a carbon-free society, reduction of CO2 emissions in the household sector is regarded as important, and energy saving of the house itself is indispensable. The Haseko Group recognizes that the realization of energy saving in apartment buildings is a field that can make a significant contribution to the realization of a carbon-free society, and is working to popularize ZEH-M. Among the properties designed and constructed by Haseko Corporation in 2020, 2 properties of "High-rise ZEH-M support project" and 1 property of "Super high-rise ZEH-M demonstration project" were selected in the category of "ZEH-M Oriented". The total number of ZEH-M properties has reached seven.

### ■ Super high-rise ZEH-M demonstration project "Premist Tower Utsubohonmachi"

"Premist Tower Utsubohonmachi" is a high-rise tower condominium with 36 floors above ground and a total of 350 units, designed and constructed by Haseko Corporation. Haseko Corporation aims to build complex housing that can contribute to the global environment through "a comfortable living space with a passive design that utilizes and adjusts natural energy" and "Energy saving by introducing high efficiency equipment".



Premist Utsubohonmachi CG

### ■ Definition of ZEH-M

The ZEH Roadmap Examination Committee for Condominiums established within METI defines ZEH-M by the number of floors as indicated below. ZEH for the residential building portion and ZEH for individual dwelling units are assessed individually and independently.

	Category	Evaluation Standards			
		ZEH-M	Nearly ZEH-M	ZEH-M Ready	ZEH-M Oriented
Residential building or area for residential use	Insulation performance	All units to satisfy reinforced building envelope standards (ZEH standard)			
	Energy efficiency rate (entire residential building including common areas)	20% reduction, energy efficiency only			
	Target level to aim for	100% reduction including renewable energy	75% reduction including renewable energy	50% reduction including renewable energy	-
		One to three floors	Four to five floors	Six floors or higher	
	Category	ZEH	Nearly ZEH	ZEH Ready	ZEH Oriented
Dwelling unit	Insulation performance	Each unit to satisfy reinforced building envelope standards (ZEH standards)			
	Energy efficiency rate (each dwelling unit)	20% reduction, energy efficiency only			
		100% reduction including renewable energy	75% reduction including renewable energy	50% reduction including renewable energy	-

Source (Japanese only) : [https://www.haseko.co.jp/hc/csr/pdf/csr\\_2021.pdf](https://www.haseko.co.jp/hc/csr/pdf/csr_2021.pdf)

FYR: <https://www.haseko.co.jp/hc/english/csr/>

## Development of environment conscious concrete "H-BA concrete"

The "Global Warming Countermeasures Plan" decided by the Cabinet based on the Paris Agreement stipulates "expansion of the use of mixed cement" as a method for reducing CO2 emissions from non-energy sources generated and emitted by incinerator of waste. Mixed cement is a substitute for a part of cement with an admixture called blast furnace slag or fly ash, which can reduce CO2 emissions from concrete raw materials. Haseko Corporation that annually uses 225,000m<sup>3</sup> of blast furnace cement type B, which is a typical mixed cement, mainly as pile concrete for buildings, developed "H-BA concrete" that has the same performance as general concrete, and then Haseko Corporation can reduce CO2 emissions from concrete materials by about 8.2 to 18.5%. H-BA concrete is manufactured by mixing ordinary Portland cement and blast furnace cement type B. Although the effect of reducing CO2 emissions per 1 m<sup>3</sup> is small, it can be applied to all parts of buildings including above-ground structures, so it has the advantage of being able to be used as a general alternative to general concrete.

In the future, we will also develop environment-friendly concrete that has a high effect of reducing CO2 emissions for underground structures, aiming to build an operation system for environment-friendly concrete together with H-BA concrete.



H-BA concrete construction scenery

### ■ Estimated effect of reducing carbon dioxide emissions by using H-BA concrete

Types of H-BA concrete	H-BA usage rate 100% (1,739,000m <sup>3</sup> )	H-BA usage rate 50% (869,500m <sup>3</sup> )	H-BA usage rate 30% (521,700m <sup>3</sup> )
H-BA10	38,722t ( 8.2%)	19,361t ( 4.1%)	11,617t ( 2.5%)
H-BA20	87,125t (18.5%)	43,563t ( 9.3%)	26,138t ( 5.6%)

Source (Japanese only) : [https://www.haseko.co.jp/hc/csr/pdf/csr\\_2021.pdf](https://www.haseko.co.jp/hc/csr/pdf/csr_2021.pdf)

FYR: <https://www.haseko.co.jp/hc/english/csr/>

Billions of yen, Thousand shares

	Interim result					
	March 2017	March 2018	March 2019	March 2020	March 2021	March 2022
<b>Consolidated</b>						
Net Sales	344.7	389.4	441.1	414.2	369.9	414.8
Operating Income	36.0	43.0	46.1	43.6	30.9	41.4
Ordinary Income	36.7	43.3	46.4	43.4	30.0	40.9
Net income attributable to owners of parent	24.9	32.0	46.4	30.2	20.5	28.3
Total Assets	572.9	622.0	708.5	766.3	862.8	1,000.8
Inventories *1	145.3	139.8	177.0	191.2	274.6	344.1
Property and Equipment, Leasehold rights	101.7	115.3	132.2	143.8	157.7	163.9
Real Estate Balance total	247.0	255.1	309.3	335.0	432.2	508.0
Interest-bearing debt balance	154.3	136.8	122.3	136.2	241.6	317.3
Shareholders' equity	200.0	256.7	329.7	374.2	387.7	401.5
Equity ratio	34.9%	41.3%	46.5%	48.8%	44.9%	40.1%
Net cash provided by (used in) Operating activities	6.7	1.9	(29.3)	(26.6)	(10.6)	5.1
Net cash provided by (used in) Investing activities	(9.5)	(2.7)	3.1	(24.5)	(7.4)	(13.9)
Net cash provided by (used in) Financing activities	(17.6)	(10.4)	(6.7)	(5.7)	65.1	31.1
Cash and cash equivalents at end of the period	130.9	190.0	173.9	155.6	198.9	237.1
Number of employees	6,756	6,898	7,101	7,317	7,603	7,726
<b>Non-Consolidated</b>						
Net Sales	238.3	290.0	334.0	300.2	278.4	268.9
Operating Income	32.5	38.4	41.4	34.4	28.1	25.9
Ordinary Income	32.8	38.4	41.7	54.5	37.5	33.3
Net Income	26.1	26.9	28.6	43.8	29.3	25.4
Total Assets	455.2	501.5	555.1	614.0	729.3	828.1
Shareholders' equity	183.1	228.5	275.9	324.5	341.6	348.2
Equity ratio	40.2%	45.6%	49.7%	52.9%	46.8%	42.1%
Order	224.6	208.4	187.7	186.3	164.2	141.4
Number of employees	2,380	2,444	2,464	2,520	2,486	2,516
<b>Outstanding shares</b>						
Common stock (including treasury stock)	300,794	300,794	300,794	300,794	300,794	300,794
Treasury stock	189	3,436	3,409	3,353	13,587	26,146
(Treasury stock remaining in the trust)*2	[-]	[3,242]	[3,209]	[3,150]	[3,043]	[2,966]
The average number of shares	300,605	300,110	297,375	297,423	289,542	274,882

\*1 Real estate for sale + Costs and advances for real estate operations + Real estate for development projects

\*2 The company has introduced system of "Board Benefit Trust" and "Employee Stock Ownership Plan" since the second quarter of March 2018.

