HASEKO

Financial Results Online Conference for analysts and institutional investors for the first quarter ended March 31, 2026 Main Q&A (Summary)

Date: August 7, 2025 (Thu) 17:00-18:00

Q：Net Sales of Completed construction contracts have been growing steadily. Do you expect this trend to continue from the second quarter onwards?

A：Although the shortage of on-site construction workers continues, we have made every effort to improve efficiency at each site. Combined with rising construction unit prices, this has resulted in solid sales performance. From the 2Q onwards, we expect results to exceed our initial forecasts.

Q：What is the reason behind the improvement in the profit ratio of completed construction contracts?

A：For projects currently under construction, we successfully secured additional work orders through persistent negotiations with developers. Projects with high profitability at the time of order have also commenced and are beginning to contribute to earnings. Combined with cost-cutting efforts at construction sites, profit margins on completed construction contracts have improved earlier than expected.

Q：Why are developers more willing to accept price increases compared to before?

A：It remains difficult to pass on cost increases for projects already under construction, but more developers are receptive during the pre-order negotiation phase. Additionally, for ongoing projects, we feel that developers are gradually becoming more understanding through our patient and thorough explanations regarding rising costs.

Q：Do you expect the profit ratio of completed construction contracts to decline in 2Q?

A：In 2Q, we expect to be impacted by large-scale projects with low gross margins. However, overall, profit margins are gradually improving, and we anticipate a slight upside compared to the full-year forecast.

Q：Why has the consolidated profit ratio of completed construction contracts improved more than the non-consolidated figures?

A：This is due to improved profit margins at our subsidiaries, Fuji Construction and Haseko Reform.

Q：In the medium to long term, is it possible to exceed the target profitability of 15% at the time of order?

A：Although the current environment remains challenging, we are managing to secure a 15% margin. However, further improvement will depend on factors such as future condominium sales, so it is difficult to predict at this stage.

Q：Can you acquire land for orders?

A：Competition for land acquisition remains intense, but we are steadily securing future construction orders.

Q：Regarding the sale of income properties which contributed to increased profits, will there be more sales opportunities in 2Q and beyond?

A：The profit increase in 1Q was mainly due to the early sale of projects originally scheduled for 2Q. We will continue to pursue sales while monitoring market conditions. The income properties sold mainly consist of rental condominiums, along with logistics warehouses.

Q：What factors led to the profit margin of real estate exceeding the initial forecast? Can we expect this upward trend to continue?

A：On a non-consolidated basis, this was due to high-margin real estate transactions not associated with construction order. In order to maintain profit margins going forward, securing new projects will be essential.

Q：The land bank for the For-sale condominium business appears to be seeing a decline in new project acquisitions. Is this a strategic decision to market conditions?

A：We are proceeding very cautiously with new acquisitions, particularly for regional projects. Business operations in regional areas tend to take longer to complete, and securing general contractors is extremely difficult. In several cases, land acquired for condominium projects was sold as-is, without proceeding to construction.

Q：The performance of “Real estate brokerage” and “Resale of refurbished condominium”, as shown on page 9 of the financial results presentation, appears to be sluggish compared to the full-year forecast. Is this progress in line with expectations?

A：Both businesses tend to be weighted toward the second half of the fiscal year, and we believe the progress is in line with our full-year plan.

Q：Regarding the 1Q profit and loss of HASEKO America, the loss appears smaller than the full-year forecast of 4.1 billion yen. Is this due to an earlier-than-expected improvement in profitability? Is the progress in line with the full-year forecast?

A：The reduction in losses compared to the previous fiscal year is attributable to three factors: lower depreciation expenses this term due to impairment losses recorded in the previous fiscal year, improved operation and customer traffic at commercial facilities, and the positive impact of the stronger yen. However, uncertainties remain, such as future customer traffic at commercial facilities and exchange rate fluctuations, so we are not revising the full-year forecast at this time.

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