HASEKO

Financial Results Online Conference for Analysts and Institutional Investors for the First Quarter ended March 31, 2027 Main Q&A (Summary)

Date: August 6, 2026 (Thu) 16:00-16:30

Q : What were the factors behind the significant improvement in the gross profit margin on completed construction contracts? Also, how does the Company view this against the full-year plan?

A : In addition to maintaining a profitability at the time of order receipt of 15%, the Company has worked to achieve profit recovery during the construction phase. In the initial forecast, the Company took a conservative view on the recognition of profit recovery, considering uncertain factors such as the situation in the Middle East. However, improvements at construction sites progressed steadily, resulting in a greater-than-expected improvement in the profit margin. If there is no material change in the current environment, the Company believes it is in a position to aim for a profit margin level above that assumed in the initial forecast.

Q : Regarding the idea of adding approximately 2 % points of profit recovery to the 15% profitability at the time of order receipt, is there room to further improve the construction profit margin going forward?

A : The Company continues its efforts to improve the construction profit margin. However, as this also needs to be balanced with the sales market conditions for for-sale condominiums and the business profitability of project owners, the Company is taking a cautious view at this stage.

Q : Can the 2% profit recovery continue to be achieved on a stable basis going forward?

A : The Company has already anticipated a certain degree of increases in material prices and other costs, and believes that profit recovery of approximately 2% points can be achieved through improvement efforts at construction sites.

Q : What is the current status of the profitability at the time of order receipt?

A : The profitability at the time of order receipt remains at the target level of 15%. However, the Company needs to continue monitoring future market trends closely.

Q : Orders for for-sale condominiums have been strong. Is this due to schedule acceleration or a change in market needs?

A : This was the result of the timing of orders being concentrated in the 1st quarter. At present, the accumulation of projects toward achieving the full-year plan is also progressing, and the Company continues to strive to secure orders steadily.

Q : Orders received per contract are significantly above the full-year plan. Is this because projects have been trending larger in scale, or was the plan conservative?

A : The lineup of orders received is within the range previously assumed, and there has been no major change. Against the full-year plan, orders received per contract are generally progressing within the assumed range.

Q：What is the status of the accumulation of order opportunities for next fiscal year and the outlook going forward?

A：Order opportunities for next fiscal year are progressing at a level slightly above the usual year, and are on track at this point. However, as they will be affected by project owners' investment decisions in response to changes in market conditions, the Company continues to take a cautious view.

Q：Does the increase in orders for company housing affect the overall construction profit margin?

A：The Company has secured a profit margin equivalent to ordinary projects. The project is also large in scale, and the Company believes it was able to secure a favorable order.

Q：How does the Company view condominium market conditions, particularly in suburban markets? What is the outlook for the construction profit margin going forward?

A：Some suburban projects have begun to face difficulties in sales. Condominium prices have reached a considerably high level, and wage increases and interest rate trends will be important going forward. The Company does not expect any sharp fluctuation in the construction profit margin, but is monitoring market conditions, project owners' business appetite, and trends in construction start timing.

Q：Real estate sales were strong. Were they in line with the plan, or is there potential for results to exceed the plan?

A：Basically, this was in line with the plan. For projects with favorable conditions, the Company also carried out sales ahead of schedule. However, at this point, the Company does not expect a significant upside.

Q：Please explain the details of net sales in the for-sale condominium business and their continuity going forward.

A：This time, the sale of luxury condominiums made a significant contribution. Although the number of luxury properties is not large, the Company continues to acquire high-quality land. If market conditions remain favorable, the Company aims to create similar projects going forward. Other for-sale condominium businesses are generally progressing as planned.

Q：Profit progress in the Overseas Business has been favorable. Has there been any change to the scenario previously explained, in which investment recovery and profit realization will begin in earnest from FY2027 onward?

A：The profit recorded this time was the result of the planned sale of overseas investment projects. There has been no change to the scenario in which full-scale recovery and profit realization will begin from next fiscal year onward, and at this point the Company believes this remains in line with the previous plan.

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