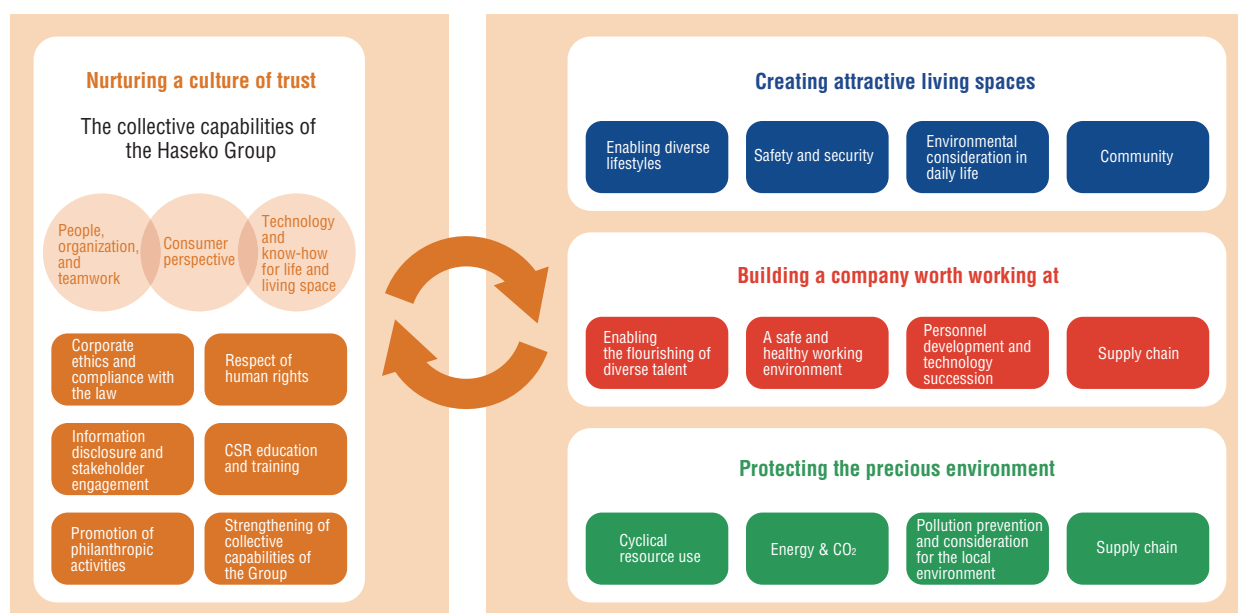


## CSR Vision Better living – now and for the future

We will engage ourselves in the daily lives of our customers and stakeholders and help create a better tomorrow.

Our aim is to work with our partners to co-create living spaces that care for and connect with the future.

### Our Four Main CSR Themes



#### Creating attractive living spaces

We will create living spaces where people can feel safe, grow, and actively pursue diverse lifestyles. While promoting business that enhances the quality of child nursing, education, care, and welfare, we will aim to make safe, secure and environmentally considerate living the new standard.

#### Building a company worth working at

We will nurture a workplace where a diversity of employees can flourish, and where safety and productivity are high. Employees with advanced technological skill and know-how in the field of life and living spaces will work in passionate teamwork, and in collaboration with our business partners, to build attractive townhoods today and in the future.

#### Protecting the precious environment

We will promote environmental measures throughout the process of providing living spaces and services related to daily life. We are considerate about our impact on the ecosystem, and will pursue further improvements of resource and energy efficiency working with business partners to realize construction sites and workspaces that help protect the natural environment.

#### Nurturing a culture of trust

In order to remain a corporate group co-creating value with stakeholders based on strong trust-based relations, we will implement the required organizational measures rigorously. We will strengthen management that harnesses our collective capabilities as a group, and while staying alert to new social and environmental issues, we will aim to constantly expand our ability to contribute to society through our business.

### 10 SDGs (Global Goals) closely related to Haseko Group CSR activities

We have identified ten of the Global Goals (SDGs) promoted by the United Nations with a particular connection to our business. We recognize that the business and operations of the Haseko Group are closely linked to social and environmental challenges, and through solution-oriented business actions, we aim to create synergies between the generation of social value and the growth of the Haseko Group.



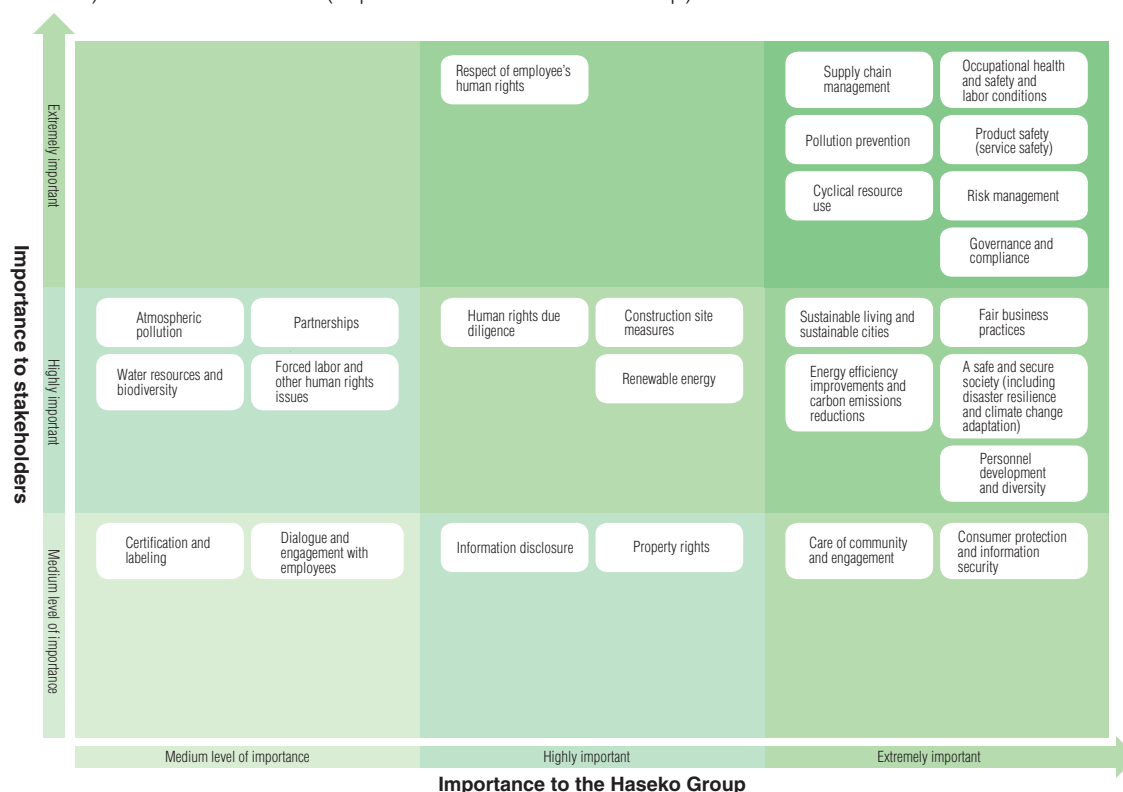
### CSR Policy

Based on our CSR vision, we, in the Haseko Group, promote CSR activities in accordance with the following policy items:

1. Through a broad range of businesses related to housing and daily life, we will contribute to the realization of a sustainable society.
2. In collaboration with our stakeholders, we will take action to integrate social and environmental concerns into our businesses processes.
3. Utilizing the collective capabilities of our Group, we will strengthen our management ability in order to create new value for society and meet the expectations of our customers and other stakeholders.
4. In all our business activities, we will comply with the law and act on the basis of high ethical standards.
5. We will continue to improve our CSR initiatives, proactively disclose information, and aim to raise transparency throughout the organization.

### Haseko Group Materiality Matrix

Through discussions and evaluation in a cross-company working group, we have identified 26 material issues from among key social and environmental challenges, evaluated on the basis of a social axis (importance to stakeholders) and a business axis (importance to the Haseko Group).



### Further developing our CSR activities

#### • Setting up the organizational framework

The Haseko Group has been pursuing environmental and social activities for a number of years. In April 2010, we established the Group Environment Committee and have worked on climate change measures, biodiversity and ISO 14001 certification.

In order to further strengthen these initiatives, we established a CSR Division in April 2017. A cross-company working group was set up to discuss what CSR activities the Haseko Group should pursue.

In fiscal 2017, we established a CSR vision, created a CSR policy, defined four main CSR themes in order to roll out CSR across the organization. In fiscal 2018, we are taking further steps through the formulation of an action plan and establishment of CSR management structures. It is our intention to further deepen these activities based on group-wide discussions.

#### • Strengthening information disclosure

We intend to disclose information proactively to our customers, employees, investors, local communities and other stakeholders through the Haseko Group CSR Report 2018 and our website as well as other initiatives. Stakeholder communication is a priority issue for us, and we will utilize the opinions, expectations, and requests received in the further evolution of our CSR activities.

## Corporate Governance

Haseko Corporation has made it a basic policy of its corporate management to contribute to society and win society's confidence through its business operations that put customers first. The Company has also positioned reinforcement of corporate governance as one of its utmost management priorities as it recognizes that it is indispensable to secure management transparency and objectivity for maximizing corporate value in a stable manner over the long term and ensuring shareholders' interests.

The Board of Directors of Haseko Corporation serves as the institution where directors with expert knowledge and experience in various business sectors conduct decision-making on managerial issues and supervise execution of duties of other directors. As for monitoring of management operations, the Company's system provides the Board of Auditors, the majority of which are outside auditors, with the monitoring function from an objective and neutral standpoint from outside through implementation of audits. On top of these functions, starting in June 2016, Haseko appointed outside directors with abundant experience and track

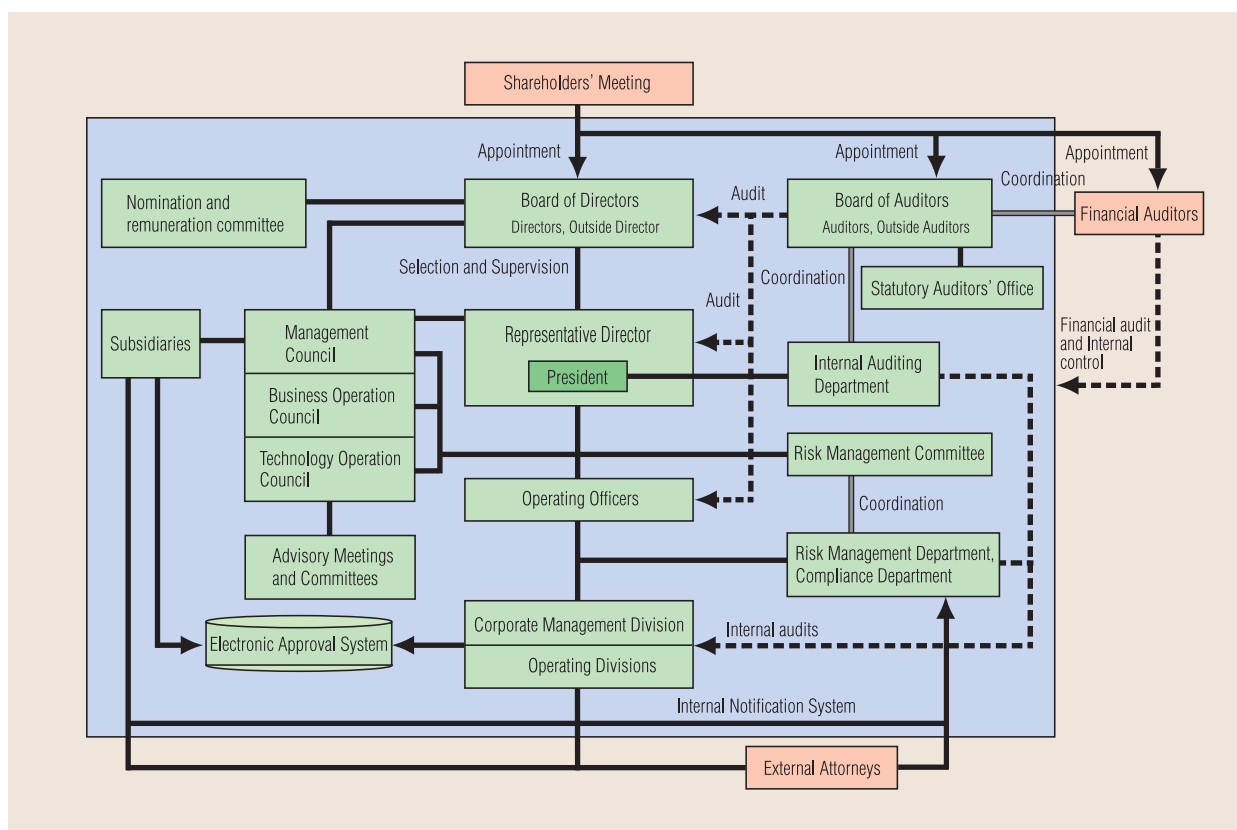
record to occupy at least one third of the Board of Directors, so that they shall provide appropriate opinions and advice in order to further activate discussions at the Board of Directors as well as enhance the function to monitor business management. We are working to establish a system that is optimum for the Company, taking into consideration the balance between the operation of the Board of Directors and the monitoring functions.

## Roles and Operations of Corporate Institutions

The Board of Directors holds regular meetings once a month and additional special meetings as necessary, and is responsible for important decision-making and regular reports on matters related to management. In addition, operating officers make operational reports on a regular basis to the Board.

The Nomination and Remuneration Committee is an advisory body for the Board of Directors, a consulting body to secure objectivity, transparency and fairness of the procedures related to the nomination and

Diagram of company institutions and internal governance



remuneration, etc. of directors and enhance corporate governance. The committee comprises all independent Outside Directors and an equivalent or below number of Representative Directors, etc.

The company has established the Management Council and two operation councils – the Business Operation Council and the Technology Operation Council – to facilitate prompt and flexible decision-making on matters related to daily operations to the extent they are authorized by the Board of Directors. Participation of directors in the Management Council and the Operation Councils are limited to a certain level, so that the functions of making decisions and supervising such decision-making are divided and clarification is made for the responsibilities and authority for these functions. Moreover, the function of discussing in advance the important issues to be decided at the Board of Directors is performed by the Management Council.

The Risk Management Committee is held once every quarter under the chairmanship of the President, and shall also be held on an ad hoc basis as necessary whenever any material risk has arisen. It examines and determines the establishment, amendment or abolishment of internal rules on risk management and risk prevention plans, etc., as well as discusses and decides on the implementation policies and specific measures for risk management, among other things.

## Internal Governance and Risk Management System

### Compliance System

With the recognition that intensive compliance is indispensable for the existence and continuity of a corporation, the Company established the Haseko Group Standards of Conduct in April 2003, under which Haseko has been working to establish a management system where all directors, operating officers and staff respect societal standards and take sensible courses of action in keeping with their duties as members of society, as well as complying with all laws and the Company's articles of incorporation, so that the Company can win the confidence of society. Moreover, for enhanced compliance Haseko established the Compliance Department which conducts promotion and education of compliance based on the internal rules and regulations on compliance. An internal whistle-blowing system for consultations on compliance and notification of illegal conduct, etc. and an external contact have also been established.

In April 2005, the Company established the Internal

Auditing Department that is under the direct control of the President. Pursuant to internal rules and regulations on internal audits, the Department investigates and evaluates whether activities of Haseko Group's respective divisions conform to laws and regulations, the Articles of Incorporation, the Company's rules and regulations, corporate policies, etc. and whether they are reasonable, and works to make improvements based on the results. The Company has no relations with anti-social forces or groups that threaten the order and security of civic life, and will cope with such anti-social forces and groups systematically, and with an adamant and resolute attitude.

### Risk Management System

In anticipation of a variety of risks, Haseko endeavors to collect risk-related information and prepares preventive measures and appropriate countermeasures in advance against risks according to their magnitude and possibility of arising. Through these efforts, Haseko aims to minimize the potential losses and to systematically cope with risk management centering on the Risk Management Department established in April 2006. Specifically, Haseko has set up a system in which respective sections of the Management Division coordinate with each other and check the status of business operations in accordance with the roles they are assigned, while the Internal Auditing Department conducts further checking.

For the corporate approval system that serves as a record of decision-making for work implementation, the Company has introduced an electronic system in which legal procedures have been digitized. This system enables auditors and the Management Division to view and check the content at any time. Furthermore, of the issues forwarded to the Board of Directors, the Management Council and the two operation councils (the Business Operation Council and Technology Operation Council), those involving many departments or requiring specialized knowledge are subject to sufficient verification in advance by the adequately established advisory meetings and committees. Periodical results reports are also mandatory for issues that require monitoring.

On top of these, the Company established the Risk Management Council under the chairmanship of the President, in May 2006 with the aim of strengthening the risk management system of Haseko and its entire Group. This enhanced the Company's risk management system in which cross-sectional collection of information, analysis, valuation and handling of risks are conducted in accordance with the internal rules on risk management.

## Management Team *(As of June 27, 2019)*

### Directors and Corporate Auditors

**Ikuo Oguri**  
Representative Director  
Chairman

**Noriaki Tsuji**  
Representative Director  
President

**Shosuke Muratsuka**  
Representative Director  
Executive Vice President

**Kazuo Ikegami**  
Director  
Executive Operating Officer

**Junichi Tani**  
Director  
Executive Operating Officer

**Nobuhiro Tani**  
Director  
Executive Operating Officer

**Toshiyuki Murakawa**  
Director  
Senior Operating Officer

**Shoji Naraoka**  
Director  
Senior Operating Officer

**Kohei Amano**  
Outside Director

**Osamu Takahashi**  
Outside Director

**Kazuhiko Ichimura**  
Outside Director

**Masashi Kogami**  
Outside Director

**Mami Nagasaki**  
Outside Director

**Takahisa Chikayama**  
Full-time Corporate Auditor

**Masahiro Okuyama**  
Full-time Corporate Auditor

**Yoshitaka Fukui**  
Corporate Auditor

**Mitsuo Isoda**  
Corporate Auditor

**Takeshi Ikegami**  
Corporate Auditor

### Operating Officers

#### Executive Operating Officers

Yoshinori Haraguchi

#### Senior Operating Officers

Masaaki Matsuoka  
Masahito Koizumi  
Mamoru Kameoka

Katsuhide Takahashi  
Yoshiaki Yamada  
Takashi Tsuruta

Yutaka Okada  
Jun Kawamoto  
Misato Yamamoto

#### Operating Officers

Nobuo Imagawa  
Toshihiko Tatsuno  
Naoyuki Kumagai  
Tetsutoshi Odajima  
Kuniyoshi Mimori  
Ryota Kida

Satoshi Kumano  
Makoto Murakami  
Eijo Daimon  
Koichiro Nomura  
Akio Nakaoka  
Kaoru Narita

Toru Yamaguchi  
Shinji Yamanaka  
Seiji Fuseya  
Yoji Kubo  
Hirohito Tamura