February 12, 2009

Notice of Adjustments to Forecasts of Operating Results and Dividends and of Reduction of Directors' Remuneration

Haseko Corporation (the "Company") announces that, considering the trend of its recent performance, it has adjusted its forecast of operating results for the fiscal year ending March 2009 (from April 1, 2008 to March 31, 2009), announced on October 23, 2008, as well as its dividend forecast announced on May 15, 2008. The Company also announces that it will reduce directors' remuneration in view of these revisions.

Details

1. Adjustment to the forecasts of operating results for the fiscal year ending March 31, 2009 (from April 1, 2008 to March 31, 2009)

(1) Adjustment to the forecast of consolidated operating results

(Million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income (Loss)
Previous forecast (A) (Published October 23, 2008)	580,000	31,000	28,000	16,500
Current forecast (B)	508,000	17,000	13,500	(6,000)
Change (B-A)	-72,000	-14,000	-14,500	-22,500
Rate of change	-12.4 %	-45.2 %	-51.8 %	—
(Reference) Fiscal year ended March 31, 2008	745,074	55,718	53,103	22,384

(2) Adjustment to the forecast of non-consolidated operating results

(Million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income (Loss)
Previous forecast (A) (Published October 23, 2008)	450,000	24,000	24,500	16,000
Current forecast (B)	380,000	11,500	12,000	(5,000)
Change (B-A)	-70,000	-12,500	-12,500	-21,000
Rate of change	-15.6 %	-52.1 %	-51.0 %	—
(Reference) Fiscal year ended March 31, 2008	600,688	42,119	44,442	18,277

(3) Reasons for the adjustments to the forecasts of operating results (consolidated and non-consolidated)

The condominium market, in which the Haseko Group operates, has seen a significant drop in the number of new units supplied. The sales situation has become increasingly severe as consumers are conspicuously less willing to purchase, discouraged by rising condominium prices due to soaring land prices and construction costs as well as the sudden deterioration of the economy, and the sales periods have been prolonged. These factors have caused the balance of profits and losses of real estate companies to worsen and, given the impact of the tightened loan stances by the financial institutions, led to their successive bankruptcies. As such, the Company is in a business environment that is much severer than expected.

Under these circumstances, the Company has secured favorable profits, on a non-consolidated basis, in constructions that have already started, but expects a significant decrease in orders received during the current fiscal year as postponement of construction starts or suspension of projects are occurring at some properties scheduled for construction because project owners are reviewing their supply plans and business plans as well as other reasons. This is expected to lead to a drop in the Company's sales and profits (by approximately 59 billion yen and 5 billion yen, respectively) that are gained based on construction progress or from consigned operations and other services. Moreover, amid the severe real estate market, delays have also occurred in plans for selling properties owned by the Company, leading to a decrease in sales (by approximately 9 billion yen). Considering the market conditions, the Company has recorded, as cost of sales, the valuation loss of inventory assets (accumulated to 6.3 billion yen until the end of the third quarter of the fiscal year ending March 31, 2009) for lands it owns for receiving project orders, properties involved in for-sale condominium projects and development properties for investment. Moreover, the Company expects to record a provision for doubtful accounts of approximately 9 billion yen as special losses for the bankruptcies, etc. of its business partners, including the estimated uncollectible debt (5.9 billion yen) out of the construction debt, etc. (11.9 billion yen) of The Japan General Estate Group, as announced on February 6, 2009.

On a consolidated basis, the Company expects a decrease in operating income (by approximately 1.3 billion yen) primarily at its sales subsidiaries, in addition to the above.

As a result, the Company has made downward adjustments to its forecasts of consolidated and non-consolidated operating results, as described above.

2. Adjustment to the dividend forecast for the fiscal year ending March 2009

(1) Reasons for the adjustment to the dividend forecast

The Company has made it an important management policy to return profits to shareholders, and has established a basic policy in terms of profit distribution to pay dividends in a stable manner, comprehensively considering reinforcement of its financial standing needed to sustain its sound management base, its operating results for the current fiscal year and its profit plans over the medium to long term.

However, as stated above the Company has made significant downward adjustments to the forecasts of operating results for the current fiscal year and expects a net loss. Moreover, the present severity of the management environment is forcing the Company to reinforce its financial standing. Accordingly, the Company has regretfully adjusted its dividend forecast to zero.

(2) Adjustment made to dividend forecast

	Cash Dividends per Share (¥)		
Base date of payment of dividends	1st half period	Year end	Annual total
Previous forecast (Published May 15, 2008)	0.00	3.00	3.00
Current forecast		0.00	0.00
Fiscal year ending March 31, 2009	0.00		
Fiscal year ended March 31, 2008	0.00	3.00	3.00

*Furthermore, no decision has been made regarding preferred dividends. The Company plans to decide on them, together with their redemption, taking into account its business performance throughout the fiscal year and other factors and after discussing with its main financial institutions that are preferred shareholders.

3. Reduction of directors' remuneration

The Company considers seriously the fact that it has had to make downward adjustments to the forecasts of operating results and dividend forecast as stated above and, to clarify the managerial responsibility, will reduce remuneration for its directors as described below.

(1) Directors' remuneration to be reduced

Director and Chairman:	Reduce 30 % of monthly remuneration
Representative Director and President:	Reduce 30% of monthly remuneration
Representative Director and Operating Officers:	Reduce 20% of monthly remuneration
Director and Operating Officers:	Reduce 15% of monthly remuneration
Operating Officers:	Reduce 15-12.5% of monthly remuneration

(2) Period for reduced remuneration

From April 2009 to March 2010 (12 months)

Note: The above forecasts of operating results are calculated based on the information available to the management as of the date hereof. Actual results may differ from the forecasts described above due to any changes in a variety of factors in the future.