

**[Translation for Reference and Convenience Only]**

Please note that the following is an unofficial English translation of the Japanese Notice of Convocation of the 95th Ordinary General Meeting of Shareholders of HASEKO Corporation (the "Company"). The Company provides this translation for reference and convenience only and without any warranty as to its accuracy or otherwise. In the case of any discrepancies between the translation and the Japanese original, the latter shall prevail.

Securities Code 1808

June 5, 2012

To Our Shareholders:

**HASEKO Corporation**  
2-32-1 Shiba, Minato-ku, Tokyo  
Ikuo Oguri  
Representative Director and President

**NOTICE OF CONVOCAION OF THE 95th ORDINARY GENERAL  
MEETING OF SHAREHOLDERS AND THE CLASS MEETING OF  
ORDINARY SHAREHOLDERS**

I extend my warmest gratitude to all of you for the good offices that you have always graciously bestowed upon us.

You are hereby invited to attend the 95th Ordinary General Meeting of Shareholders and the Class Meeting of Ordinary Shareholders of HASEKO Corporation (the "Company"), which will be held as indicated below:

**If you are unable to attend the meeting, after reviewing the "Reference Documents for the General Meeting of Shareholders" attached hereto, please exercise your voting rights at your earliest possible convenience on the proposals listed below by using the Voting Rights Exercise Form or via electronic means (via the Internet).**

**1. Date and Time:** Thursday, June 28, 2012, at 10:00 a.m.  
(Doors open at 9:00 a.m.)

**2. Place:** Head Office Hall of HASEKO Corporation  
2-32-1 Shiba, Minato-ku, Tokyo, Japan

**3. Agenda:**

**THE 95th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

**Matters to be Reported:** Reports on the Business Report, Non-Consolidated Financial Statements, and Consolidated Financial Statements for the 95th Fiscal Year (from April 1, 2011 to March 31, 2012) and the Audit Results by the Accounting Auditor and the Board of Corporate Auditors for the Consolidated Statutory Reports

**Matters to be Resolved:**

**Proposal No. 1** Distribution of Surplus

**Proposal No. 2** Partial Change of the Articles of Incorporation

**Proposal No. 3** Election of Six (6) Directors

**Proposal No. 4** Election of Three (3) Corporate Auditors

**THE CLASS MEETING OF ORDINARY SHAREHOLDERS**

**Matters to be Resolved:**

**Proposal** Partial Change of the Articles of Incorporation

**4. Decision Items Pertaining to Convocation:**

(See the "Guide to the Exercise of Voting Rights" on pages 2 and 3.)

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If attending the meeting, we kindly ask that you submit the enclosed Voting Rights Exercise Form at the reception desk of the meeting hall.

Should any circumstances arise that require revisions of the Reference Materials for the General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements, and the Consolidate Financial Statements in addition to what has been announced in this convocation, revised items will be posted on the Company's website (<http://www.haseko.co.jp/>).

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**[Guide to the Exercise of Voting Rights]**

(1) Exercise of Voting Rights by Proxy

If you are unable to attend the General Meeting of Shareholders in person, you may assign **one (1) other shareholder** with voting rights as your representative to attend the meeting in your place. Please have your representative submit the document certifying power of proxy at the reception desk.

(2) Guide to Deadlines for Exercise of Voting Rights

1. In the event that you are exercising your voting rights by mail, the voting deadline in all circumstances is 5:00 p.m. Japan time on the day preceding the General Meeting of Shareholders (Wednesday, June 27, 2012), so please indicate your acceptance or rejection of the proposals mentioned on the enclosed Voting Rights Exercise Form and be sure to return the form to us by the voting cutoff date mentioned above.
2. In the event that you are exercising your voting rights via the Internet, the deadline for submission is 6:00 p.m. on the day preceding the General Meeting of Shareholders (Wednesday, June 27, 2012). See the “(5) Guide to Exercise of Voting Rights via the Internet” below.

(3) Handling of Duplicate Votes Occurring by Mail and via the Internet

**If voting rights have been exercised in duplicate, both via postal mail and via the Internet, the vote submitted via the Internet shall be considered valid.**

(4) Handling of Duplicate Votes Occurring via the Internet

**If voting rights have been exercised multiple times via the Internet, the vote submitted last shall be considered valid.**

(5) Guide to Exercise of Voting Rights via the Internet

1. Website for Exercise of Voting Rights
  - a. Exercise of voting rights via the Internet is only possible by accessing and using the Company’s designated voting website (<http://www.evotep.jp/>) from a personal computer, smartphone or mobile phone (i-mode, EZ Web, Yahoo!; please note that this service is unavailable from 2 a.m. to 5 a.m. every day). (“i-mode” is a registered trademark of NTT DoCoMo Corporation, “EZ Web” is a registered trademark of KDDI Corporation, and “Yahoo!” is a registered trademark of Yahoo! Inc. [US].)
  - b. In the event of exercising voting rights via personal computer or smartphone, please be aware that, depending on the environment the shareholders use the Internet, it may not be possible to vote via the Internet on the Company’s voting website if the Internet connection is using, for example, firewall, antivirus software, or proxy server.
  - c. Exercise of voting rights that use a mobile phone requires access to services such as i-mode, EZ Web, or Yahoo! Mobile. Please be aware that the Company’s voting website, for security reasons, only supports mobile devices that are capable of encrypted (SSL) communication and mobile phone data transmissions, so you may not be able to exercise your voting rights via the Internet, even if you have access to one of these services.

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**2. How to Exercise Voting Rights via the Internet**

- a. Use the login ID and temporary password enclosed in the Voting Rights Exercise Form on the Company's voting website (<http://www.evotep.jp/>), and follow the website's onscreen instructions to accept or reject proposals.
- b. Please be aware that shareholders that use the Company's voting website may be asked to change their temporary password in order to prevent unauthorized access by non-shareholders (identity fraud) and alteration of voting contents.
- c. You will be provided with a new login ID and temporary password for each Convocation of the General Meeting of Shareholders. Furthermore, shareholders who agree to have the Notice of Convocation of the General Meeting of Shareholders sent to their personal computer or smartphone via e-mail will continue to use their password until they change it themselves, so please take proper care in managing this password.

**3. Costs Incurred by Accessing the Company's Voting Website**

The shareholder shall be responsible for any costs (internet connection charges, telephone charges, and so forth) incurred by accessing the Company's voting website. Furthermore, although packet communication and other charges are required for use of mobile phone, these shall also be the shareholder's responsibilities.

**4. Means of Receiving the Notice of Convocation**

Shareholders may receive the Notice of Convocation via e-mail, if they like, from the next General Meeting of Shareholders onward by completing the procedure on the Company's voting website via personal computer or smartphone. (The procedure cannot be completed via mobile phone. Please also be aware that a mobile phone cannot be specified as an e-mail address.)

Direct all inquiries related to the voting system to:  
Corporate Agency Division Help Desk  
Mitsubishi UFJ Trust and Banking Corporation  
Telephone: +81-120-173-027 (toll free in Japan, 9:00 a.m. to 9:00 p.m.)

Management trust banks and other nominee shareholders (including standing proxies) who send in applications in advance to use the Electronic Voting Platform managed by ICJ, Inc. (established as a joint venture company by the Tokyo Stock Exchange, Inc.) can use this platform as an alternative method of electronic voting at the Company's General Meeting of Shareholders instead of the method of voting via the Internet described above.

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## **Reference Materials for the General Meeting of Shareholders**

### **Proposals and Reference Matters**

#### **Proposal No. 1            Distribution of Surplus**

HASEKO CORPORATION ("HASEKO" or "the Company") announced its Medium-term Business Plan, "PLAN for NEXT (Plan 4N)," in February 2012. In it, the Company aims for mandatory redemption (the Company's acquisition of preferred shares owned by preferred shareholders in exchange for monetary consideration in accordance with the Articles of Incorporation) of all the existing Class B I Preferred Shares with the corresponding profit for the period. It hopes to do so by the time these shares are converted into common shares starting from October 2015, in order to avoid dilution (decline in value per share due to an increase in the number of outstanding shares) of common shares by the conversion of Class B I Preferred Shares into common shares. For the fiscal year ended March 31, 2012, the Company has decided to retain the amount as funds for mandatory redemption of preferred shares in accordance with the plan. Consequently, we sincerely apologize to all holders of the common shares for being unable to distribute dividends for the fiscal year under review. Dividends will be distributed to shareholders of Class B I Preferred Shares as per the calculation procedure specified upon the issuance of such shares

#### **Matters Regarding the Year-end Distribution**

- (1) Type of Dividend Property:  
Cash
- (2) Matters Concerning Distribution of Dividend Property and Total Amounts:  
¥7.23 per share for Class B I Preferred Shares  
Total dividends of ¥578,400,000
- (3) Effective Date for Distribution of Surplus:  
June 29, 2012

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**Proposal No. 2**                      Partial Change of the Articles of Incorporation

**1. Reason for change**

The Company has issued 80 million shares of Class B I Preferred Shares (shares subject to call), which can be converted into common shares after October 2015. The Company announced its Medium-term Business Plan, “PLAN for NEXT (Plan 4N)”, in February 2012. In it, the Company aims for mandatory redemption (the Company’s acquisition of the preferred shares owned by preferred shareholders in exchange for monetary consideration in accordance with the Articles of Incorporation) of all the existing Class B I Preferred Shares with the corresponding profit for the period. It hopes to do so by the time these shares are converted into common shares starting from October 2015, in order to avoid dilution (decline in value per share due to an increase in the number of outstanding shares) of common shares by the conversion of Class B I Preferred Shares into common shares. Accordingly, the Company is considering mandatory redemption by extending the term allowed for mandatory redemption stipulated in Article 17 of the Articles of Incorporation (Acquisition (Mandatory Redemption) of Class B I Preferred Shares (shares subject to call)) for an additional year by September 30 of the 99<sup>th</sup> fiscal year (September 30, 2015).

**2. Details of Change**

Details of the change to be made are as follows.

(The underlined portions indicate the proposed amendments.)

Current Articles of Incorporation	Proposed Amendment
Acquisition of the Class B I Preferred Shares Categorized as Shares Subject to Call (Mandatory Redemption) Article 17 At any time during the period starting from the 93rd fiscal year and ending on September 30 of the <u>98th</u> fiscal year, the Company may, regardless of the intention of the Class B I Preferred Shareholders or the Class B I Pledgees, execute the Mandatory Redemption of all or a part of the Class B I Preferred Shares on the day separately determined by the Board of Directors.	Acquisition of the Class B I Preferred Shares Categorized as Shares Subject to Call (Mandatory Redemption) Article 17 At any time during the period starting from the 93rd fiscal year and ending on September 30 of the <u>99th</u> fiscal year, the Company may, regardless of the intention of the Class B I Preferred Shareholders or the Class B I Pledgees, execute the Mandatory Redemption of all or a part of the Class B I Preferred Shares on the day separately determined by the Board of Directors.
Paragraph 2 and after (Omitted)	Paragraph 2 and after (Not Amended)

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**Proposal No. 3** Election of Six (6) Directors

The terms of office of Six (6) directors—Takashi Iwao, Minoru Nishino, Ryuichiro Yoshida, Tadao Yonekawa, Morio Shimada, Kin’ichi Kitamura—will expire at the conclusion of this General Meeting of Shareholders. The Company proposes that six (6) Directors be elected.

The candidates for the position of Director are as follows:

No.	Name (Date of Birth)	Personal History, Positions, and Responsibilities in the Company (Significant Positions Concurrently Held)	Number of Company Shares Owned
1	Minoru Nishino (August 16, 1950)	<p>April 1974      Joined Daiwa Bank, Ltd.            January 1993      Iogi Branch Manager            May 1998      Transferred to HASEKO Corporation as                                     General Manager of Management Promotion                                     Dept.            November 1999      Executive Counselor and General Manager of                                     Management Promotion Dept. and responsible                                     for Subsidiary Dept.            April 2001      Nihonbashi Branch Manager for Daiwa Bank            June 2003      Executive Officer for Resona Holdings Co.,                                     Ltd.            November 2003      Joined HASEKO Corporation as Executive                                     Counselor and General Manager of Corporate                                     Planning Dept.            June 2004      Director            April 2005      Senior Operating Officer and Director            July 2007      Senior Operating Officer and Representative                                     Director and Kansai Representative            April 2008      Senior Operating Officer and Representative                                     Director in charge of Corporate Planning                                     Division and Management Division            April 2010      Executive Operating Officer and Representative                                     Director in charge of Corporate Planning                                     Division and Management Division                                     (to the present)</p> <p>[Significant Positions Concurrently Held]            Director, Haseko Anesis Corporation</p>	Common Stock 113,500

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No.	Name (Date of Birth)	Personal History, Positions, and Responsibilities in the Company (Significant Positions Concurrently Held)	Number of Company Shares Owned
2	Ryuichiro Yoshida (December 22, 1954)	<p>April 1977      Joined the Industrial Bank of Japan Ltd.</p> <p>April 2002      Shinjuku Minamiguchi Branch Manager for Mizuho Bank, Ltd.</p> <p>April 2005      Operating Officer, Manager responsible for Unit 3 of Branch Operation, Operation Department of Mizuho Bank, Ltd.</p> <p>June 2006      Joined HASEKO Corporation as Corporate Advisor</p> <p>June 2006      Senior Operating Officer and Director, responsible for Business Planning Dept. and Public Relations/IR Dept.</p> <p>April 2007      Senior Operating Officer and Director, in charge of Public Relations/IR Dept and responsible for Corporate Planning Dept.</p> <p>April 2008      Senior Operating Officer and Director, in charge of Sales Planning Division and Urban Development Division</p> <p>April 2011      Senior Operating Officer and Representative Director, in charge of Sales Planning Division and Urban Development Division (to the present)</p>	Common Stock 65,500
3	Morio Shimada (December 28, 1952)	<p>April 1975      Joined HASEKO Corporation</p> <p>April 2001      Manager of Building Department 2 for Construction Division</p> <p>April 2003      Executive Counselor, Assistant to General Manager responsible for Construction Management and General Manager of Construction Department 3</p> <p>April 2005      Operating Officer, responsible for Construction Management, Construction Division</p> <p>April 2008      Senior Operating Officer, in charge of Construction Division</p> <p>June 2008      Senior Operating Officer and Director, in charge of Construction Division (to the present)</p> <p>[Significant Positions Concurrently Held] Representative Director and President, Hasec, Inc. Director, Foris Corporation Director, Haseko Navie Inc. Director, Haseko Reform Inc. Director, KAI Environmental Architecture Consultants Inc.</p>	Common Stock 101,500

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No.	Name (Date of Birth)	Personal History, Positions, and Responsibilities in the Company (Significant Positions Concurrently Held)	Number of Company Shares Owned
4	Kin'ichi Kitamura (November 21, 1951)	<p>April 1975      Joined HASEKO Corporation</p> <p>July 2000      General Manager, Construction Department 1 of Kansai Construction Division</p> <p>April 2005      Executive Counselor, General Manager of Division I of Kansai Construction Division</p> <p>July 2007      Operating Officer, responsible for Construction Management for Kansai Construction Division</p> <p>April 2008      Operating Officer, in charge of Kansai Construction Division</p> <p>June 2008      Operating Officer and Director, in charge of Kansai Construction Division</p> <p>April 2009      Senior Operating Officer and Director, in charge of Kansai Construction Division (to the present)</p> <p>[Significant Positions Concurrently Held] Director, Haseko-tecno Corporation</p>	Common Stock 76,500
5	*Junichi Tani (January 24, 1958)	<p>March 1980      Joined HASEKO Corporation</p> <p>August 1998      General Manager of Business Promotion Dept. I, Kansai Housing Business Promotion Div.</p> <p>April 2004      Deputy General Manager of Business Promotion Dept. II, Kansai Business Promotion Div.</p> <p>April 2005      Executive Counselor, General Manager of Business Dept. II, Kansai Business Promotion Div.</p> <p>April 2008      Operating Officer, General Manager of Business Dept. I, Business Promotion Div.</p> <p>April 2012      Operating Officer, Responsible for Kansai Business Promotion Div., General Manager of Tokai Business Div., in charge of Kansai Project Promotion Div. (to the present)</p> <p>[Significant Positions Concurrently Held ] Director, HASEKO URBEST, Inc. Director, Haseko Partners, Inc.</p>	Common Stock 32,000



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No.	Name (Date of Birth)	Personal History, Positions, and Responsibilities in the Company (Significant Positions Concurrently Held)	Number of Company Shares Owned
6	*Takeshi Tsunematsu (April 3, 1952)	<p>April 1976      Joined HASEKO Corporation</p> <p>April 2001      General Manager of Structural Design Office, Osaka Architecture &amp; Engineering Div .</p> <p>April 2005      Executive Counselor, Deputy General Manager of Osaka Architecture &amp; Engineering Dept., Kansai Architecture &amp; Engineering Div.</p> <p>April 2008      Operating Officer, Deputy General Manager of Osaka Architecture &amp; Engineering Dept., Kansai Architecture &amp; Engineering Div.</p> <p>April 2009      Operating Officer, General Manager of Osaka Architecture &amp; Engineering Dept., Kansai Architecture &amp; Engineering Div. (to the present)</p> <p>[Significant Positions Concurrently Held ] Director, Haseko Sekkei, Inc.</p>	Common Stock 36,900

(Note)

The persons denoted with an asterisk (\*) are new candidates.

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**Proposal No. 4** Election of Three (3) Corporate Auditors

The term of office of three (3) corporate auditors—Toshio Onishi, Haruo Akimine and Masahiko Nakamichi—will expire at the conclusion of this General Meeting of Shareholders. The Company proposes reelection of three (3) corporate auditors.

The candidates for the position of Corporate Auditors are as follows. The Board of Auditors has approved this proposal.

No.	Name (Date of Birth)	Personal History and Positions (Significant Positions Concurrently Held)	Number of Company Shares Owned
1	Haruo Akimine (December 13, 1945)	<p>April 1964      Joined the National Tax Agency (Management and Co-ordination Department, Kumamoto Regional Taxation Bureau)</p> <p>July 1997        Deputy Commissioner (Taxation) of Takamatsu Regional Taxation Bureau</p> <p>July 1999        Director of Education Department I of National Tax College</p> <p>August 1999     Executive Director of National Tax College and Director of Tax Historical Materials Room of National Tax College</p> <p>July 2000        Assistant Regional Commissioner (Management and Co-ordination) of Sapporo Regional Taxation Bureau</p> <p>July 2002        Director-General of Kumamoto National Tax Tribunal</p> <p>August 2003     Professor, Faculty of Law of Yamanashi Gakuin University</p> <p>June 2004        Corporate Auditor, HASEKO Corporation (to the present)</p> <p>April 2008       Professor, Faculty of Contemporary Business, Yamanashi Gakuin University, Professor, Graduate School of Social Science Research, Yamanashi Gakuin University (to the present)</p> <p>[Significant Positions Concurrently Held] Professor, Yamanashi Gakuin University, Professor, Graduate School of Yamanashi Gakuin University</p>	Common Stock —
2	Masahiko Nakamich (September 25, 1944)	<p>April 1968      Joined JANOME SEWING MACHINE CO., LTD.</p> <p>June 1997        Director, General Manager of Accounting</p> <p>June 2001        Managing Director in charge of administration</p> <p>June 2003        Representative Director and Vice President in charge of International Business Promotion Div.</p> <p>April 2007       Representative Director and Vice President in charge of Administration Div. and Real Estate Div.</p> <p>June 2008        Corporate Auditor, HASEKO Corporation (to the present)</p> <p>June 2009        Senior General Manager of JANOME SEWING MACHINE CO., LTD.</p> <p>July 2010        Corporate Adviser of JANOME SEWING</p>	Common Stock —

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No.	Name (Date of Birth)	Personal History and Positions (Significant Positions Concurrently Held)	Number of Company Shares Owned
		MACHINE CO., LTD. (to the present) [Significant Positions Concurrently Held ] Corporate Adviser of JANOME SEWING MACHINE CO., LTD.	
3	*Koichi Suzuki (October 15, 1951)	<p>April 1974      Joined Mitsui Trust and Banking Company, Limited</p> <p>February 1999      General Manager of Yokohama Station Nishiguchi Branch</p> <p>February 2000      General Manager of Sales Planning Div.</p> <p>April 2000      General Manager of Marketing and Sales Promotion Div. III of the Chuo Mitsui Trust and Banking Company, Limited</p> <p>June 2000      Operating Officer, General Manager of Marketing and Sales Promotion Div. III</p> <p>June 2005      Managing Officer, Mitsui Asset Trust and Banking Company, Limited</p> <p>June 2006      Director, Managing Officer</p> <p>October 2007      Director, Managing Officer, Chuo Mitsui Asset Trust and Banking Company, Limited</p> <p>July 2009      Joined HASEKO Corporation Senior Operating Officer, Responsible for General Affairs Dept., Legal Dept., Osaka General Affairs Dept., Osaka Legal Dept. and Risk Management Dept., in charge of Human Resources Dept. (to the present)</p>	Common Stock 45,000

(Note)

1. The person denoted with an asterisk (\*) is new candidates.
2. Matters related to the candidates for Outside Corporate Auditors are as follows:
  - 1) Haruo Akimine (Candidate No.1) and Masahiko Nakamichi (Candidate No.2) are the candidates for Outside Corporate Auditors.
  - 2) Haruo Akimine has qualifications to be a tax accountant (stipulated in No. 2, Section 1, Article 3 of the Certified Public Tax Accountant Act) and is a professor of the Faculty of Contemporary Business of Yamanashi Gakuin University as well as a professor of tax law and accounting at the Graduate School of Yamanashi Gakuin University. He has abundant knowledge about finance and accounting and is expected to perform duties as Corporate Auditor from a technical perspective. Therefore, the Company chose him as the candidate for Outside Auditor. Although he has no experience being directly engaged in company management, the Company believes he can adequately perform duties as Outside Auditor based on the reasons above.  
Masahiko Nakamichi has acquired many years of experience in the management of JANOME SEWING MACHINE CO., LTD. He is able to provide advice from a perspective developed as a corporate manager independent of the Company, and has a wide range of knowledge about management including accounting as well as abundant experience and knowledge about international trading, as mentioned in his brief personal history above. The Company chose him as the candidate for Outside Auditor because the Company can expect him to perform duties as Corporate Auditor from a technical perspective.
  - 3) The term of office of Haruo Akimine as Corporate Auditor will be eight (8) years as of the

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- conclusion of this 95<sup>th</sup> Ordinary General Meeting of Shareholders.
- 4) The term of office of Masahiko Nakamichi as Corporate Auditor will be four (4) years of the conclusion of this 95<sup>th</sup> Ordinary General Meeting of Shareholders.
  - 5) The company has notified both the Tokyo Stock Exchange and the Osaka Securities Exchange of the proposal to elect Haruo Akimine and Masahiko Nakamichi as an independent director in accordance with the listing rules of each exchange.
  - 6) The company has entered into a limited liability agreement with Outside Corporate Auditor, Haruo Akimine and Masahiko Nakamichi in accordance with the Articles of Incorporation. Brief details are presented as follows.

**Contracts for Limitation of Liability with Outside Officers**

Effective after entering into an agreement for limiting liability, should an Outside Director bear any liability with respect to his or her responsibilities prescribed under Article 423, Paragraph 1 of the Companies Act, where such Outside Director performed his or her duty in good faith and without gross negligence, his or her liabilities shall be limited to an amount stipulated under Article 425, Paragraph 1 of the Companies Act.

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## Reference Materials for the Class Meeting of Ordinary Shareholders

### Proposal Partial Change of the Articles of Incorporation

#### 1. Reason for change

The Company has issued 80 million shares of Class B I Preferred Shares (shares subject to call), which can be converted into common shares after October 2015. The Company announced its Medium-term Business Plan, “PLAN for NEXT (Plan 4N)”, in February 2012. In it, the Company aims for mandatory redemption (the Company’s acquisition of the preferred shares owned by preferred shareholders in exchange for monetary consideration in accordance with the Articles of Incorporation) of all the existing Class B I Preferred Shares with the corresponding profit for the period. It hopes to do so by the time these shares are converted into common shares starting from October 2015, in order to avoid dilution (decline in value per share due to an increase in the number of outstanding shares) of common shares by the conversion of Class B I Preferred Shares into common shares. Accordingly, the Company is considering mandatory redemption by extending the term allowed for mandatory redemption stipulated in Article 17 of the Articles of Incorporation (Acquisition (Mandatory Redemption) of Class B I Preferred Shares (shares subject to call)) for an additional year by September 30 of the 99<sup>th</sup> fiscal year (September 30, 2015).

#### 2. Details of Change

Details of the change to be made are as follows.

(The underlined portions indicate the proposed amendments.)

Current Articles of Incorporation	Proposed Amendment
Acquisition of the Class B I Preferred Shares Categorized as Shares Subject to Call (Mandatory Redemption) Article 17 At any time during the period starting from the 93rd fiscal year and ending on September 30 of the <u>98</u> th fiscal year, the Company may, regardless of the intention of the Class B I Preferred Shareholders or the Class B I Pledgees, execute the Mandatory Redemption of all or a part of the Class B I Preferred Shares on the day separately determined by the Board of Directors.	Acquisition of the Class B I Preferred Shares Categorized as Shares Subject to Call (Mandatory Redemption) Article 17 At any time during the period starting from the 93rd fiscal year and ending on September 30 of the <u>99</u> th fiscal year, the Company may, regardless of the intention of the Class B I Preferred Shareholders or the Class B I Pledgees, execute the Mandatory Redemption of all or a part of the Class B I Preferred Shares on the day separately determined by the Board of Directors.
Paragraph 2 and after (Omitted)	Paragraph 2 and after (Not Amended)

Corporate information, investor relations, and employment information, as well as details about the Company’s residential development projects can be found at the HASEKO Corporation Website: [http://www.haseko.co.jp/hc/ir\\_en/index.html](http://www.haseko.co.jp/hc/ir_en/index.html)

## Consolidated Balance Sheet

(As of March 31, 2012)

(millions of yen)

Account Item	Amount	Account Item	Amount
(Assets)		(Liabilities)	
I. Current assets	333,297	I. Current liabilities	211,666
Cash and bank deposits	89,223	Notes and accounts payable	112,661
Notes and accounts receivable, trade	101,669	Short-term borrowings	55,304
Costs on uncompleted construction contracts	6,525	Income taxes payable	798
Real estate for sale	36,397	Advances received on uncompleted contracts	14,332
Costs and advances for real estate operations	44,692	Advances received for real estate sales	2,849
Real estate for development projects	35,339	Warranty reserve	3,344
Deferred tax assets	7,176	Reserve for loss on construction contracts	1,133
Other current assets	12,786	Accrued bonuses	1,787
Allowance for doubtful accounts	(509)	Other current liabilities	19,457
II. Fixed assets	133,778	II. Long-term liabilities	153,413
1 Property and equipment	92,744	Long-term debt	142,965
Buildings and structures	48,806	Reserve for employees' retirement benefits	1,871
Machinery, vehicle, equipment and furniture	2,452	Provision for improvement of TV reception interference	138
Land	41,373	Other long-term liabilities	8,439
Construction in progress	113		
2 Intangible fixed assets	6,153	Total liabilities	365,079
Land leasehold rights	1,695		
Goodwill	3,648	(Net assets)	
Other intangible fixed assets	809	I. Shareholders' equity	116,952
3 Investments and other assets	34,882	1 Capital stock	57,500
Investment securities	6,745	2 Additional paid-in capital	7,500
Long-term loans	1,383	3 Retained earnings	52,074
Long-term deferred tax assets	15,948	4 Treasury stock	(123)
Other assets	11,918	II. Valuation and translation adjustments	(15,106)
Allowance for doubtful accounts	(1,112)	1 Valuation adjustments on other investment securities	1,101
		2 Foreign currency translation adjustments	(16,207)
		III. Minority interests	150
		Total net assets	101,996
Total assets	467,075	Total liabilities and net assets	467,075

## Consolidated Statement of Income

(For the period from April 1, 2011 to March 31, 2012)

(millions of yen)

Account Item	Amount	
I. Net sales		500,929
II. Cost of sales		451,264
Gross profit		49,665
III. Selling, general and administrative expenses		28,051
Operating income		21,615
IV. Non-operating income		
Interest and dividend income	785	
Equity in earnings of affiliates	123	
Other non-operating income	1,134	2,042
V. Non-operating expenses		
Interest expenses	3,966	
Loan incidental expenses	1,424	
Other non-operating expenses	66	5,457
Ordinary income		18,199
VI. Special income		
Gain on sale of fixed assets	731	
Other special income	77	807
VII. Special losses		
Loss on disposal of fixed assets	141	
Impairment loss on fixed assets	184	
Other special losses	8	334
Income before income taxes and minority interests		18,673
Income taxes – current	887	
Income taxes – deferred	6,539	7,426
Income before minority interests		11,247
Minority interests		5
Net income		11,242

## Consolidated Statement of Change in Net Assets

(For the period from April 1, 2011 to March 31, 2012)

(millions of yen)

	Shareholders' equity				
	Capital stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2011	57,500	7,500	46,582	(123)	111,460
Changes during the consolidated fiscal year					
Net income for the fiscal year ended March 31, 2012			11,242		11,242
Dividends of surplus			(680)		(680)
Purchase of treasury stock				(5,071)	(5,071)
Disposal of treasury stock		(0)		0	0
Cancellation of treasury stock		(5,071)		5,071	—
Appropriation of retained earnings for additional paid-in capital		5,071	(5,071)		—
Net changes of items other than shareholders' equity during the consolidated fiscal year					
Total of changes during the consolidated fiscal year	—	—	5,492	(0)	5,492
Balance as of March 31, 2012	57,500	7,500	52,074	(123)	116,952

(millions of yen)

	Valuation and translation adjustments			Minority interests	Total net assets
	Valuation adjustments on other investment securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of April 1, 2011	484	(14,614)	(14,130)	148	97,478
Changes during the consolidated fiscal year					
Net income for the fiscal year ended March 31, 2012					11,242
Dividends of surplus					(680)
Purchase of treasury stock					(5,071)
Disposal of treasury stock					0
Cancellation of treasury stock					—
Appropriation of retained earnings for capital surplus					—
Net changes of items other than shareholders' equity during the consolidated fiscal year	617	(1,593)	(976)	3	(973)
Total of changes during the consolidated fiscal year	617	(1,593)	(976)	3	4,519
Balance as of March 31, 2012	1,101	(16,207)	(15,106)	150	101,996



## Non-consolidated Balance Sheet

(As of March 31, 2012)

(millions of yen)

Account Item	Amount	Account Item	Amount
(Assets)		(Liabilities)	
I. Current assets	246,797	I. Current liabilities	173,186
Cash and bank deposit	66,461	Notes payable	63,087
Notes receivable	25,427	Accounts payable on construction contracts	37,734
Accounts receivable on construction contracts	40,807	Accounts payable on real estate operations	1,344
Accounts receivable on real estate operations	3,607	Short-term borrowings	45,232
Costs on uncompleted construction contracts	5,137	Lease liabilities	61
Real estate for sale	36,031	Income taxes payable	154
Costs and advances for real estate operations	44,652	Advances received on uncompleted contracts	13,179
Real estate for development projects	9,337	Advances received for real estate operations	2,845
Deferred tax assets	6,421	Deposits received	1,253
Other current assets	9,326	Warranty reserve	3,048
Allowance for doubtful accounts	(349)	Reserve for loss on construction contracts	1,133
II. Fixed assets	143,216	Accrued bonuses	852
1 Property and equipment	19,290	Other current liabilities	3,263
Buildings and structures	11,296	II. Long-term liabilities	121,011
Machinery	6	Long-term debt	118,972
Equipment and furniture	158	Leased liabilities	67
Land	7,712	Security deposit	261
Leased assets	117	Reserve for employees' retirement benefits	1,467
Construction in progress	2	Provision for improvement of TV reception	138
2 Intangible fixed assets	910	interference	
Land leasehold rights	905	Asset retirement obligations	80
Other intangible fixed assets	5	Other long-term liabilities	26
3 Investments and other assets	123,015	Total liabilities	294,198
Investment securities	2,661	(Net assets)	
Shares of affiliate companies	50,667	I. Shareholders' equity	94,879
Other investment securities of affiliates	11,660	1. Capital stock	57,500
Long-term loans	37,063	2. Additional paid-in capital	7,500
Bankruptcy claim, reorganization claim	878	Capital legal reserves	7,500
Long-term prepaid expenses	175	3. Retained earnings	30,001
Long-term deferred tax assets	14,195	Earned surplus reserve	718
Other assets	7,919	Other retained earnings	29,284
Allowance for doubtful accounts	(2,204)	Earned surplus carried forward	29,284
		4. Treasury stock	(123)
		II. Valuation and translation adjustments	936
		Valuation adjustments on other	936
		investment securities	
		Total net assets	95,815
Total assets	390,012	Total liabilities and net assets	390,012

Non-consolidated Statement of Income

(For the period from April 1, 2011 to March 31, 2012)

(millions of yen)

Account Item	Amount	
I. Net sales		
Construction contracts	278,118	
Commissioned work	5,214	
Design and supervision	7,853	
Lease rentals of buildings	2,888	
Real estate sales	73,972	368,044
II. Cost of sales		
Construction contracts	256,325	
Commissioned work	2,163	
Design and supervision	3,710	
Lease rentals of buildings	1,928	
Real estate sales	74,440	338,566
Gross profit (loss) on net sales		
Construction contracts	21,792	
Commissioned work	3,051	
Design and supervision	4,144	
Lease rentals of buildings	960	
Real estate sales	468	29,479
III. Selling, general and administrative expenses		14,300
Operating income		15,178
IV. Non-operating income		
Interest and dividend income	3,389	
Other non-operating income	742	4,132
V. Non-operating expenses		
Interest paid	3,225	
Loan incidental expenses	1,404	
Other non-operating expenses	37	4,666
Ordinary income		14,644
VI. Special income		
Gain on sale of fixed assets	670	
Other special income	3	673
VII. Special losses		
Loss on retirement of intangible assets	8	
Impairment loss on fixed assets	183	
Other special losses	2	193
Income before income taxes		15,124
Income taxes - current	(1,827)	
Income taxes - deferred	5,873	4,046
Net income		11,078

## Non-consolidated Statement of Change in Net Assets

(For the period from April 1, 2011 to March 31, 2012)

(millions of yen)

	Shareholders' equity						
	Capital stock	Additional paid-in capital			Retained earnings		
		Capital legal reserves	Other capital surplus	Total additional paid-in capital	Earned surplus reserve	Other retained earnings	Total retained earnings
Balance as of April 1, 2011	57,500	7,500	—	7,500	650	24,024	24,674
Changes during the fiscal year							
Net income for the fiscal year ended March 31, 2012						11,078	11,078
Dividends of surplus						(680)	(680)
Reserves due to dividends of surplus					68	(68)	—
Purchase of treasury stock							
Disposal of treasury stock			(0)	(0)			
Cancellation of treasury stock			(5,071)	(5,071)			
Appropriation of retained earnings for other capital surplus			5,071	5,071		(5,071)	(5,071)
Net changes of items other than shareholders' equity during the fiscal year							
Total of changes during the fiscal year	—	—	—	—	68	5,260	5,328
Balance as of March 31, 2012	57,500	7,500	—	7,500	718	29,284	30,001

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury stock	Total shareholders' equity	Valuation adjustments on other investment securities	
Balance as of April 1, 2011	(123)	89,551	338	89,889
Changes during the fiscal year				
Net income for the fiscal year ended March 31, 2012		11,078		11,078
Dividends of surplus		(680)		(680)
Reserves due to dividends of surplus		—		—
Purchase of treasury stock	(5,071)	(5,071)		(5,071)
Disposal of treasury stock	0	0		0
Cancellation of treasury stock	5,071	—		—
Appropriation of retained earnings for other capital surplus		—		—
Net changes of items other than shareholders' equity during the fiscal year			598	598
Total of changes during the fiscal year	(0)	5,328	598	5,926
Balance as of March 31, 2012	(123)	94,879	936	95,815