Examples of Discussion Points at Meetings of the Board of Directors

Keywords

Strengthening governance | Compliance | Internal controls | Risk management

- Would it be advisable to develop regulations tailored to the actual circumstances of each Group company and to review them as necessary?
- From the perspective of preventing scandals before it occurs and detecting it early, we ask that the relevant measures be properly implemented, including thorough communication of internal regulations and the effective use of the Internal Whistleblowing System.
- Improvements are needed to strengthen the governance structure, and we would like to see a thorough review conducted.

Keywords

Digital transformation (DX) | Visualization of results | Productivity | Human capital

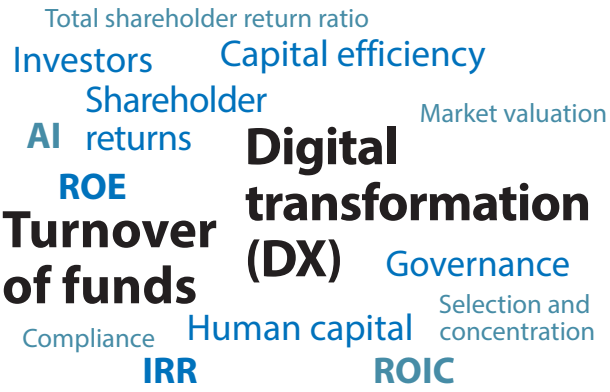
- Regarding the digital transformation (DX) initiatives that were advanced under the previous mid-term business plan, we hope that the new medium-term business plan will demonstrate the benefits of these initiatives by making the result visible, and to see steady progress in the digital transformation of daily operations.
- The extent to which DX initiatives are being implemented has a significant impact on employee turnover rates and the hiring rate of new graduates, and as such, we hope that these efforts will continue to be actively promoted so that the Company does not fall behind its industry peers.

Keywords

Turnover of funds | Shareholder returns | Capital efficiency | Selection and concentration

- The viability of a business should be assessed from a comprehensive perspective that takes into account not only profit but also cash flow and the funds turnover ratio.
- We would like to receive timely reports, including figures, on how funds are being utilized in each business after they have been invested.
- With regard to the residential property sales business, it appears that a strategic shift is needed to maximize turnover and sell properties as quickly as possible. We would like a close eye kept on this to ensure that properties do not remain unsold for extended periods.

Frequently mentioned keywords in Board of Directors meetings



Basic Approach to Corporate Governance

Haseko Corporation's basic management policy is "as a leading company in 'housing' and 'living,' to achieve sustainable growth and enhance corporate value." It 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.

Company Institutions

Haseko Corporation has adopted an Audit & Supervisory Board system as a corporate institution. By appointing outside directors with abundant experience and track records to occupy at least one-third of the Board of Directors, we aim to further activate discussions at the Board of Directors and enhance the function to monitor business management. To ensure diversity on the Board of Directors, we have appointed female directors and will continue striving to ensure diversity. In terms of management oversight, we have established a system in which audits are conducted by the Audit & Supervisory Board, the majority of which consists of outside Audit & Supervisory Board members.

Decisions regarding matters authorized by the Board of Directors are made by bodies such as the Management Council, Business Operation Council, and Technology Operation Council, which have limited participation by directors, thereby separating the decision-making and supervisory functions. The Management Council also conducts preliminary deliberations on important matters to be resolved on by the Board of Directors.

As part of our Sustainability Organizational Framework, we have established a Sustainability Committee, chaired by the President, as a subcommittee of the Board of Directors. Matters brought before this committee are reported to