

Haseko Group Long-Term Vision

– What the Company Aims to Be for the fiscal year ending March 2030 –

After completing the rehabilitation, the Haseko Group, which completed the previous management plan aiming for rebirth and advancement of the Company as “Newborn Haseko,” has set the time to achieve our goal as a long-term vision in the fiscal year ending March 2030, ten years from now.

Making a further leap forward in a “corporate group for housing to create great living”

FY Ending March Target Profit Level: Consolidated ordinary income: 150 billion yen

■ What the Company Aims to Be

The Company will endeavor to specifically realize its social mission of “contributing to society by creating a living environment that is optimal for cities and people” by responding to changes in social conditions, including the aging society with fewer children, decreasing population, trends for “compact cities,” disasters, aging buildings, environmental awareness and energy saving and community formation. For this purpose, the Company will aim to make a further leap forward in a “corporate group for housing to create great living,” both in terms of physical products and services and know-how by combining its initiatives on rental housing, housing for the elderly, commerce, nursing care, childcare, healthcare, medical care and education, etc., with a focus on for-sale condominiums.

New Medium-term Business Plan Haseko Next Stage Plan (Plan NS)

– Aiming for growth to the Next Stage –

Period Covered by the Plan NS:

The fiscal year ending March 2021 – The fiscal year ending March 2025

Positioning of the Plan

The Company sets the Medium-Term Business Plan for five years until the fiscal year ending March 2025 as a path leading to the Long-Term Vision.

Basic Policies

1. Strengthen corporate management that builds on both the Construction-Related Business, which primarily targets the market for new housing supply, and the Service-Related Business, which is centered on the market related to existing residences, etc.
2. Deepen coordination among the Group companies and realize a corporate entity that proves to be worthy of the trust received from urban dwellers
3. Provide safe, reliable and comfortable housing and urban environment
4. Establish a stable profit base through growth strategy investment
5. Maintain a strong financial base and enhance shareholder returns
6. Challenge for new endeavors from a medium- to long-term perspective
7. Focus on establishing CSR management

Numerical Targets:

100 billion yen in consolidated ordinary income for the fiscal year ending March 2025

At least 30 billion yen in ordinary income of consolidated subsidiaries for the fiscal year ending March 2025

400 billion yen in consolidated ordinary income in aggregate for the five fiscal years

from the fiscal year ending March 2021 to the fiscal year ending March 2025

Focused Strategies

1. Strengthen competitiveness of core businesses

- (1) Expansion of construction-related business domain
 - 1) Maintaining and strengthening superiority in condominium construction due to the expansion of construction of high-rise condominiums etc.
 - 2) Expansion of construction orders other than condominiums such as rental condominiums, condominiums for students and seniors, dormitories and company housing, hotels, offices, logistics facilities, etc
 - 3) Shortening construction time and enhancing cost competitiveness through utilizing BIM and other ICT-related technologies
 - 4) Product development utilizing eco-friendly technology and IoT
- (2) Expansion of redevelopment and reconstruction business / response to compact city
- (3) Continuation and strengthening of service-related business
 - 1) Expand business area to major regional cities, not only metropolitan areas
 - 2) Restructure business model by introducing advanced technology

2. Expansion of investment in real estate-related business

- (1) Expansion of business areas for condominium sales business
- (2) Rental properties holding and development business
 - 1) Holding rental properties to raise stable revenue sources
 - 2) Diversification of development projects by establishing private placement REIT, securing new revenue sources

3. Initiative for future growth

- (1) Investment for realizing digital transformation (DX)
 - 1) Utilize the latest IT-related technologies such as AI, sensors, communications, robots, etc., cooperate with various manufacturers, venture companies, universities, research institutions, etc., and realize digital transformation
- (2) Investment for introducing advanced technologies by value, technology and innovation division
 - 1) Fundamental innovation of existing business productivity, mainly in service-related businesses
 - 2) Creation of new business models that actively utilize advanced technologies
- (3) Investment in overseas business
 - 1) Re-establish profit base in the United States (Hawaii)
 - 2) Establish a design and construction production system in Southeast Asia
 - 3) Participation in real estate development projects
- (4) New investment
 - 1) Proposal of living style according to the needs of the times and development of new products and new services
 - 2) Conduct M & A focusing on improving services of existing businesses and expanding business areas with growth potential
- (5) Investment in human assets
 - 1) Creating autonomous human resources and organizations that form the basis of growth strategies
 - 2) Creating an environment that brings out the diversity of human resources and the job satisfaction of each and every employee
 - 3) Nurturing innovative human resources and globally active human resources who create new value
 - 4) Transparent treatment that encourages employees to take on challenges

Focused Strategies

4. Investment plan

Plan to invest 240 billion yen in 5 years to build stable profit base

Categories	Investment Amount (5 years)	
Condominium sales business	50 billion yen	■ Expanding business areas
Rental properties holding / development business	70 billion yen	■ Holding rental properties to raise stable revenue sources ■ Establishing private placement REIT
Overseas business	60 billion yen	■ Re-establish profit base in the United States (Hawaii) ■ Establish a design and construction production system in Southeast Asia ■ Participation in real estate development projects
Advanced technology investment	20 billion yen	■ Fundamental innovation of existing business productivity ■ Creation of new business models
New businesses, M & A, etc.	40 billion yen	■ Development of new products and new services ■ Conduct M & A focusing on improving services of existing businesses and expanding business areas with growth potential
Five-year total investment amount	240 billion yen	

5. Financial strategy and shareholder returns

- Accelerate growth strategy investment and enhance shareholder returns while maintaining a strong financial base
- Continue to pay stable dividends. In addition, share buyback is flexible, taking into account the business environment, growth investment opportunities, the Company's stock price level, and improving capital efficiency.

<Dividend policy>

- Minimum annual dividend per share: 70 yen
- Total return ratio calculated from the sum of net income for 5 fiscal years : about 40 %

Dividend per share (yen)

13/3	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3
0	3	10	15	30	50	80	70	70

Resumption
of
dividends

Minimum
of
70 yen

6. Initiatives of CSR management

- (1) Enhance corporate value by implementing both "creating social value" and "growing the group" through solving problems regarding business
- (2) Incorporating important ESG factors to pursue for long-term growth, and the strengths of the Company group into CSR themes, and promoting CSR target

Initiatives of focused strategies

Expansion of construction-related business domain

Expansion of construction of high-rise condominiums

In recent years, the condominium market has seen increased supply of ultra-skyscraper condominiums, including redevelopment projects in the station-front retail districts due to heightening needs for convenience. Haseko attaches importance to ultra-skyscraper condominiums in terms of intensive use of land in city centers and with regard to the Compact City Policy promoted by the Ministry of Land, Infrastructure, Transport and Tourism. As such, the Company works to further deepen its system to design and construct ultra-skyscraper condominiums, promoting construction of safe and secure condominiums of all types.

Ultra-skyscraper condominiums offered by Haseko



Prime Parks Shinagawa Seaside The Tower



Laurel Tower Renai Hamamatsucho

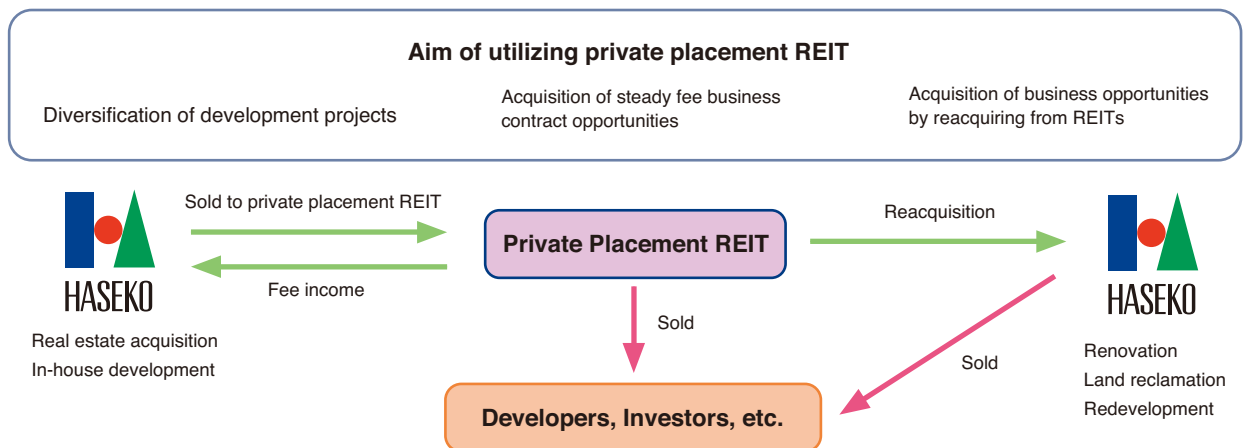


Laurel Tower Midosuji Honmachi

Expansion of investment in real estate-related business

Increase in holding rental properties /Establishment of private placement REIT

Trying to further raise the source of stable earnings by expanding the ownership of rental properties. In the future, aiming to establish and utilize the private placement REIT.



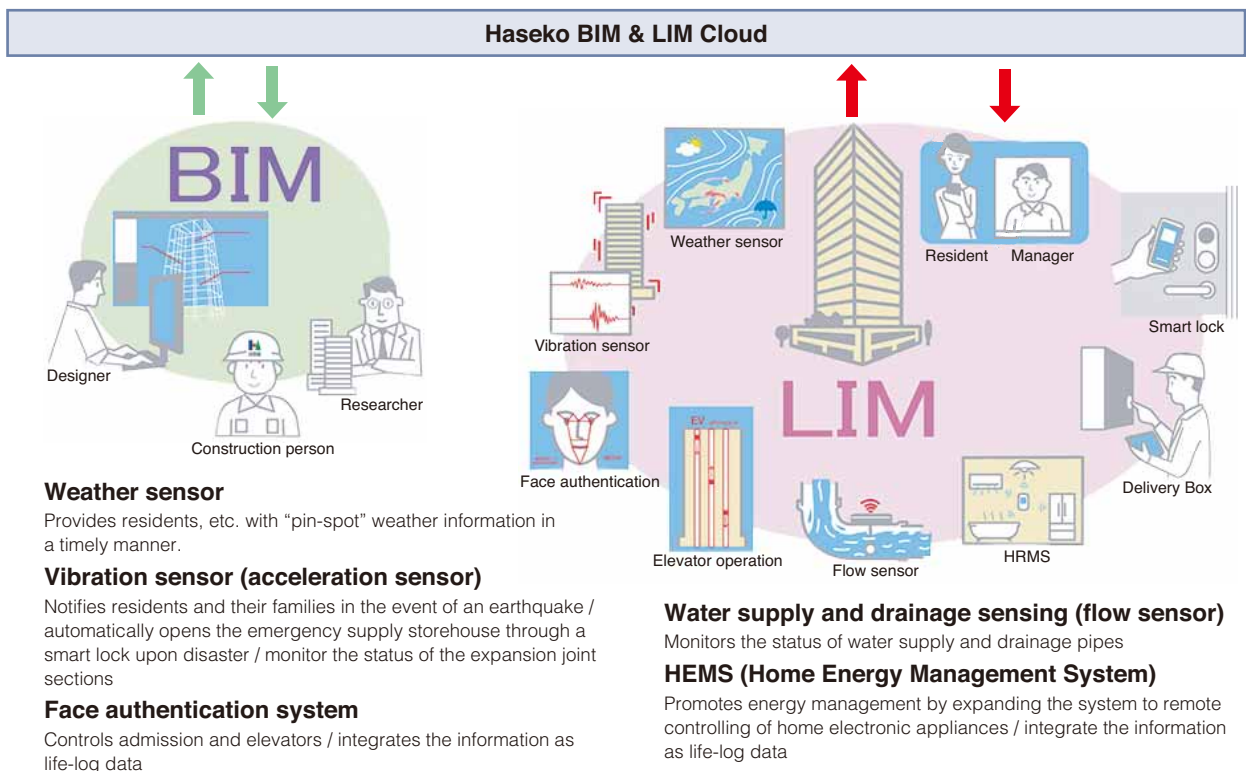
Initiatives of focused strategies

Investment for realizing digital transformation (DX)

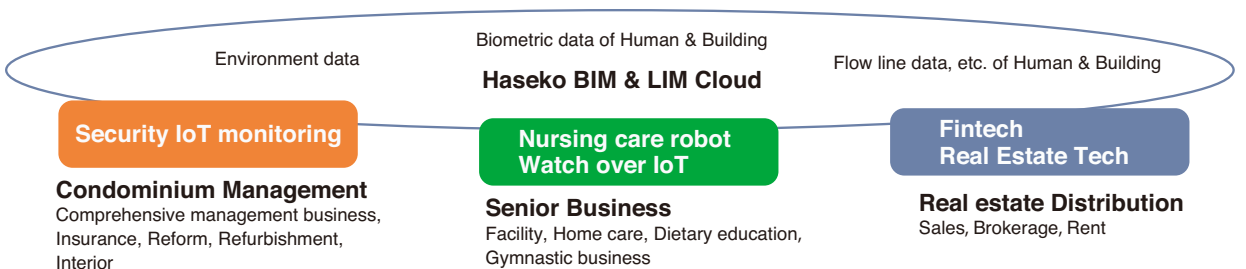
Utilization of ICT for apartments and initiatives for open innovation

The Haseko Group is building an information platform that integrates housing information through design and construction and living information, including the information obtained from sensors incorporated in condominiums, on its proprietary cloud system.

In March 2020, as an initiative to create a scheme named Living Information Modeling (LIM), Haseko started to collect a variety of living information from within condominiums. Combining it with BIM (Building Information Modeling), which the Company has introduced for all stages of its condominium business, Haseko is strongly promoting digital transformation (DX).



Development of use in service-related business



Construction completed for Feel I Residence (72 units in total), an ICT-equipped condominium that fully incorporates advanced ICT and systems, in March 2020. A variety of data obtained from these technologies and systems units are integrated and analyzed as "living information" on the information platform (BIM & LIM Cloud). Through this process, the Company aims to utilize the data for supporting daily lives in condominiums, including security, information services, watching from afar, disaster prevention, maintenance and repairs, as well as for extending the life of buildings.

Initiatives of focused strategies: Investments for Adopting Advanced Technologies

Haseko endeavors for productivity reform and creation of new services by utilizing advanced technologies.

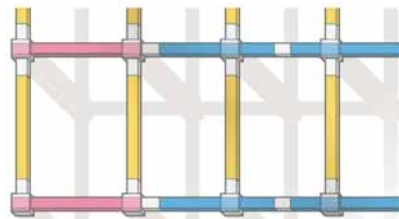
Improving Productivity of Constructing Ultra-Skyscraper Condominiums Developed "PCa Beam-Division System for Ultra-Skyscrapers" Linked With Haseko-Version BIM

The system makes it possible to simulate beam division by only inputting such construction conditions as beam dimensions, concrete strength, and joint length, without requiring special expertise or experience. Compared with before introduction of the system, the time needed for investigation is nearly halved.

By linking with the Haseko-version BIM, the system also enables information-based production at the precasting plant. This should improve productivity as well as eliminate PCa drawings, etc.

Characteristics of "PCa Beam-Division System for Ultra-Skyscrapers"

- The time needed for investigation of beam division is nearly halved.
- Only inputting building overviews and construction conditions is needed, and no special expertise or experience is required.
- By linking with the Haseko-version BIM, the system enables information-based production at the precasting plant (improving productivity and eliminating use of paper).



Illustrative drawing of PCa beam division (divided into blue, red, and yellow portions),



PCa beam construction

"AR Takumi RESIDENCE"

Utilizing Mixed Reality for the First Time in Japan for Condominium Tile-Hammering Tests

The Company developed "AR Takumi RESIDENCE," a mixed reality (MR) solution for exterior wall tile-hammering tests for condominiums, jointly with Microsoft Japan Co., Ltd. The use of mixed reality in tile-hammering tests for condominiums is the first such application in Japan (according to Microsoft Japan). The solution was introduced in July 2020 in the Kanto area where Haseko Reform conducts building diagnosis and is to be gradually expanded nationwide.



Hammering test conducted by wearing HoloLens2



Screen of inspection record item selection



Example of lifting tiles