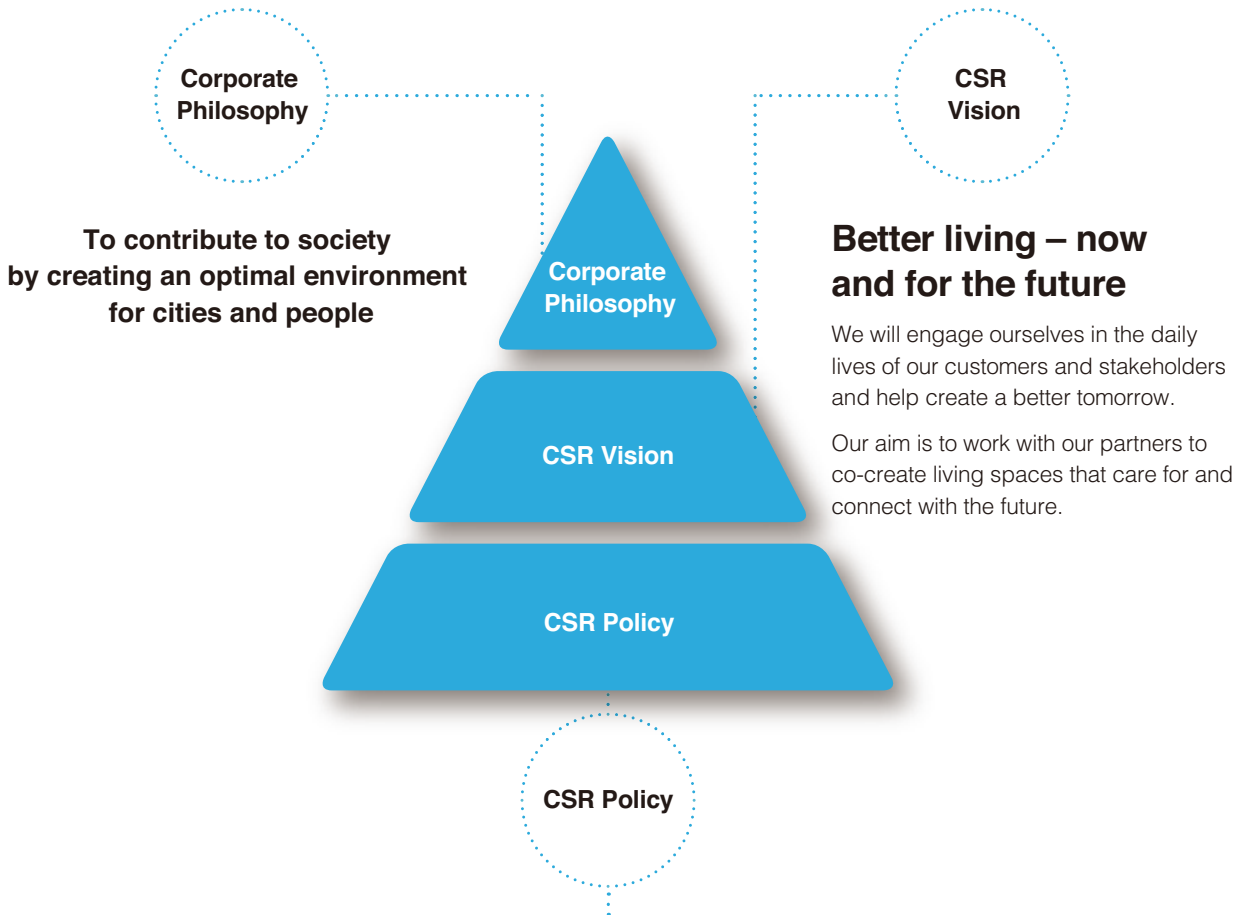


Haseko Group’s CSR Management

We at the Haseko Group adopt a long-term perspective as we aim to address the social issues surrounding our daily lives through business operations.

As a corporate group for housing to create great living, we will promote CSR initiatives based on our CSR vision below to fulfill our corporate philosophy.

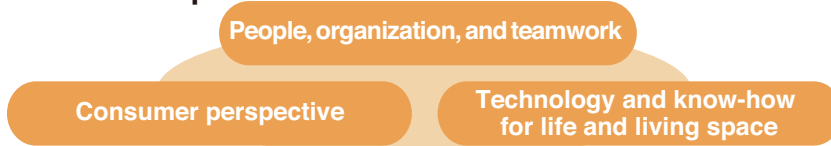


Based on our CSR vision, we, in the Haseko Group, promote CSR activities in accordance with the following policy items:

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.

The capabilities of the Haseko Group

We cherish the collective capabilities of the Haseko Group, and they serve as the primary driving force of our CSR initiatives.



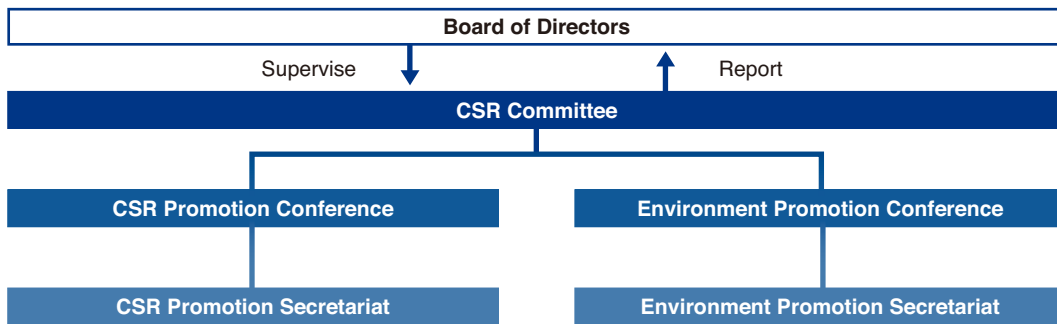
CSR Organizational Framework

The Haseko Group regards CSR to be an important management issue and aims for systemic progress in CSR activities through operation of the management structure.

The details determined at the “CSR Committee,” which is chaired by the President of Haseko Corporation, are incorporated into the Group’s overall strategy through the “CSR Promotion Conference” and the “CSR Promotion Secretariat.” The members of these bodies take the lead in promoting and instilling CSR activities throughout the Group.

Furthermore, a new structure under which the Board of Directors has a supervisory function will be established in the fiscal year ending March 2022 for periodic reporting. In addition to the “CSR Promotion Conference” and “CSR Promotion Secretariat” which are subordinate bodies under the “CSR Committee,” we have established the “Environment Promotion Conference” and “Environment Promotion Secretariat” to respond to environmental measures such as decarbonization as well as energy and environment technologies. We will promote initiatives for environmental issues even more strongly as a management strategy linked to CSR activities.

Diagram of CSR Management Structure



Haseko Group CSR Action Plan

The Company has established the Haseko Group CSR Action Plan to designate specific initiatives for implementing CSR management and works to promote such endeavors. The CSR Action Plan, with the four main CSR themes as its basic structure, consists of initiative items to move toward “What the Company Aims to Be for the fiscal year ending March 2030,” as well as key performance indicators (KPIs) to measure how much progress is made to achieve the goal. The Action Plan covers the business activities of the entire Haseko Group, and will be reviewed and improved each fiscal year.

With the medium-term business plan (Plan NS) established in February 2020, the Company reviewed the Action Plan in order to further reinforce the linkage between CSR and the management policy.

Toward Establishing CSR Management

— “Haseko Next Stage Plan,” Our Medium-Term Business Plan

In February 2020, the Company established the Haseko Group Long-Term Vision ~What the Company Aims to Be for the Fiscal Year Ending March 2030 ~ and the Haseko Next Stage Plan (Plan NS), the medium-term business plan for achieving the vision, with an aim to make a further leap forward as a “corporate group for housing to create great living.”

By setting “endeavors on CSR management” as a key strategy and working to further enhance its linkage with corporate management, the Company will aim to achieve sustainable growth of the Haseko Group.

In order to make a further leap forward as a corporate group for housing to create great living, the Company will implement the following initiatives.

1. Enhance corporate value by implementing both “creating social value” and “growing the group” through solving social 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

Our Four Main CSR Themes

We are determined to promote initiatives aimed at realizing the “four main CSR themes” that describe what the Haseko Group’s CSR should be.

Our Four Main CSR Themes	Eighteen key sub-themes	Related SDGs	ESG*
Creating attractive living spaces	<ul style="list-style-type: none"> ● Safety, security and comfort ● Enabling diverse lifestyles ● Community ● Environmental consideration in daily life 		E / S
Building a company worth working at	<ul style="list-style-type: none"> ● Enabling the flourishing of diverse talent ● A safe and healthy working environment ● Personnel development and technology succession ● Supply chain 		S
Protecting the precious environment	<ul style="list-style-type: none"> ● Cyclical resource use ● Energy & CO₂ ● Pollution prevention and consideration for the local environment ● Supply chain 		E
Nurturing a culture of trust	<ul style="list-style-type: none"> ● Corporate ethics and compliance with the law ● Respect of human rights ● Information disclosure and stakeholder engagement ● CSR education and training ● Promotion of philanthropic activities ● Strengthening of collective capabilities of the Group 		G

*ESG: Environment, Social, Governance

Social issues and SDGs closely related to the Haseko Group’s businesses

Of the seventeen Global Goals (SDGs) promoted by the United Nations, we have identified ten that are deeply connected 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.

Social issues surrounding our daily lives

Response to climate change; Conservation of ecosystems
 Safety and security; Disaster prevention and disaster response;
 Regional revitalization; Response to demographic change and aging society; Diversity promotion; Active participation of women; Health, medical care, and nursing care: Vocational education and creation of employment opportunities;
 Childcare and parental care; Sustainable consumption;
 Cyclical use of resources

SUSTAINABLE DEVELOPMENT GOALS



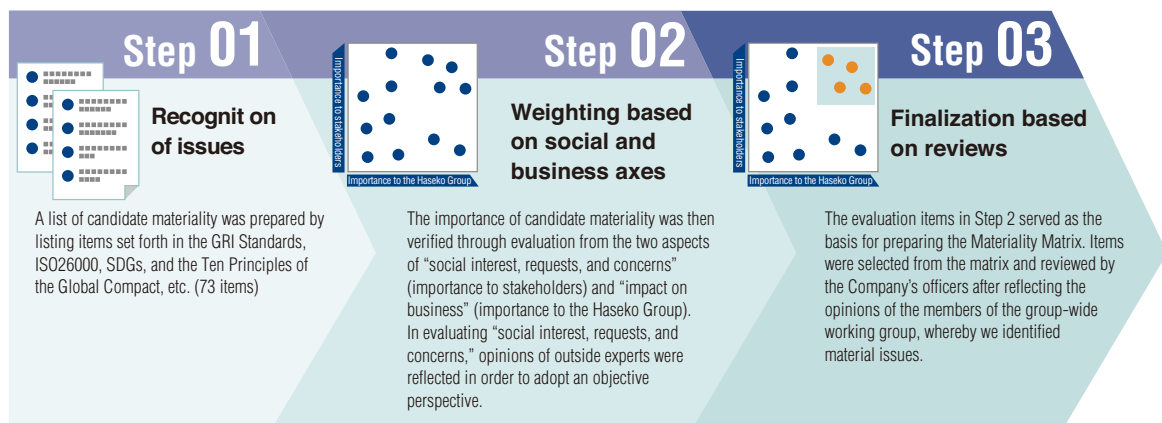
Materiality

Amidst accumulating environmental and social issues, including climate change, energy problems, aging society with fewer children, poverty and human rights issues, corporations have a growing responsibility to solve such issues. The Haseko Group identified priority issues to be addressed as materiality (material issues) in 2017 and incorporated these issues into our guidelines for promoting CSR.

The details of materiality were revised in February 2020 with the start of the medium-term business plan, "HASEKO Next Stage Plan." When undertaking the review our investigation was made from the perspective of business and social axes considering factors such as the medium-term business plan, social conditions, and opinions outside experts. The decision was made through a review by officials in March 2021 and we have taken initiatives in line with the materiality since April that year.

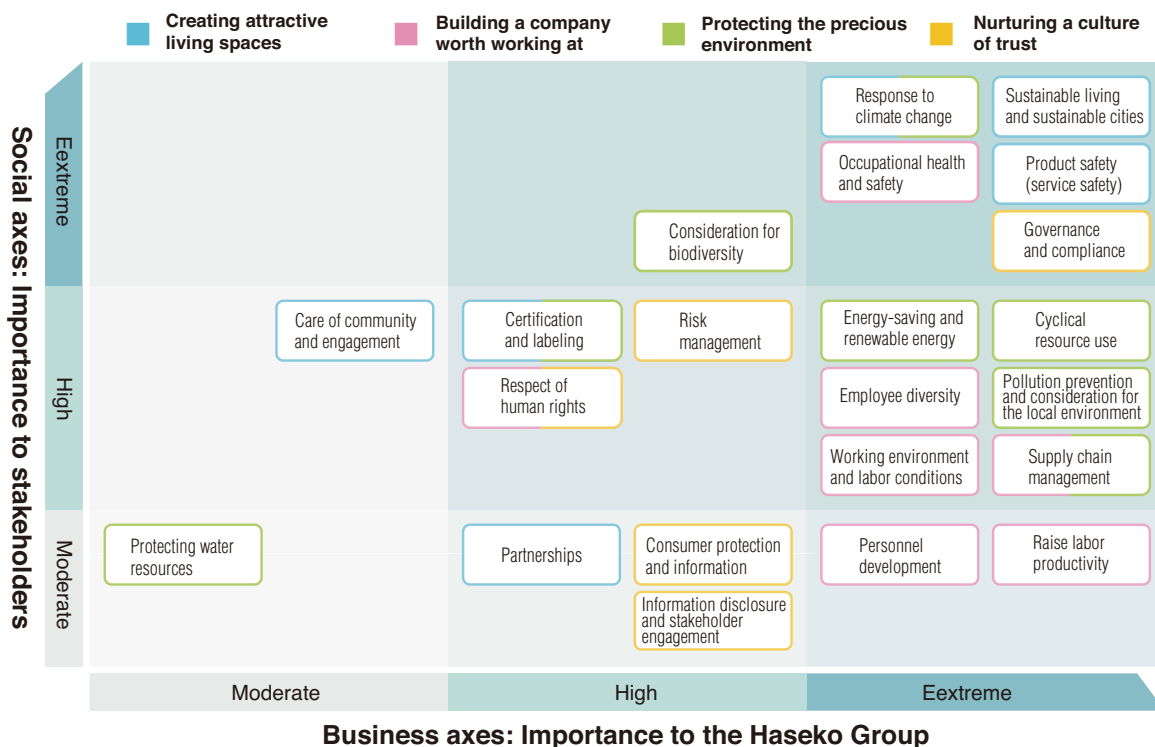
We will conduct periodic reviews as necessary from a perspective of consistency with the management policy and social conditions.

Materiality Identification Process



Haseko Group Materiality

Identified materiality have been incorporated as components of our four main CSR themes.



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

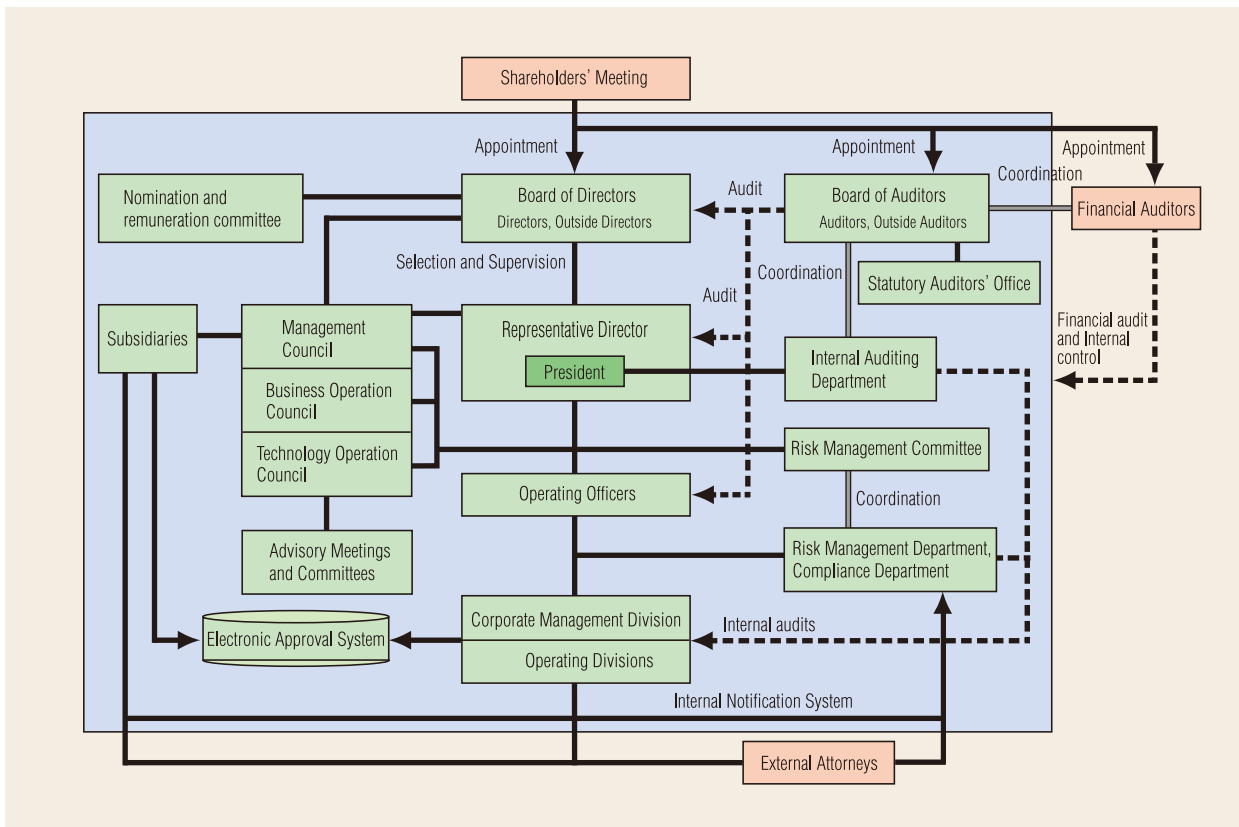
record to occupy at least one third of the Board of Directors, so that they shall provide appropriate opinions and advice in order to further activate discussions at the Board of Directors as well as enhance the function to monitor business management. We are working to establish a system that is optimum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