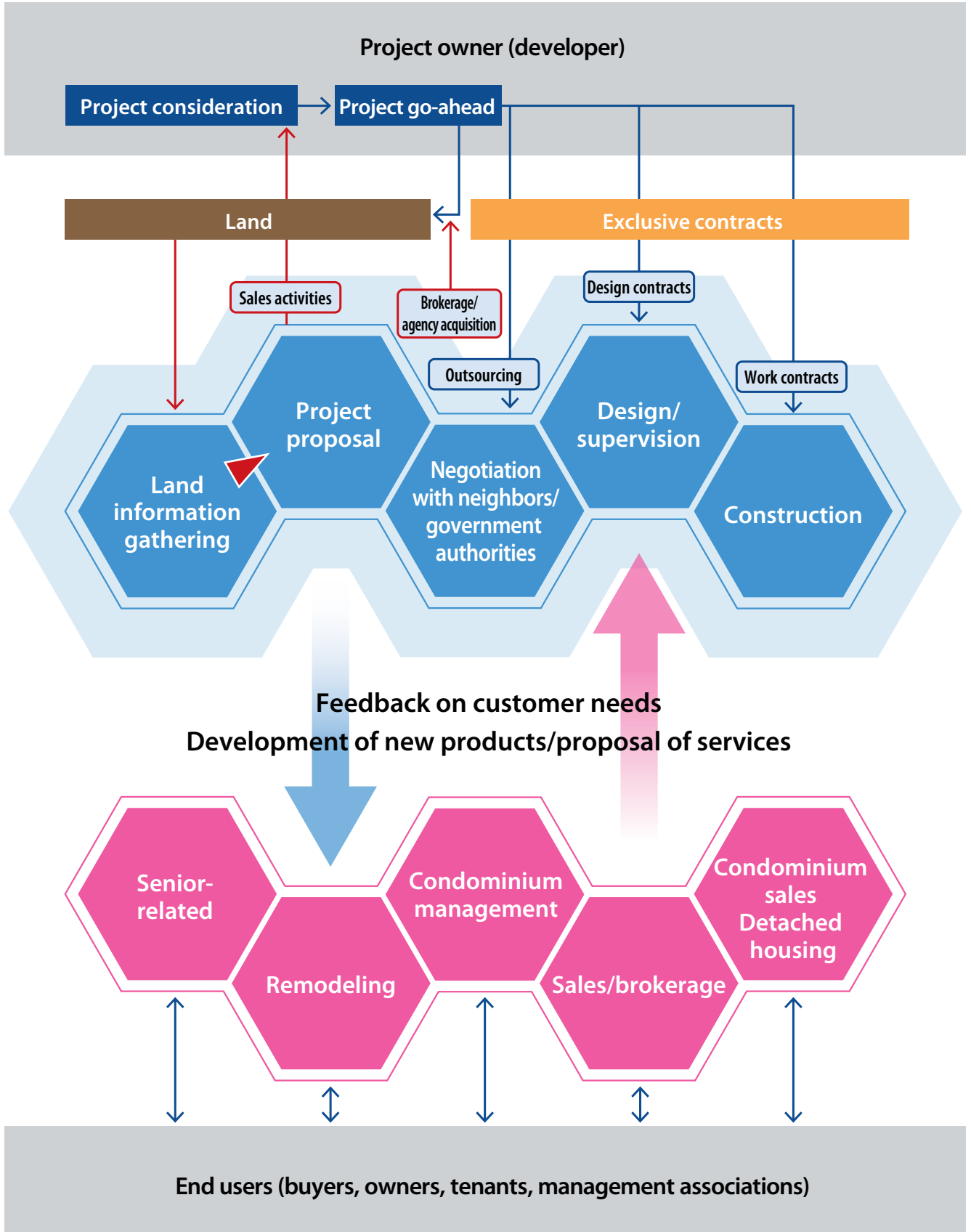


Business Model of the Haseko Group

With a focus on for-sale condominiums, we are engaged in various businesses including land information collection, project planning, neighborhood negotiations, permit acquisition, design, and construction. The Group companies provide services in ancillary fields, with the aim of creating optimal environments through the utilization of the collective capabilities of the Haseko Group.



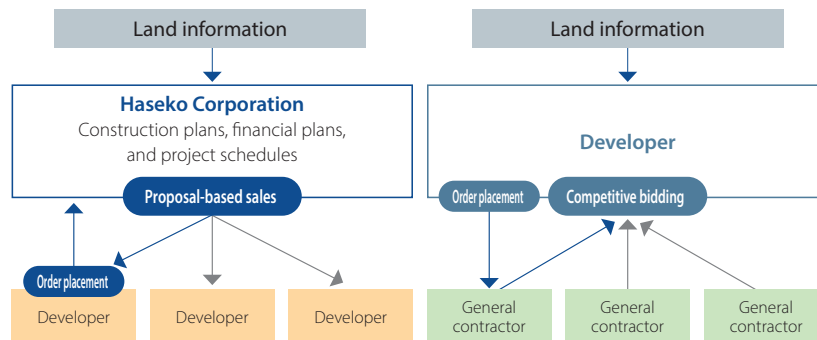
Core Competence

1 Exclusive contracts under which land is provided for project owners

One of the defining features that establish Haseko Corporation as a leading company in the condominium industry is its method of receiving orders known as "exclusive contracts."

This represents Haseko's unique business model, in which we provide project owners with land information we have procured and execute proposal-based sales that incorporate our planning. Based on the capabilities in gathering land information and enhanced functions, we develop highly accurate construction plans, financial plans, and project schedules within a brief timeframe, and proceed with proposal-based sales. Furthermore, we accommodate all requirements, including negotiations with neighbors and government authorities.

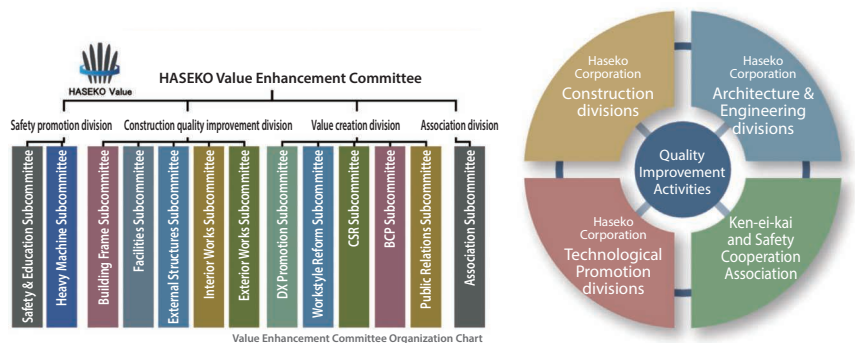
This business approach, which involves proposing business plans that include land provision rather than just undertaking construction from project owners, has proven to be highly profitable.



2 Quaternity

We are endeavoring to enhance quality through the integrated operation of four bodies, (quaternity), consisting of the construction divisions, architecture & engineering divisions, technological promotion divisions, and Ken-ei-kai (an organization of approximately 300 or more of our main cooperating companies). We have enjoyed a strong relationship of trust with the Ken-ei-kai for more than 25 years, and this quality control framework by quaternity is a strength that no other company has. Since 1991, we and the Ken-ei-kai have been pursuing Autonomous

Management Activities, striving to ensure high levels of construction precision and quality control. In 2016, these activities marked their 25th anniversary, and were reinvented as Haseko Value Enhancement Activities. We are aiming to take a further leap forward by utilizing the combined strength of all workers and five subcommittees grouped by type of construction, namely building frame, facilities, external structures, interior works, and exterior works. The outcomes of these activities are conveyed to work sites and relevant departments, and also shared at the "Debriefing Session on Value Enhancement Activities" held once a year, with the goal being to achieve "succession," "widespread acceptance," and "collaboration" at a deeper level.



Quality Activities Driven by Cooperation among Four Bodies (Quaternity)

Risks for the Haseko Group

Here we present key matters that we believe could materially affect decision-making by investors. We recognize that the Haseko Group is exposed to various other risks besides these, and strive to do our best to ensure that they do not materialize and to mitigate them through diversification or avoid them altogether.

Nevertheless, it is possible that the Group's operating performance and financial position could be adversely affected as a result of external factors beyond the Group's control or events that are at the present time deemed unlikely to occur.

Key matters that could materially affect decision-making by investors

- Dependence on the condominium business
- Construction market trends
- Legal and administrative regulations, etc.
- Relationships with local residents
- Liability for noncompliance with contracts
- Accidents and other incidents in the construction business
- Credit risk of clients
- Owned real estate
- Corporate acquisitions, etc.
- Unbalanced business areas
- Overseas business risks
- Operational risks
- Management of personal information, etc.
- Fund procurement and interest payments
- Stock market trends
- About the Medium-term Business Plan
- Climate change risk