



Messages from the Outside Directors

Ensuring the diversity and effective supervisory functions of our outside directors

In addition to Board of Directors meetings, we take an agile approach to holding separate discussion sessions with Board of Directors members when it comes to important issues. By dedicating sufficient time to these discussions, we proactively encourage the role of outside directors in overseeing and advising on management execution.

We hope that by incorporating urban development as a method into our founding business, it will become a pillar of sustainable growth



Kazuhiko Ichimura
Outside Director

Since our founding, we have been committed to making high-quality housing complexes widely available, focusing on the construction of condominiums. In recent years, however, we have moved beyond solely building individual condominiums to promoting urban development that combines various functions from the standpoint of creating communities. This approach significantly contributes to the supply of even better-quality housing and the creation of comfortable living spaces, fostering inclusive communities where both children and the elderly can participate. From a profitability perspective, not only has sales revenue increased on a non-consolidated basis, but our collaboration with Group companies responsible for service-related fields has also been strengthened, contributing to increased value on a consolidated basis.

Furthermore, the development of "Compact Cities," which are

highly convenient and require little movement of people and goods, is an area that should be vigorously pursued, in combination with the introduction of renewable energy. The is an area with extremely high societal need as we aim to achieve a low-carbon society, and one into which we should pour all of the planning and technical capabilities we have cultivated, along with the various service functions performed by our Group companies. New towns created through urban development are equipped with the latest software and hardware, and are highly regarded by society as "towns people want to live in," due to their comfort, safety, and security.

Incorporating urban development as a method into our founding business will generate social value, while at the same time creating economic value for the Company. We believe this will become a major pillar of sustainable growth for us.

We closely monitor to ensure an environment in which our employees can perform to their fullest potential is in place across the entire organization.



Mami Nagasaki
Outside Director

While the core of our business is the construction of condominiums, in recent years we have also been focusing on the construction of non-residential buildings such as logistics facilities, as well as the development of rental condominiums, thus expanding our business areas. To ensure sustained growth for the Company, it is necessary to take on challenges in new fields. I would like to contribute to the management of the Company through offering objective opinions from an external perspective, with a view to supporting the bold challenges being undertaken by the management team.

I am an attorney at law with practical experience mainly in corporate legal affairs. In addition to working on dispute resolution in the construction industry, I also have experience as an executive director in an investment corporation. The primary role of an executive officer in an investment corporation is to supervise the asset management company to protect the interests of investors and to ensure compliance. I feel that this experience is useful in fulfilling my duties as an outside director,

overseeing the management as a representative of shareholder interests. Additionally, the number of proposals related to real estate development and investment is increasing within the Company. Along with judging and evaluating risks, I also provide candid opinions from the perspective of profitability and investment efficiency.

In terms of upcoming challenges, the construction industry is not only grappling with a labor shortage but also faces the impending "2024 problem," whereby overtime regulations are set to tighten considerably. While we are working on labor efficiency initiatives through digital transformation (DX), human input remains indispensable in construction. The active involvement of diverse human talent is essential for enhancing corporate value. I intend to speak my mind without undue deference, while keeping close watch to ensure an environment is in place throughout the organization that enables employees to fully utilize their abilities.

We provide advice and oversight to ensure that the Company can achieve sustainable growth without becoming overly fixated on its individual strengths

Toshikatsu Ogura
Outside Director



When interacting with executives and employees as an outside director, I feel that this company possesses two unique strengths rarely seen elsewhere.

The first strength is the company's unique business model, whereby condominiums are built on land acquired through dealings with landowners in good faith and then handed over to developers. Even if they don't know the company name "Haseko Corporation," almost everyone is familiar with the commercial jingle in Japanese with a meaning in English of "For all things condominiums, it's Haseko."

The second strength is the experience of having been through a crisis that threatened the company's existence over twenty years ago. Based on this experience, a system has been established whereby Board of Directors meetings and other checks are carried out at all key points during business expansion.

On the other hand, considering the market environment and other factors going forward, further company growth is unlikely without taking on challenges in new fields. Furthermore, the speed of societal change is only increasing. In such a context, relying too much on these two strengths could result in significant missed opportunities. Nonetheless, it is crucial to always bear in mind that these two strengths are the cornerstone of our business operations.

Fortunately, our executives and employees are fully aware of this and are conducting operations accordingly. However, as an outside director responsible for providing advice and oversight on key matters of corporate management, I will continue to strive to ensure that the Company can sustainably grow based on these two strengths, thereby further enhancing its corporate value.

I contribute toward implementing and realizing initiatives that heighten shareholder expectations for growth

Shinsuke Fujii
Outside Director



The future decline in population and number of households in Japan is a certainty, making it inevitable that the domestic condominium business will hit a ceiling—even if we manage to expand our market share. Under such circumstances, following discussions by the Board of Directors, we have outlined a strategy of seeking out the next drivers of growth in the real estate business and overseas business, among others.

Considering the importance of formulating strategy for overseas business, we held an opinion exchange session among Board of Directors members last year. By setting aside dedicated time for this, we were able to hear candid opinions from many Board of Directors members, resulting in what I felt was a very valuable meeting that supplemented the Board of Directors' usual discussions. For the immediate future, we're focusing on the mainland U.S. as our primary battleground. Our strategy will be to hone in on its residential sector as our main target, in particular

rental condominiums and senior living facilities, which are relatively less impacted by market fluctuations.

In my previous role at Mitsui & Co., LTD. I served as chairman of the committee that reviewed investment and financing projects for the whole company, in addition to overseeing the overseas real estate business. I have drawn on this experience in providing input from a variety of perspectives. One example is advice from a shareholder's perspective, such as the importance of considering the ideal organizational structure for driving forward initiatives, as well as management that emphasizes time value and capital efficiency in the rental business—where profit margins can be low—through raising occupancy rates quickly and turning over assets in a short period of time. Going forward, I intend to contribute not only to improving profits, but also to initiatives that heighten shareholders' expectations for growth.

It is essential to continually check and review our measures for addressing risks and challenges

Toru Izawa
Outside Director



The condominium business includes everything from design and construction to property handover, spanning a long period of time. Changes in the market environment during this period pose risks. Additionally, there are risks associated with acquired land, such as fluctuations in market value and low liquidity. Furthermore, when it comes to condominium construction, careful consideration and response to the concerns of the surrounding community is indispensable.

We established, at an early stage, a unique business model of building condominiums under exclusive contracts under which land is provided for project owners. Through years of innovation and experience, we've addressed these risks and challenges, becoming the leading company in Japan as far as achievements in condominium construction are concerned.

However, the circumstances surrounding us are changing year by year, and it is essential to continually check and review our measures for addressing these risks and challenges.

In addition, in recent years there has been a significant increase in the cost of materials and labor, as well as an intensification of the competitive environment. Furthermore,

natural disasters such as floods, landslides, and earthquakes have been occurring frequently in many areas. Moreover, a declining birth rate, an aging population, and a decrease in total population is increasingly having a significant impact on the sustainability of local communities and the ease of securing talent across various industries.

The Company is taking a variety of measures to appropriately address these diverse challenges. However, as outside directors, we feel it's necessary to contribute our expertise in monitoring operations, as well as provide relevant advice.

We also believe that by appropriately disseminating and explaining the outcomes of discussions and considerations in Board of Directors meetings and such, we can enhance understanding and evaluation of stakeholders and the market, leading to sustainable growth for the Company.

We will continue to strive to ensure that people feel living in a Haseko home offers safety and peace of mind, inspiring hope for the future. We aim to ensure Haseko is a company that people want to invest in and a workplace where workers and staff members are willing to fully utilize their skills.

Skills matrix for outside directors

Name	Company management strategy	Finance/Accounting	Legal affairs Risk management	Overseas business	Construction/Architecture	Sales/Real estate	Urban development	Technology/DX	ESG/Sustainability
Kazuhiko Ichimura	●	●	●				●		●
Mami Nagasaki		●	●						●
Toshikatsu Ogura	●	●	●					●	●
Shinsuke Fujii	●	●	●	●					●
Toru Izawa	●		●		●	●	●		