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## Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

February 9, 2023

Company name: HASEKO Corporation  
Code number: 1808

Stock exchange listing: Tokyo Stock Exchange, Prime section  
URL: <https://www.haseko.co.jp/hc/>

(Amounts are rounded to the nearest million yen)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 1, 2022 to December 31, 2022)

#### (1) Consolidated Operating Results

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
December 31, 2022	706,522	12.9	56,586	(7.9)	55,050	(9.7)	36,945	(11.7)
December 31, 2021	626,052	13.1	61,465	31.8	60,976	33.3	41,826	34.5

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 52,626 million [ 19.7%]  
Nine months ended December 31, 2021: ¥ 43,976 million [ 35.0%]

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2022	134.44	-
December 31, 2021	152.20	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
December 31, 2022	1,100,096	446,928	40.6
March 31, 2022	1,081,907	417,667	38.6

(Reference) Shareholder's equity: As of December 31, 2022: ¥ 446,923 million  
As of March 31, 2022: ¥ 417,662 million

#### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	35.00	-	45.00	80.00
Fiscal year ending March 31, 2023	-	40.00	-		
Fiscal year ending March 31, 2023 (Forecast)				40.00	80.00

(Note) Revision to the forecast for dividends announced most recently: No

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	960,000	5.5	87,000	5.2	85,000	3.8	57,000	4.6	207.41

(Note) Revision to the financial results forecast announced most recently: No

\* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022  
(Changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common stocks)

1) Total number of issued shares at the end of the period (including treasury stocks):

December 31, 2022: 300,794,397 shares

March 31, 2022: 300,794,397 shares

2) Total number of treasury shares at the end of the period:

December 31, 2022: 25,980,905 shares

March 31, 2022: 26,148,175 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 274,799,156 shares

Nine months ended December 31, 2021: 274,803,962 shares

(Note) The number of treasury stocks above includes shares held as the trust assets for the Board Benefit Trust (BBT) and the Employee Stock Ownership Plan (ESOP).

Shares of the Company's own stock held in BBT and ESOP trust accounts are included in treasury stock subtracted from the calculation of the average number of shares during the period.

**This report is not subject to audit procedures by certified public accountants or audit firms.**

**Explanation regarding appropriate use of forecasts, and other specific comments**

The forecasts contained herein are based on information available as of the date of this announcement, and the actual results may differ materially from forecasts due to various factors. For details of assumptions for financial forecasts and other related matters, please refer to "1. Qualitative Information on Quarterly Financial Results (3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking information" on page 3 of the Attachment.

Supplementary materials for this report and results briefing materials can be found on the Company's website.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Results of Operation

For the nine months ended on December 31, 2022, Net sales were 706.5 billion yen (up 12.9% year on year) because an increase in a transaction volume of real estate for the purpose of receiving construction orders by the Company.

Operating income was 56.6 billion yen (down 7.9% year on year) due to a decrease in the gross profit of completed construction contracts associated with a decrease in its gross profit margin, and an increase in selling, general and administrative expenses.

Ordinary income was 55.1 billion yen (down 9.7% year on year) and net income attributable to owners of parents was 36.9 billion yen (down 11.7% year on year.)

Operating results by reportable segment are as follow:

	Billions of yen							
	Construction-related business		Real estate-related business		Service-related business		Overseas-related business	
Net Sales	529.7	(+76.5)	62.2	(-3.1)	161.8	(+16.3)	0.0	(+0.0)
Segment income	48.5	(-1.4)	8.8	(-0.8)	8.2	(+1.8)	-2.6	(-1.3)

Figures in parentheses show the amount of increase or decrease from the same period of the previous fiscal year

#### (Construction-related business)

For construction works, projects owners have had high regard for the Company's ability in gathering land information as well as product planning, its attitude regarding construction quality and maintaining construction schedules, efficient production system, and such. Meanwhile, the gross profit margin of completed construction contracts lowered due to worsened construction profitability upon receiving orders and higher costs of material and labor, among other factors.

In terms of orders for new construction of for-sale condominiums, the Company won orders for 45 projects in total throughout Japan consisting of 37 projects in the Tokyo metropolitan area including 11 large projects of at least 200 units and 8 in the Kinki and Tokai areas including 3 large projects of at least 200 units. In addition, aside from construction of for-sale condominiums, the Company received orders for 11 projects for rental housing, etc. As for construction completion, the Company completed construction of 48 projects including 6 projects for rental housing, etc.

The segment posted sales of 529.7 billion yen, (up 16.9% year on year) because of an increase in a transaction volume of real estate for the purpose of receiving construction orders by the Company. Operating income was 48.5 billion yen (down 2.9% year on year) because of a decrease in the gross profit of completed construction contracts due to a decrease in its gross profit margin, and an increase in selling, general and administrative expenses.

#### (Real estate-related Business)

The segment posted sales of 62.2 billion yen, (down 4.8% year on year) and operating income of 8.8 billion yen (down 8.5% year on year) because of a decrease of delivery new for-sale condominiums by consolidated companies.

#### (Service-related Business)

The volume of repair work in large-scale repair work and interior remodeling, the number of sold units in the renovation business and the volume of construction work in common areas and exclusive areas in for-sale condominium management operations increased. Meanwhile, the number of units to be delivered in consigned sales of newly built condominiums decreased.

The segment posted sales of 161.8 billion yen (up 11.2% year on year) and operating income of 8.2 billion yen (up 27.9% year on year.)

#### (Overseas-related business)

Construction and sales of new for-sale houses and development of a commercial facility are still progressing in Oahu, Hawaii.

The segment posted sales of 0.0 billion yen (the sales of 0.0 billion yen in the same period of the previous fiscal year) and operating loss of 2.6 billion yen (the operating loss of 1.3 billion yen in the same period of the previous fiscal year.)

## (2) Explanation of Financial Position

Total assets as of December 31, 2022 increased by 18.2 billion yen from the end of the previous fiscal year to 1,100.1 billion yen. This is mainly attributable to an increase in costs and advances for real estate operations in accordance with the investing in new for-sale condominium business.

Total liabilities were 653.2 billion yen, a decrease of 11.1 billion yen from the end of the previous fiscal year. This is mainly attributable to a decrease in income taxes payable.

Net assets were 446.9 billion yen, an increase of 29.3 billion yen from the end of the previous fiscal year. This is mainly attributable to the recording of net income attributable to owners of parents.

## (3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information

There is no change in the forecast announced on May 12th, 2022.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
<b>Assets</b>		
Current assets		
Cash and bank deposits	266,891	191,264
Notes and accounts receivable, trade	147,945	139,847
Marketable securities	576	724
Costs on uncompleted construction contracts	11,379	14,872
Real estate for sale	165,818	164,786
Costs and advances for real estate operations	176,887	221,621
Real estate for development projects	26,027	33,125
Other	14,642	24,048
Allowance for doubtful accounts	(84)	(88)
Total current assets	810,079	790,198
Fixed assets		
Property and equipment		
Buildings and structures	83,854	84,713
Machinery, vehicles, equipment and furniture	10,239	10,645
Land	96,325	105,684
Leased assets	1,203	1,244
Construction in progress	13,956	25,680
Accumulated depreciation	(31,396)	(33,382)
Total property and equipment	174,182	194,582
Intangible assets		
Land leasehold rights	1,895	1,894
Goodwill	2,387	2,235
Other	5,810	5,837
Total intangible assets	10,092	9,966
Investments and other assets		
Investment securities	43,125	60,357
Long-term loans receivable	2,333	3,542
Net defined benefit asset	20,416	21,639
Deferred tax assets	8,918	7,083
Other	13,548	13,527
Allowance for doubtful accounts	(787)	(799)
Total investments and other assets	87,554	105,349
Total fixed assets	271,828	309,898
Total assets	1,081,907	1,100,096

(Million yen)

	As of March 31,2022	As of December 31,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	86,480	80,926
Electronically recorded obligations	55,562	59,602
Current portion of long-term debt	31,841	31,205
Current portion of bonds payable	-	20,000
Income taxes payable	16,495	5,857
Advances received on uncompleted construction contracts	25,472	26,247
Advances received for real estate sales	38,095	30,689
Warranty	5,487	4,158
Allowance for losses on construction contracts	384	309
Accrued bonuses for employees	5,322	2,358
Accrued bonuses for director	157	-
Other	85,249	47,097
<b>Total current liabilities</b>	<b>350,543</b>	<b>308,449</b>
Long-term liabilities		
Straight bonds	90,000	70,000
Long-term debt	190,000	240,000
Provision for loss on litigation	2,484	3,092
Provision for employee stock ownership plan	3,446	3,766
Provision for board benefit trust	421	454
Liability for retirement benefit	1,446	1,599
Deferred tax liabilities	18	18
Other	25,883	25,790
<b>Total long-term liabilities</b>	<b>313,697</b>	<b>344,719</b>
<b>Total liabilities</b>	<b>664,240</b>	<b>653,168</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	57,500	57,500
Capital surplus	7,373	7,373
Retained earnings	392,149	405,497
Treasury stock	(34,333)	(34,101)
<b>Total shareholders' equity</b>	<b>422,689</b>	<b>436,269</b>
Accumulated other comprehensive income		
Net unrealized gain(loss) on other securities	2,358	1,326
Translation adjustment	(2,180)	13,915
Retirement benefits liability adjustments	(5,205)	(4,587)
<b>Total accumulated other comprehensive income</b>	<b>(5,027)</b>	<b>10,655</b>
Non-controlling interests	5	4
<b>Total net assets</b>	<b>417,667</b>	<b>446,928</b>
<b>Total liabilities and net assets</b>	<b>1,081,907</b>	<b>1,100,096</b>

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

## Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
<b>Net sales</b>		
Construction contracts	350,324	359,067
Design and supervision	5,164	5,706
Leasing and management	61,663	62,797
Real estate sale	195,688	265,494
Others	13,212	13,459
<b>Total net sales</b>	<b>626,052</b>	<b>706,522</b>
<b>Cost of sales</b>		
Construction contracts	288,541	298,328
Design and supervision	2,696	2,523
Leasing and management	47,721	48,862
Real estate sale	166,654	236,971
Others	11,028	11,142
<b>Total cost of sales</b>	<b>516,640</b>	<b>597,826</b>
<b>Gross profit</b>		
Construction contracts	61,783	60,739
Design and supervision	2,468	3,183
Leasing and management	13,942	13,935
Real estate sale	29,034	28,523
Others	2,184	2,316
<b>Total gross profit</b>	<b>109,412</b>	<b>108,696</b>
Selling, general and administrative expenses	47,947	52,110
<b>Operating income</b>	<b>61,465</b>	<b>56,586</b>
<b>Non-operating income</b>		
Interest income	63	61
Dividend income	1,142	358
Other	924	1,045
<b>Total non-operating income</b>	<b>2,129</b>	<b>1,464</b>
<b>Non-operating expenses</b>		
Interest expenses	1,243	1,310
Share of loss of entities accounted for using equity method	1	1
Incidental expenses for loan	1,332	1,354
Other	41	334
<b>Total non-operating expenses</b>	<b>2,617</b>	<b>3,000</b>
<b>Ordinary income</b>	<b>60,976</b>	<b>55,050</b>



(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
<b>Special income</b>		
Gain on sale of property and equipment	3	11
Gain on sale of investment securities	218	-
Subsidy income	-	45
Other	3	-
<b>Total special income</b>	<b>224</b>	<b>55</b>
<b>Special losses</b>		
Loss on disposal of property and equipment	35	95
Impairment losses	-	154
Other	3	41
<b>Total special losses</b>	<b>38</b>	<b>289</b>
Income before income taxes	61,162	54,816
Income taxes - current	15,034	16,358
Income taxes - deferred	4,302	1,513
<b>Total income taxes</b>	<b>19,337</b>	<b>17,871</b>
Net income	41,825	36,945
Net income attributable to non-controlling interests	(0)	(0)
Net income attributable to owners of parent	41,826	36,945

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net income	41,825	36,945
Other comprehensive income		
Net unrealized gain(loss) on other securities	(1,854)	(1,031)
Translation adjustments	3,417	16,095
Retirement benefits liability adjustments	587	618
Total other comprehensive income	2,151	15,682
Comprehensive income	43,976	52,626
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	43,976	52,627
Comprehensive income attributable to non-controlling interests	(0)	(0)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes to Going Concern Assumption)

Not applicable.

(Notes to Significant Changes in the Amount of Shareholder's Equity)

Not applicable.

(Changes in Accounting Policies)

(Accounting Standards Relating to Fair Value Measurement, etc.)

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 31, June 17, 2021; hereinafter referred to as the "Fair Value Accounting Standard"), etc. from the beginning of the current fiscal year, and in accordance with the transitional treatment stipulated in Article 27-2 of the Accounting Standard for Financial Instruments, the new accounting policy stipulated in the Fair Value Accounting Standards, etc. will be applied prospectively. The impact on the quarterly consolidated financial statement is immaterial.

(Segment information)

1. Reportable segment information (net sales and income (loss))

For the nine months ended December 31,2021

(Millions of Yen)

	Reportable Segments				Total	Adjustments and eliminations (Note 1)	Consolidated (Note 2)
	Construction- related business	Real estate- related business	Service- related business	Overseas- related business			
Net sales							
Sales to third parties	422,263	64,691	139,090	9	626,052	—	626,052
Inter-segment sales and transfer	30,919	680	6,480	—	38,078	(38,078)	—
Total	453,181	65,370	145,570	9	664,130	(38,078)	626,052
Segment income(loss)	49,925	9,662	6,386	(1,315)	64,658	(3,193)	61,465

Note 1 : Adjustment and eliminations of (3,193) million yen for segment income(loss) include (15) million yen of elimination of inter-segment transactions and (3,179) million yen of corporate expenses, which are not allocable to the reportable segments.

These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

Note 2 : Segment income(loss) has been adjusted with operating income in the consolidated statement of income.

For the nine months ended December 31,2022

(Millions of Yen)

	Reportable Segments				Total	Adjustments and eliminations (Note 1)	Consolidated (Note 2)
	Construction- related business	Real estate- related business	Service- related business	Overseas- related business			
Net sales							
Sales to third parties	490,226	61,888	154,380	28	706,522	—	706,522
Inter-segment sales and transfer	39,429	349	7,443	—	47,221	(47,221)	—
Total	529,655	62,237	161,823	28	753,743	(47,221)	706,522
Segment income(loss)	48,481	8,838	8,165	(2,589)	62,895	(6,309)	56,586

Note 1 : Adjustment and eliminations of (6,309) million yen for segment income(loss) include (2,500) million yen of elimination of inter-segment transactions and (3,809) million yen of corporate expenses, which are not allocable to the reportable segments.

These corporate expenses mainly consist of general and administrative expenses not attributable to reportable segments.

Note 2 : Segment income(loss) has been adjusted with operating income in the consolidated statement of income.

(Subsequent Event)

(Additional Contributions to a Board Benefit Trust (BBT) and a Stock-Granting Employee Stock Ownership Plan)

The Company made a resolution at its Board of Directors' meeting today to make additional monetary contributions to a Board Benefit Trust (hereinafter, the "BBT Scheme") and a Stock-Granting Employee Stock Ownership Plan (hereinafter, the "ESOP Scheme"). Regarding to "BBT Scheme", the trust established based on the trust agreement entered into with Mizuho Trust & Banking Co., Ltd. is hereinafter referred to as the "BBT Trust". Regarding to "ESOP Scheme", the trust established based on the trust agreement entered into with Resona Bank, Limited is hereinafter referred to as the "ESOP Trust."

For an overview of the BBT Scheme and ESOP Scheme, please refer to "Notice on the Adoption of Performance-Based Stock Compensation Schemes" released on March 16, 2017.

#### 1. Reason for Additional Contributions

To continue the BBT Scheme and ESOP Scheme, the Company will make additional contributions of money, as funds for the BBT Trust and ESOP Trust to acquire the Company's shares that are expected to be necessary for future benefits, to the BBT Trust and ESOP Trust (hereinafter referred to as the "Additional Trust").

#### 2. Overview of the Additional Trust to BBT Trust

- (1) Additional Trust Date : February 24, 2023 (planned)
- (2) Additional Trust Amount : 429 million yen \*
- (3) Type of shares to be acquired : Common stock of the Company
- (4) Maximum number of shares to be acquired : 727,500 shares
- (5) Share acquisition period : From February 24, 2023 to March 3, 2023 (planned)
- (6) Share acquisition method : Acquisition from the listed stock market

\* The BBT Trust will additionally acquire common stock of the Company with the Additional Trust Amount (429 million yen) and money belonging to the trust asset (107 million yen) as the source of funds.

#### 3. Overview of the Additional Trust to ESOP Trust

- (1) Additional Trust Date : February 10, 2023 (planned)
- (2) Additional Trust Amount : 2,387 million yen \*
- (3) Type of shares to be acquired : Common stock of the Company
- (4) Maximum number of shares to be acquired : 3,732,900 shares
- (5) Share acquisition period : From February 10, 2023 to March 10, 2023 (planned)
- (6) Share acquisition method : Acquisition from the listed stock market

\* The ESOP Trust will additionally acquire common stock of the Company with the Additional Trust Amount (2,387 million yen) and money belonging to the trust asset (606 million yen) as the source of funds.

### 3.Non-consolidated Orders received

#### (1) Non-consolidated Orders received

	Orders	
	Millions of Yen	%
For the nine months ended December 31, 2022	244,723	15.4
For the nine months ended December 31, 2021	212,050	(3.8)

\* % indicates changes from the previous corresponding period.

#### Breakdown of orders Received

[Millions of Yen]

	For the nine months ended December 31, 2021		For the nine months ended December 31, 2022		Increase (decrease)	
	Amount	%	Amount	%	Amount	%
Private-sector condominiums	168,432	(84.1%)	<b>184,591</b>	<b>(80.3%)</b>	16,158	9.6%
Rental condominiums, Company housing, etc.	22,010	(11.0%)	<b>34,285</b>	<b>(14.9%)</b>	12,275	55.8%
Residence Total	190,443	(95.1%)	<b>218,876</b>	<b>(95.2%)</b>	28,434	14.9%
Non-Residence	697	(0.3%)	<b>3,374</b>	<b>(1.5%)</b>	2,677	384.4%
Others	9,217	(4.6%)	<b>7,513</b>	<b>(3.3%)</b>	(1,705)	(18.5%)
Construction Total	200,356	94.5%	<b>229,762</b>	<b>93.9%</b>	29,406	14.7%
Consulting Contracts	4,151	1.9%	<b>4,909</b>	<b>2.0%</b>	758	18.3%
Construction business	204,508	96.4%	<b>234,672</b>	<b>95.9%</b>	30,164	14.7%
Design and Supervision	7,542	3.6%	<b>10,051</b>	<b>4.1%</b>	2,509	33.3%
Orders Total	212,050	100.0%	<b>244,723</b>	<b>100.0%</b>	32,673	15.4%

\* The figures in parentheses refer to the proportion of Construction Total.

#### (2) Non-consolidated Orders received forecast

	Annual	
	Millions of Yen	%
March 2022 forecast	480,000	1.6
March 2021 result	472,314	9.8

\* % indicates changes from the previous corresponding period.

#### Qualitative information of Orders Received result and forecast

Construction total were 229.8 billion yen, increased by 29.4 billion yen (up 14.7% year on year) and Orders received were 244.7 billion yen (up 15.4% year on year.) A progress rate against the annual forecast of 480 billion yen was 51.0% and we haven't revised the annual forecast.