

March 26, 2007

Basic Agreement on Business Partnership and Stock Acquisition

Haseko Corporation's board of directors decided at a meeting held on March 26, 2007 to form a business partnership with Mori-Gumi Co., Ltd. as described below, and, as a result, to take an equity stake in Mori-Gumi by acquiring a portion of its stock owned by Hankyu Corporation. In response, the company hereby announces a basic agreement with Hankyu and Mori-Gumi concerning the business partnership with Mori-Gumi and other matters.

1. Objective

Haseko seeks to supplement and enhance its manufacturing organization by forming a business partnership with Mori-Gumi that includes the creation of a joint construction organization in the construction business. The company will also take an equity stake in Mori-Gumi by acquiring a portion of its stock owned by Hankyu and will cooperate with Mori-Gumi in rehabilitating its business, including by transferring executives and other personnel at the request of Mori-Gumi.

2. Overview of the basic agreement

- (1) Hankyu owns 12,535,000 shares in Mori-Gumi, representing 38.21% of its shares outstanding, and will transfer 9,575,000 of these shares, or 29.19% of shares outstanding, to Haseko by May 31, 2007.
- (2) Hankyu will provide ¥3.93 billion in assistance to Mori-Gumi on March 30, 2007 to help shore up the company's financial position. If Mori-Gumi's net assets fall below a certain level currently expected after finalizing FY3/07 results, then Hankyu will provide additional assistance to Mori-Gumi to cover the amount below this level.
- (3) Haseko and Mori-Gumi will form a business partnership that includes the creation of a joint construction organization in the construction business.
- (4) Mori-Gumi will create an independent management organization and pursue the rehabilitation of its business to meet the expectations of its shareholders, customers, and other stakeholders with cooperation from both Haseko and Hankyu.

3. Profile of Mori-Gumi Co., Ltd.

- (1) Name Mori-Gumi Co., Ltd. (1853, OSE Second Section)
- (2) Main business Construction, real estate, and crushed stone
- (3) Established February 3, 1934
- (4) Head office 4-5-17 Doshomachi, Chuo-ku, Osaka
- (5) Representative Koichi Yamamoto, President
- (6) Capital ¥1.64 billion (as of September 30, 2006)
- (7) Employees 431 (as of September 30, 2006)
- (8) Shares outstanding 32,800,000 (as of September 30, 2006)
- (9) Principal shareholders (as of September 30, 2006)

Shareholder	Shares owned (1,000)	Percentage ownership
Hankyu Corporation	12,535	38.21%
Foret	2,445	7.45%
Osaka Securities Finance Company, Ltd.	1,728	5.26%
Osamu Imai	1,704	5.19%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,631	4.97%
Sumitomo Mitsui Banking Corporation	1,290	3.93%
Resona Bank, Limited	1,190	3.62%
Fuji Fire & Marine Insurance Co., Ltd.	1,123	3.42%
Mori-Gumi Business Connections Shareholders' Association	1,064	3.24%
The Minato Bank, Ltd.	750	2.28%

- (10) Relationships with Haseko: No personnel or capital relationships.

Note: Mori-Gumi will become an affiliate of Haseko following the share acquisition based on this agreement.

4. Schedule

March 26, 2007	Conclude basic agreement
End-April 2007 (planned)	Business partnership agreement and share transfer agreement
End-May 2007 (planned)	Acquire shares

5. Impact on earnings

This agreement will have no impact on earnings at Haseko in FY3/07. Going forward, the company plans to reflect this agreement in earnings forecasts as details of the partnership become clear.