

Notification on Payment of Dividends from Retained Earnings (Preferred Stocks)

Haseko Corporation (the “Company”) announces that its Board of Directors meeting held today decided to pay dividends from retained earnings, with March 31, 2009 set as the base date, as described below.

The Company plans to place this issue on the agenda of the annual meeting of its shareholders scheduled for June 26, 2009. Once approved at the shareholders’ meeting, the issue will be formally finalized for implementation.

Details

1. Dividends Details

Outstanding Preferred Stocks Class B I

	Resolution	Latest dividend forecast (Announced on February 12, 2009)	Previous fiscal year’s results (Year ended March 31, 2008)
Base date	March 31, 2009	Same to the left	March 31, 2008
Dividend per share	¥9.50	Undecided	¥9.05
Total amount of dividend	¥855 million	—	¥815 million
Effective date	June 29, 2009	—	June 30, 2008
Source of funds	Retained earnings	—	Retained earnings

2. Reason

The Company successfully resumed dividends to its shareholders for fiscal 2007 (year ended March 2008), as it achieved goals established in its New Medium-Term Business Plan that was completed in fiscal 2007. In fiscal 2008, however, the management environment worsened on a scale far larger than anticipated, such as the deterioration of the financial conditions stemming from the subprime loan problems. These circumstances played a part in bankruptcies of the Company’s business partners, which, together with other factors, made the Company to record a huge provision for doubtful accounts and eventually produce a net loss for the fiscal year. Due to this, the Company has regrettably decided to pay no dividends for its common stocks, as already announced.

As for the preferred stocks for which payment of dividends remained undecided, the Company will pay preferred dividends based on the calculations determined at the time of their issuance. However, it has decided not to implement compulsory redemption (purchase by Haseko at predetermined conditions) with the end of fiscal 2008 as the base. In addition, based on these dividend and redemption policies, the Company has

requested its preferred stockholders, which are its mainstay financial institutions, not to execute their rights to claim for redemption. The preferred stockholders are currently considering that this request would be accepted.

(Reference)

Base date for dividends	Type of shares	Dividend per share			Annual total amount of dividend
		End of second quarter	End of fiscal year	Annual	
Current fiscal year (Year ended March 31, 2009)	Preferred Stocks Class B I	—	¥9.50	¥9.50	¥855 million
Previous fiscal year's results (Year ended March 31, 2008)	Common Stocks	—	¥3.00	¥3.00	¥3,830 million
	Preferred Stocks Class A IV	—	¥9.05	¥9.05	¥235 million
	Preferred Stocks Class B I	—	¥9.05	¥9.05	¥815 million
	Total	—	—	—	¥4,881 million