

Message from the Management



I would like to express my heartfelt gratitude for your continued loyal patronage to the Haseko Group.

In the fiscal year ended March 2021, the Japanese economy remained in a severe situation under the impact of the spread of the novel coronavirus (COVID-19) continuing from the latter half of the previous fiscal year. Under such circumstances, new supply of condominium units stood at 29,032 units (up 1.6% year on year) in the Tokyo metropolitan area and 16,239 units (down 7.0% year on year) in the Kinki area. Impacted by the spread of COVID-19, new supply in the first quarter decreased significantly year on year. It made an upward turn, however, in the second quarter and thereafter, with the annual figure surpassing the year-earlier results in the Tokyo metropolitan area.

For the fiscal year under review, which represents the first year of the “Haseko Next Stage Plan” (Plan NS), the Company’s medium-term business plan, the Construction-Related Business saw the gross profit margin of completed construction contracts decrease due to promotion of receiving orders for non-residential product areas and rising material and labor costs, among other factors. In the Service-Related Business, the volume of construction works in large-scale repairs, interior remodeling and management of for-sale condominiums was significantly impacted by COVID-19. Given such situation, however, the Haseko Group steadily accumulated profits as deliveries of new for-sale condominiums by consolidated companies in the Real Estate-Related Business progressed smoothly. Consequently, the Haseko Group achieved ordinary income of 71.8 billion yen, surpassing 70.0 billion yen forecast at the beginning of the fiscal year.

As a result of the above, both sales and profits for the fiscal year ended March 2021 decreased year on year. Net sales fell by 4.3% to 809.4 billion yen mainly due to a decrease in the volume of condominium construction works. Operating income was down 15.1% at 72.9 billion yen due to the decrease in the volume of condominium

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construction works as well as a decrease in profit on construction associated with lowered gross profit margin of completed construction contracts for condominium construction works. Ordinary income stood at 71.8 billion yen, down 15.7%, and net income attributable to owners of parent decreased 19.4% to 48.3 billion, compared with the previous fiscal year. The operating income ratio was 9.0% (down 1.2 points year on year) and the ordinary income ratio came to 8.9% (down 1.2 points year on year). The Company decided to deliver a year-end dividend of 35 yen per share. Combined with the interim dividend of 35 yen, the annual dividend amounts to 70 yen per share.

In Japan, the environment surrounding our business operations is undergoing major change, as addressing social and environmental issues such as an aging society with a low birthrate, decreasing population, trends for “compact cities,” aging buildings, intensified natural disasters and decarbonization has become an important theme. Accordingly, the Haseko Group has endeavored to develop its growth strategy that takes into account changes in social conditions. In doing so, we formulated the “Haseko Group Long-Term Vision ~What the Company Aims to Be for the Fiscal Year Ending March 2030~” in the previous fiscal year. It indicates the direction of the Company’s business strategy that looks ten years ahead, and we have initiated the Haseko Next Stage Plan (Plan NS), the five-year medium-term business plan for achieving the vision. In the Construction-Related Business, we have focused on expansion of business areas, ultra-skyscraper condominiums and redevelopment projects in for-sale condominium construction, our mainstay business. Moreover, we have endeavored to broaden our residential-use offerings including rental condominiums, corporate housing, student dormitories and detached housing, while working to reinforce such non-residential products as hotels, office buildings and logistics facilities. In the Real Estate-Related Business, we are proactively implementing our development business in regional cities. Going forward, we will work to expand Service-Related Business such as management and remodeling.

Currently, as people’s lifestyles and needs for housing change and diversify significantly due to the spread of COVID-19, people seek from condominiums a variety of creative and innovative proposals both in terms of physical products and services and know-how. In this regard, the Haseko Group wants to achieve business reform and create new business models for the future by innovatively working to strengthen the competitiveness of its products and services and enhance productivity through promotion of its proprietary DX (digital transformation) platforms like BIM & LIM (Building Information Modeling and Living Information Modeling), and reinforcing its ability for intra-group coordination. Moreover, as we endeavor for a decarbonized society, we are proactively taking measures against climate change, including developing and adopting construction technologies that reduce environmental burden and making proposals for energy conservation through Net Zero Energy House (ZEH) and other measures. We are resolved to proactively implement these initiatives with a sense of speed so as not to be left behind the trend of thinking that “endeavors for decarbonization will affect corporate value.” By implementing the abovementioned measures for solving issues surrounding our society, we aim to establish CSR management (business management with a focus on corporate social responsibility) that enables us to pursue both “creation of social value” and “growth of the Haseko Group.”

We at the Haseko Group are determined to continue our endeavors to solve issues that arise from changes in society and the business environment and work on each of the focused strategies under the Plan NS. By doing so, we aim to achieve the goals of the plan. Going forward, while remaining grateful to all our stakeholders, we will further reinforce coordination among Group companies and exercise our comprehensive strengths. With such endeavors, we aim to make a further leap towards becoming a “corporate group for housing to create great living” as we serve to support the lives of people living in condominiums. Your continued and reinforced support and encouragement would be greatly appreciated.

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Kazuo Ikegami
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Haseko Corporation