

Service-Related Business

Each company in the Service-Related Business engaged in supporting customers' "living" is expanding its sales capabilities by leveraging the value chain within the Group.

Satoshi Kumano, Representative Director and Executive Operating Officer



Business overview

— Toward an age where the Group companies hone their uniqueness —

The service-related Group companies were established by separating the functions for creating "living" from Haseko Corporation. Currently, the Service-Related Business covers a wide range of areas, including sales, management, distribution brokerage, extensive refurbishment and remodeling, and even the senior business. Through our close involvement in "living," we feedback real-life information obtained from users to the creation of "housing" in the Construction-Related Business consisting of business planning, design, and construction. While building a relationship for mutual growth, we also pursue uniqueness in each field.

Business environment

— Aiming to establish a "corporate group for housing to create great living" together with the Construction-Related Business —

In contrast to the Construction-Related Business, whose primary market is the supply of new housing, the Service-Related Business focuses on the existing housing market. In Plan NS, we aim to achieve robust management focusing on both businesses.

In the first year of Plan NS, we struggled as a result of the COVID-19 pandemic. However, we recovered steadily from the second year, resulting in three consecutive years of increased sales and profits. In the fiscal year ended March 31, 2024, the steady profit growth of companies in the Service-Related Business helped to offset the drop in profits in the Construction-Related Business, thereby contributing significantly to us meeting our profit targets. Major operational benchmarks increased steadily. These benchmarks include the number of for-sale condominium units managed, the number of rental condominium units operated and managed, and the number of real estate brokerage transactions.

Priority issues

— Honing the strengths of each Group company to enhance competitiveness —

The Service-Related Business has steadily increased the number of for-sale condominium units managed and the number of for-sale condominium units sold on consignment, resulting in higher profits, thanks to Haseko Corporation's sales activities by utilizing its own land. One of our future priority issues is to further increase the angle of sales increase through our own sales efforts in the Service-Related Business.

The Service-Related Businesses is inherently labor-intensive, and therefore expansion in scale can lead to labor shortages and low productivity and efficiency. In addition, the business involves various types of operations, such as sales, management, brokerage, remodeling, and senior-related services, so it is not easy to develop best practices horizontally. We therefore believe that it is essential to analyze the business in each field carefully first, identifying each Group company's uniqueness and strengths given its position in the industry, and then to hone our competitive edge.

Consignment sales of for-sale condominium

- Haseko Urbest Inc.

Real estate brokerage and renovation

- Haseko Real Estate, Inc.

Management of paid care facilities for the elderly and nursing-care insurance business

- Haseko Senior Well Design Co., Ltd.
- Furusato, Co., Ltd.

Management agency for corporate housing

- Haseko Business Proxy, Inc.

Sale of furniture

- Haseko Intech Inc.

Printing and other related services

- Haseko Systems Inc.



For-sale condominium building management

- Haseko Property Management Holdings Inc.
- Haseko Community, Inc.
- Haseko Community Kyushu Inc.
- Haseko Community Nishinohon Inc.
- Haseko Community Okinawa Inc.

Operation and management of rental condominiums and other properties

- Haseko Livenet, Inc.
- Joint Property Co., Ltd.

Extensive refurbishment and interior remodeling

- Haseko Reform Inc.

Service-Related Business
(FYE Mar. 31, 2024)
Net sales^{*1}: 255.7 billion yen
Segment income^{*2}: 19.2 billion yen

*1: Sales to external customers *2: Operating income

Risks and Opportunities



- Growing labor shortage and soaring personnel costs
- A crowded and intense competitive environment
- Deterioration of consumer sentiment due to inflation



- Expansion of business opportunities due to increased stock of condominiums in Japan
- Fundamental productivity reform through the use of LIM data, advanced technologies, as well as digital transformation (DX)
- Acquisition of business opportunities by strengthening the Group's value chain and expanding business areas

Major progress of Plan NS

— Promoting regional expansion and productivity reform —

One of the priority strategies in Plan NS is to strengthen the competitiveness of our core businesses. The Service-Related Business has two themes in the Plan: (1) expanding our business areas from major metropolitan areas to major regional cities and (2) rebuilding our business model by introducing advanced technologies.

As for (1) above, the management of for-sale condominiums and sales entrustment of condominiums have increased in conjunction with the expansion of the developer business to regional areas. We are steadily promoting sales to areas other than the three major metropolitan areas as part of our regional strategy focusing on the Service-Related Business. The aim is not only to

secure stable earnings from the for-sale condominium management business, but also to use this as a springboard to win contracts for large-scale repair and renovation work in the future and expand into the real estate brokerage business.

The rebuilding of our business model through the introduction of advanced technologies in (2) above has led to solving issues unique to labor-intensive service-related businesses. To increase profits in the face of rising labor costs, we must make efforts to lower costs by building platforms. By utilizing LIM data, which visualize information on living in condominiums, and pursuing DX, we aim to promote fundamental productivity reform in the Service-Related Business to increase revenue.

Future business outlook

— Overcoming labor shortages by improving productivity through DX —

The Service-Related Business is expected to continue growing in the future, but the worsening labor shortage and soaring labor costs are becoming pressing issues. In addition, in order to keep surviving in this fiercely competitive environment, we must create new businesses that are unique to Haseko.

In the Service-Related Business, we are working to improve productivity and expand new services by introducing and leveraging advanced technologies in a broad range of business fields. We will continue to meet the challenge of delivering "richness in living" to our customers.

— Aiming to be a collection of competent Group companies —

The purpose of segmenting the Service-Related Business and having Group companies engage in each segmented business is to foster a sense of financial autonomy. Once a company can stand on its own feet, the next step is to increase its competitiveness in the industry and raise its status. By bringing together these competent service-related companies, we aspire to further expand the power of the Haseko Group as a whole.

Business topics

Creation of New Values by Means of Condominium Renewals

For many years, Japan remained in a "scrap-and-build" era, with buildings being constructed, torn down, and then rebuilt. However, with society maturing and the reduction of environmental impact now a goal, we are moving into an era of "stock and renovation," with buildings remaining in use for a long time and the existing stock being utilized.

Sustaina Branche Hongyotoku is the first renovated property in Japan to achieve net-zero CO₂ emissions when the building is in use. It is a rental condominium project that aims to further promote research and technological development towards creating new housing value.

In the large-scale repair and remodeling aspects of this project, we are exploring new ways to use existing condominiums and undertaking various renovations.

We will continue to contribute to the build-up of high-quality housing stock by leveraging the expertise and skills we have gained through our top-class track record in repair projects in Japan.



Before renovation

