

Overseas-Related Business

Promoting overseas business development to make it a vital profit base for the future

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Risks and Opportunities



Risks

- Soaring costs for construction materials and personnel
- Country risks (political and social changes)
- Decline in the number of housing units sold due to high-interest rate policies overseas
- Foreign exchange risk, etc.



Opportunities

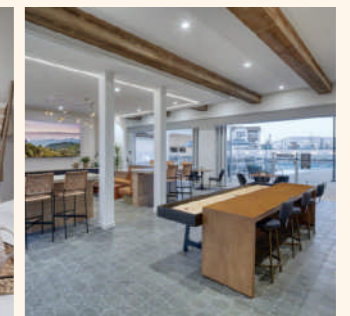
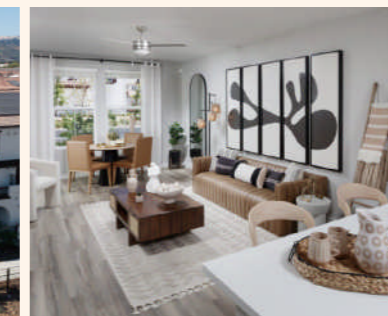
- Strengthening businesses in the mainland U.S.
- Increasing value added of residential areas, etc., through the opening of the complex recreational facility "Wai Kai"
- Participation in the fast-growing Vietnamese market

Business topics

Leasing properties in the continental United States

— Vida (Morgan Hill) —

We are developing a rental condominium complex with 389 units, consisting of two- and three-story wooden buildings, on a site of approximately 849,420 sq ft (approximately 78,914 m²) in Morgan Hill, Santa Clara County, California. Scheduled for completion in November 2024, with leasing to begin in phases from April 2024, starting with the completed buildings.



— Zia (Anaheim) —

We are developing a rental condominium complex with 315 units, consisting of four-story wooden buildings on a site of approximately 228,690 sq ft (approximately 21,246 m²) in Anaheim, Orange County, California. Scheduled for completion in November 2024, with leasing to begin in phases from August 2024, starting with completed floors.



Complex facility Wai Kai in Hawaii

Wai Kai, a complex facility, has won numerous awards since it opened in spring 2023 and is attracting attention as a new landmark in Hawaii.

Visitors can enjoy a variety of aquatic activities, including Hawaii's first wave pool. The new attraction AquaVenture was added in March 2024, further enriching the facility.



Children playing at AquaVenture

AquaVenture

Business environment

— Steady investment in a future profit base —

The progress of Japan's low birthrate and super-aging society makes us concerned about the shrinkage of the condominium development business in the future. On the other hand, the Haseko Group specializes in for-sale condominiums and has yet to fully expand into other business domains. Based on this recognition, we intend to actively invest in overseas businesses to create a profit base for the future by deploying human resources and carefully assessing the market environment, starting from the present time when we still have growth potential. Under Plan NS currently underway, we plan to invest 60.0 billion yen in overseas businesses over the five years starting from the fiscal year ended March 31, 2021. This amount is second only to the amount invested in the rental properties holding/development business.



Atlanta, U.S.A.

Priority issues

— Further revitalization of the Hawaii business —

Since 1989, we have been engaged in large-scale development of approximately 448 hectares (1,107 acres) in the Ewa district on the west side of Oahu, Waikiki, Hawaii. To date, approximately 4,000 units, including detached houses and townhouses, have been sold, and an 18-hole golf course and a 21-hectare (51-acre) lagoon have already been completed. We also opened the complex recreational facility "Wai Kai" in March 2023. By improving the attractiveness of this area, we aim to sell detached houses and resort condominiums, and develop hotels.



Panoramic view of Ewa district, Hawaii

Major progress of Plan NS

— Partnership with a local general contractor in Vietnam —

One of the priority strategies in Plan NS is new investment in overseas businesses. To expand into Asia, we have dispatched employees to our representative office in Hanoi, Vietnam. The Authentic, an 18-story serviced apartment with 110 units constructed in 2017, is used mainly by expatriates of Japanese

companies. Haseko Corporation designed and constructed the apartment, but found it difficult to operate the apartment totally on its own. Therefore, we entered into a capital alliance with a local general contractor, Ecoba Vietnam Joint Stock Company, in 2020 to start a new collaboration.

Future business outlook

— Promoting the real estate development business in the mainland U.S. —

With the aim of expanding our business in the mainland U.S., we resumed investment in 2018, opened a California branch in April 2022, which became incorporated in April 2023, and began hiring local staff. In cooperation with both Japanese trading companies

and local developers, we invest in development projects mainly for senior housing and rental housing in California and other states, aiming to contribute to profit during the post-Plan NS period.