

Nurturing a Culture of Trust

In order to develop better housing in practice, Haseko Group's organization must have a solid foundation and be worthy of its stakeholders' trust.

To this end, we will enhance management and proactively engage in initiatives in the area of social contribution.

For more information, please visit ▶

ESG Date ▶

Material Issues of Nurturing a Culture of Trust

Governance and risk management

In addition to efforts to ensure transparency in our management systems, we also properly manage various internal and external business risks associated with our operations and continue to maintain and enhance corporate value.

Respect of human rights

We will work with the business partners that form our supply chain to minimize the negative impact on human rights and fulfill our responsibility to respect human rights.

Supply chain management

We lead CSR initiatives across the entire supply chain to maintain a sustainable society.

Information disclosure and stakeholder engagement

In the pursuit of our business activities, we will work to earn the trust of stakeholders through the extensive disclosure of our business and CSR activities and deeper engagement with stakeholders.

Governance and Risk Management

As the foundation supporting the Haseko Group's corporate activities, we work for strict adherence to corporate governance and compliance.

Corporate Governance

Basic approach to corporate governance

Haseko Corporation has made it a basic policy of its corporate management to contribute to society and win society's confidence through its business operations that put customers first. The Company has also positioned reinforcement of corporate governance as one of its utmost management priorities as it recognizes that it is indispensable to secure management transparency and objectivity for maximizing corporate value in a

stable manner over the long term and ensuring shareholders' interests.

As part of its effort to achieve sustained growth and enhance corporate value over the medium- to long-term, the Company has formulated its "Basic Policy on Corporate Governance" and posted it on its website.

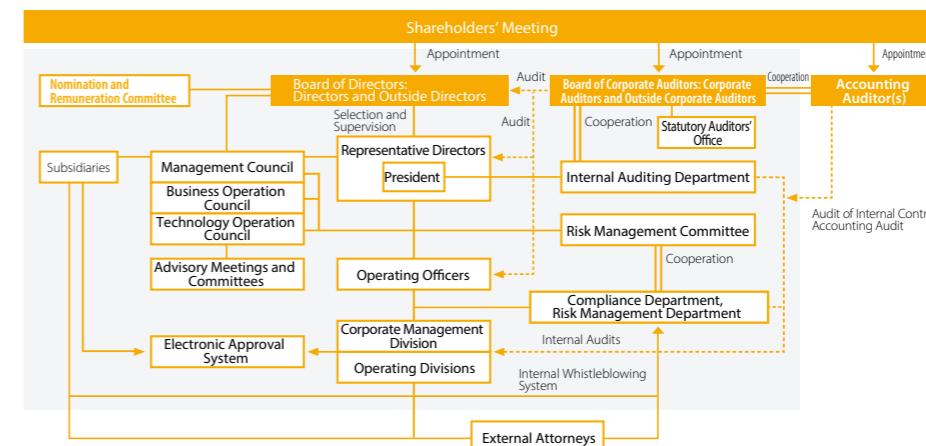
Company institutions

For more information, please visit ▶

Haseko Corporation has adopted a corporate auditor system as a corporate institution. The Board of Directors of Haseko Corporation serves as the institution where directors with expert knowledge and experience in various operating divisions conduct decision-making on managerial issues and supervise the execution of duties of other directors. As for monitoring of management operations, the Company's system provides the Board of Corporate Auditors, the majority of which are outside corporate auditors, with the monitoring function from an objective and neutral standpoint from outside through implementation of audits. On top of these functions, starting in June 2016, Haseko appointed outside directors with abundant experience and track record to occupy at least one third of the Board of Directors, so that they shall provide appropriate opinions and advice in order to further activate discussions at the Board of Directors and enhance the function to monitor business management. With this system in place, we are

making efforts to build an optimum system for the Company, taking into consideration the balance between the operation of the Board of Directors and the monitoring functions. Two female directors have been appointed, one among the inside directors and another among the outside directors. We are continuing to work towards ensuring the diversity of the Board of Directors. Decisions on certain matters authorized by the Board of Directors are made by the Management Council, Business Operation Council, and Technology Operation Council, each of which limits the participation of directors to a certain extent. In doing so, we have developed a system to separate the functions of decision-making and supervising such decision-making, so that each director can supervise the execution of duties by other directors. In addition, the Management Council is also responsible for the function of discussing in advance the important issues to be decided by the Board of Directors.

Diagram of the relationships between the Company's organizations and internal controls



Evaluation of the effectiveness of the Board of Directors

Based on the results of analyzing and evaluating the effectiveness of the Board of Directors in fiscal 2023 in accordance with our Basic Policy on Corporate Governance, we have confirmed that the Board of Directors has held constructive and active discussions and that its effectiveness has been sufficiently ensured. The outline and results of this analysis and evaluation are as follows.

Evaluation method

We conducted a questionnaire regarding the effectiveness of the Board of Directors for all directors and corporate auditors. Reflecting on the results of this questionnaire and reports from the secretariat on the operation of the Board of Directors in fiscal 2023, deliberations were held and the effectiveness of the Board of Directors as a whole was analyzed and evaluated at the Board of Directors meeting in April 2024 based on opinions presented by the Board of Corporate Auditors and individual directors.

Evaluation items

(1) Institutional design/composition	Number of members, percentage of independent outside directors, diversity, frequency of meetings, meeting length
(2) Operation	Number and content of agenda items, quality and quantity of agenda materials, timing of prior distribution, quality of prior explanations
(3) Deliberation	Constructive discussions and multifaceted considerations in meetings, ethos, one's own roles and responsibilities
(4) PDCA	Addressing issues raised, reporting results after resolutions, efforts toward improvement

Evaluation results and actions to be taken

Through a questionnaire on the effectiveness of the Board of Directors in FY2023 and deliberations at Board of Directors meetings, the following points regarding the effectiveness of the Board of Directors were confirmed.

(1) Evaluation results

Given that it was the fourth year of the medium-term business plan, the Board of Directors held lively discussions on how to respond to the various environmental changes in society, in addition to addressing concrete business issues, with a view to achieving the goals of the business plan.

Regarding high-risk projects, the Board carried out active deliberations, such as deciding on policies over the course of multiple discussions.

When discussing important matters, separate meetings were held in advance apart from Board of Directors meetings to facilitate a multifaceted discussion.

There were also regular reports on future-oriented DX initiatives, and meaningful exchanges of opinion were held.

In response to changes in the environment surrounding society, the Board actively discussed how to reach a higher level in terms of its policy on CSR initiatives, climate change response, human rights policy, harassment, etc.

The above analysis and evaluation have confirmed that the Board of Directors is sufficiently effective.

(2) Future measures

In order to further improve the effectiveness of the Board of Directors, we will strive to revitalize discussions about the focused strategies laid out in the medium-term business plan from a medium- to long-term perspective.

Status of audits

For more information, please visit ▶

For more information, please visit:

Haseko Corporation is a company with the Board of Corporate Auditors. It consists of five corporate auditors, of which two are full-time and three are outside, and meets once every month and on an ad hoc basis as necessary.

The two full-time corporate auditors cooperate with each other to conduct audit activities including an audit of the Company's internal control system. More specifically, the corporate auditors attend the Management Council, Business Operation Council, Technology Operation Council, Risk Management Committee, and other important meetings, observe internal audits, interview directors and other officers and employees about the status of business operations as necessary, and inspect approval documents, minutes, meeting materials, and reports, among others. The corporate auditors also hold a Group Corporate Auditors' Liaison Meeting to cooperate with Group companies' corporate auditors.

In accounting audits, all the corporate auditors meet with Ernst & Young ShinNihon LLC., the accounting auditor of the Company, to receive the explanations of accounting audit plans, quarterly reviews, and accounting audit reports from the accounting auditor. As necessary, the full-time corporate auditors interview the Accounting Department and the accounting auditor.

Status of internal audits

In internal audits, the Internal Auditing Department comprised of 10 members conducts internal audits of information management, risk management, etc. and assesses internal control over financial reporting. Whenever internal control issues are found in an accounting audit, information on the issues is communicated to each division, and improvements to resolve the issues are considered. At the same time, as part of the assessment of internal control, the Internal Auditing Department obtains the information, gives feedback to each division, and monitors the progress of improvements made in each division. The Internal Auditing Department also reports the status of such improvements to the President, the Board of Directors, corporate auditors, and the accounting auditor.

Further, the Internal Auditing Department carries out such activities while reporting the status of them to corporate auditors as appropriate in order to coordinate the roles of internal audits with the roles of audits by the Board of Corporate Auditors and ensure consistency between these roles. Corporate auditors observe internal audits, receive the reports of internal audit results, and exchange information about in-house status with the Internal Auditing Department as appropriate.

Business Continuity Plan (BCP)

For more information, please visit ▶

The Haseko Group has formulated a "Business Continuity Plan" with the aim of establishing a mechanism of clarifying operations of Group companies in the event of a major earthquake and other natural disasters, ensuring the safety of "housing" provided by us, preventing the suspension of operations or in the event that they

are suspended, enabling the resumption of operations within the shortest possible time, as well as promptly preserving offices and tasks after ensuring the safety of employees and their families, enabling employees engaged in restoration activities and restoration support to take action autonomously.

Respect of Human Rights

Basic approach to human rights

For more information, please visit ▶

The Haseko Group explicitly states "respect of human rights" in the Haseko Group Standards of Conduct. Moreover, in order to deepen our initiatives for respecting human rights, in January 2022 we established the Haseko Group's Human Rights Policy in line with the United Nations Guiding Principles on Business and Human Rights. We instill the Standards and Policy throughout the Group so that each and every employee can deepen his/her

understanding of human rights and engage in operations with a high level of awareness at all times, as well as require our cooperating companies and other supply chain constituents to respect human rights in their own business activities. Moreover, we will pursue management that respects human rights through efforts including human rights due diligence initiatives.

Status of human rights due diligence initiatives

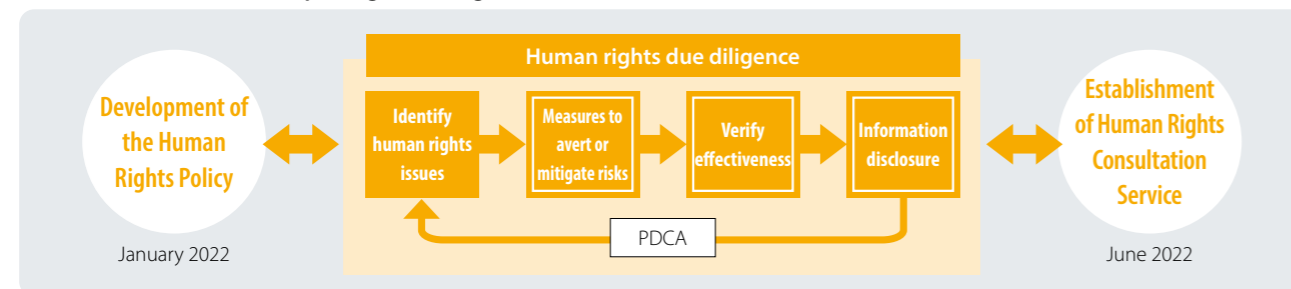
Coinciding with the development of the Haseko Group's Human Rights Policy, we are currently promoting human rights due diligence (HRDD) initiatives. Specifically, the corporate management division and the construction division, which serves as a contact point with cooperating companies, have formed the Human Rights Working Group and identified potential human rights violation risks related to the business activities of the Haseko Group. The Working Group then assessed those risks in terms of their degree of severity and likelihood of occurring and verified the status of actions taken by relevant divisions and Group companies. Those efforts identified human rights issues that require action. In addition, in February 2024, having considered the measures to

avert and mitigate risks that were implemented after the human rights issues had been identified, as well as changes to the nature and environmental conditions of the Group's business, the working group determined that no review of human rights issues is necessary. The status of actions taken to address identified issues is reported to the Board of Directors. We report the status of HRDD, which is planned for continuous future implementation, to the Sustainability Committee for its review (Matters deliberated by and reported to the Sustainability Committee are reported to and supervised by the Board of Directors, and significant matters are referred to the Board of Directors for deliberation and decisionmaking.).

Human rights issues identified

Human rights issue	Major risk
Human rights issues in the upstream supply chain	• Labor problems and impact on the living environment of local communities in the upstream process of the production of construction materials, including logging sites
Forced labor and child labor	• Labor problems related to foreign technical intern trainees and young workers of cooperating companies at construction sites and service provision sites
Occupational health and safety	• Accidents related to the life and health of employees (of the Company and cooperating companies) at construction sites and other sites where the Company provides services
Employment and working conditions	• Long working hours • Cooperating companies' employment and working conditions
Harassment and discrimination	• Harassment at the Company or between the Company and cooperating companies • Cases where employees harass customers or customers harass employees at service provision sites
Impact on local communities	• Impact on the living environment of local communities in the vicinity of construction sites
Customer safety and security	• Accidents when the Company provides services at nursing care sites and in customers' living spaces • Customers' personal information and privacy

Overview of initiatives for respecting human rights



Proclamation of Haseko Corporation's "My Declaration of Human Rights"

Haseko Corporation endorses the aims of the Ministry of Justice's "My Declaration of Human Rights" initiative. By proclaiming its own "My Declaration of Human Rights," the Company has declared that it will carry out business activities that respect human rights, with the aim of creating a society in which everyone respects human rights. The Company's declaration has also been publicized on the "My Declaration of Human Rights" page of the website of the Human Rights Library Japan.



Consideration and implementation of measures to avert or mitigate risks

Many of the human rights issues identified had already been recognized as "company-wide risks" or "department-specific risks" and has been addressed as part of our existing "risk prevention activities." For this reason, in our "risk prevention activities" for FY2023, we worked on raising awareness of the human rights issues that had been identified, along with identifying human rights risks among the risks that had been recognized by each department. In this way, each department could check for any human rights issues that might exist within their own

department. From now on, we plan to review the need for additional measures based on the results of the checks. At the same time, some of the human rights issues identified had not sufficiently been recognized as issues for the Group in the past, and the actual situation was not fully understood. To address these human rights issues, we started by conducting the following survey of partner companies from July to August 2023 to ascertain the situation.

Overview of the questionnaire for cooperating companies

	Questionnaire regarding timber procurement	Questionnaire regarding foreign technical intern trainees
Target respondents*	Companies involved with timber procurement from among the members of the Ken-ei-kai, Kenshokai, Shinwakai and Juyukai	All member companies of the Ken-ei-kai, Kenshokai, Shinwakai, Juyukai and Koshokai
Objectives and content	In order to understand the current situation, we checked the status among respondent companies of their awareness of issues related to the sustainability of timber procurement, the status of the traceability of timber, the handling of certified wood and domestic wood, and more	To check for the existence of problems, we checked the employment, working and living conditions of foreign technical intern trainees at the responding companies and their cooperating companies (and also made them aware of the relevant legal considerations)
Results and measures	We achieved our objective of understanding the current situation. Based on these results, we will proceed with further investigations into the details and consider appropriate responses.	We confirmed that the cooperating companies were generally taking appropriate measures. We will continue to monitor the situation.

*Each of the associations is an organization of the Group companies' cooperating companies given below.
 ◆ Ken-ei-kai: Haseko Corporation ◆ Kenshokai: Fujikensetsu Co., Ltd. ◆ Shinwakai: Hosoda Corporation ◆ Juyukai: Haseko Reform Inc. ◆ Koshokai: Haseko Community, Inc.

Acceptance and handling of consultations related to human rights

Human Rights Consultation Service

Haseko Corporation has established a Human Rights Consultation Service on its website. The service receives consultations related to concerns about human rights violations associated with the corporate activities of the Group. Members of the general public can also use the service, and any inquiries received are treated confidentially and anonymously.

Internal whistleblowing system

In accordance with the Whistleblower Protection Act and related laws and regulations, the Haseko Group has established the "Haseko Group Whistleblower Protection Rules" and has implemented an internal whistleblowing system for all officers

and employees, as well as all providers of labor at all business sites. We have established an internal contact desk in the Compliance Department in the Risk Management Department, as well as an external contact point at a law firm, and we accept consultations not only about legal and regulatory violations, but also about violations of internal rules, harassment, and general compliance issues. The Company has put in place a system for protecting whistleblowers and preserving their anonymity, creating an environment where employees feel free to file a report or request consultation in order to ensure that any wrongful act or misconduct be immediately detected and corrected

Supply Chain Management

Haseko Group CSR Procurement Guidelines

For more information, please visit ▶

The Haseko Group has formulated the "Haseko Group CSR Procurement Guidelines" to fulfill its social responsibility across the entire supply chain. The Group will work to meet the demands of society by having Group companies follow these guidelines in procuring materials, labor and other resources, while also asking its business partners (includes not only suppliers, but also all entities with whom the Group does business, such as subcontractors and agents) to observe these guidelines in their business activities. The Haseko Group has had its main business partners sign an agreement stating that they commit to these guidelines.

Additionally, we are currently incorporating compliance clauses, in line with these guidelines, into contracts for transactions with all business partners, including those mentioned above, to ensure the clear communication of our requirements.

To verify the status of our business partners' compliance with the "Haseko Group CSR Procurement Guidelines," we conducted a questionnaire, using a self-checklist, and verified that, overall, appropriate action is being taken.

Information Disclosure and Stakeholder Engagement

Constructive conversations with shareholders, institutional investors, and analysts

Aiming for sustainable growth and the medium- to long-term enhancement of corporate value, the Company proactively converses with its shareholders, institutional investors, and analysts and holds a variety of explanatory meetings, such as a financial results briefing in which the President himself participates.

In addition, it discloses information in a timely and fair manner by posting information such as financial results, integrated reports, and other timely disclosure materials (including English versions) on its website.

Major IR activities in fiscal 2023

Item	Number of times conducted	Details
Financial results briefing	2	The Company held the financial results briefings in which top management participates, twice a year (in May and November).
Online conference after the announcement of financial statements	4	The Company held on the same day as the announcement of quarterly financial statements, four times a year (in May, August, November and February).
Meeting with institutional investors	213	The Company had meetings with a cumulative total of 213 domestic and foreign institutional investors and sell-side analysts through individual interviews, phone interviews, small meetings, etc.
Condominium market explanatory meeting	2	The Company held twice a year (in September and March).

Communication at Haseko Condominium Museum

Haseko Condominium Museum opened in Tama City, Tokyo in 2018 as part of the Haseko Group's 80th anniversary projects.

It is the first condominium museum in Japan in which visitors can see, touch, feel, and learn various things about condominiums, including the history of condominiums and transition of floor plans as well as design, construction, repair, and rebuilding of condominiums.

The museum has had a wide array of visitors, including residents from the community, business partners, and persons engaged in domestic and foreign housing industry. Additionally, more and more third parties visit the museum for training purposes, in addition to visits by our new employees and staff of

Group companies for training purposes, resulting in a total of 4,157 visitors in fiscal 2023 and a cumulative total of 19,674 visitors.



"History of condominiums" zone: A presentation on the transition of condominiums in Japan and the rest of the world



Special exhibition: Condominium Disaster Prevention Exhibition

[For more information, please visit](#)

Social Contribution Activities

Supporting the "Future of Life" pavilion as a Platinum Partner of the 2025 Japan World Expo

The Haseko Group is supporting, as a Platinum Partner, the "Future of Life" Pavilion created by producer Hiroshi Ishiguro in the Signature Pavilion, which is a thematic project of the 2025 Japan World Exposition (Osaka/Kansai Expo). In addition, Haseko Corporation will deliver the physical building itself, having cooperated in its design and construction. Under the thematic project name of "Amplification of Lives," this pavilion will create and exhibit what life will be like in 50 or 1000 years' time, and deliver an unforgettable experience of life. In concert with other sponsors, we will co-create a new way of being, namely "Future of Life," for humans and society based on the cutting-edge IT and robotics technologies that Producer Ishiguro is working on. Through the "Future of Life" Signature Pavilion, we will show the world a vision of the living environment and homes of future societies where humans and robots coexist, which we should aim for.

The design will be developed by Ishimoto Architectural & Engineering Firm, Inc. with a cooperation of Haseko Corporation, while the construction will be a joint effort with Fujikensetsu of the Haseko Group (apart from demolition and some other work).



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Use of corporate Furusato Nozei program for Asuka Village

Haseko Corporation has donated taxes to Asuka Village since fiscal 2018 by using the corporate Furusato Nozei (hometown tax donation) program.

In fiscal 2023, the taxes we donated were allocated to finance five projects related to the project for inscription on the World Heritage List on which Asuka Village has been working, namely (1) Asuka Half Marathon project, (2) low-season tourist attraction campaign project, (3) wild animal control measure project, (4) safety measures project.



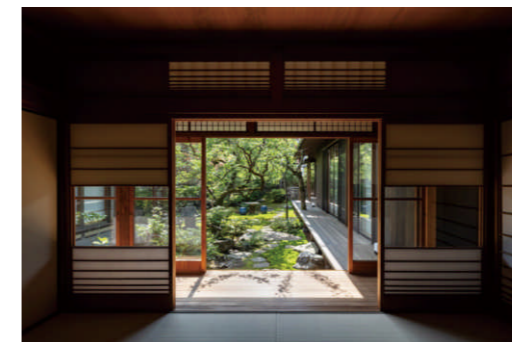
Asuka Half Marathon 2024

Donation of the former residence of Hideki Yukawa to Kyoto University

Japan's first Nobel laureate in physics Dr. Hideki Yukawa spent his final years at his residence near Kyoto's Shimogamo Shrine. Kyoto University (President: Nagahiro Minato) sought to pass on the achievements and footprints of Dr. Yukawa to future generations by making effective use of his former residence as a facility to develop Japan's science, technology and arts, as well as human resources. Haseko Corporation agreed with the university's plans, and as an act of corporate social responsibility, acquired and then donated the former residence to Kyoto University in August 2021.

Work began on the maintenance and reconstruction of the building in 2023, with Tadao Ando Architect & Associates leading the reconstruction design (and donating the design to Kyoto

University) and the Haseko Group's Hosoda Corporation handling the construction in collaboration with Yasuimoku Koumuten Co., Ltd., which specializes in the handling of traditional Japanese construction in Kyoto. Construction was completed in March 2024, and the building was transferred to Kyoto University. An effort was made during the construction work to both contribute to the scenery of the town and preserve elements that evoked a connection with Dr. Yukawa. Dubbed the Kyoto University Shimogamo Kyueiso, the house will be used to welcome guests to the university, as well as for the training of its faculty and staff, research and conferences.



A view of the garden from the main building

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The lounge

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The Housing and Community Foundation, which identifies housing-related social issues and contributes to their improvement. [For more information, please visit](#)

The Housing and Community Foundation (chaired by Ikuo Oguri, Executive Advisor to Haseko Corporation) is a general incorporated foundation established by Haseko Corporation in July 1992, with the objective of contributing to the creation of a prosperous living environment. In order to create a high-quality living environment that transcends generations and build a local community full of vitality, we believe that building homes and communities on the initiative of the citizens is crucial, and we make it our social mission to support such activities.

In concrete terms, we are involved in grant programs that support NPOs and citizen action groups that promote the creation of diverse housing and communities throughout Japan, as well as network-building projects that connect action groups with their supporting organizations and related groups to promote mutual exchange and collaboration, and research projects on the themes of housing and community.

The issues surrounding housing and communities in the context of a society undergoing a genuine demographic decline, with low birthrates and an aging population, are not limited to regional cities, but also affect large cities and their suburbs. Building on its past activities and achievements, the foundation will strive to contribute to the creation of rich living environments and communities, and the fostering of vibrant communities, by encouraging collaboration and awareness of connections between diverse entities, including the enhancement of grant programs.

