(Note) This document has been translated from the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Corporate Governance Report

CORPORATE GOVERNANCE Haseko Corporation

Last updated: June 26, 2026
Haseko Corporation
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Securities code: 1808
https://www.haseko.co.jp/hc/english/

The corporate governance status of Haseko Corporation (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile, and Other Basic Information

1. Basic Views

The Company 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.

The Company has established the Basic Policy on Corporate Governance for the purpose of achieving sustainable growth and medium- to long-term enhancement of its corporate value. The Basic Policy has been publicized on the Company's website.
Basic Policy on Corporate Governance: https://www.haseko.co.jp/hc/english/company/pdf/policy.pdf

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company has made descriptions for all the principles based on the Code that has been revised in June 2021, and has complied with all of them.

Disclosure Based on Each Principle of the Corporate Governance Code【Updated】

[Principle 1-4: Cross-Shareholdings]
Please refer to Article 18 (Cross-Shareholdings) of the Basic Policy on Corporate Governance.

[Principle 1-7: Related-Party Transactions]
Please refer to Article 19 (Transactions with Related Parties) of the Basic Policy on Corporate Governance.

[Supplementary Principle 2-4-1: Ensuring Diversity in the Promotion to Core Human Resources]
(1) Views on and Targets and Status of Securing Diversity
To realize the creation of an optimal environment for cities and people based on the Corporate Philosophy, the Haseko Group aims to be a company in which diversified human resources with a variety of values and views can display their individual personalities and abilities and play an active role, irrespective of race, nationality, birth, creed, religion, sexual orientation, gender identity, age, disability or other differences.
Please refer to Article 14 (Ensuring Diversity) of the Basic Policy on Corporate Governance.
Haseko Group's Human Rights Policy:
https://www.haseko.co.jp/hc/english/sustainability/esg/governance/pdf/human_rights.pdf

Since the establishment of the D&I Promotion Office in FY2023, we have further proceed with various initiatives, including those for active participation of women that we have worked on to date. At the same time, in order to promote the creation of an environment where many employees can work actively with the sense of satisfaction, we clarified the significance and purpose to address diversity and inclusion (D&I) as a group in the following policy. We have laid out the Personnel Plan and KPI linked to the HASEKO Medium-Term Business Plan ("HASEKO Evolution Plan") and will work on the promotion of D&I across the Group.

Haseko Group Diversity & Inclusion Promotion Policy:
https://www.haseko.co.jp/hc/english/sustainability/esg/social/pdf/diversity-inclusion.pdf

We have established activities for developing a workplace where diverse employees, including women, foreign nationals and mid-career hires, can work actively utilizing their unique strengths in our Sustainability Action Plan.
Haseko Group's Sustainability: Social: https://www.haseko.co.jp/hc/english/sustainability/esg/
Haseko Group CSR Action Plan: https://www.haseko.co.jp/hc/english/csr/pdf/csr_actionplan.pdf

For the promotion of core human resources, the Company will promote appointing as core human resources from female, foreign national, and mid-career hire employees through fair evaluation and equal opportunity.

[Promotion of Female Employees to Managerial Position]
The Company is promoting active participation and development of female manager candidates through such measures as the creation of a network between female employees, improvement of the workplace to make it more pleasant for female employees to work at, the fostering of autonomous human resources, and selective education. We set a target of percentage of female managers of consolidated base, 12% or more, as a main Non-financial KPI in new Medium-term Business Plan. HASEKO Corporation and Haseko Senior Well-design were awarded the highest rating Three-Star "Eruboshi certification" and HASEKO Reform was also awarded Two-Star "Eruboshi certification", as an excellent company based on the Act on Promotion of Female Participation and Advancement in the Workplace. Going forward, we will continue to promote active promotion of female employees with the aim of further increasing the percentage of female managers from the current level.

The Company has publicized the initiatives of the Group and their implementation status on its website.
Haseko Group CSR Action Plan: https://www.haseko.co.jp/hc/english/csr/pdf/csr_actionplan.pdf
ESG Data: https://www.haseko.co.jp/hc/english/sustainability/data.html

[Promotion of Foreign National Personnel]
In the United States (Hawaii), the organization is operated with most of its officers and core executive personnel being locally hired foreign nationals. Also in Vietnam, locally hired foreign personnel promotes the business as its core. Currently, however, the Haseko Group' main offices are mostly located in Japan, and our overseas businesses are developed mainly in the United States and Vietnam at now. The business scale and the absolute number of foreign national employees of the overseas businesses therefore account for a relatively small portion of those of the Group, and we have not yet reached the stage to set and disclose specific targets for them.

[Promotion of Mid-Career Hire Employees]
At present, approximately 40% of our mid-career hire employees are managers, and many of them assume management post such as officers in various job types as core human resource. As described above, in promoting employees to managerial position we make no distinction between those hired as new graduates and mid-career hires. Therefore we believe it is not necessary to set and disclose any specific targets for mid-career hires as compared with those hired as new graduates.

(2) Policies for Human Resource Development and Internal Environment Development to Ensure Diversity, and the Implementation Status Thereof

From the perspective of human resources development, the Company is implementing various initiatives such as global human resources, and DX education under the key word of "Develop human resources who evolve through self-directed learning and meet the expectations of society and the Company," in sight of fostering autonomous human resources, developing career and fostering next-generation management, executive personnel and practical leaders.

From the perspective of internal environment development, in order to create a pleasant work environment where diverse human resources can display their individual personalities, the Company has established related policies and worked to implement various measures and change the way of thinking of its officers and employees. To further develop our initiatives so far to support diversity, including those for active participation of women. The Company will further expand investment in the workplace environment to realize a pleasant workplace that provides the sense of satisfaction. In addition, we consider that the engagement of officers and employees and the maintenance of their mental and physical health are important elements to become part of the foundation of human capital. To this end, the Company is promoting the creation of a pleasant workplace, safety and health, and health and productivity management across the Group.

The Company has publicized the policies and initiatives of the Group and their implementation status on its website.
Haseko Group's Sustainability: Social: https://www.haseko.co.jp/hc/english/sustainability/esg/
Medium-Term Business Plan: https://www.haseko.co.jp/hc/english/ir/management/mid-term.html

[Principle 2-6: Roles of Corporate Pension Funds as Asset Owners]
The Company has appointed those with expert capabilities and knowledge of pension fund management for its corporate pension fund and is implementing monitoring and other measures for the asset management committee that is held periodically.

[Principle 3-1: Enhancement of Information Disclosure]
(1) Corporate Mission (Management Policy, Etc.), Business Strategies and Business Plans
For the Company's corporate philosophy and principles of conduct, please refer to Article 3 (Corporate Philosophy and Principles of Conduct) of the Basic Policy on Corporate Governance as well as its website.
The Haseko Group Philosophy: https://www.haseko.co.jp/hc/english/company/philosophy.html
For the business strategies and business plans, the Company has publicized an overview of its medium-term business plan on its website.
Medium-Term Business Plan: https://www.haseko.co.jp/hc/english/ir/management/mid-term.html

(2) Basic Views and Policy on Corporate Governance
The Company has established the Basic Policy on Corporate Governance for the purpose of achieving sustainable growth and medium- to long-term enhancement of its corporate value. The Basic Policy has been publicized on the Company's website.
Basic Policy on Corporate Governance : https://www.haseko.co.jp/hc/english/company/pdf/policy.pdf

(3) Board Policy and Procedures for Deciding Remuneration of Directors
Please refer to Article 9 (Remuneration) of the Basic Policy on Corporate Governance.

(4) Board Policy and Procedures for Nomination of Candidates for Directors and Corporate Auditors and Dismissal of Directors and Corporate Auditors
Please refer to Article 7 (Policies and Procedures for Nomination of Candidates for Directors and Appointment Policy and Dismissal of Directors) and Article 10 (Policies and Procedures for Nomination of Candidates for Corporate Auditors) of the Basic Policy on Corporate Governance.

(5) Explanation on Individual Appointments and Nominations
Please refer to the Reference Materials for the General Meeting of Shareholders attached to the notice of convocation of general meeting of shareholders, in which explanations on the nomination of candidates for the Company's Directors and Corporate Auditors are provided.
General Meeting of Shareholders: https://www.haseko.co.jp/hc/english/ir/stocks/meeting.html

[Supplementary Principle 3-1-3: Sustainability Initiatives]
(1) The Company's Sustainability Initiatives
The Haseko Group adopts a long-term perspective as we aim to address the social issues surrounding our daily lives through business operations. As a leading company in 'housing' and 'living', to achieve sustainable growth and enhance corporate value, we will promote sustainability initiatives based on our sustainability vision to fulfill our corporate philosophy and contribute to a sustainable society.
The Company has publicized the policies and initiatives of the Group on its website.
The Haseko Group Philosophy: https://www.haseko.co.jp/hc/english/company/philosophy.html
Haseko Group's Sustainability Management: https://www.haseko.co.jp/hc/english/sustainability/feature.html
Message from the Officer in Charge of Sustainability Promotion: https://www.haseko.co.jp/hc/english/sustainability/officer-message.html
Medium-Term Business Plan: https://www.haseko.co.jp/hc/english/ir/management/mid-term.html

(2) Investment in Human Capital and Intellectual Properties
The collective capabilities of the Haseko Group rest on the employees of the Group and those of cooperating companies. We deeply consider the expertise and experience of our employees, as well as their ingenuity and vitality in creating new value, as our "human capital."
By creating an environment where all employees can play an active role, we will encourage every and each employee to proactively take on new opportunities for growth and help them, to create new value to provide an optimal 'housing' and 'living' to cities.

The Company has publicized the policies and initiatives of the Group on its website.
Haseko Group's Sustainability: Social: https://www.haseko.co.jp/hc/english/sustainability/esg/
Medium-Term Business Plan: https://www.haseko.co.jp/hc/english/ir/management/mid-term.html

(3) Impact of Climate Change-Related Risks and Earning Opportunities on the Company's Business Activities and Profits
The Haseko Group has set, as a basic policy of its medium-term business plan, to achieve sustainable growth and enhance corporate value as a leading company in 'housing' and 'living.' We aims to "contribute to society by creating an optimal living environment for cities and people." However, in recent years, natural disasters have increased in frequency and intensity due to climate change, which is threatening the safety and security of our lives.

Given these conditions, with the belief that addressing climate change is an important management issue, the Haseko Group expressed its support for the recommendations of the TCFD, as well as developed and announced its policy addressing climate change, HASEKO ZERO-Emission, in December 2021. We will continue to make disclosures in accordance with the recommendations of the TCFD, as well as monitor and appropriately deal with governmental measures and social trends for reducing the effects of climate change and CO2 and other greenhouse gas emissions, while aiming to realize a sustainable society and improve corporate value. In June 2022, our benchmark reduction targets for fiscal year 2030 were certified as being science-based targets by the Science Based Targets initiative (SBTi).
The Haseko Group's Climate Change Response: https://www.haseko.co.jp/hc/english/sustainability/esg/environment/climate-action.html
The Haseko Group's Greenhouse Gas Emissions Reduction Targets Achieve SBT Initiative Certification:
https://www.haseko.co.jp/hc/english/information/pdf/20220603_01.pdf
Disclosures Based on the Recommendations of the TCFD:
https://www.haseko.co.jp/hc/english/sustainability/esg/environment/tcfd.html

[Supplementary Principle 4-1-1: Roles and Responsibilities of the Board of Directors]
Please refer to Article 5 (Roles and Responsibilities of the Board of Directors), Paragraph 1 of the Basic Policy on Corporate Governance.

[Principle 4-9: Independence Standards and Qualifications for Independent Directors]
Please refer to the Attachment to the Basic Policy on Corporate Governance, in which the Independence Criteria for Outside Officers have been established.
Independence Criteria for Outside Officers (Attachment to the Basic Policy on Corporate Governance):
https://www.haseko.co.jp/hc/english/company/pdf/independence.pdf

Moreover, please also refer to the description of Other Matters Regarding Independent Directors in II. 1.[Independent Directors].

[Supplementary Principle 4-10-1: Appropriate Involvement and Advice from Independent Outside Directors by Establishing an Independent Nomination Committee and Remuneration Committee]
The Nomination and Remuneration Committee is an advisory body for the Board of Directors, a consulting body to secure objectivity, transparency and fairness of the procedures related to the nomination and remuneration, etc. of Directors and enhance corporate governance. The committee comprises all independent Outside Directors and an equivalent or below number of Representative Directors, etc. As its mandate and role, the Nomination and Remuneration Committee deliberates on the following matters, and submits a report to the Board of Directors. In addition, regarding the matters necessary for the execution of its duties, the committee has the authority to request opinion or explanation of those other than its members.

(1) Matters related to the appointment of Directors and Corporate Auditors (matters to be resolved at the General Meeting of Shareholders)
(2) Matters related to the selection of Representative Directors
(3) Matters related to the remuneration system for Directors and the policy for annual revision
(4) Matters related to the maximum amount of remuneration of Directors (matters to be resolved at the General Meeting of Shareholders)
(5) Other matters consulted by the Board of Directors

Please refer to Article 7 (Policies and Procedures for Nomination of Candidates for Directors and Dismissal of Directors), Paragraph 3 and Article 9 (Remuneration), Paragraph 3 of the Basic Policy on Corporate Governance.

<<Regarding succession plan of president and representative director>>
We held extensive discussions with all outside directors in the Nomination and Remuneration Committee and formulated a clear profile of the candidate as well as the selection process. For the appointment, the Committee reviews the backgrounds of all directors and aligns on potential candidates based on the succession plan.

[Supplementary Principle 4-11-1: Perspectives on the Balance, Diversity and Scale of the Board of Directors as a Whole]
Please refer to Article 6 (Composition of the Board of Directors), Paragraph 3 and Article 7 Policies and Procedures for Nomination of Candidates for Directors and Dismissal of Directors), Paragraph 1, Paragraph 2 and Paragraph 3 of the Basic

Policy on Corporate Governance.
Please refer to the notice of convocation of general meeting of shareholders, in which explanations on the combination of the skills, etc. of the Company‘s Directors are provided.
General Meeting of Shareholders: https://www.haseko.co.jp/hc/english/ir/stocks/meeting.html

[Supplementary Principle 4-11-2: Officer Positions at Other Listed Companies Concurrently Held by Directors and Corporate Auditors]
Please refer to Article 11 (Positions Concurrently Held) of the Basic Policy on Corporate Governance.
Please refer to the Reference Materials for the General Meeting of Shareholders attached to the notice of convocation of general meeting of shareholders, in which explanations on the officer positions at other listed companies concurrently held by the Company‘s Directors and Corporate Auditors are provided.
General Meeting of Shareholders: https://www.haseko.co.jp/hc/english/ir/stocks/meeting.html

[Supplementary Principle 4-11-3: Analysis and Evaluation of Effectiveness of the Board of Directors]
Please refer to Article 8 (Analysis and Evaluation of Effectiveness of the Board of Directors) of the Basic Policy on Corporate Governance.
Based on the results of analyzing and evaluating the effectiveness of the Board of Directors in fiscal year 2025 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 overview and results of the analysis and evaluation are as follows:
(1) 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 year 2025, deliberations were held and the effectiveness of the Board of Directors as a whole was analyzed and evaluated at the Board of Directors meeting on April 16, 2026, based on opinions presented by the Board of Corporate Auditors and individual Directors.

(2) Evaluation Items
(I) Institutional design/composition: Number of members, percentage of independent Outside Directors, diversity, frequency of meetings, meeting length
(ii) Operation: Number and content of agenda items, quality and quantity of agenda materials, timing of prior distribution, quality of prior explanations
(iii) Deliberation and functions: Constructive discussions and multifaceted considerations in meetings, ethos, one’s own roles and responsibilities
(iv) PDCA: Addressing issues raised, reporting results after resolutions, efforts toward improvement

(3) Evaluation Results and Future Response
The questionnaire regarding the effectiveness of the Board of Directors in fiscal year 2025 and the deliberations at the Board of Directors meeting confirmed the following details on the effectiveness of the Board of Directors.
(i) Evaluation results
・In fiscal year 2025, the first year of the medium-term management plan, the Board of Directors held active discussions on specific business issues as well as on responding to various changes in the environment surrounding society in order to achieve the goals of the management plan.
・Active deliberations were held, including multiple discussions to decide on policies for high-risk projects.
・Multifaceted discussions were held on important agenda items etc., by providing opportunities for exchange of opinions separately from the Board of Directors in advance.
・Future-oriented initiatives related to DX were also periodically reported, and meaningful exchanges of opinions were conducted.
・In response to changes in the environment surrounding society, active discussions were held on Sustainability policy, climate change response, human rights policy, harassment, etc., in order to reach a higher level.
As a result of the above analysis and evaluation, we have confirmed that the effectiveness of the Board of Directors has been sufficiently ensured.
(ii) Future response
・To further improve the effectiveness of the Board of Directors, we will strive to stimulate discussion at the Board of Directors meetings from a medium- to long-term perspective in response to the key strategies set forth in the medium-term management plan.

[Supplementary Principle 4-14-2: Training Policies for Directors and Corporate Auditors]
Please refer to Article 12 (Training Policies for Directors and Corporate Auditors) of the Basic Policy on Corporate Governance.

[Principle 5-1: Policy for Constructive Dialogue with Shareholders]
Please refer to Article 17 (Dialogue with Shareholders) of the Basic Policy on Corporate Governance.

Action to Implement Management that is Conscious of Cost of Capital and Stock Price【Updated】

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	May 15, 2026

Supplementary Explanation

Please refer to our website for Action to Implement Management that is Conscious of Cost of Capital and Stock Price.
Summary of Financial Statements for the year ended March 31, 2026 (page 20):
https://www.haseko.co.jp/hc/english/ir/library/pdf/20260515_2e.pdf

2. Capital Structure

Foreign Shareholding Ratio	30% or more

Status of Major Shareholders 【Updated】

Shareholder Name	No. of Shares Owned (share)	Shareholding Ratio (%)
Ichigo Trust Pte. Ltd. (standing proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo Branch)	52,933,100	19.67
The Master Trust Bank of Japan, Ltd. (Trust account)	31,908,900	11.86
Custody Bank of Japan, Ltd. (Trust account)	28,678,200	10.66
Resona Bank, Limited	12,609,992	4.68
Haseko Group Employee Shareholders Association	12,086,574	4.49
Sumitomo Realty & Development Co., Ltd.	9,916,200	3.68
Haseko Corporation Tokyo Business Partner Shareholding Association	4,271,487	1.58
STATE STREET BANK AND TRUST COMPANY 505001(standing proxy: Mizuho Bank, Settlement & Clearing Services Department)	3,827,242	1.42
JP MORGAN CHASE BANK 385781(standing proxy: Mizuho Bank, Settlement & Clearing Services Department)	3,622,994	1.34
BNYM AS AGT/CLTS 10 PERCENT(standing proxy: MUFG Bank, Ltd.)	2,726,061	1.01

Controlling Shareholders (except for Parent Company)	―――
Parent Company	Not adopted

Supplementary Explanation【Updated】

The Status of Principal Shareholders is based on the shareholder registry as of March 31, 2026.
It excludes 23,498,459 shares of treasury stock.
A Large Shareholding Report was submitted by Sumitomo Mitsui DS Asset Management Company, Limited on January 8, 2026. However, as the status of beneficial ownership as of March 31, 2026 cannot be fully confirmed, it is not included in the above list of major shareholders.
For reference, the shareholding status as of December 31, 2025, as disclosed in the said Large Shareholding Report, is as follows:

Sumitomo Mitsui DS Asset Management Company, Limited
14,931,700 shares
5.11%

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Construction
Number of Employees (Consolidated) at Last Fiscal Year End	1,000 or more
Net Sales (Consolidated) in the Last Fiscal Year	1 trillion yen or more
Number of Consolidated Subsidiaries at Last Fiscal Year End	50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances Which May have a Material Impact on Corporate Governance

(1) The Company has no parent company or listed subsidiaries.
(2) At present, there is no other facts, etc. that are considered to have material impact on the Company's corporate governance.

II. Status of Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Oversight in Business Management

1. Matters Regarding Organizational Composition and Operation, Etc.

Type of Organization	Company with corporate auditors

Directors【Updated】

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office of Directors Stipulated in Articles of Incorporation	1 year
Chairman of the Board of Directors	Chairman (except when concurrently serving as President)
Number of Directors	12
Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Outside Directors Designated as Independent Officers	5

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Kazuhiko Ichimura	From another company								△			
Mami Nagasaki	Lawyer											
Toshikatsu Ogura	From another company								△			
Takeshi Fujii	From another company								△			
Nobuaki Kitamori	From another company								△			

*Categories for "Relationship with the Company".
* "○" when the Director presently falls or has recently fallen under each of the categories, and "△" when the Director did so in the past
* "●" when a close relative of the Director presently falls or has recently fallen under each of the categories, and "▲" when did so in the past
a. Executive officer of the Company or its subsidiary
b. Executive officer or non-executive director of the parent company of the Company
c. Executive officer of a sister company of the Company

d. A party whose major client or supplier is the Company, or an executive officer thereof
e. Major client or supplier of the Company, or an executive officer thereof
f. Consultant, accounting expert or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration for directors
g. Major shareholder of the Company (or, if the major shareholder is a legal entity, an executive officer of said entity)
h. Executive officer (the officer himself/herself only) of a client or supplier (not falling under any of the above d, e, and f) of the Company
i. Executive officer (the officer himself/herself only) of a company, with which the Company has a relationship of mutual appointment of personnel as outside director
j. Executive officer (the officer himself/herself only) of a company or organization that receives donation from the Company
k. Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation on the Applicable Items	Reasons for Appointment
Kazuhiko Ichimura	○	The amount of the Company's transactions with Mitsubishi Corporation, Mitsubishi Corporation Urban Development, Inc., and ASATSU-DK INC. (currently ADK Marketing Solutions Inc.) is 1% or less of the consolidated net sales.	Kazuhiko Ichimura has abundant experience in promoting urban redevelopment projects and large-scale commercial development at Mitsubishi Corporation. In addition, he was engaged in the management of developers of income properties, centered on commercial establishments, as CEO at Mitsubishi Corporation Urban Development, Inc. and gained abundant experience and an excellent track record in company management. He also has a business perspective targeted at consumers gained as an Operating Officer at ASATSU-DK INC. Since he assumed the office of Outside Director, he has greatly contributed to the enhancement of the Company's governance. Accordingly, the Company judged that he would make large contributions to the Company's management. Since the amount of the Company's transactions with Mitsubishi Corporation, Mitsubishi Corporation Urban Development, Inc., and ASATSU-DK INC. (currently ADK Marketing Solutions Inc.) is 1% or less of the consolidated net sales, the Company believes that he is independent with no conflict of interest with general shareholders as he meets the Company's independence criteria.
Mami Nagasaki	○	The Company has no advisory contracts with Ishii Law Office. No transactions have been made between the Company and Ichigo Green Infrastructure Investment Corporation, HONDA TSUSHIN KOGYO CO., LTD., or Japan Aviation Electronics Industry, Limited.	Mami Nagasaki has diverse experiences as an attorney and knowledge about legal affairs in general and also is engaged in duties related to the Company's main construction business. In addition, she has executed overall business operations at an investment company as Executive Director, and also has experience and track record in corporate management. Since she assumed the office of Outside Director, she has greatly contributed to the enhancement of the Company's governance. Accordingly, the Company judged that she would make large contributions to the Company's management. Since no advisory contracts, etc. have been made between the Company and Ishii Law Office, and no transactions have been made between the Company and Ichigo Green Infrastructure Investment Corporation where she once held the position of Operating Officer, HONDA TSUSHIN KOGYO CO., LTD. where she once served as Outside Auditor, or Japan Aviation Electronics Industry, Limited where she serves as Outside Director, the Company believes that she is independent with no

			conflict of interest with general shareholders as she meets the Company's independence criteria.
Toshikatsu Ogura	○	The Company has no transactions with The Japan Telecommunications Welfare Association (currently NTT Group Welfare Association), Information, Telecommunication Equipment Constructor's Association, and AIRPORT FACILITIES CO., LTD., the amount of the Company's transaction with JAPAN POST Co., Ltd. is 1% or less of the consolidated net sales, and the amount of the Company's transaction with Nippon Telegraph and Telephone Corporation (currently NTT, Inc.), Nippon Telegraph and Telephone West Corporation (currently NTT West, Inc.), and NTT BUSINESS ASSOCIE Corporation (currently NTTExC Partner Corporation) is less than 2% of the consolidated net sales.	Toshikatsu Ogura was engaged in business management of companies as a Representative Director at Nippon Telegraph and Telephone West Corporation and NTT BUSINESS ASSOCIE Corporation, and has abundant experience and excellent track record in management. Since he assumed the office of Outside Director, he has greatly contributed to the enhancement of the Company's governance. Accordingly, the Company has judged that he would make a large contribution to its business management. Since the Company has no transactions with The Japan Telecommunications Welfare Association and Information & Telecommunication Equipment Constructor's Association where he once held the position of Chairman and AIRPORT FACILITIES CO., LTD. where he once served as Outside Director, the amount of the Company's transactions with JAPAN POST Co., Ltd. where he serves as Outside Director is 1% or less of the consolidated net sales, and the amount of the Company's transactions with Nippon Telegraph and Telephone Corporation(currently NTT, Inc.), Nippon Telegraph and Telephone West Corporation (currently NTT West, Inc.), and NTT BUSINESS AOSSOCIE Corporation (currently NTTExC Partner Corporation), where he serves as Outside Director is less than 2% of the consolidated net sales, the Company believes that he is independent with no conflict of interest with general shareholders as he meets the Company's independence criteria.
Takeshi Fujii	○	No transactions have been made between the Company and Metropolitan Expressway Company Limited and Tama University, and the amount of the Company's transactions with The Juhachi Bank(currently The Juhachi-Shinwa Bank) and Mitsui Sumitomo Insurance Company, Limited is 1% or less of the consolidated net sales, and no transactions have been made between the Company and Tokyu Research Institute, Inc., the amount of the Company's transactions with the corporate group which Tokyu Research Institute, Inc belongs to is less than 2% of the consolidated net sales	Takeshi Fujii is from the Ministry of Land, Infrastructure, Transport and Tourism, and has held various positions in Land and Water Resources Bureau Kanto Regional Development Bureau and served as Director-General of the National Land Policy Bureau, he accumulated extensive knowledge about the construction industry. In addition, as Representative Director of Metropolitan Expressway Company Limited, he has abundant experience and an excellent track record in management. Accordingly, the Company has judged that he would make a large contribution to its business management. Since no transactions have been made between the Company and Metropolitan Expressway Company Limited, and Tama University where he serves as a specially appointed visiting professor, the amount of the Company's transactions with The Juhachi Bank (currently The Juhachi-Shinwa Bank) where he once served as director and Mitsui Sumitomo Insurance Company, Limited where he serves as Advisor is 1% or less of the consolidated net sales, and no transactions have been made between the Company and Tokyu Research Institute, Inc where he serves as an advisor, the the amount of the Company's transactions with the corporate group which Tokyu Research Institute, Inc belongs to is less than 2%, the Company believes that he is independent with no conflict of interest with general

			shareholders as he meets the Company's independence criteria.
Nobuaki Kitamori	○	No transactions have been made between the Company and SymEnergy Inc., and the amount of the Company's transactions with MITSUI & CO., LTD. and JA Mitsui Leasing, Ltd. is 1% or less of the consolidated net sales.	The Company believes that Mr. Nobuaki Kitamori will make a significant contribution to its management, in light of his experience in promoting businesses requiring a global perspective at MITSUI & CO., LTD., as well as his extensive experience and proven track record as a business executive through his service as a Representative Director responsible for corporate management at the company. Accordingly, the Company has judged that he would make a large contribution to its business management. Since no transactions have been made between the Company and SymEnergy Inc., and the amount of the Company's transactions with MITSUI & CO., LTD. and JA Mitsui Leasing, Ltd. is 1% or less of the consolidated net sales, the Company believes that he is independent with no conflict of interest with general shareholders as he meets the Company's independence criteria.

Voluntary Establishment of Committee(s) Equivalent to Nomination Committee or Remuneration Committee	Established

Establishment Status, Composition of Members, and Attribute of Chairperson of Voluntary Committee(s)

	Name of Committee	Total Members	Full-time Members	Internal Directors	Outside Directors	External Experts	Other	Chairperson
Voluntary Committee(s) Equivalent to Nomination Committee	Nomination and Remuneration Committee	8	0	3	5	0	0	Internal Director
Voluntary Committee(s) Equivalent to Remuneration Committee	Nomination and Remuneration Committee	8	0	3	5	0	0	Internal Director

Supplementary Explanation

The Company has established the Nomination and Remuneration Committee comprising all independent Outside Directors and an equivalent or below number of Representative Directors, etc., which deliberates on the following matters, and submits a report to the Board of Directors.
(1) Matters Related to the Appointment of Directors and Corporate Auditors (Matters to Be Resolved at the General Meeting of Shareholders)
(2) Matters Related to the Selection of Representative Directors
(3) Matters Related to the Remuneration System for Directors and the Policy for Annual Revision
(4) Matters Related to the Maximum Amount of Remuneration of Directors (Matters to Be Resolved at the General Meeting of Shareholders)
(5) Other Matters Consulted by the Board of Directors

Auditors 【Updated】

Establishment of Board of Corporate Auditors	Established
Maximum Number of Corporate Auditors Stipulated in the Articles of Incorporation	5

Number of Corporate Auditors	5

Cooperation among Corporate Auditors, Accounting Auditors and Internal Audit Division

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, interim review reports, and accounting audit reports from the Accounting Auditor. As necessary, the full-time Corporate Auditors interview the Accounting Division and the Accounting Auditor. Furthermore, Information regarding the Accounting Auditor is provided in II. 2. Matters on Functions of Business Implementation, Auditing and Oversight, Nomination and Remuneration Decisions, Etc. (Overview of Current Corporate Governance System).

In terms of internal audit, the Auditing Department conducts internal audits with regard to information management, risk management and other matters and evaluates internal control with regard to financial reporting. When problems on internal control are found through financial audits, the information is conveyed to respective departments each time for considering improvements. At the same time, the Auditing Department receives the relevant information as part of its evaluation work of internal control, gives feedback to respective departments and monitors the improvement status at respective departments. The Auditing Department also reports the improvement status to the President, the Board of Directors, the Corporate Auditors and the Accounting Auditor.

The Auditing Department conducts activities while making reports to the Corporate Auditors at any time in order to arrange division of roles and keep consistency with the audits by the Corporate Auditors. The Corporate Auditors are present at internal audits and receive the internal audit results, as well as conducting exchange of information with the Auditing Department regarding audit situations within the Company.

In addition, as an initiative to ensure effectiveness of internal audit, internal rules stipulate a structure in which internal audit results, etc. are reported directly not only to the President but also to the Board of Directors, the Corporate Auditors, and the Board of Corporate Auditors, and a dual reporting line has been established and implemented.

Appointment of Outside Corporate Auditors	Appointed
Number of Outside Corporate Auditors	3
Number of Outside Corporate Auditors Designated as Independent Auditors	3

Outside Corporate Auditors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Nobuyuki Iijima	Academic													
Toru Muranaka	Lawyer													
Katsunori Takahashi	Certified Public Accountant													

*Categories for "Relationship with the Company".

* "○" when the Director presently falls or has recently fallen under each of the categories, and "△" when the Director did so in the past
* "●" when a close relative of the Director presently falls or has recently fallen under each of the categories, and "▲" when did so in the past

a. Executive officer of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Executive officer or non-executive director of the parent company of the Company
d. Auditor of the parent company of the Company
e. Executive officer of a sister company of the Company
f. A party whose major client or supplier is the Company, or an executive officer thereof
g. Major client or supplier of the Company, or an executive officer thereof
h. Consultant, accounting expert or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration for directors
i. Major shareholder of the Company (or, if the major shareholder is a legal entity, an executive officer of said entity)
j. Executive officer (the officer himself/herself only) of a client or supplier (not falling under any of the above f, g, and h) of the Company
k. Executive officer (the officer himself/herself only) of a company, with which the Company has a relationship of mutual appointment of personnel as outside director
l. Executive officer (the officer himself/herself only) of a company or organization that receives donation from the Company
m. Other

Outside Corporate Auditors' Relationship with the Company (2)

Name	Designation as Independent Auditor	Supplementary Explanation on the Applicable Items	Reasons for Appointment
Nobuyuki Iijima	○	The Company has no transactions with SANNO University or SHOEI FOODS CORPORATION.	Nobuyuki Iijima is a certified tax account and a professor of tax law at SANNO University. He has abundant knowledge about tax and accounting. Accordingly, from a viewpoint of expertise, the Company considers that he can appropriately implement the Outside Corporate Auditor's duties. Since no transactions have been made between the Company and SANNO University and SHOEI FOODS CORPORATION where he serves as outside Auditor, the Company believes that he is independent with no conflict of interest with general shareholders as he meets the Company's independence criteria.
Toru Muranaka	○	The Company has no advisory agreement or other contractual relationship with Daiichi Law Office. In addition, the Company has no transactions with Doshisha University and its graduate school, FURUNO ELECTRIC CO., LTD., CAPCOM CO., LTD., or SUZUKEN CO., LTD.	As an attorney specializing in corporate law, he possesses advanced knowledge and professional expertise in laws and regulations, compliance, and risk management, and the Company considers that he can appropriately perform his duties as an Outside Corporate Auditor from a professional standpoint. Furthermore, the Company has no advisory agreement or other contractual relationship with Daiichi Law Office, to which he belongs. In addition, the Company has no transactions with Doshisha University and its graduate school, CAPCOM CO., LTD., where he previously served as an Outside Director, or FURUNO ELECTRIC CO., LTD. and SUZUKEN CO., LTD., where he previously served as an Outside Corporate Auditor. Accordingly, the Company believes that he satisfies the Company's independence criteria and has no conflict of interest with general shareholders.
Katsunori Takahashi	○	The Company has no advisory agreement or other contractual relationship with Shinsou Audit Corporation. In addition, the Company has no transactions with Aoyama Gakuin University and its graduate school, G-FACTORY CO., LTD., Seigakuin Educational Foundation, Kanrei Shirayuri Gakuen Educational Corporation, Tokyo Metropolitan Private School Foundation, HINOYA CO., LTD., the Japanese Institute of Certified Public Accountants, or its Tokyo Chapter.	Mr. Katsunori Takahashi, as a certified public accountant, possesses advanced knowledge and professional expertise in finance and accounting, and the Company considers that he can appropriately perform his duties as an Outside Corporate Auditor from a professional standpoint. Furthermore, the Company has no advisory agreement or other contractual relationship with Shinsou Audit Corporation, to which he belongs. In addition, the Company has no transactions with Aoyama Gakuin University and its graduate school, Seigakuin Educational Foundation, Kanrei Shirayuri Gakuen Educational Corporation, Tokyo Metropolitan Private School Foundation, the Japanese Institute of Certified Public Accountants and its Tokyo Chapter, G-FACTORY CO., LTD., where he previously served as an Outside Director (Audit and Supervisory Committee Member), or HINOYA CO., LTD., where he serves as an Outside Corporate Auditor. Accordingly, the Company believes that he satisfies the Company's independence criteria and has no conflict of interest with general shareholders.

Independent Directors【Updated】

Number of Independent Directors	8

Other Matters Concerning Independent Directors

The Company has designated all of its Outside Directors who satisfy the qualification of independent directors as Independent Directors.

[Independence Criteria for Outside Officers]

The following independence criteria are established between candidates for Outside Officers and the companies or organizations to which they belong and the HASEKO Group (Note). Outside Officers must continue to comply with the independence criteria specified below after they have taken office. After assuming a new major position, their independence must be verified again based on the independence criteria.

1. A person who is not currently a Director (excluding Outside Director), Corporate Auditor (excluding Outside Corporate Auditor), Operating Officer or employee of the HASEKO Group, and has not been a Director (excluding Outside Director), Corporate Auditor (excluding Outside Corporate Auditor), Operating Officer or employee of the HASEKO Group in the last ten years.
2. A person who has not been a major shareholder* of the HASEKO Group or a Director, Corporate Auditor, Operating Officer or employee of a company of which the HASEKO Group has been a major shareholder in any fiscal year in the last five years.

*"Major shareholder" refers to a company or other shareholder that holds shares of 10% or more of the total voting rights.

3. A person who is not a Director, Corporate Auditor, Operating Officer or employee of a major business partner* of the HASEKO Group.

*"Major business partner" refers to a company that has paid or received transaction amounts worth 2% or more of the consolidated net sales of the HASEKO Group or the business partner (including its parent company and significant subsidiaries) in ordinary transactions with the HASEKO Group in the most recent fiscal year and the last three fiscal years.

The acquisition of real estate by a public tender is not considered as ordinary transactions, but if such an acquisition has occurred, it must be disclosed in the securities report.

4. A person who is not a Director, Corporate Auditor, Operating Officer or employee of a company that is a major lender* to the HASEKO Group.

*"Major lender" refers to a financial institution to which the HASEKO Group owes an outstanding amount worth 2% or more of the consolidated total assets of the HASEKO Group or the financial institution at the end of the most recent fiscal year.

5. A person who is not a Trustee, Director, Corporate Auditor, Operating Officer or employee of a corporation, association or other organization that has received a large donation* from the HASEKO Group.

*"Large donation" refers to an amount exceeding an average of ¥10 million per year in the last three fiscal years.

6. A Director, Corporate Auditor or Operating Officer who has not been dispatched on a reciprocal basis with the HASEKO Group.
7. A person who has not been a certified public accountant belonging to an auditing firm that is the Accounting Auditor of the HASEKO Group, an attorney who has an advisory contract with the HASEKO Group, or an attorney belonging to a law firm that has an advisory contract with the HASEKO Group in any fiscal year in the last five years.
8. A person who is not an attorney, certified public accountant, consultant or other such expert who has received a large amount of money* or other property (excluding remuneration for officers) from the HASEKO Group (if the party receiving the property is a corporation, association or other organization, a person who is not a person belonging to such an organization).

*"Large amount of money" refers to an amount exceeding an average of ¥10 million per year in the last three fiscal years.

9. A person who is not a spouse of, a relative within the second degree of kinship of, a relative living with, or a person who shares a livelihood with a person falling under any of the following items:

(1)A Director, Corporate Auditor, Operating Officer or important employee* of the HASEKO Group;

(2)A person who has been a Director, Corporate Auditor, Operating Officer or important employee of the HASEKO Group in any fiscal year in the last five years; or

(3)A person whose appointment is restricted due to not satisfying any of 2. to 7. above.

*"Important employee" generally refers to an employee of or above the level of Operating Officer. However, in HASEKO Corporation, it refers to an employee of or above the level of department head.

10.In addition to the above, a person whose independence to perform the duties of an Outside Officer is not in doubt.

Note: "The HASEKO Group" refers to HASEKO Corporation and its subsidiaries.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation

The Company determined the director remuneration including bonuses and performance-based stock compensation, reflecting the operating results and level of achievement for target of corporate value enhancement of the fiscal year and within the scope of the remuneration amount approved by the General Meeting of Shareholders. Furthermore, director's bonuses and performance-based stock compensation are provided on the condition that surplus is distributed to common shares.

Persons Eligible for Stock Options	

Supplementary Explanation

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Director Remuneration【Updated】

Disclosure of Individual Director's Remuneration	Only a portion is disclosed individually

Supplementary Explanation

Remunerations to the Company's Directors and Corporate Auditors for the fiscal year ended March 2026 are as follows:

Directors (excluding Outside Directors)	998 million yen in total for 7 Directors
Corporate Auditors (excluding Outside Corporate Auditors)	50 million yen in total for 2 Corporate Auditors
Outside Directors	93 million yen in total for 9 Outside Directors

The above remunerations to Directors include 144 million yen recorded as provision for board benefit trust.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Regarding the remuneration for Directors, based on the Basic Policy on Corporate Governance, the President prepares the criteria for payment of remuneration of Directors in accordance with the Company's remuneration system for its Directors and based on deliberations at the Nomination and Remuneration Committee which comprises all independent Outside Directors and an equivalent or below number of Representative Directors, etc., and the Board of Directors determines the criteria for payment of remuneration by its resolution. The Corporate Auditors' remuneration is determined by discussion among the Corporate Auditors, within the scope of the remuneration amount based on the resolution at the General Meeting of Shareholders. During this fiscal year, Nomination and Remuneration Committee meetings were held 4 times wherein the basic remuneration of Directors was deliberated and the criteria for payment of the basic remuneration of Directors was reconfirmed. The committee also discussed the calculation formula of performance-linked remuneration and the application of a performance coefficient based on the status of the achievement of the performance indicators, and unanimously approved the draft proposal to be submitted to the Board of Directors. The Board of Directors meeting held on May 15, 2026, resolved as per the proposal.

Meanwhile, it was resolved at the 107th Ordinary General Meeting of Shareholders held on June 27, 2024, that the monetary remuneration of Directors shall be a maximum amount of 900 million yen per year (provided that, of the 900 million yen, 400 million yen shall be paid as bonuses for Directors on the condition that dividend of surplus is paid on common stock).
The number of Directors was 12 at the time of closing of the 107th Ordinary General Meeting of Shareholders.

It was also resolved at the 100th Ordinary General Meeting of Shareholders held on June 29, 2017, that, separately from the above maximum amount of monetary remuneration, a performance-based stock remuneration scheme for Directors (excluding Outside Directors) shall be introduced as a measure to help enhance the Company's business performance and corporate value over the medium- to long-term and that a maximum amount of 320 million yen shall be contributed to the scheme for every five fiscal years. In addition, it was resolved at the 104th Ordinary General Meeting of Shareholders held on June 29, 2021, that the scheme shall be reset with the additional condition that the maximum number of shares to be repurchased every five fiscal years shall be 360 thousand shares. The number of Directors (excluding Outside Directors) was 8 at the time of closing of the Ordinary General Meeting of Shareholders introduced the remuneration scheme and 8 at the time of closing of the Ordinary General

Meeting of Shareholders reviewed the remuneration scheme.

It was resolved at the 77th Ordinary General Meeting of Shareholders held on June 29, 1994, that the monetary remuneration for Corporate Auditors shall be a maximum amount of 100 million yen per year. The number of Corporate Auditors was 4 at the time of closing of the 77th Ordinary General Meeting of Shareholders.

At the 109th Annual General Meeting of Shareholders held on June 26, 2026, it was resolved that the amount of monetary compensation for Directors be changed to an annual amount not exceeding ¥1,500 million (of which up to ¥1,000 million shall be compensation corresponding to Directors' bonuses, the payment of which is conditional upon the payment of dividends of surplus on common stock), and that the amount of monetary compensation for Corporate Auditors be changed to an annual amount not exceeding ¥150 million.

In addition, with respect to the performance-linked share-based remuneration system, it was resolved that contributions for Directors (excluding Outside Directors) shall be capped at ¥1,680 million for each five fiscal years, and that the maximum number of shares to be acquired for each five fiscal years shall be 630 thousand shares.

[Overview of Director Remuneration System]

(a) Composition of remuneration

・Remuneration of Directors consists of basic remuneration (fixed remuneration) and performance-linked remuneration.

(b) Basic remuneration

・Basic remuneration is paid monthly in a fixed amount, with a standard amount set for each position.

・The amount of basic remuneration is determined comprehensively based on the position, duties, and term of office of each Director and by taking into consideration the Company's business performance, the level of employee salaries, and the level of remuneration of directors at comparable companies.

(c) Performance-linked remuneration

・Performance-linked remuneration consists of executive bonuses and stock remuneration.

・This system makes adjustments according to the degree of achievement of targets for business performance and improvement of corporate value, in light of the incentive effects for achieving business plans and increasing corporate value, as well as the growing demands for management that is conscious of cost of capital and stock price, responses to climate change, and human capital management.

・Regarding the performance-linked indicators, because the medium-term business plan sets consolidated ordinary income as a specific numerical target, consolidated ordinary income results and their achievement status relative to the initial forecast as of the beginning of each fiscal year are used. For Directors serving as Executive Vice President or a lower rank, the business performance of the division of which the Director is in charge is also considered in the determination of the performance coefficient.

・For the corporate value improvement indicators, the degree of achievement of the respective targets for profitability and capital efficiency improvement, human capital, and climate change response will be used.

・In principle, Outside Directors and Corporate Auditors are not eligible for performance-linked remuneration.

(Formula for calculation of executive bonuses)

・Amount of bonuses = Base amount by position × Performance coefficient + Directors' allowance

*Bonuses are determined based on the position of each Director at the end of the fiscal year under review and paid annually, generally after the Ordinary General Meeting of Shareholders held in June.

(Formula for calculation of stock remuneration)

・Points to be granted = Bonus amount × 0.3 × corporate value improvement coefficient / per-share BBT (Board Benefit Trust) book value

*Points are granted based on the position of each Director at the end of the fiscal year under review and provided annually, generally on June 1.

*The Company's stock is delivered to Directors as stock remuneration at the time of retirement at the rate of one share per one point for points accumulated by the time of retirement.

(d) Ratio of basic remuneration and performance-linked remuneration (executive bonuses and stock remuneration)

・While the ratio of basic remuneration to executive bonuses to stock remuneration is basically 46:42:12, the ratio of basic remuneration to performance-linked remuneration may vary depending on including the Company's business performance as calculated by using a certain formula for Directors (excluding Outside Directors).

Supporting System for Outside Directors (Outside Corporate Auditors)

With regard to the Board of Directors meetings which the Outside Directors will attend, explanations on the summary of the agendas, etc. shall be given to the Outside Directors in advance by the Corporate Management Division.

As for the supporting system for the Outside Corporate Auditors, descriptions are provided in (6) to (8) on IV. 1. Basic Views on Internal Control System and the Progress of System Development.

Status of Persons who have Retired as Representative Director and President, etc.

Names, etc. of Advisor, Consultant, etc. who are former President and Representative Director, etc.

Name	Title/Position	Duties	Working Form/Terms (Full-time/Part-time, with or without remuneration, etc.)	Date Retired from President, etc.	Term of Office
Ikuo Oguri	Executive Advisor	Employee education/passing down of experience, advice when required by current management team	Full-time, with remuneration	June 26, 2020	Annual contract

Number of Advisor, Consultant, etc. who are former President and Representative Director, etc.	1

Other Matters

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2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions, Etc. (Overview of Current Corporate Governance System) 【Updated】

(1) The Board of Directors of Haseko Corporation serves as the institution where Directors with expert knowledge and experience in various business sectors conduct decision-making on managerial issues and supervise 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 as well as enhance the function to monitor business management. We are working to establish a system that is optimum for the Company, taking into consideration the balance between the operation of the Board of Directors and the monitoring functions.

The Board of Directors holds regular meetings once a month and additional special meetings as necessary and is responsible for important decision-making and regular reports on matters related to management. In addition, operating officers make operational reports on a regular basis to the board. With Chairman and Director Noriaki Tsuji as its chair, its members include Kazuo Ikegami, Satoshi Kumano, Kuniyoshi Mimori, Toru Yamaguchi, Takehiko Asano, Naoko Yoshimura; Outside Directors Kazuhiko Ichimura, Mami Nagasaki, Toshikatsu Ogura, Takeshi Fujii and Nobuaki Kitamori; full-time Corporate Auditors Eijo Daimon and Noriyuki Tsutsui; and Outside Corporate Auditors , Nobuyuki Iijima, Toru Yamanaka and Katsunori Takahashi.

(2) The Nomination and Remuneration Committee is an advisory body for the Board of Directors, to secure objectivity, transparency and fairness of the procedures related to the nomination and remuneration, etc. of Directors and enhance corporate governance. The committee comprises all independent Outside Directors and an equivalent or below number of Representative Directors, etc. With President and Representative Director Satoshi Kumano as its chair, its members include Noriaki Tsuji, Kazuo Ikegami and Outside Directors Kazuhiko Ichimura, Mami Nagasaki, Toshikatsu Ogura, Takeshi Fujii and Nobuaki Kitamori.

(3) The Company has established the Management Council and two operation councils – the Business Operation Council and the Technology Operation Council – to facilitate prompt and flexible decision-making on matters related to daily operations to the extent they are authorized by the Board of Directors. Participation of Directors in the Management Council and two operation councils is limited to a certain level, so that the functions of making decisions and supervising such decision-making are divided and clarification is made for the responsibilities and authority for these functions. Moreover, the function of discussing in advance the important issues to be decided at the Board of Directors is performed by the Management Council.

a. Management Council: It is a place for prior deliberations on matters to be resolved by the Board of Directors and exchanging of opinions on decision-making regarding business execution and medium- to long-term issues. Depending on the issues to be discussed, it is convened with relevant members, including the Presidents of group companies. With Chairman and Director Noriaki Tsuji as its chair, its members include Kazuo Ikegami, Satoshi Kumano, Kuniyoshi Mimori, Toru Yamaguchi, Takehiko Asano, Naoko Yoshimura, one responsible Operating Officer, and full-time Corporate Auditors Eijo Daimon and Noriyuki Tsutsui.

b. Business Operation Council: The council is held twice a month in principle, to be attended by officers appointed by the Management Council. With Director, Executive Vice President Toru Yamaguchi as its chair, its members include and seven Operating Officers responsible for Business Operation Council.

c. Technology Operation Council: The council is held once a month in principle, to be attended by officers appointed by the Management Council. With Director, Executive Vice President Kuniyoshi Mimori as its chair, its members include 13 persons of Operating Officers responsible for Technology Operation Council.

(4) The Risk Management Committee is held once every quarter and shall also be held on an ad hoc basis as necessary whenever any material risk has arisen. It examines and determines the establishment, amendment or abolishment of internal rules on risk management and risk prevention plans, etc., as well as discusses and decides on the implementation policies and specific measures for risk management, among other things. With President and Representative Director Satoshi Kumano as its chair, its members include Kuniyoshi Mimori, Toru Yamaguchi, Takehiko Asano, Naoko Yoshimura, and 16 Operating Officers responsible for Risk Management Committee.

(5) In terms of internal audit, the Internal Auditing Department comprising 12 people conducts internal audits with regard to information management, risk management and other matters and evaluates internal control with regard to financial reporting. When problems on internal control are found through financial audits, the information is conveyed to respective departments each time for considering improvements. At the same time, the Internal Auditing Department receives the relevant information as part of its evaluation work of internal control, gives feedback to respective departments and monitors the improvement status at respective departments. The Internal Auditing Department also reports the improvement status to the President, the Board of Directors, the Corporate Auditors and the Accounting Auditor. The Internal Auditing Department conducts activities while making reports to the Corporate Auditors at any time in order to arrange division of roles and keep consistency with the audits by the Corporate Auditors. The Corporate Auditors are present at internal audits and receive the internal audit results, as well as conducting exchange of information with the Internal Auditing Department regarding audit situations within the Company. In addition, as an initiative to ensure effectiveness of internal audit, internal rules stipulate a structure in which internal audit results, etc. are reported directly not only to the President but also to the Board of Directors, the Corporate Auditors, and the Board of Corporate Auditors, and a dual reporting line has been established and implemented.

(6) The Board of Corporate Auditors 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 Board of Corporate Auditors conducts deliberations and discussion of, and makes resolutions on, such specific matters as audit policy, establishment of audit plans including division of duties, preparation of audit report, evaluation of Accounting Auditor as a “matter related to Accounting Auditor,” judgement based on the “policy on determining dismissal and refusal of reappointment of Accounting Auditor” and appropriateness of reappointment, and agreement on audit fee.

In addition, the Board of Corporate Auditors receives operational reports from Directors, Operating Officers, Group company presidents, etc., and full-time Corporate Auditors also report on their activities. At the monthly Liaison Meeting with the Auditing Department and the Risk Management Department, which all Corporate Auditors attend, attendees share information and exchange opinions based on regular reports on the establishment/operational status of the internal control system and the evaluation of internal control related to financial reporting, and other reports. The Board of Corporate Auditors holds meetings separately with Representative Directors and Outside Directors, which all Corporate Auditors attend, to exchange opinions and secure understanding and communications.

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 requests for approval (circulation of documents for approval), 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.

Furthermore, as part of reinforcing the functions of the Corporate Auditors, the Statutory Auditors Office has been established to assist the operations of the Corporate Auditors, with four employees assigned (including three who are concurrently assigned with the Internal Auditing Department). This has established a system in which the Corporate Auditors can directly give instructions and orders regarding operations to assist them. As for the appointment and transfer of said employees, the Company shall report to the full-time Corporate Auditors in advance and discuss with them on the assumption that effectiveness of the Corporate Auditors’ instructions to the employees is secured.

(7) The status of financial audits and the amount of fees, etc. in the fiscal year ended March 2023 are as follows:

■Name of Accounting Auditor

Ernst & Young ShinNihon LLC

■Period of continuous audit Since July 2006
(Appointed as a person who is to temporarily perform the duties of accounting auditor by the Board of Corporate Auditors in July 2006, and appointed as the Accounting Auditor at the Ordinary General Meeting of Shareholders held next year.)
■Name of the certified public accountant who conducted audit (the number of years of continuous audit is not indicated as it is not more than seven years)
Designated limited liability partner and executive partner: Masanobu Saito, CPA
Designated limited liability partner and executive partner: Takehiro Ametani, CPA
Designated limited liability partner and executive partner: Hiroshi Nitta, CPA
■Composition of assistants involved in the audit operations
36 people in total, comprising 11 CPAs and 25 other members
■Amount of fees, etc. for the Independent Auditor (including its consolidated subsidiaries)
Fees in relation to the audit and attestation services: 219 million yen
(Of which, fees to be paid by the Company) (129 million yen)
■Amount of fees, etc. for the same network as the Accounting Auditor (including its consolidated subsidiaries)
Fees in relation to non-audit services: 12 million yen

3. Reasons for Adopting the Current Corporate Governance System

The Board of Directors of Haseko Corporation serves as the institution where Directors with expert knowledge and experience in various business sectors conduct decision-making on managerial issues and supervise 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 as well as enhance the function to monitor business management. We are working to establish a system that is optimum for the Company, taking into consideration the balance between the operation of the Board of Directors and the monitoring functions.

Moreover, decision-making on certain matters authorized by the Board of Directors is made at the Management Council and two operation councils – the Business Operation Council and the Technology Operation Council – to which participation of the Directors are limited to a certain level. By doing so, the functions of making decisions and supervising such decision-making are divided. The system allows each Director to supervise the execution of duties by other Directors.

Moreover, the function of discussing in advance the important issues to be decided at the Board of Directors is performed by the Management Council.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights【Updated】

	Supplementary Explanation
Early Sending of Convocation Notice of General Meeting of Shareholders	■The Company works to send a convocation notice approximately a week earlier than the statutory due date in order to provide enough time for shareholders to study the agendas.
Allowing Electronic Exercise of Voting Rights	■Voting rights can be exercised via the Internet by using the website designated by the Company for executing voting rights (https://evote.tr.mufg.jp/) (in Japanese).
Participation in the Electronic Voting Platform System and Other Efforts to Create an Environment in Which Institutional Investors Can Exercise Their Voting Rights	■Nominal shareholders (including standing proxy) such as administrating trust banks can exercise their voting rights by using the Electronic Voting Platform for Foreign and Institutional Investors operated by ICJ Incorporated, if they have applied for the use of the Platform in advance.
Provision of Convocation Notice (Summary) in English	■The Company works to post the convocation notice in Japanese and provide an English translation (simplified version) on its website and the website of the Tokyo Stock Exchange as a reference material.
Other	■The Company posts the convocation notice and its reference materials on the Company's website and the website of the Tokyo Stock Exchange 6 business days earlier than the statutory due date in order to provide enough time for shareholders to study the agendas.

2. IR Activities

	Supplementary Explanation	First-Hand Explanation by the Company's Representative
Holding of Regular Briefings for Analysts and Institutional Investors	■The Company holds a briefing session on its financial results attended by President twice a year (May and November). ■The Company holds online conferences four times a year, after the announcement of financial results. ■The Company holds a business briefing session or a site tour once a year or so. ■The Company holds a briefing session on the condominium market twice a year.	Yes
Posting of IR Materials on the Website	■The Company posts Summary of Financial Results, Presentation on Financial Results, Securities Report, timely disclosure materials, Q&A in financial results briefing and other materials on its Japanese website. ■The Company posts Summary of Financial Results, Presentation on Financial Results, Financial Report, timely disclosure materials, Q&A in financial results briefing and other materials on its English website. Japanese website URL: https://www.haseko.co.jp/hc/ir/ English website URL: https://www.haseko.co.jp/hc/english/ir/	
Establishment of Department (Person in Charge) of IR	■The Company has established the Investor Relations Department.	
Other	■The Company delivers "Haseko IR Magazine" (Japanese), an IR information provision service, on request to those who have registered on the mailing list.	

3. Measures to Ensure Due Respect for Stakeholders 【Updated】

	Supplementary Explanation
Rules for Respecting the Position of Stakeholders through Internal Regulations, Etc.	■The Company has established the Haseko Group Standards of Conduct to set forth that respect shall be given to the positions of each stakeholder including shareholders, customers, business partners, employees and the society.
Implementation of Environmental Preservation Activities and CSR Activities, Etc.	■The Company has established a sustainability vision and is promoting CSR initiatives under the Sustainability policy for its achievement. We have also established a Group-wide Sustainability Action Plan and control the PDCA cycle under the management system centered on the Sustainability Committee. In this way, we spread and promote sustainability initiatives across the Group. Note that we disclose information on these sustainability initiatives through the Company's website, Integrated Report, Sustainability Handbook, etc. We also disclose our environmental preservation activities in the Company's website, Integrated Report, etc. Specific examples include the "Haseko no Mori" project, under which forest conservation and afforestation activities are implemented in Chino City, Nagano Prefecture and Tanabe City, Wakayama Prefecture, and the participation in the natural greenery conservation activity of the TOKYO GREEN SHIP ACTION organized by the Tokyo Metropolitan Government Bureau of Environment. Additionally, in October 2023, Haseko Technical Center, which is Haseko Corporation's research, technology development, training, and information dissemination base for safe, secure, and comfortable living, was certified by the Ministry of the Environment as a "Natural Symbiosis Site", and registered in the international database as an "OECM" in August 2024 . Haseko Group Sustainability:

	https://www.haseko.co.jp/hc/english/sustainability/
Establishment of Policies, Etc. Related to Information Provision to Stakeholders	■The Company has established the Haseko Group Standards of Conduct to set forth that various information on its management shall be disclosed in adequate contents in a timely manner by stating such goals as “conduct sound accounting procedures and tax processing” and “disclose management information.”
Other	■Promotion of diversity & inclusion Since the establishment of the “D&I Promotion Office” in FY2023, we have been further advancing various initiatives, including the promotion of women’s empowerment. Under the key concept of “Active participation of individuals” we are working to create an environment in which many employees can find their work rewarding and perform with vitality. And we have clarified the significance and objectives of our diversity and inclusion (D&I) efforts in the Group. We have formulated the personnel plan and KPIs aligned with our medium-term business plan, and are promoting D&I initiatives across the entire group. In recognition of these efforts, the company has received the highest (three-star) “Eruboshi Certification” as a company excelling in the promotion of women’s participation under the Act on Promotion of Women’s Participation and Advancement in the Workplace. Within the group, Haseko Senior Well Design has also received the three-star certification, and Haseko Reform has received the two-star certification. ■Promotion of Health Management Since 2008, the Haseko Group has been providing support to its officers and employees for better physical and mental health by promoting “Health HASEKO Genki PLAN” under the slogan “No results without the health of officers and employees.” The President and Representative Director issued the “Haseko Group’s Declaration of Health” in September 2017 to present our corporate policy for health to people inside and outside the Group, and in accordance with the same declaration, we established the Haseko Group Health Management Promotion Committee in fiscal 2018. The committee makes decisions on company-wide policies, targets, plans and progress related to the maintenance and promotion of employees’ health and shares related information. In 2021, to aim for a group in which all employees stay healthy, both mentally and physically, and where each one of them can work more vigorously, we established the “Health Management Strategy Map” that illustrates the connection between the management issues we want to solve and health investment (health promotion measures). Haseko Corporation and its affiliates were recognized under the “2026 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)” in the large enterprise category hosted by the Ministry of Economy, Trade and Industry (METI) and Nippon Kenko Kaigi as one of the “organizations engaging in strategic health and productivity management program efforts for maintaining their employees’ health from a management perspective.”

IV. Matters Related to the Internal Control System, Etc.

1. Basic Views on Internal Control System and the Progress of System Development

1. Establishment of Internal Control System and Risk Management System

The Company makes it a basic policy of its corporate management, “As a leading company in ‘housing’ and ‘living’, to achieve sustainable growth and enhance corporate value” that puts customers first, work to realize its corporate philosophy “To contribute to society by creating an optimal environment for cities and people” and win society’s confidence. The Company has also established an internal control system, recognizing that it is an essential duty of corporate management to establish and operate a system to ensure appropriate business implementation.

(1) System for Ensuring That Directors and Employees Execute Their Duties in Compliance with Laws and Regulations and

the Company's Articles of Incorporation

a. With the recognition that intensive compliance is indispensable for the existence and continuity of a corporation, the Company established the Haseko Group Standards of Conduct, under which the Company has been working to establish a management system where all Directors, Operating Officers and staff respect societal standards and take sensible courses of action in keeping with their duties as members of society, as well as complying with all laws and the Company's articles of incorporation, so that the Company can win the confidence of society. Moreover, for enhanced compliance the Company established the Compliance Department which conducts promotion and education of compliance based on the internal rules and regulations on compliance. An internal whistle-blowing system for consultations on compliance and notification of illegal conduct, etc. and contact points have been established both inside and outside the Company.

b. The Company established the Internal Auditing Department that is under the direct control of the President. Pursuant to internal rules and regulations on internal audits, the Department investigates and evaluates whether activities of Haseko Group's respective divisions comply with laws and regulations, the Articles of Incorporation, the Company's rules and regulations, corporate policies, etc. and whether they are reasonable, and works to make improvements based on the results.

c. Pursuant to the Haseko Group Standards of Conduct it has established, the Company shall have no relations with anti-social forces or groups that threaten the order and security of civic life, and will cope with such anti-social forces and groups systematically and with an adamant and resolute attitude.

(2) System for Retention and Management of Information Related to Execution of Duties by the Directors

a. Pursuant to laws and regulations as well as its internal regulations on document management, the Company records and stores, either in writing or electronically, the information related to the execution of duties by the Directors and Operating Officers, including records on decisions made at the Board of Directors meetings and other important meetings as well as documents approved by the Directors and Operating Officers based on internal regulations.

b. Directors and Corporate Auditors can peruse such documents, etc. described in a. above at any time.

(3) System for Ensuring Efficient Execution of Duties by the Directors

a. The Company introduced the operating officer system to promote reinforcement of the business implementation function, with an aim to clarify responsibilities for business implementation and establish a business implementation system that suits the business environment. Meanwhile, the functions of the Board of Directors to determine basic policies on business management and reinforce supervision of business implementation have been further enhanced. By doing so, the Company works to enhance soundness and efficiency of business management.

b. The Company has established the Management Council, the Business Operation Council and the Technology Operation Council in order to flexibly and dynamically conduct decision-making on matters regarding daily business implementation to the extent they are authorized by the Board of Directors. The function of discussing in advance the important issues to be decided at the Board of Directors shall be performed by the Management Council. Moreover, the Company endeavors to enhance business implementation efficiency and, simultaneously, reinforce the supervising function by establishing decision-making authority suitable for the business management environment and the Company's financial conditions and preparing internal regulations on *ringi* (a system to request approval by internally circulating documents).

c. The Company establishes its business goals including major numerical targets for the entire company and respective operating departments. The departments then plan and implement specific measures, and the Company periodically checks the progress status of such specific measures through reporting made to the Board of Directors, the Management Council and the two operation councils – the Business Operation Council and the Technology Operation Council. Moreover, in order to achieve the business goals, the Company has secured a system that clarifies the division of duties and responsibilities of the Directors and Operating Officers and enables implementation of the duties appropriately and efficiently.

(4) Rules and Other Systems for Managing the Risk of Loss

a. In anticipation of a variety of risks, the Company endeavors to collect risk-related information and prepares preventive measures and appropriate countermeasures in advance against risks according to their magnitude and possibility of arising. Through these efforts, the Company aims to minimize the potential losses and systematically cope with risk management centering on the Risk Management Department.

b. Specifically, the Company has set up a system in which respective sections of the Corporate Management Division coordinate with each other and check the status of business operations in accordance with the roles they are assigned, while the Auditing Department conducts further checking. For the corporate approval system that serves as a record of decision-making for work implementation, the Company has introduced an electronic *ringi* system that enables Corporate Auditors and the Corporate Management Division to view and check the content at any time.

c. Furthermore, of the issues forwarded to the Board of Directors, the Management Council and the two operation councils (the Business Operation Council and the Technology Operation Council), those involving many departments or requiring specialized knowledge are subject to sufficient verification in advance by the adequately established advisory meetings and committees. Periodical results reports are also mandatory for issues that require monitoring.

d. On top of these, the Company established the Risk Management Council under the chairmanship of the President, with the aim of strengthening the risk management system of the Company and its entire Group, to conduct cross-sectional collection of information, analysis, valuation and handling of risks in accordance with the internal rules on risk management.

(5) System for Ensuring Appropriateness of Business Operations Conducted by the Corporate Group Comprising the Company and Its Subsidiaries

a. The Company and its subsidiaries are making efforts in an integrated manner throughout the corporate group to establish compliance-focused business management, based on the Haseko Group Standards of Conducts that were established to be applicable to the entire corporate group.

b. The subsidiaries make it a basic principle to coordinate and share information with the Company. In addition, they work to establish internal control systems, taking into account the scale, business nature, institutional design and other characteristics of the respective subsidiaries.

c. While the subsidiaries abide by their respective regulations, they follow the regulations set forth by the Company for important matters. The Company sees to it that business management and risk management of the subsidiaries are thoroughly implemented through procedures in which such important matters are reported and approved by way of the *ringi* (circulation of documents for approval) at the Company or at its two operation councils (the Business Operation Council and the Technology Operation Council), the Management Council and the Board of Directors. In addition, the Internal Auditing Department shall also cover the subsidiaries for its internal audit operations.

d. In order to secure the reliability of financial reporting, the Company established the “Basic Policy on Internal Control for Financial Reporting” and internal regulations for establishing and evaluating internal control on financial reporting pursuant to laws and regulations. Based on these, the Company shall prepare and implement basic plans for annual evaluations.

(6) Matters Concerning Employees Whom Corporate Auditors Request to Be Appointed to Assist Their Duties, Matters Concerning the Independence of Such Employees from Directors, and Matters Concerning Measures to Secure the Effectiveness of Instructions to Such Employees

a. The Company has established the Statutory Auditors Office to assist the operations of the Corporate Auditors, with four employees assigned (including three who are concurrently assigned with the Internal Auditing Department). This has established a system in which the Corporate Auditors can directly give instructions and orders regarding operations to assist them. As for the appointment and transfer of said employees, the Company shall report to the full-time Corporate Auditors in advance and discuss with them on the assumption that effectiveness of the Corporate Auditors’ instructions to the employees is secured.

(7) System in Which Directors and Employees Report to Corporate Auditors, Other Systems Regarding Reporting to Corporate Auditors, and System to Ensure That Person Making Such Report Is Not Treated Unfairly Because of Such Reporting

a. The Company has established a system in which important matters are reported to the Corporate Auditors, including their attendance to the Management Council, the two operation councils (the Business Operation Council and the Technology Operation Council) and other important meetings, submittal of meeting minutes to the Corporate Auditors, and perusal of the electronic *ringi* (circulation of documents for approval) system by the Corporate Auditors at any time.

b. Aside from the above, the Directors, Operating Officers and employees of the Company and its subsidiaries as well as the Corporate Auditors of the subsidiaries shall report the situation of business implementation of respective companies to the Corporate Auditors upon request and, when finding any fact that may significantly damage the companies, shall immediately report to the Corporate Auditors about such facts.

c. With regard to the Directors, Operating Officers and employees of the Company and its subsidiaries as well as the Auditors of the subsidiaries who made such reports described above to the Corporate Auditors, the Company forbids that they are treated unfairly because of making such reports, and shall make such forbiddance well understood and observed within the Company and its subsidiaries.

(8) Other Systems to Ensure That Audits by Corporate Auditors Are Implemented Effectively

a. The President periodically exchanges opinions with the Corporate Auditors in order to secure mutual understanding and communications.

b. The Internal Auditing Department also works to secure mutual coordination with the Corporate Auditors by reporting its internal audit plans and results to them at an appropriate time.

c. The Board of Corporate Auditors shall explain its annual audit plans and key audit matters at the Board of Directors meeting and request cooperation of the Board of Directors, and the Board of Directors shall comply with such request.

d. The Company shall pay in advance or redeem the expenses that accrue in association with the execution of the Corporate Auditors' duties, and pay or repay other expenses or debts that accrue with such execution, in a prompt manner based on the claims from the Corporate Auditors.

2. Basic Views on Eliminating Anti-Social Forces and Establishment of Measures for Elimination

(1) Basic Views

The Haseko Group has positioned securing compliance as one of its utmost management priorities. To promote compliance, it has established the Haseko Group Standards of Conduct and works to make it fully observed by all officers and employees. The Standards of Conduct state that, with regard to breaking any relationship with anti-social forces, "any unjust demand made by anti-social forces must be rejected. No transaction must be made with companies related to anti-social forces. Moreover, anti-social forces must not be utilized for whatever reasons."

(2) Establishment of Specific Measures

a. Full observation by all officers and employees

The Company has worked to secure full observation by delivering the Collection of Haseko Compliance Book, which includes the Haseko Group Standards of Conduct and summarizes basic matters for promoting the Haseko Group's compliance, to all of its officers and employees. In addition, the Company provides education by holding internal training sessions, for which outside lecturers are invited as needed, in order to share stringent attitude against anti-social forces.

b. Establishment of manuals

The Company has prepared the Response Manual against Anti-Social Forces in order to reflect the basic views indicated in the Haseko Group Standards of Conduct more specifically on the actions of all officers and employees. The manual includes such contents as 1) explanations on anti-social forces, 2) basic attitude as a company against them and specific countermeasures for a variety of cases, 3) specific countermeasures to be taken by respective departments, and 4) explanations on relevant laws and regulations.

c. Organizational response

Initial responses are important for countering anti-social forces with stringent attitude. The persons in charge and their superiors who are first contacted by anti-social forces shall make initial responses with stringent attitude pursuant to the basic policy set forth by the Company and the Countermeasure Manual. When it is considered that the issue is not solved by the initial responses, the General Affairs Department, the Legal Department and the Risk Management Department shall work in coordination and respond, while receiving advice from such outside institutions as police and lawyers.

d. Coordination with outside institutions

The Company has established a system in which it works to coordinate with competent police offices, the Special Violence Prevention Measures Association (Local Communities Council) under the control of the Metropolitan Police Department, etc. on a daily basis, so that it can counter with stringent attitude against anti-social forces. Moreover, as a countermeasure in terms of civil disputes, the Company has reinforced coordination with legal advisors and law offices that are good at countermeasures against racketeering by interceding in civil disputes and threatening use of violence, so that "petition to the court for order of provisional disposition" functions effectively.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation

At present, the Company has no anti-takeover measures that have been determined.

2. Other Matters Concerning the Corporate Governance System 【Updated】

With regard to timely disclosure, the Company has the following system with the General Accounting Department serving as the supervising department.

(1) Collection of corporate information

a. Sharing and clarifying of corporate information that is subject to timely disclosure by the Company and its subsidiaries.

b. Agenda proposal on important matters with regard to business management (including risk information), etc. to the Board of Directors, the Management Council, the Business Operation Council and the Technology Operation Council

c. Request for approval through electronic *ringi* system (circulation of documents for approval) on matters provided in the *ringi* regulations.

d. Mutual coordination among involving departments (General Accounting Department, Corporate Planning Department and Legal Department) on matters that are proposed as agenda or requested for approval through the *ringi* system, etc.

(2) Determination of timely disclosure

a. The collected information shall be strictly managed internally, and the General Accounting Department shall determine whether the information, including coefficients, is subject to timely disclosure.

b. The determination shall be reported to and approved by the Information Officer.

(3) External disclosure

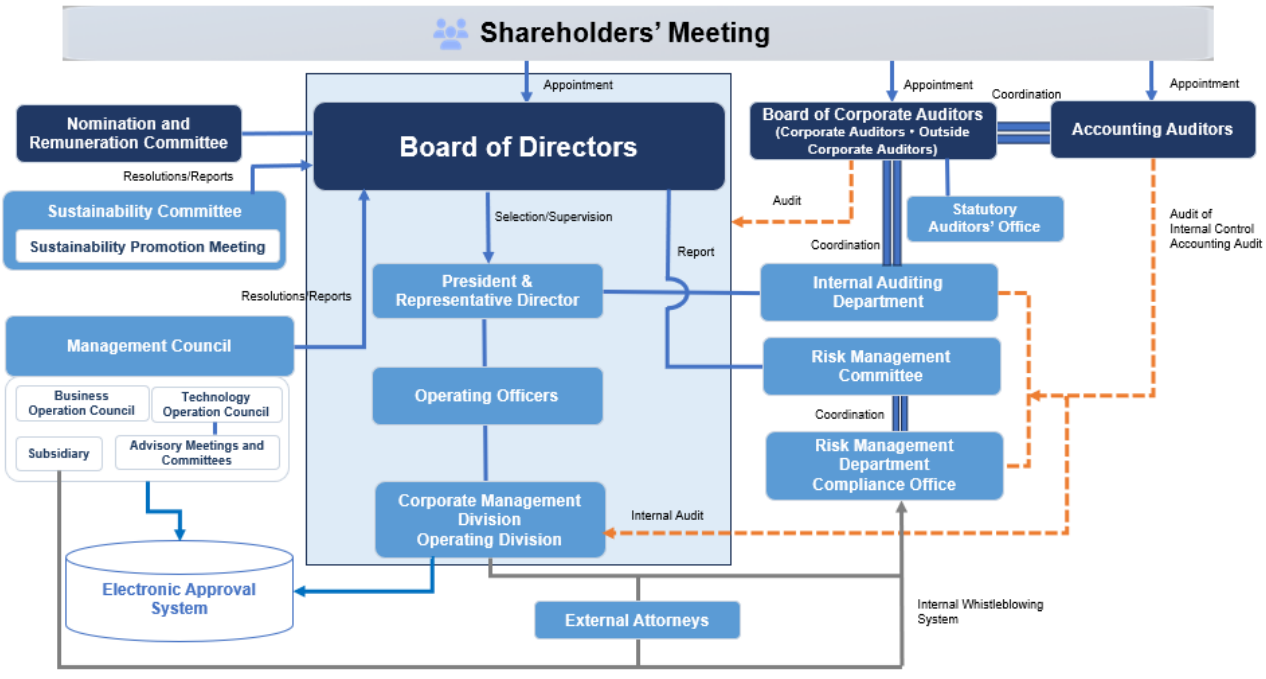
a. Decision facts and financial information shall be resolved by the Board of Directors. As for disclosing the relevant information, the content and date/time of disclosure shall be reported to the Board of Directors.

b. As for fact of occurrence, the content and date/time shall be reported to the Board of Directors.

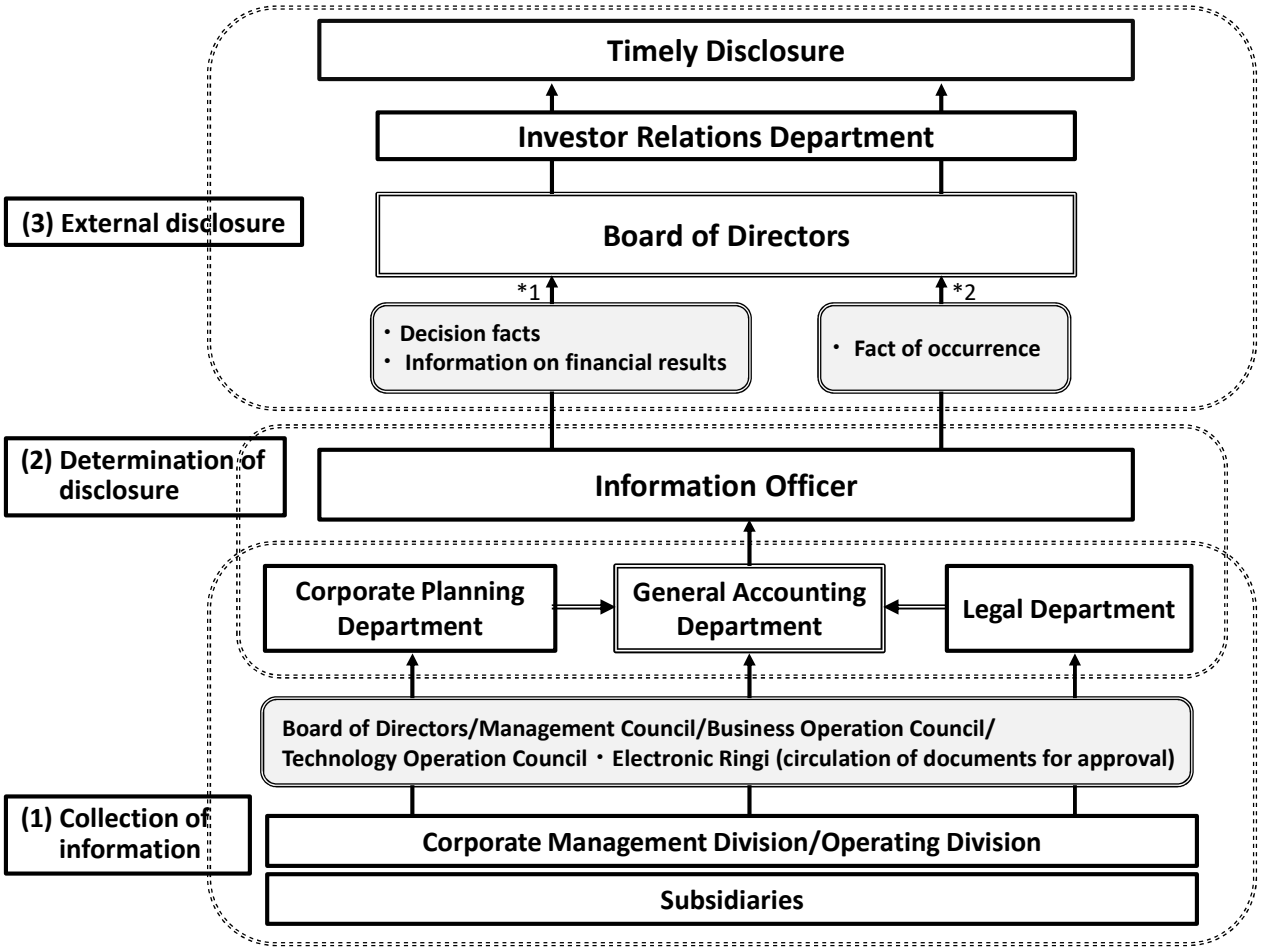
c. In case of emergency with regard to fact of occurrence, it shall be reported to the President and Representative Director and, after disclosure, shall be reported to the Board of Directors.

d. Timely disclosure shall be made promptly after decision or occurrence of fact.

Diagram of Company Institutions and Internal Governance



Scheme of Internal System for Timely Disclosure



***1. Resolution on decision facts and information on financial results, and report of disclosure**
***2. Report of fact of occurrence (in case of emergency, report to the President and Representative Director)**