



About Medium-Term Management Plan 2024

Wealth Management Inc.

Securities Code: 3772

June 22, 2021

Background of the Revision of the Medium-Term Management Plan

Capital and Business Alliance with Samty Co., Ltd.

- Formed a capital and business alliance with Samty Co., Ltd. ("Samty") as a long-term partner

Business alliance (main contents)

1. Strengthen collaboration in **the asset management business**, including **the formation of a new hotel REIT**
2. Collaboration in new hotel REITs **co-sponsored** by the Company and Samty
3. Collaboration including **joint investment** in the hotel development fund to be formed by the Group
4. **Support** for the Group's hotel development business

Capital alliance (main contents)

1. Samty will acquire 32.02% of the Company's shares and **become the largest shareholder**
2. **Two Outside Directors** of the Company will be appointed

Contribution to realization

Samty's main goals

Establish a hotel REIT

Increase the amount of group assets

Aim to increase
group assets to 1 trillion yen
by the fiscal year ending November 2025



By leveraging and mutually complementing the strengths of both companies, we aim to achieve growth and enhance the corporate value of both companies and the Group.

Recognition of Current Situation

Strengths of the Wealth Management Group



1.

Comprehensive value-creating real estate developer

focused investment in commercial real estate, with particular strengths in developing and revitalizing hotels and inns

2.

Planning for optimal asset value enhancement according to the property

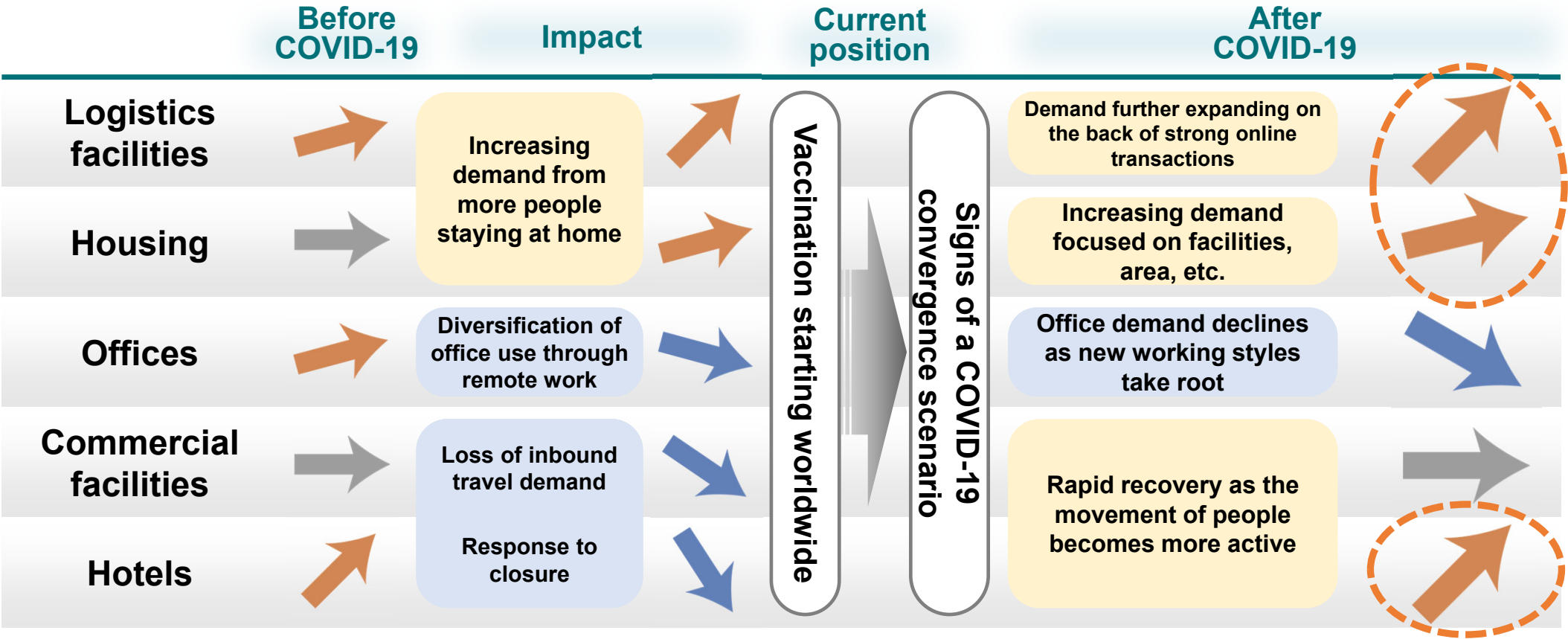
through tie-ups with hotel operators with international brands and connections with domestic and overseas investors

3.

Boutique, independent asset management company

providing one-stop services, mainly from acquisition and operation to sales of real estate

Trends in the real estate market before and after COVID-19



- Growing willingness of foreign investors to invest in domestic hotels
 - Alternative investment funds from Asia and the US, etc.



- 1. Luxury class hotels**
 - Growing demand and supply shortage in the Japanese market
 - Relatively high profitability
- 2. Business partner with hotel management capabilities**
 - Good eye for locations, properties, and operators

 **Opportunity for the Group**

About Medium-Term Management Plan 2024

■ Targets of the Medium-Term Management Plan 2024, a three-year plan starting in FY 2021

Establish an asset cycle business model by **achieving a REIT listing** during the period of the Medium-Term Management Plan



Aim to
become a hotel REIT
with 500 billion yen
in assets under management

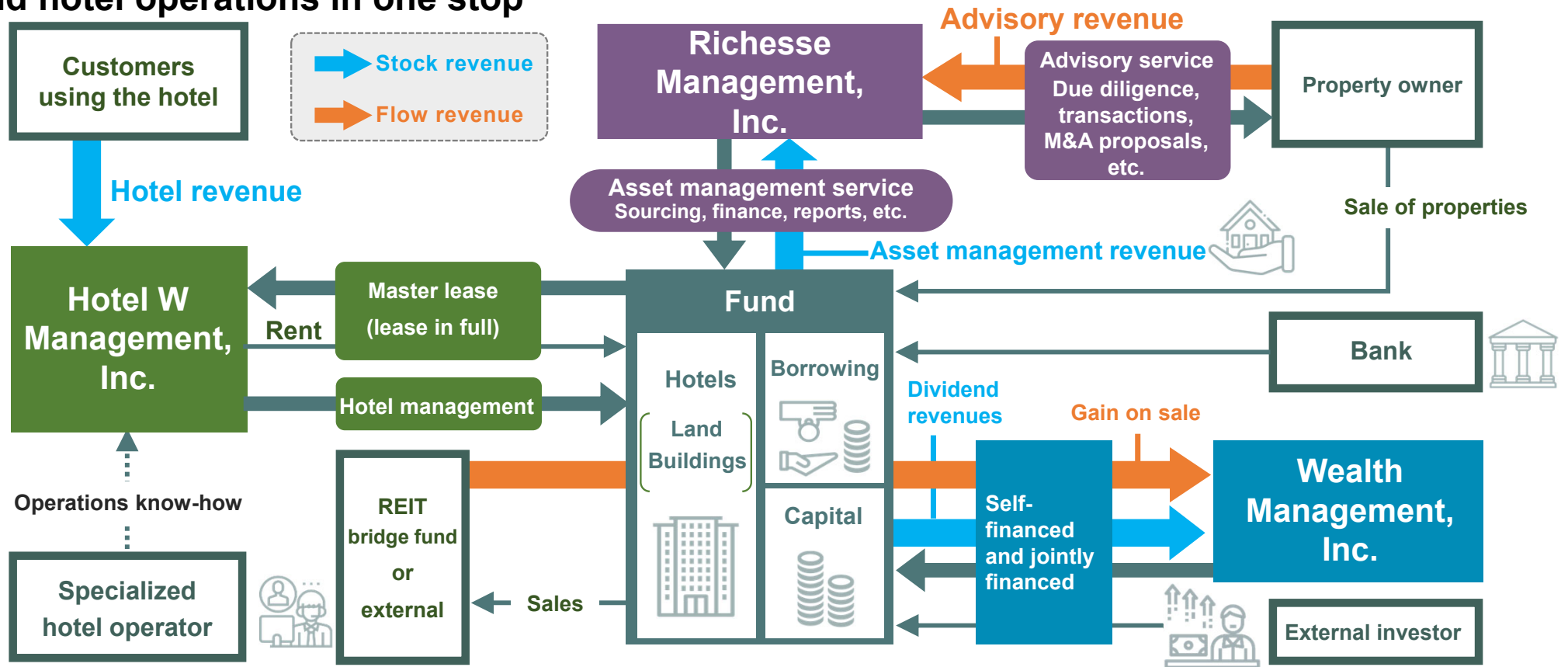
Aim for **a listing on the Prime Market**, and work on the details of the system to achieve this goal

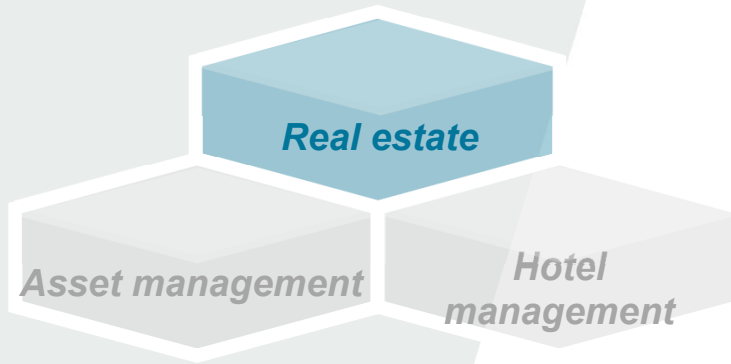


Aim to
triple the market
capitalization

Business Model

- The Group can provide support for property acquisition, investment, development, managing, and hotel operations in one stop





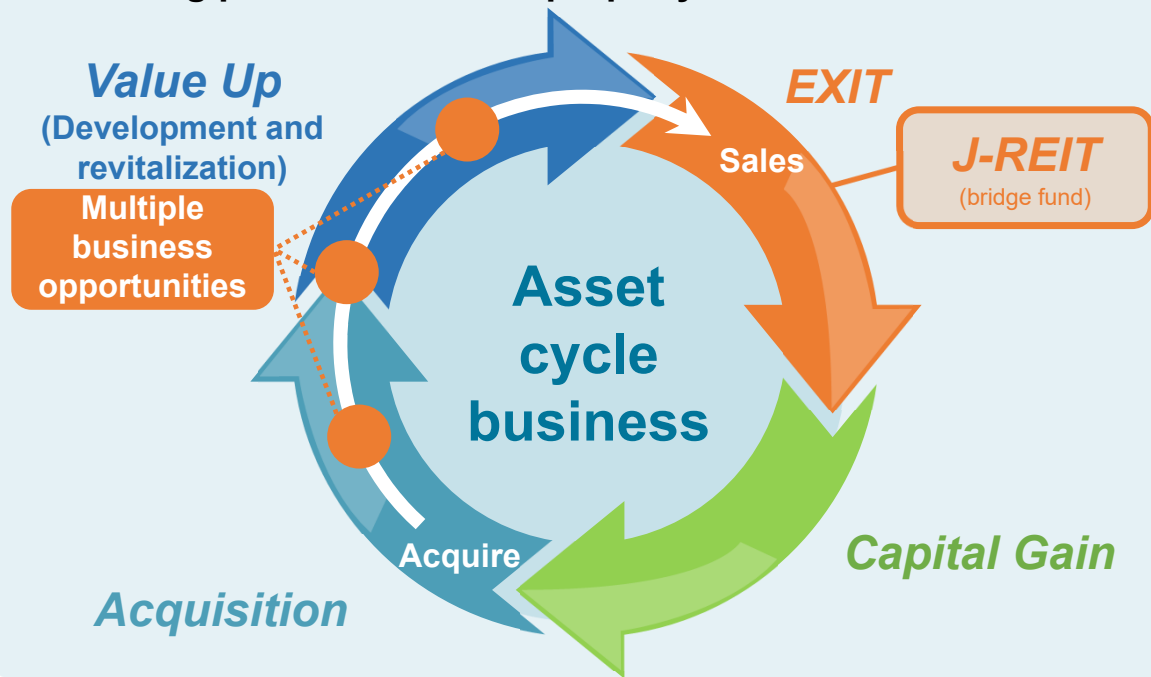
1. Real Estate Business Strategy

- Establish an asset cycle business through the formation of a REIT
- Expand asset cycle business through collaboration with new alliance partners

Establish an Asset Cycle Business Model

■ Aim to expand by developing an asset cycle business

Increase asset value by developing and revitalizing acquired real estate, and expand Group assets by contributing to REITs while transferring profits to the next property



Main strategies

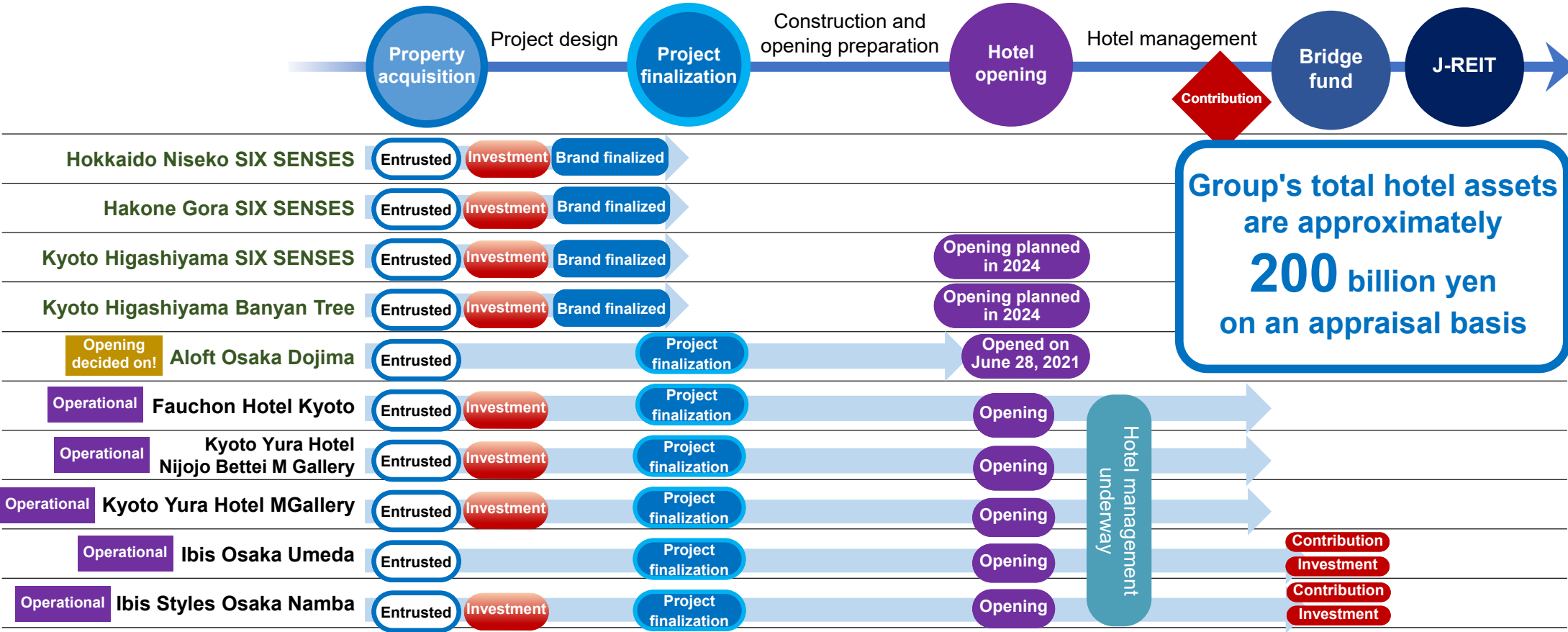
1. Formation of a **hotel REIT** through joint sponsorship with Samty
2. Formation of a **new private fund**



Aiming for a total transaction volume of **200 billion yen** during the period of the Medium-Term Management Plan and becoming the Group's growth engine

Projects Underway

10 development projects are steadily underway



Group's total hotel assets are approximately **200 billion yen** on an appraisal basis

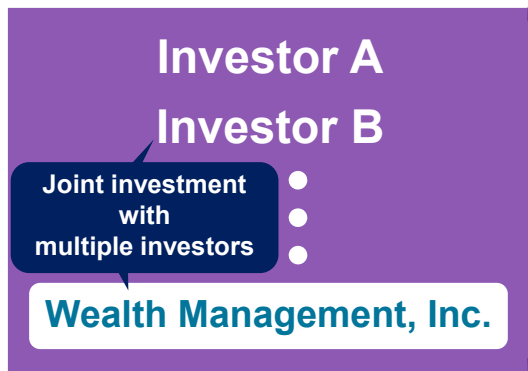
The Group's Real Estate Development Business Model

■ Maximize profits with minimal capital by utilizing a collective investment scheme for real estate development and revitalization

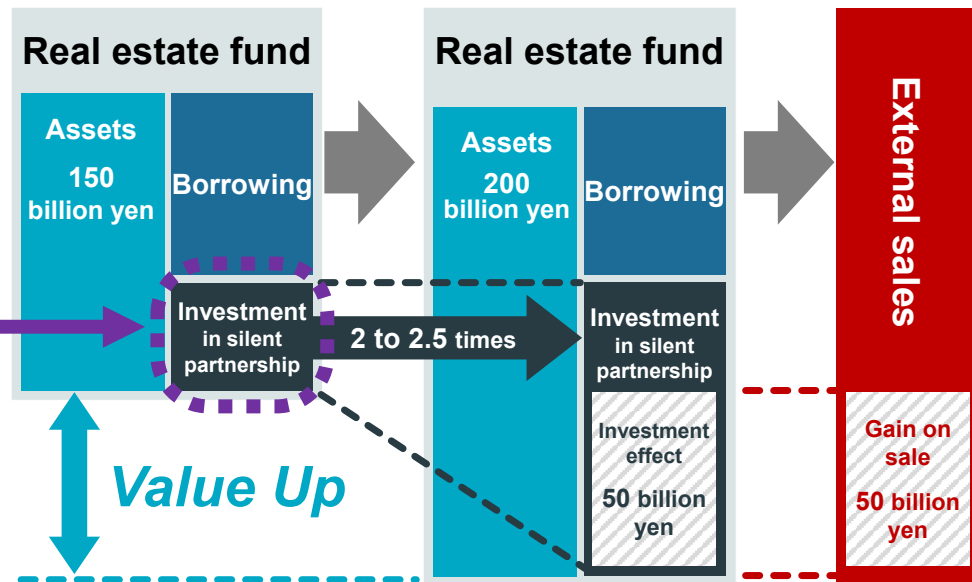
Collective investment scheme

Return on investment in development properties

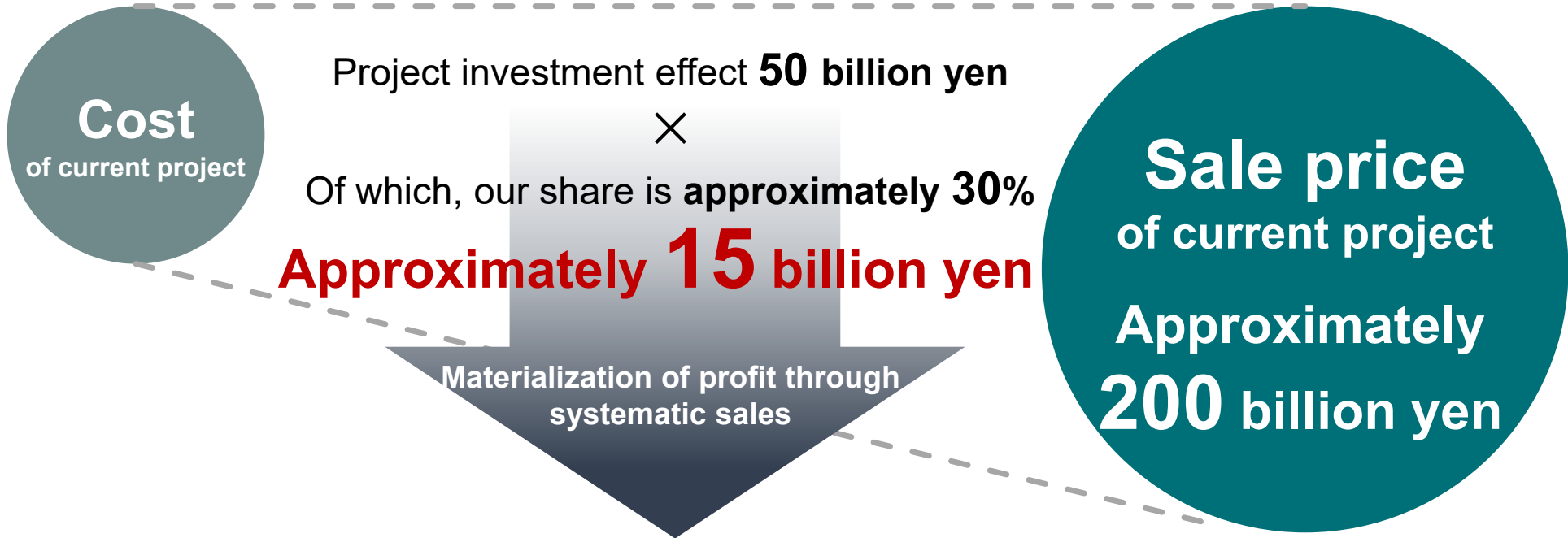
Form a group for each development property



- Investment amount based on project
- Investment in multiple projects



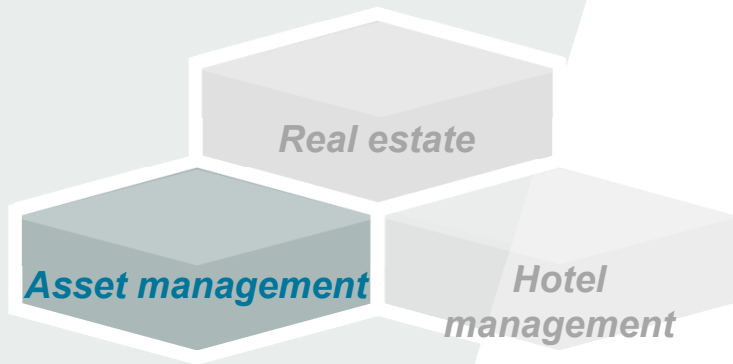
Estimated Income from Asset Sales



Gain on sale of 3 to 5 billion yen per year



Probability will increase with REIT formation



2. Asset Management Business Strategy

- Expansion of commissions business with leading investors
- Aim for 500 billion yen in hotel assets under management (at the time of completion) to contribute to Samty's goal of 1 trillion yen in Group assets

Increase Group AUM

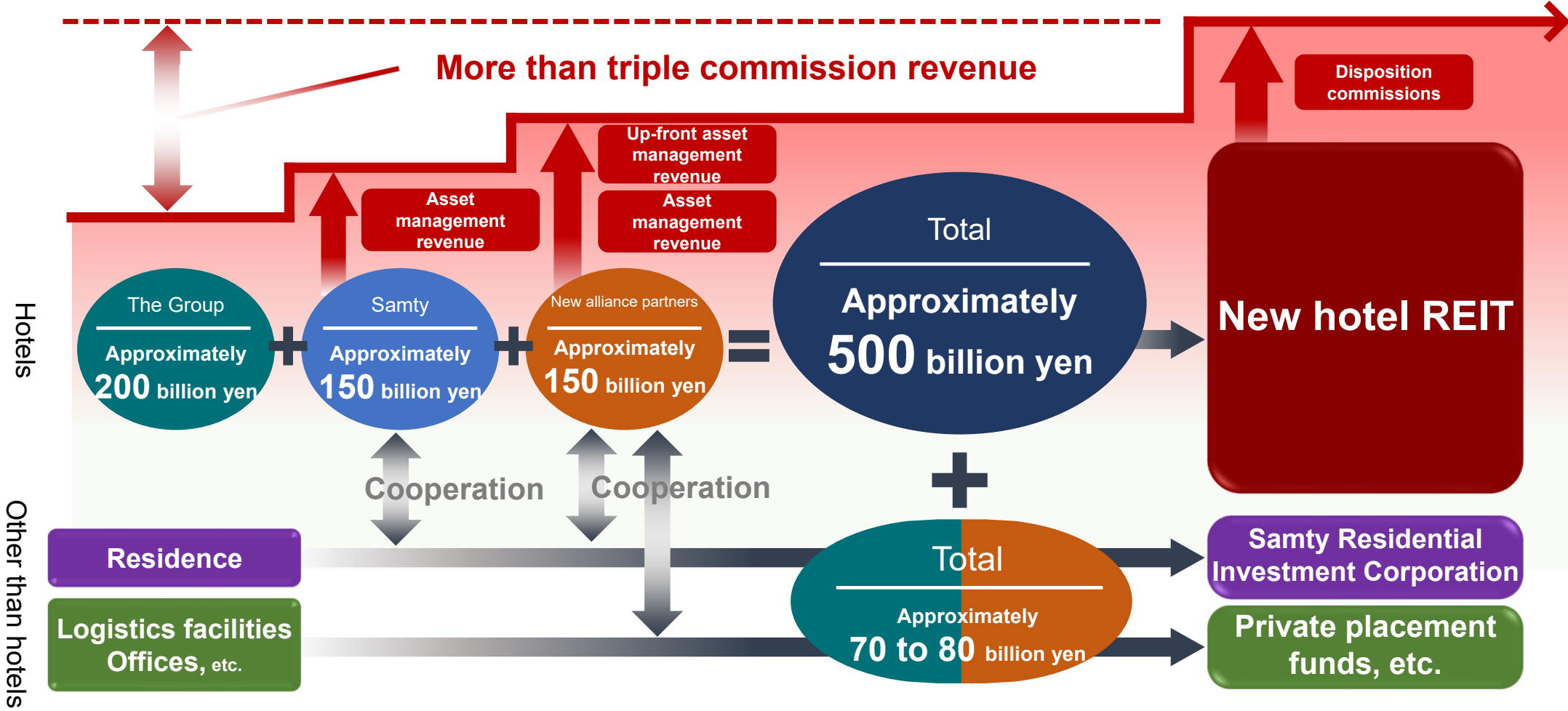


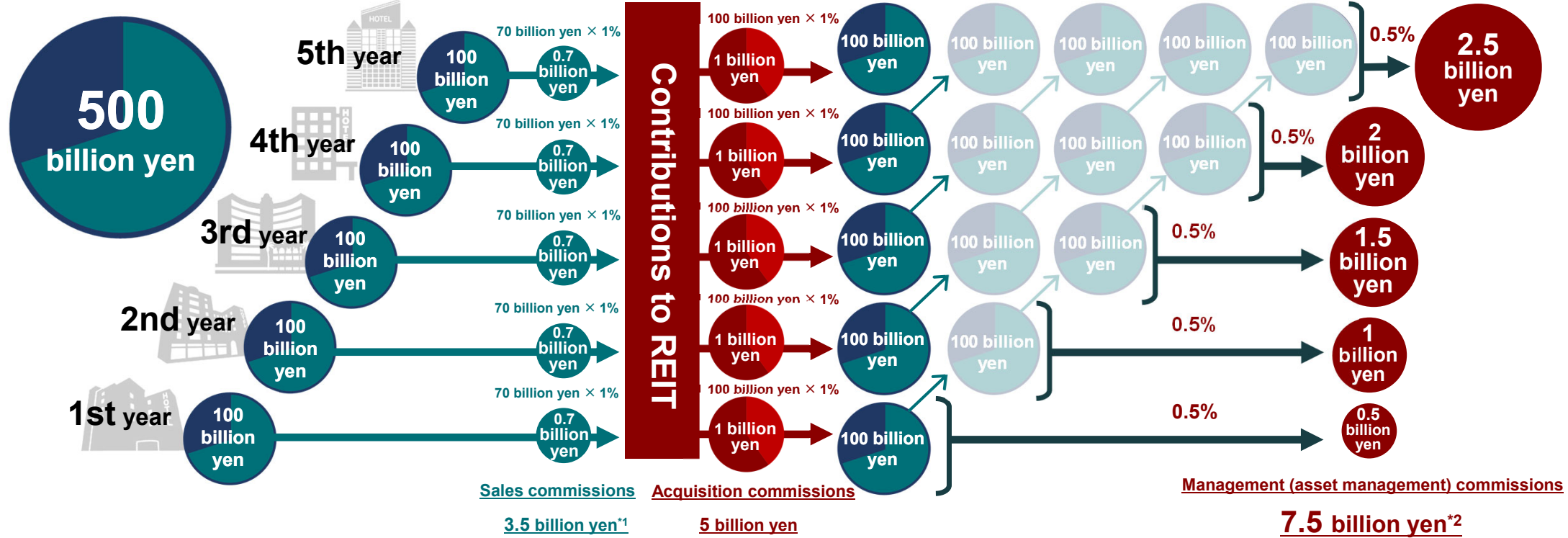
Image of Commission Business Associated with REIT Operations

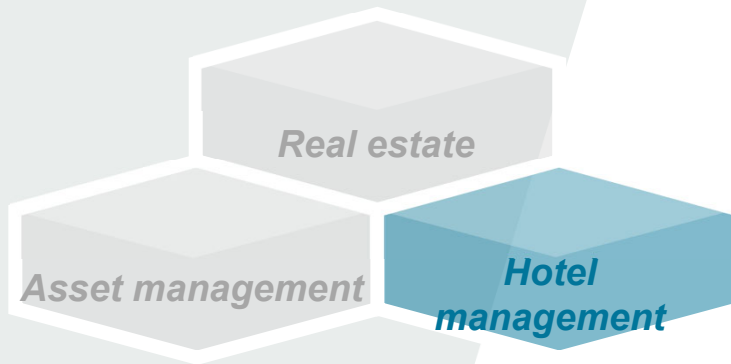
Hotel REIT → Aim for **500 billion yen in 5 years**

*1 Assuming that the Company's pipeline is 350 billion yen
 *2 Assuming that the commission rate for sales and acquisitions is 1% and the management fee is 0.5%

The Company + Samty + new alliance partners

Hotel REIT



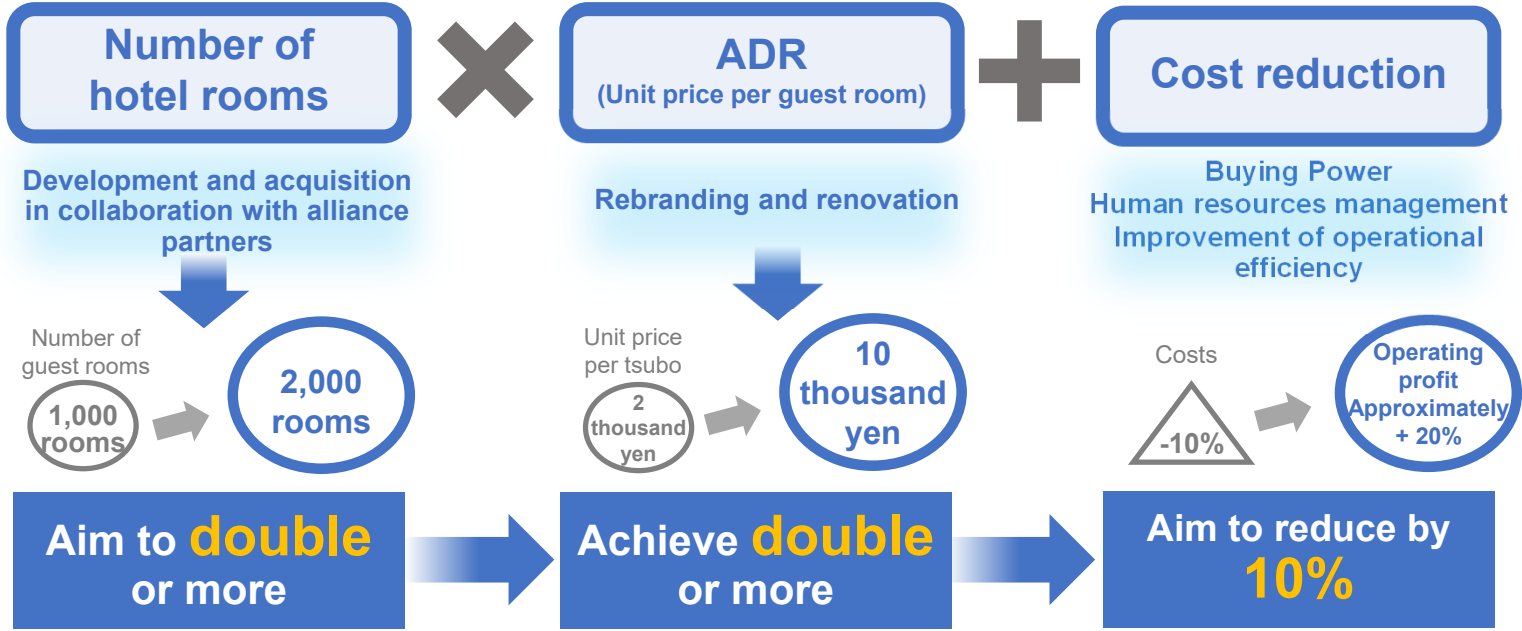


3. Hotel Management Business Strategy

- Acquire existing operating hotels through collaboration with new alliance partners
- Improve hotel management capabilities by strengthening the structure of the hotel management company

Strengthening of the Hotel Management Business

Strengthen profitability by improving quantity and quality



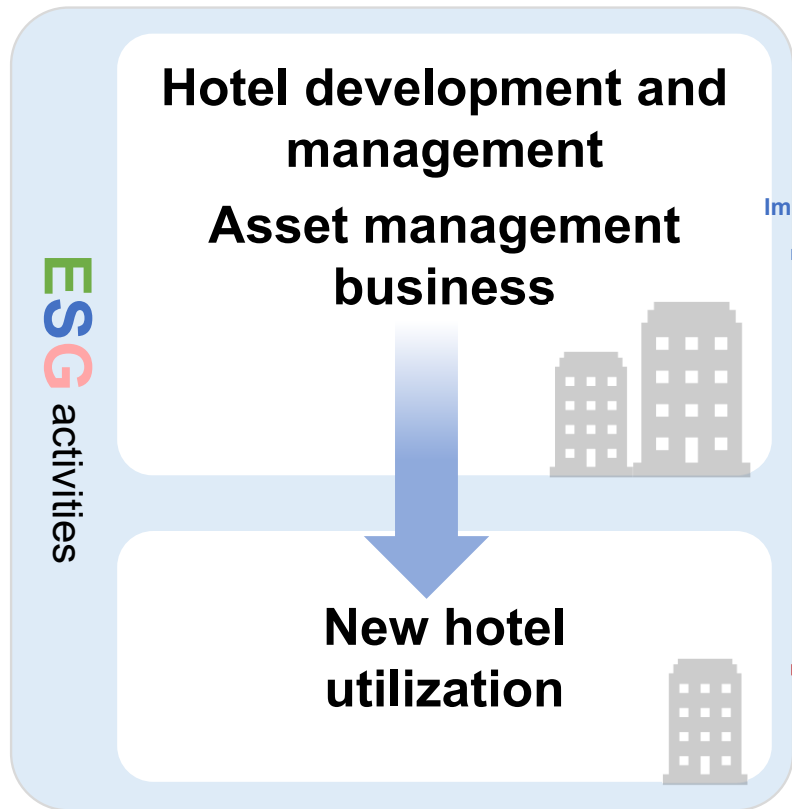
New challenges

ESG activities
Introduction of DX
Use of AI, etc.



Aim for sales of **15 billion yen** and ordinary profit of **300 to 400 million yen**, assuming hotel asset expansion

Approach



Implementation

Challenges

Specific activities

E

LEED certification
Environmentally friendly, recycling-oriented hotels

- Organic gardens
- Elimination of plastic bottles

S

Wellness
Community contribution activities

G

Asset management operations that ensure transparency and internal control

Utilization of approach of comfort and long stays
→ Medical tourism

- Hot-spring therapy
- Chinese medicine therapy
- Rehabilitation
- Cancer treatment, highly advanced medical treatment

Potential market size: 550 billion yen

SUSTAINABLE DEVELOPMENT GOALS

世界を変えるための17の目標

3 すべての人に健康と福祉を	6 安全な水とトイレを世界中に
7 エネルギーをみんなにそしてクリーンに	11 住み続けられるまちづくりを
12 つくる責任 つかう責任	13 気候変動に具体的な対策を
15 陸の豊かさも守ろう	17 パートナーシップで目標を達成しよう

■ Finance

1. Investigate capital procurements that make the most of the capital market (enjoy the benefits of listing)
2. Raise funds in collaboration with alliance partners (including joint investments)

■ Capital

3. Consider and implement capital policies that take into account the shareholding ratio of the largest shareholder
4. Consideration and implementation of measures to increase the ratio of liquid shares

■ Dividends

5. Continue to implement stable dividends according to earnings level
6. Pay dividends in balance with the Group's growth strategy

■ Personnel

7. Build a hierarchy by hiring personnel with a good balance of professional and potential talent
8. Establish a diverse personnel system in line with working style reform

Management Indicators

■ Management indicators (KPI) based on the numeric plans

	FY ending March 31, 2022	FY ending March 31, 2023	FY ending March 31, 2024
Transaction volume^{*1}	40 billion yen	60 billion yen	100 billion yen
Net sales	12.5 billion yen	15 billion yen	20 billion yen
Ordinary profit	5.5 billion yen	6.5 billion yen	7.5 billion yen
EBITDA^{*2}	6.5 billion yen	7.5 billion yen	8.5 billion yen

*1 Total amount of transactions related to the real estate business + net sales related to hotel management

*2 Ordinary profit (before amortization) + depreciation

[Reference] EBITDA

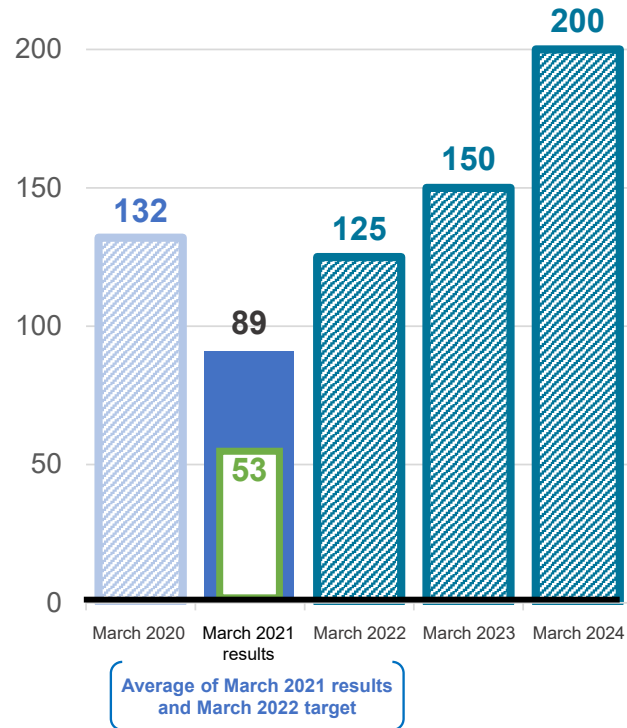
• **E**arnings **b**efore **i**nterest, **t**ax, **d**epreciation and **a**mortization

• EBITDA is a financial indicator that shows how much cash flow was generated in relation to capital (i.e., assets), including other people's capital (i.e., liabilities).

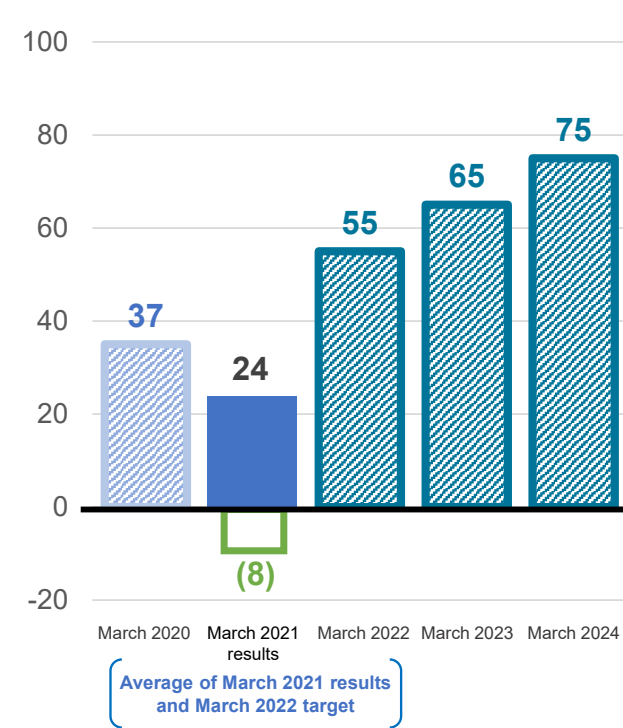
Major Management Indicators

March 2021 results
March 2021 results
Average of March 2021 results and March 2022 target*1
Medium-Term Management Plan 2024 target
 (Unit: 100 million yen)

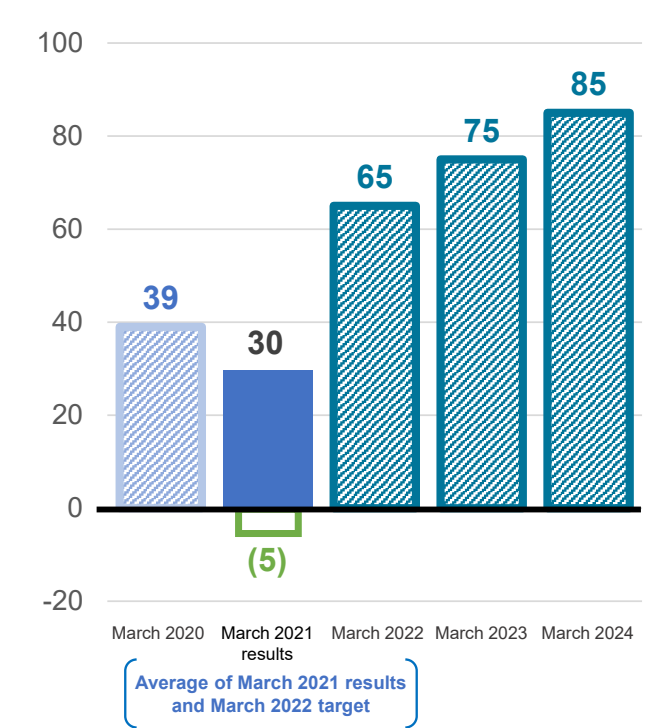
Net sales



Ordinary profit



EBITDA*2



*1 (March 2021 results + March 2022 target) ÷ 2

*2 EBITDA: Ordinary profit (before amortization) + depreciation

Appendix

FOUR CREDO

1

***KEEP OUR
WORD***

2

***"OMOTENASHI"
TO YOU AND
YOURS***

3

***DISCOVER
EXPERIENCE***

4

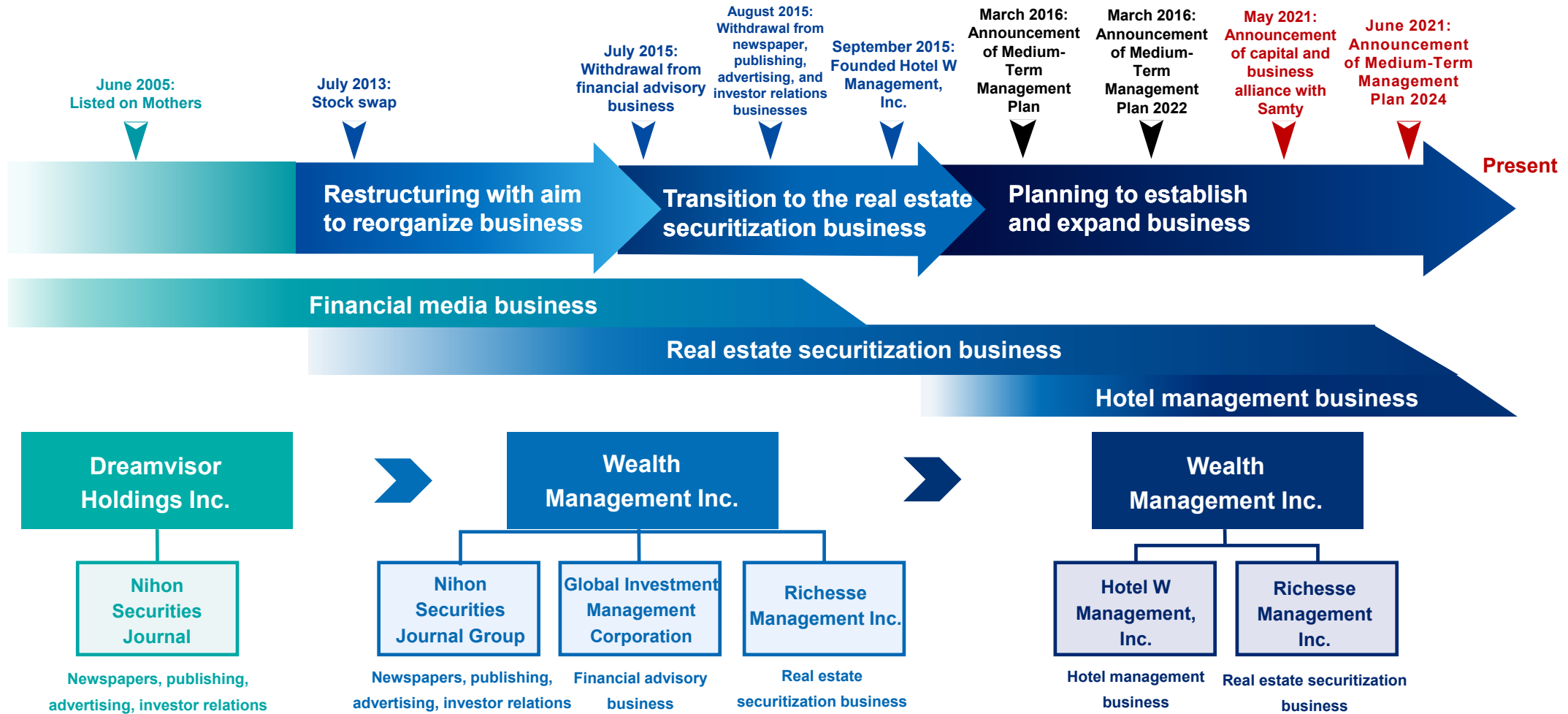
***PROGRESS
WITH
MOTIVATION***

*Credo: It is a phrase that succinctly expresses the values and scope of action that are the foundation of company's activities, meaning beliefs, aspirations, and commitment.

———— *Corporate Philosophy* ————

Through creating comfortable time and spaces, we at Wealth Management Group contribute to the growth of society by delivering excitement and prosperity. Every customer will experience Japan's attractiveness and culture.

History



Group Overview and Business Summary



Group companies that are responsible for specialized functions engage in business in an integrated manner

Wealth Management, Inc.	
Self-financed and jointly financed	
Direct investments into real estate handled either independently or jointly with other companies, implemented as suited to the circumstances of the investment prospect.	

100% consolidated subsidiary

100% consolidated subsidiary

Richesse Management, Inc.	
Real estate securitization business	
<p>Advisory service</p> <p>Delivering advice in all areas from discovering investment opportunities to matters of due diligence, acquisitions, and sales.</p>	<p>Asset management service</p> <p>Working to offer a platform to support customers in all matters related to real estate investments extending from getting in to leaving the sector.</p>

Hotel W Management, Inc.	
Hotel management business	
<p>Hotel management</p> <p>Providing a variety of hotel management services including revenue management and on-site operations, as well as consulting on investing in and developing hotels.</p>	<p>Master lease</p> <p>Stabilizing rents and providing total support for getting the most out of properties.</p>

Group Overview — Company Overview —



Wealth Management, Inc.

Headquarters location	Ark Mori Building, 1-12-32 Akasaka, Minato-ku, Tokyo, Japan		
Share capital	987,243,415 yen (as of March 31, 2021)		
Stock Exchange Where Listed	Tokyo Stock Exchange Second Section (Securities Code: 3772)		
Board Members	Representative Director	Kazutoshi Senno	
	Director	Akihiro Imada	
	Director	Atsushi Chikamochi*	
	Director	Daisuke Mihara	
	Director	Norihiro Masuda	
	Director (outside)	Tsuneo Yamada	
	Director (outside)	Takaharu Terauchi*	
	Director (outside)	Yosuke Masuda*	
	Full-time Auditor	Yasushi Okuyama	*To be appointed at the 22nd Ordinary General Meeting of Shareholders of the Company
	Auditor (Outside)	Zen'ya Ozawa	
Auditor (Outside)	Yoshihiro Morishima		
Auditor (Outside)	Masashi Ohta		
Fiscal Year-End	March		
Business Summary	Real estate securitization, hotel management		

Representative's Profile

Kazutoshi Senno

Appointed as director in 2001 to be a founding member of Mitsubishi Jisho Investment Advisors, Inc., and participating in management of said company. At said company, operated six real estate funds and two NPL funds, whose fiduciary value topped ¥300 billion. Founded Richesse Management, Inc. in 2006. Total amount of fiduciary value to date including performance as AM at Lehman Brothers Global Fund and various U.S. pension funds tops ¥200 billion.

Group Overview — Company Overview —

Richesse Management, Inc.

Headquarters location	Ark Mori Building, 1-12-32 Akasaka, Minato-ku, Tokyo, Japan	
Share capital	¥63 million (as of March 31, 2021)	
Board Members	Representative Director	Kazutoshi Senno
	Senior Managing Director	Akihiro Imada
	Managing Director	Daisuke Mihara
	Director	Norihiro Masuda
	Auditor	Yasushi Okuyama
Registration and Licensing	<p>Real Estate Agency Business (Governor of Tokyo Prefecture [3] No. 86765)</p> <p>Type II Financial Instruments Business/</p> <p>Investment Advisory and Agency Business (Director-general of the Kanto Local Finance Bureau Director-General [Financial instruments] No. 579)</p> <p>Money Lending Business (Governor of Tokyo [5] No. 30512)</p>	

Hotel W Management, Inc.

Headquarters location	Ark Mori Building, 1-12-32 Akasaka, Minato-ku, Tokyo, Japan	
Share capital	¥374 million (as of March 31, 2021)	
Board Members	Representative Director	Atsushi Chikamochi
	Managing Director	Norihiro Masuda
	Director	Masataka Komatsu
	Auditor	Yasushi Okuyama



Disclaimer

- This material is for the purpose of providing information on the medium-term management plan moving ahead, and not for the purpose of solicitation of investment. When making actual investments, please use your own judgment and take responsibility for your investment decisions. Furthermore, although the material was prepared based on various data believed to be reliable, the Company does not provide any assurances of the accuracy or safety thereof. This material has been presented based on the assumption that investors will use their own judgment and take responsibility when using it for any purpose, and the Company shall not be held liable therefor under any circumstances.
- This material contains forward-looking statements such as the plans of the Company and its consolidated subsidiaries. These forward-looking statements are based on information available at the time of preparation and include a variety of inherent risks and uncertainties. Therefore, actual performance, etc. may significantly differ due to a variety of factors.