



Results Briefing Materials for the Six Months Ended September 30, 2023

Wealth Management, Inc.

Securities Code: 3772

December 15, 2023

Briefing Details

- 1. Summary of Results for the Six Months Ended September 30, 2023**
- 2. Termination of Capital and Business Alliance With Samty**
- 3. Results for the Fiscal Year Ending March 31, 2024**
- 4. REIT**
- 5. Guidelines for Returns to Shareholders**

1. Summary of Results for the Six Months Ended September 30, 2023

Summary of results for the six months ended September 30, 2023

Net sales

¥3,120 million

Operating profit

-¥704 million

Ordinary profit

-¥1,263 million

Profit

-¥916 million

Highlights of business results

- Net sales were ¥3.1 billion, with sales in the hotel management business of approx. ¥2.9 billion and sales in the asset management business and real estate business coming in at a little over ¥0.2 billion.
- In the hotel management business, Osaka performed well, supported by business demand. On the other hand, Kyoto, which is driven by tourism, saw a slower recovery than initially expected with tourist numbers from China stagnating.
- For the asset management business and real estate business, the initial plan focuses earnings on the second half, with costs preceding.

2. Termination of Capital and Business Alliance With Samty

3. Results for the Fiscal Year Ending March 31, 2024

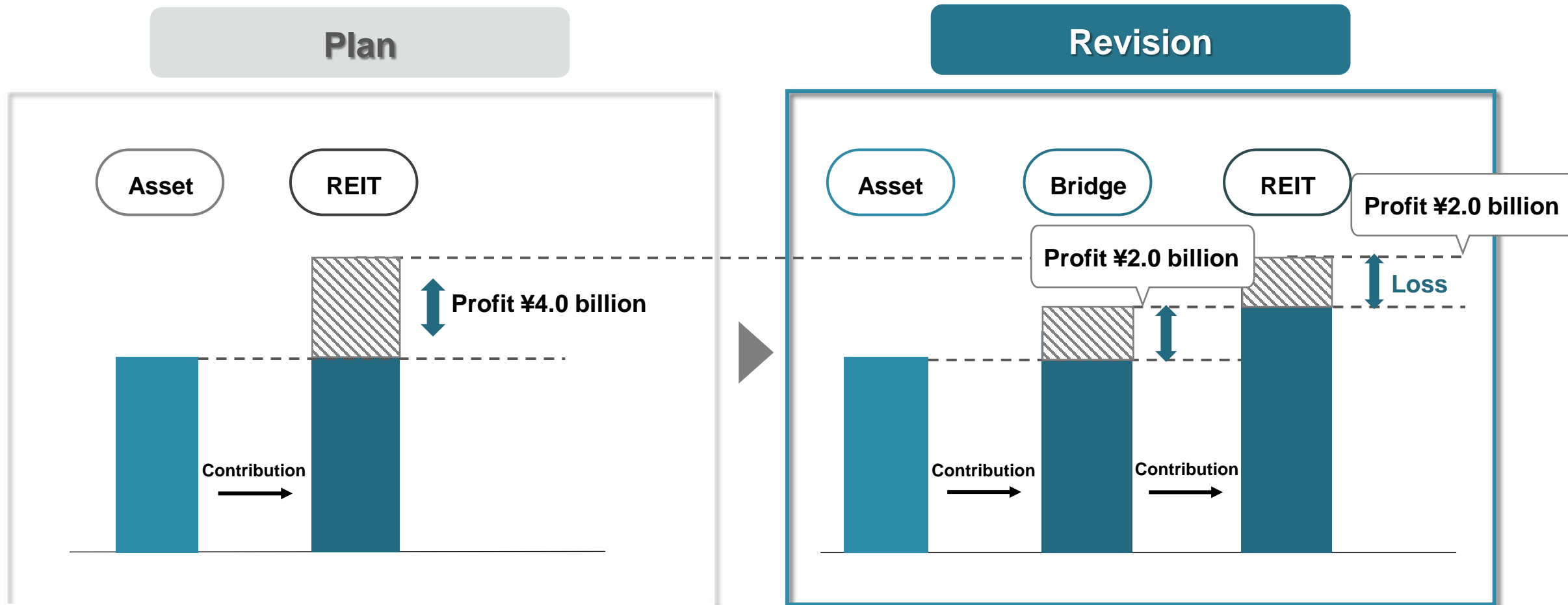
Plan for FYE March 2024

■ Revision of plan due to termination of business alliance

	FYE March 31, 2022	FYE March 31, 2023	FYE March 31, 2024 (Initial forecast)	FYE March 31, 2024 (Revised forecast)
Net sales	¥29.0 billion	¥14.8 billion	¥20.0 billion	¥15.0–16.0 billion
Operating profit	¥5.6 billion	¥3.8 billion	¥7.0 billion	¥3.5–4.5 billion
Ordinary profit	¥5.3 billion	¥3.9 billion	¥7.5 billion	¥3.0–4.0 billion
Profit attributable to owners of parent	¥3.5 billion	¥3.7 billion	¥4.5 billion	¥2.0–2.5 billion

Reasons for downward revision — impact of REIT deferral

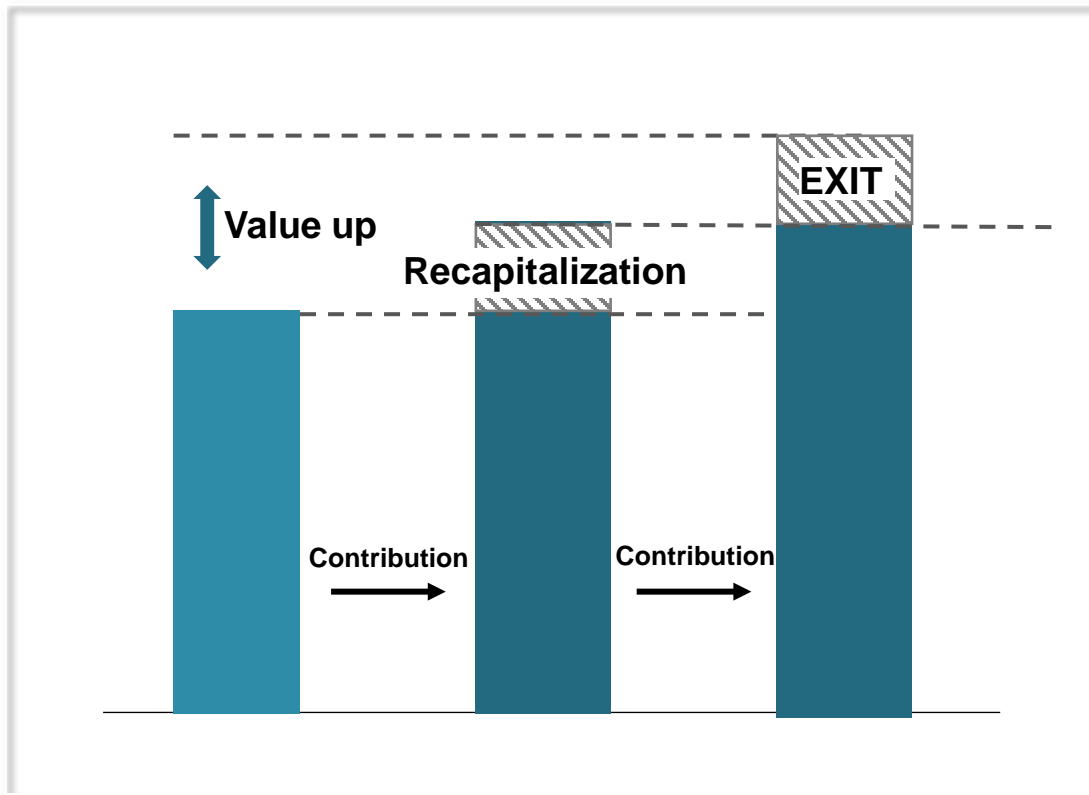
- Decline in profit for the period due to splitting of profit opportunities through contribution to bridge fund



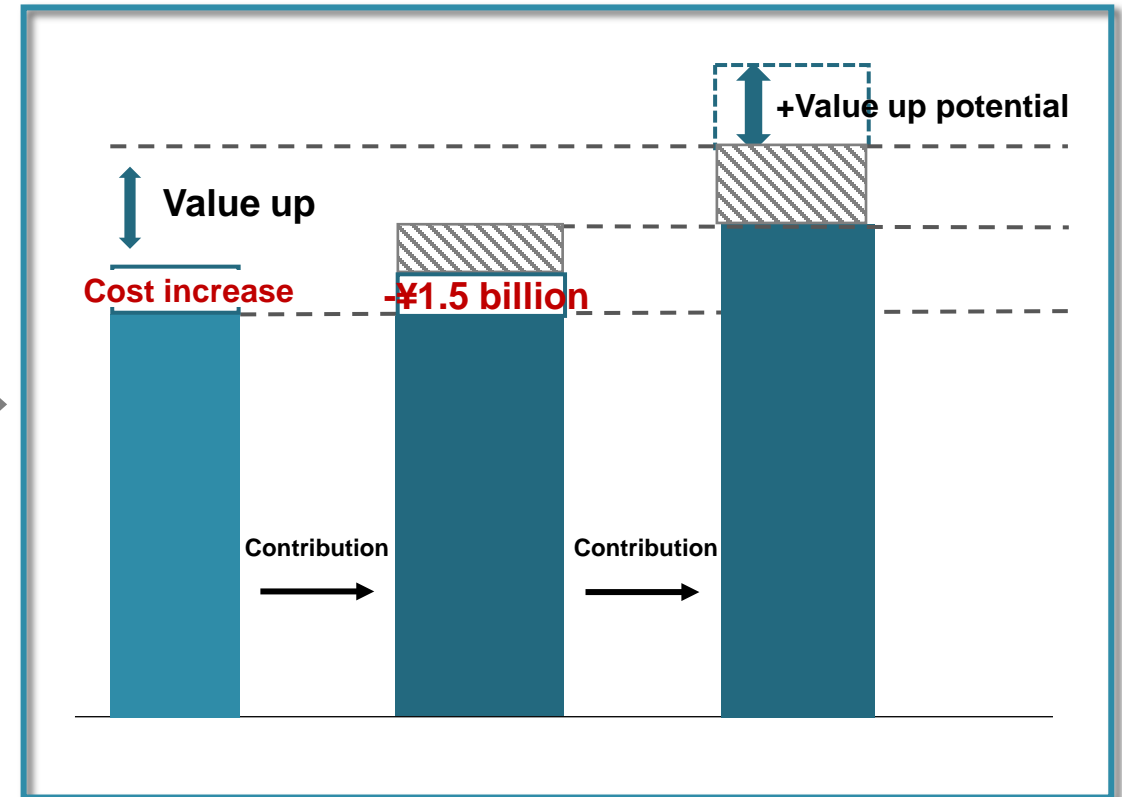
Reasons for downward revision — impact of cost increases

- Decline in profit recapitalization due to sharp cost increases

Plan

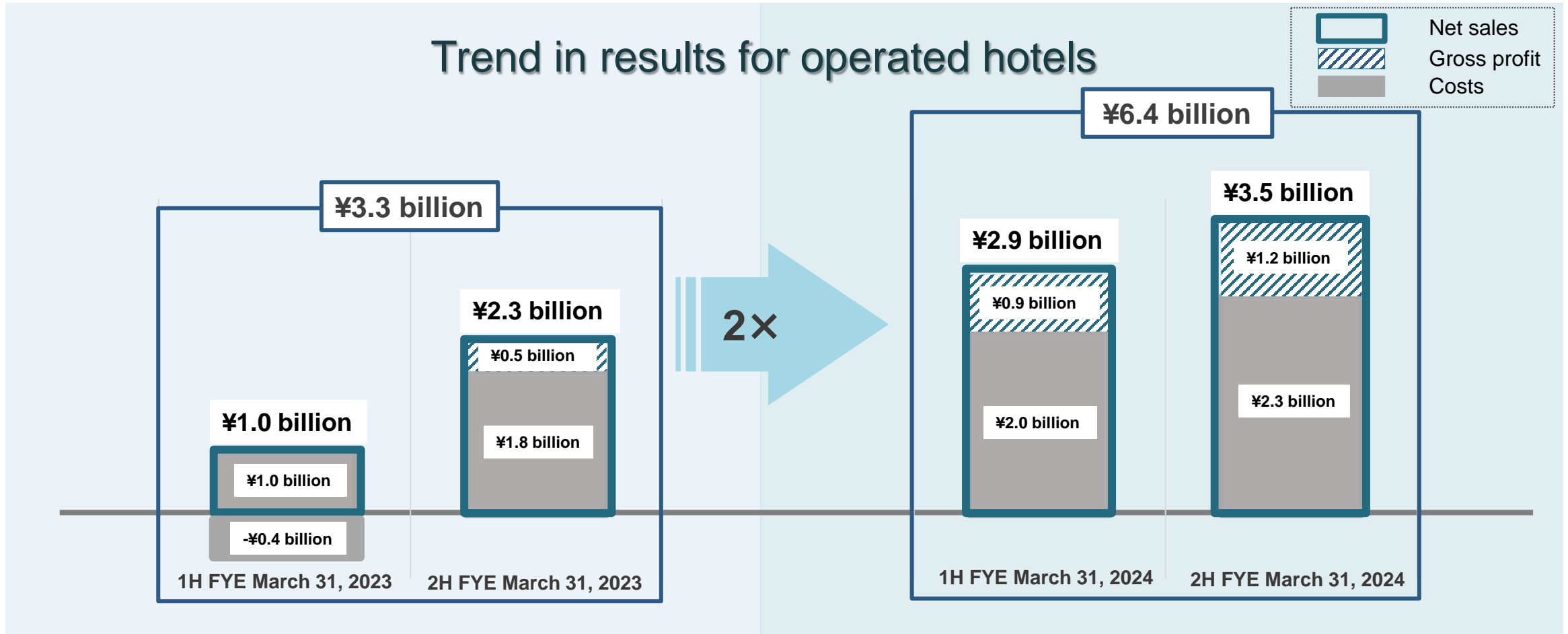


Revision



Forecast — hotel management business

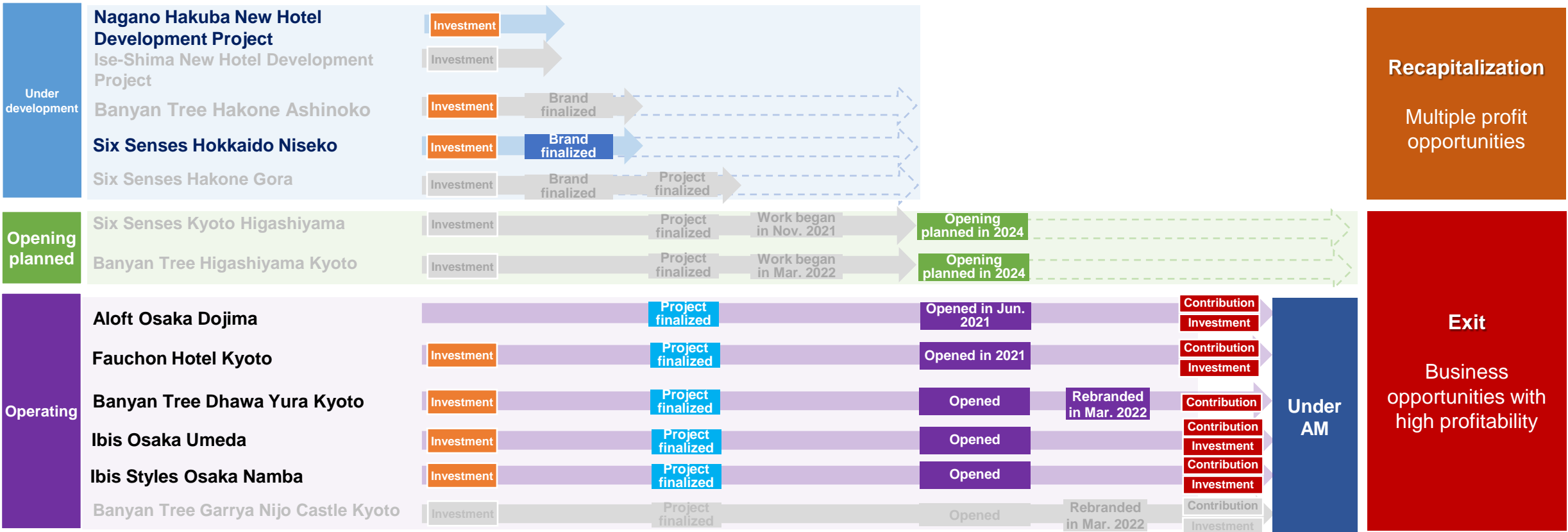
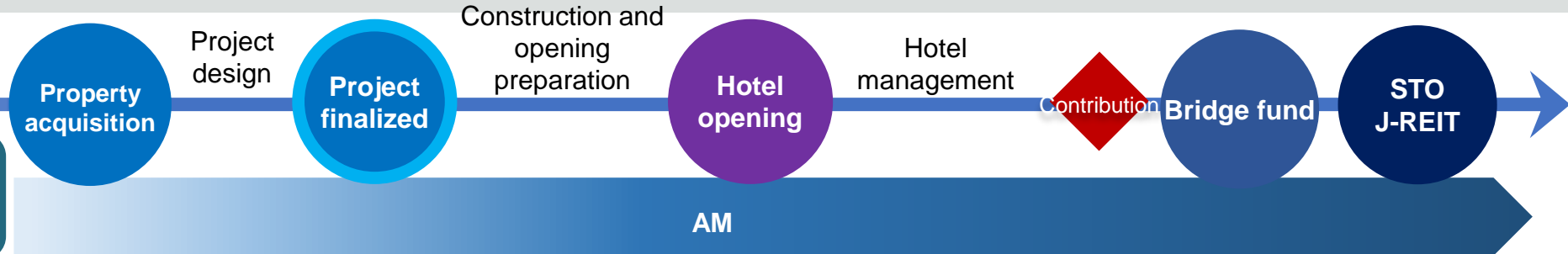
- Hotel management business to contribute significantly to earnings with sales doubling due to recovery in accommodation demand.



Forecast — asset management business and real estate business

13 development projects are currently underway

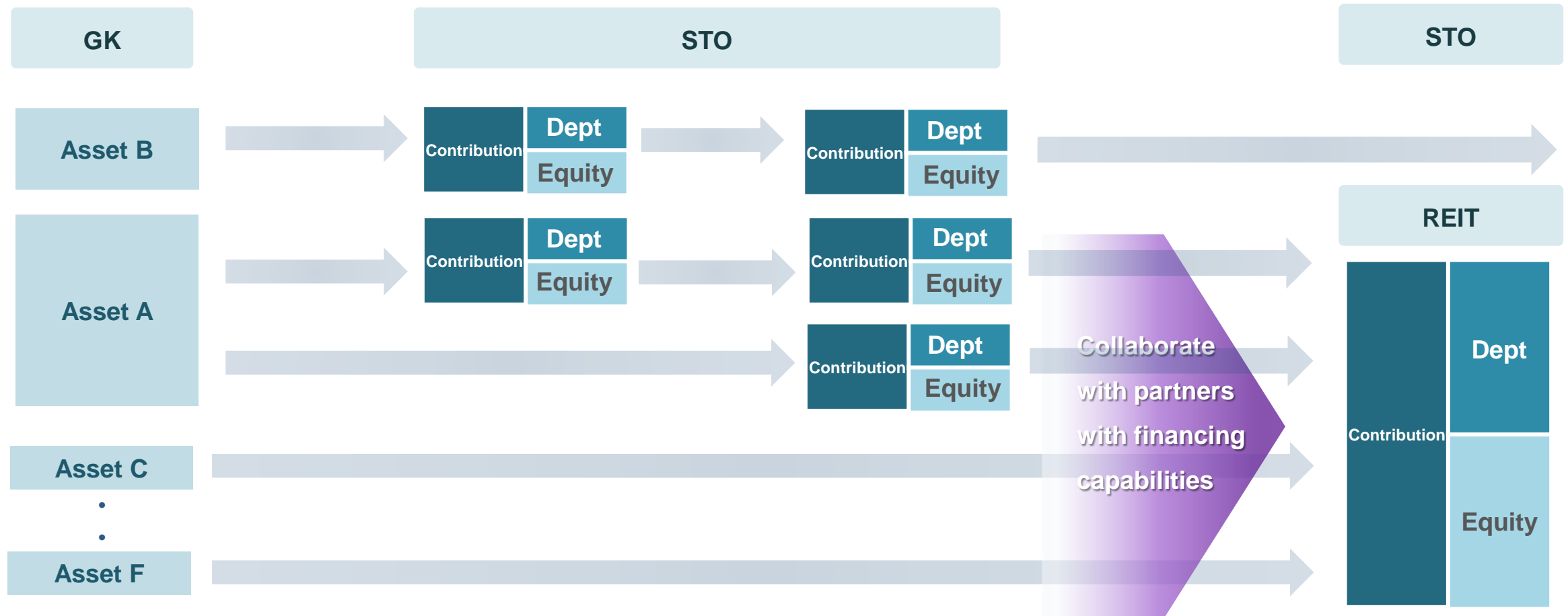
¥300 billion yen on an appraisal basis at time of completion of construction



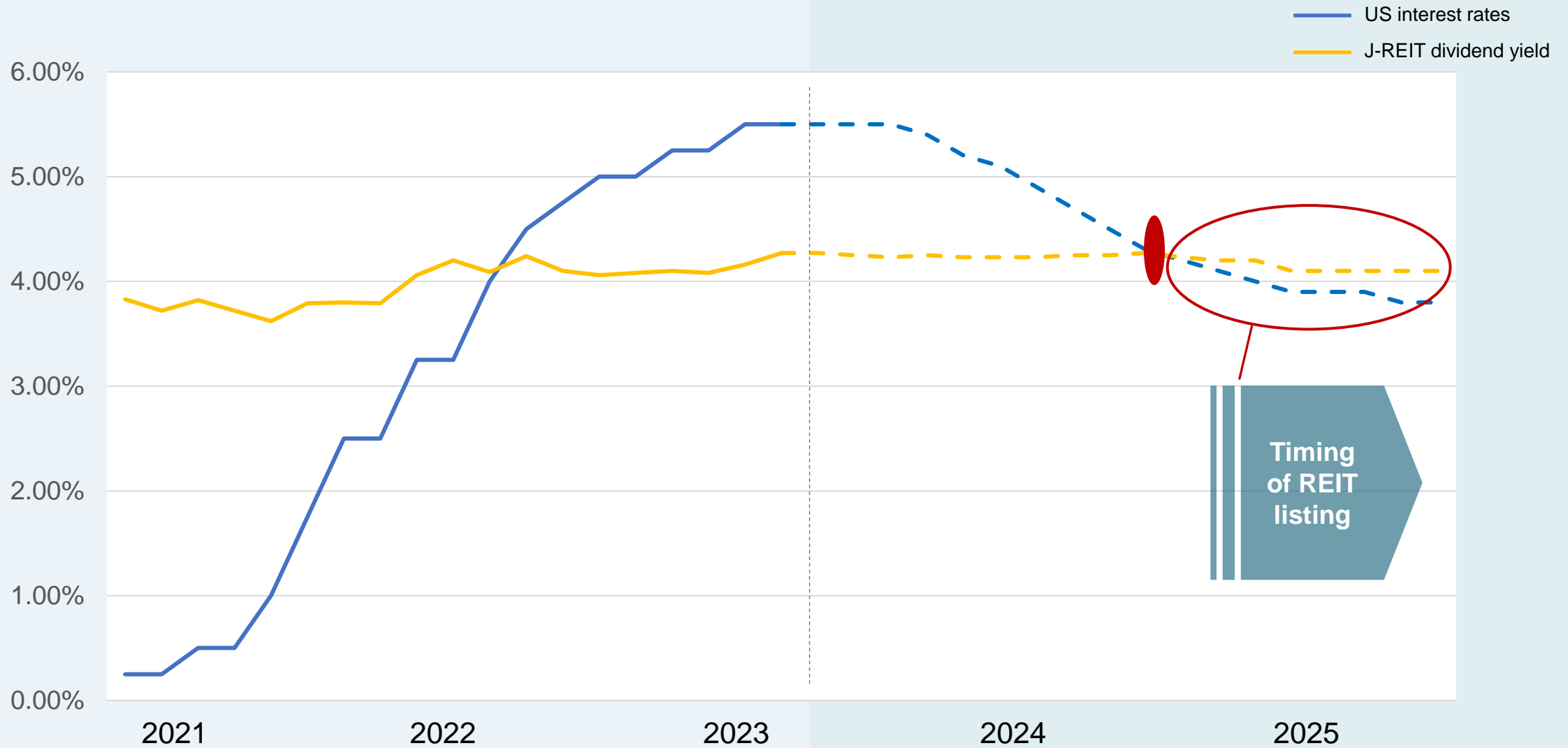
4. REIT

Exit strategy based on STO and REIT

- Begin with STO, then shift to REIT at the right time after the end of the management period
- Collaborate with leading partners to form REIT of appropriate scale



Timing of REIT listing



5. Guidelines for Returns to Shareholders

Returns to shareholders

- Continue to aim for stable dividends with returning profit to shareholders as one of the most important issues
- Seek to increase medium- to long-term shareholder value through **total returns to shareholders including increased share price and shareholder incentives**

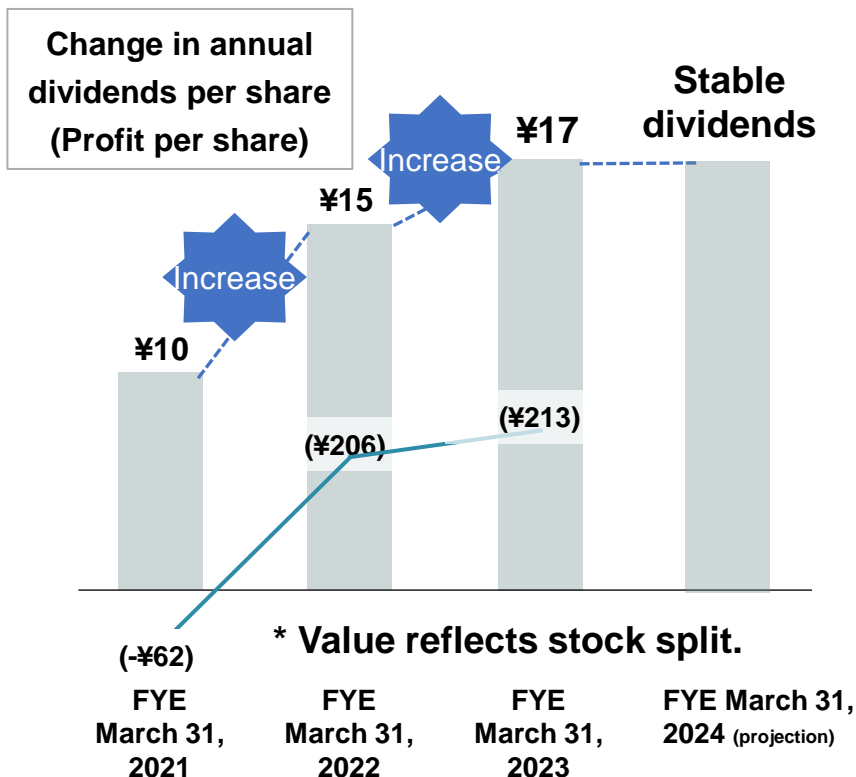
Dividends according to earnings level



Shareholder incentives



Share price

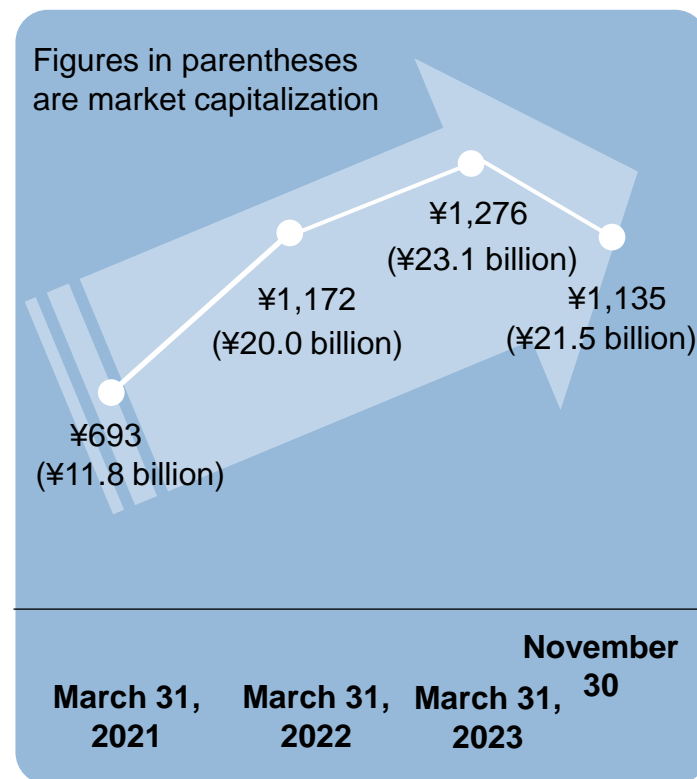


Gift vouchers that can be used in hotels managed by the Group or for products

Shareholders with 200-599 shares	¥2,500
Shareholders with 600-999 shares	¥7,500
Shareholders with 1,000-1,999 shares	¥15,000
Shareholders with 2,000-5,999 shares	¥30,000
Shareholders with 6,000 or more shares	¥60,000

Expansion of system on May 23, 2023

* Allotment record dates:
June 30, September 30, December 31



Conclusion

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