

Tosei Group Long-Term Vision 2032 & Medium-Term Management Plan (FY2024-FY2026)

Tosei Corporation

Tokyo Stock Exchange, Prime Market Code : 8923

Singapore Exchange, Mainboard Code : S2D

January 2024

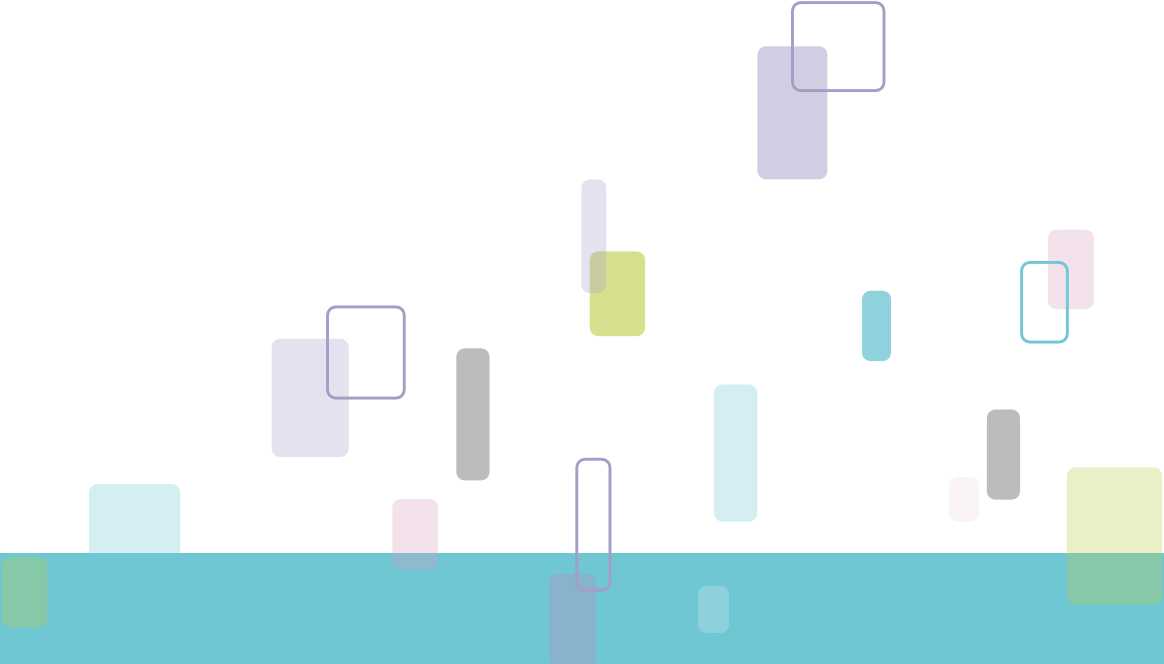


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Tosei Group Long-Term Vision 2032



Background of Long-Term Vision 2032 -Recognition of External Environment-

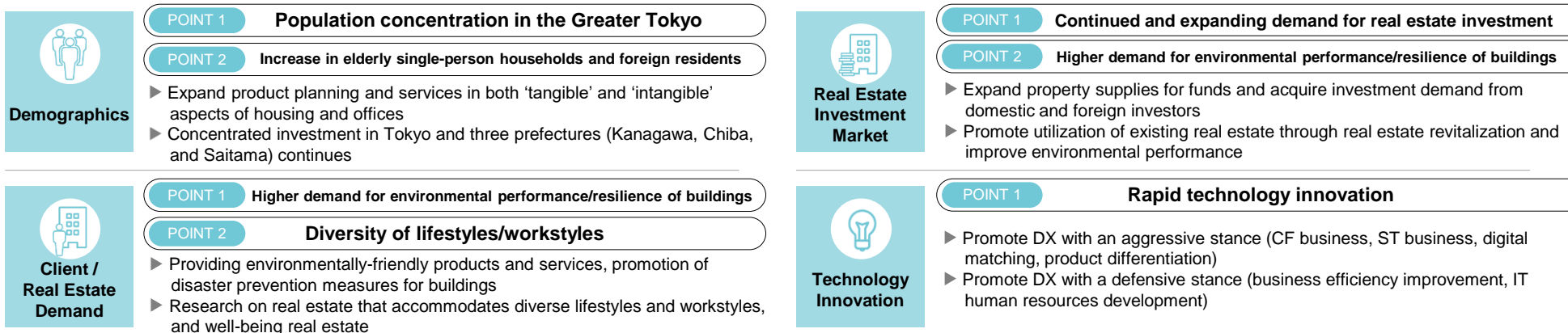
Formulated Long-Term Vision 2032 in order to continue to be a company with value to all stakeholders while being flexible to changes in the business environment

Mega Trends



Environmental Trends Relevant to the Company and Our Measures

Providing products and high-quality services chosen by the clients through utilization of the group's diverse real estate solution capabilities

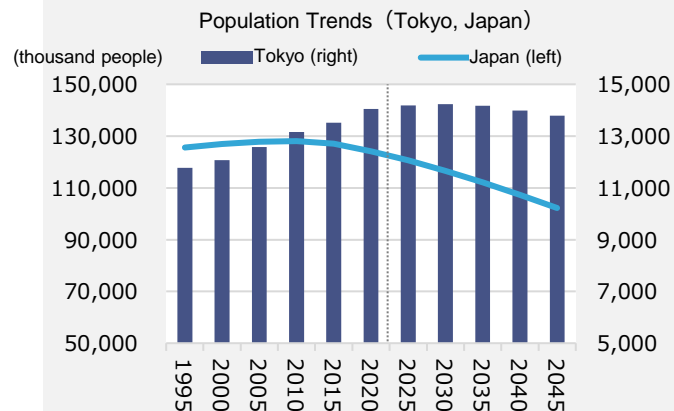


Background of Long-Term Vision 2032

-Recognition of External Environment-

Changes in Demographics

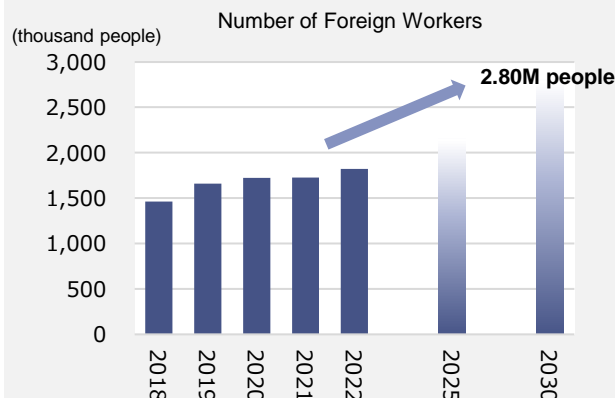
• Although the era of population decline starts, population concentration in the Greater Tokyo will continue



Population concentration in the Greater Tokyo

Source: Ministry of Internal Affairs and Communications "Population Census", "Population Estimates", National Institute of Population and Social Security Research "Population Projections for Japan", Statistics Division, Bureau of General Affairs "Tokyo Population Trends"

• Foreign workers are expected to increase due to the declining birthrate and aging of society

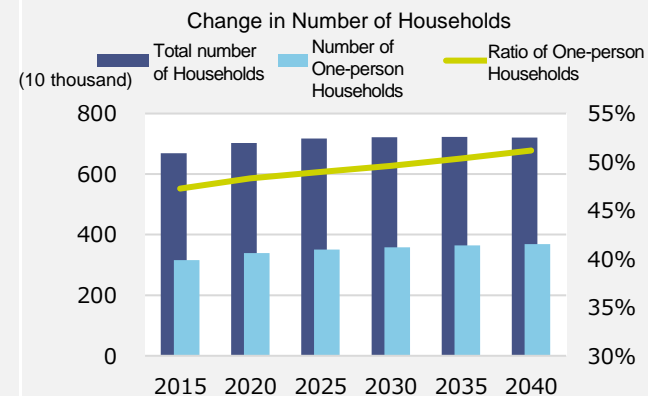


Increase in foreign residents

Diversity of lifestyles

Source: Ministry of Health, Labour and Welfare "Notification of the Status of Employment of Foreign Nationals", The Japan Research Institute, Limited "JRI Review"

• While the number of households remain flat, the ratio of one-person households are on the slight increase

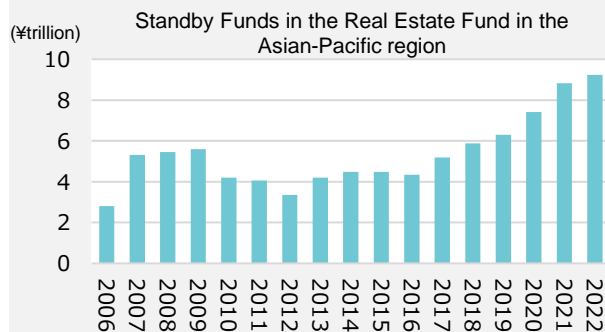


Diversity of lifestyles/workstyles

Source: National Institute of Population and Social Security Research "Household Projection for Japan by Prefectures"

Trends in Real Estate and ESG Investments

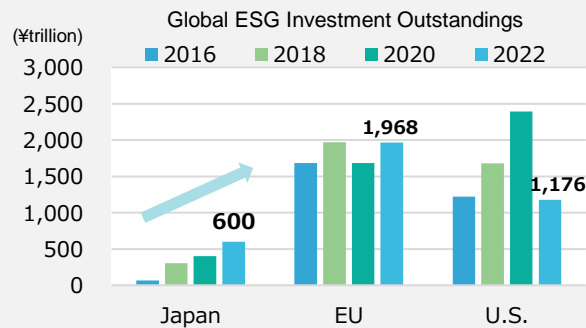
• Continued demand for investment in domestic real estate is expected due to the increasing standby funds



Continued and expanding demand for real estate investment

Source: Prepared by Tosei based on CBRE report "Why Japan remains an attractive real estate investment destination" with calculation of \$1=¥140

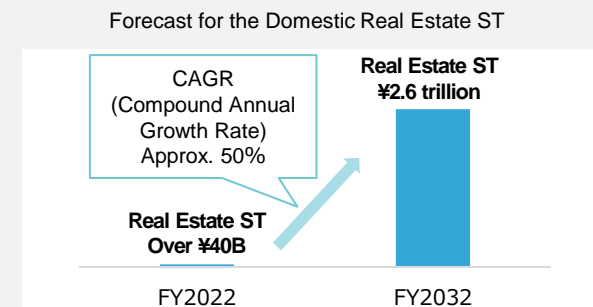
• Acceleration towards decarbonization and recycling-oriented society and tightening of environmental regulations are expected



Growing demand for environmental performance/resilience of buildings

Source: Prepared by Tosei based on GSIA "GLOBAL SUSTAINABLE INVESTMENT REVIEW2022" with calculation of \$1=¥140

• The Real Estate ST market is expected to expand and the market volume in FY2032 is estimated to be approx. ¥2.6 trillion



Rapid technology innovation

Source: Prepared by Tosei based on Progmtat "Overview material (ST)"

Tosei Group's Mission

**Create new value and inspiration in all aspects of real estate
as a global-minded group of seasoned professionals**

The ideal image and future vision we aim to realize the Tosei Group's Mission

Tosei Group Long-Term Vision 2032

**We will contribute to the realization of a sustainable society
as a unique real estate portfolio manager
with diverse solution capabilities.**

Further strengthen and expand the Tosei Group's core competencies to achieve both business growth and contribution to society

Real Estate Solution Capabilities

- ▶ Solution capability to realize the potential value of real estate through real estate investment skills



Portfolio Management Capabilities

- ▶ Management capability to flexibly adapt portfolio that handles multiple businesses and a variety of assets according to business environment

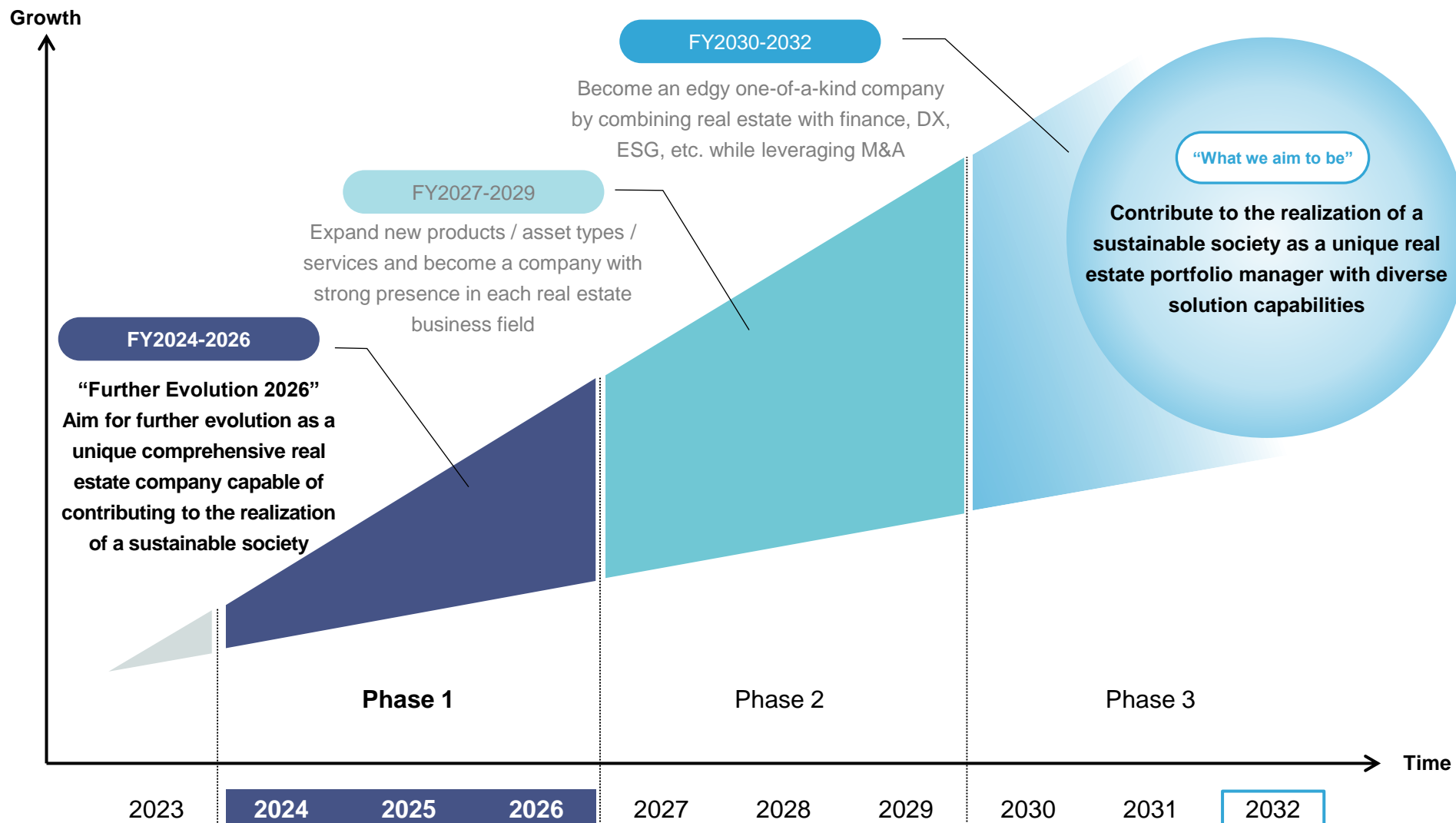


Global Reach Capabilities

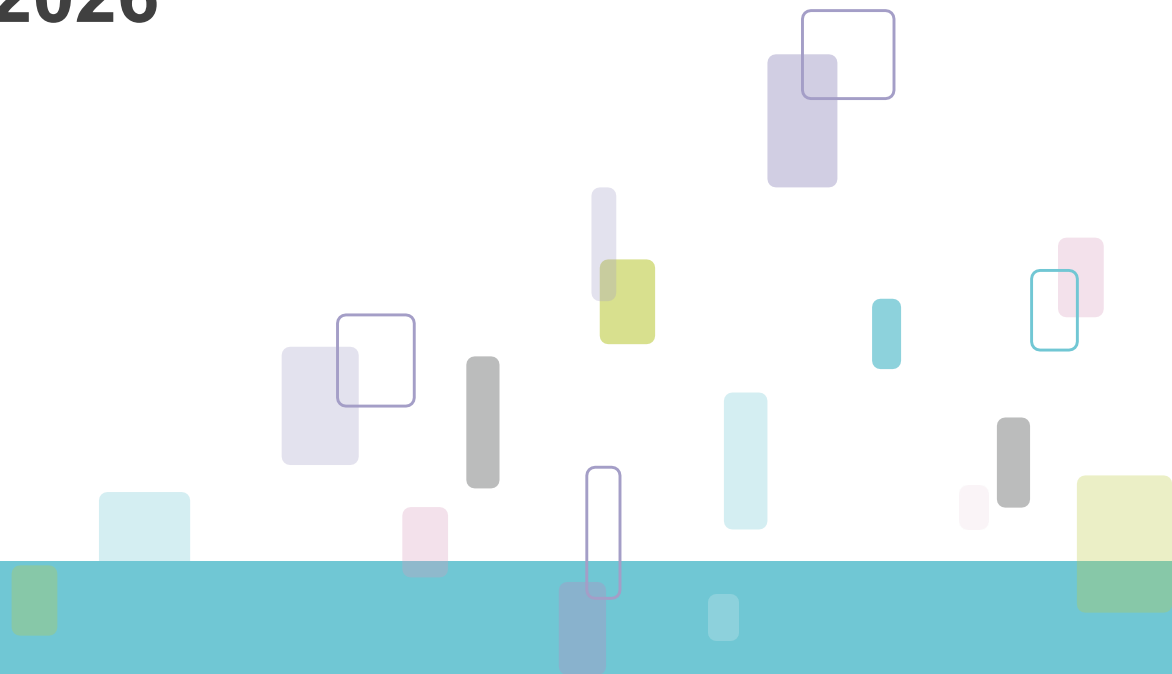
- ▶ Provision of world-class services
- ▶ Asset management that can gain confidence from domestic and overseas investors

Roadmap to Realization of Long-Term Vision 2032

With the Medium-Term Management Plan “Further Evolution 2026” as Phase 1, we will strive to realize our Long-Term Vision 2032 (FY2024-2032)



Medium-Term Management Plan “Further Evolution 2026”



Medium-Term Management Plan “Further Evolution 2026”

Aim for further evolution as a unique comprehensive real estate company capable of contributing to the realization of a sustainable society

Basic Policies



Sustainability

- ▶ Expand the provision of solution to environmental / social issues and promote sustainability management
- ▶ Expand investment for the Group’s future growth measures
- ▶ Establish and penetrate the Tosei brand through non-financial information disclosure

→P10-11



Business

- ▶ Evolution and growth of business portfolio
- ▶ Strengthen real estate solution capabilities by pursuing synergy among the six businesses

→P12-15



Human Resources / Organization

- ▶ Maintain a work environment where a diverse range of employees can utilize their individuality and demonstrate their capabilities
- ▶ Develop human resources with rich experience, knowledge, leadership and have deep understanding of the corporate philosophy

→P11



DX

- ▶ Differentiation of products and services and promotion of business efficiency through IT and digital utilization

→P16



Financial Strategy / Capital Policy

- ▶ Strengthen funding capabilities for sustainable growth
- ▶ Maintain return on capital that exceeds capital costs and continue balance sheet management

→P17-19

Performance Indicators

	FY2023 Result	Three-year Mid-Term Management Plan		
		FY2024	FY2025	FY2026
Revenue	¥79.4B	¥92.1B	¥117.8B	¥123.2B
Profit Before Tax	¥15.3B	¥16.5B	¥17.7B	¥19.0B
ROE	13.6%	13.0%	12.7%	12.5%
Stable Business Ratio	49.2%	Over 45%		
Equity Ratio	33.4%	Around 35%		
Net D/E Ratio	1.31 times	Around 1.4 times		
Payout Ratio	30.0%	31.5%	33.0%	35.0%

Identification of key issues that should be prioritized for the enhancement of the Group's corporate value and the development of a sustainable society

Promote sustainability management while addressing social and environmental issues

Materiality (Key Issues)

Theme	Materiality (The value we believe it is important to create)	Major initiatives
 Coexistence with the environment	Action on climate change and promotion of a recycling-oriented society	<ul style="list-style-type: none"> • Energy conservation and use of renewable energy • Disaster prevention and mitigation • Efficient use of resources
	Environmentally friendly manufacturing and service provision	<ul style="list-style-type: none"> • Improvement and visualization of environmental performance in both 'tangible' and 'intangible' aspects • Reduction of environmental impact in real estate revitalization and development
 Action to address social issues	Healthy work environment that embraces diversity and individuality	<ul style="list-style-type: none"> • Utilization of diverse human resources • Promotion of diverse working styles • Pursuit of job satisfaction • Respect for human rights • Promotion of mental and physical wellbeing
	High quality products and services that give safety and reassurance	<ul style="list-style-type: none"> • Safety and security of mind of customers • Safety and security of mind of employees and suppliers
	Creation, rehabilitation and revitalization of local communities	<ul style="list-style-type: none"> • Rehabilitation, creation and revitalization of local communities • Revitalization of local economies
 Enhancing corporate governance	Governance that promotes healthy corporate growth	<ul style="list-style-type: none"> • Enhancement of corporate governance • Compliance • Strengthening risk management

Coexistence with the environment

Strengthening the structure of sustainability promotion and providing solutions with an eye on environmental and social issues

Company-wide Strategy

Contributing to promotion of a decarbonized and recycling-oriented society by responding to climate change

- Measures towards environmental laws and regulations and disclosure initiatives such as TCFD
- Action on climate change (calculation of Scope 1, 2, 3, reduction of GHG emissions and promotion of shift to renewable energy)

Business Strategy

Promoting energy conservation and shift to renewable energy and providing environmentally-friendly manufacturing and services

- Renovation for energy saving such as the replacement of lights in all buildings with LED and development of ZEB and ZEH
- Promoting the use of renewable energy (solar power generation) and renewable energy-based power and using recycled materials, etc.



T's eco Kawasaki

Promoting acquisition of environment-related certifications

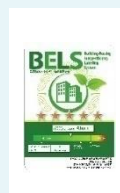
- Activities to encourage the energy conservation of fixed assets and real estate for sale and acquiring environment-related certifications
- Promoting disaster prevention for held properties or real estate under management

TOPICS Environment-related certifications

▶ Narimasu Tosei BL



▶ T' s Logi Ome



Action to Address Social Issues

Healthy work environment that embraces diversity and individuality

Developing System / Environment

Build a work environment and system that enable diverse employees to leverage their individuality and show full potential

- Pursue flexible work styles
- Set targets and form action plans for diversity indicators such as female managers etc.
- Promote health management and work to maintain and improve Outstanding Health and Productivity Management Organization certification



Career Development

Provide a wide range of opportunities where growth and self-actualization are possible and support skill development and career formation of the employees

- Support career development by building career models, confirm career plans, and through providing feedbacks
- Further review of various training programs etc. and consideration of menus linked to career paths

Human Resource Development

Training professional human resources through work experiences, evaluations and trainings

- Define and stipulate specialists (talents etc.) of each business
- Establish programs for professional human resource training and compensation
- Utilize feedback opportunities including 1on1 meetings



Job class-based training



New graduates training

High quality products and services that give safety and reassurance

Business Strategy

Improving quality of products and services that give safety and reassurance

- Initiatives to supply chain management and quality control
- Provide environment that activates local communities by holding properties

Creation, rehabilitation and revitalization of local communities

Company Strategy

Promotion of diversity and contribution to local communities

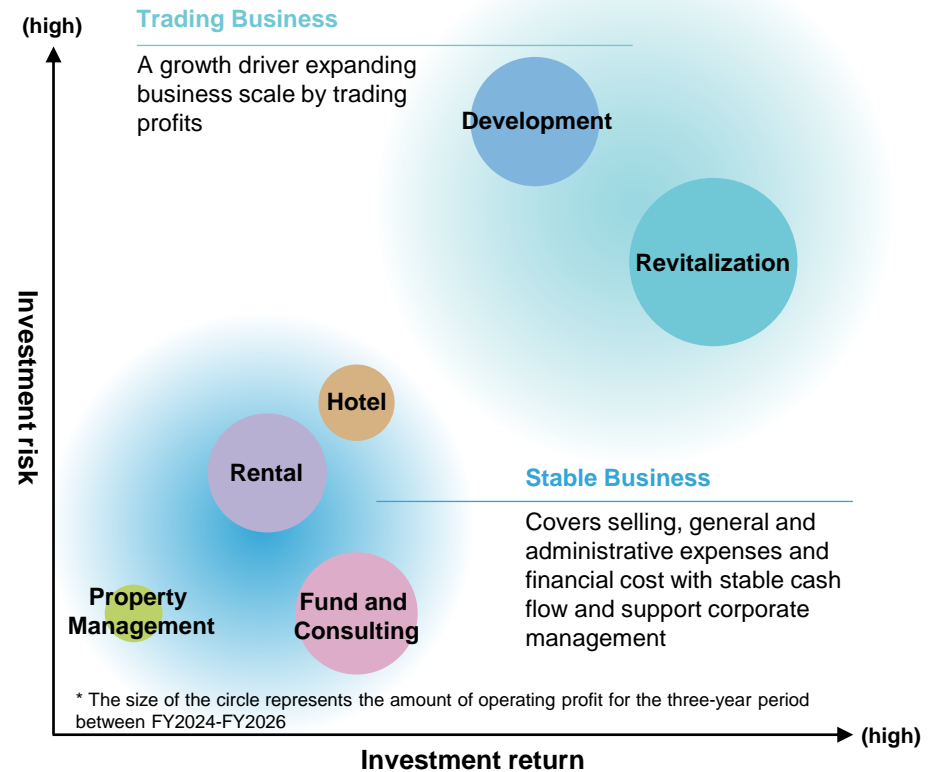
- Initiatives to respect human rights and promote human capital management
- Promote contributions to local communities



Minato-ku community cleanup activity

- Disperse risks with a portfolio consisting of multiple businesses with different characteristics and grow each of them
- Change the real estate portfolio responding to the real estate market flexibly and speedily

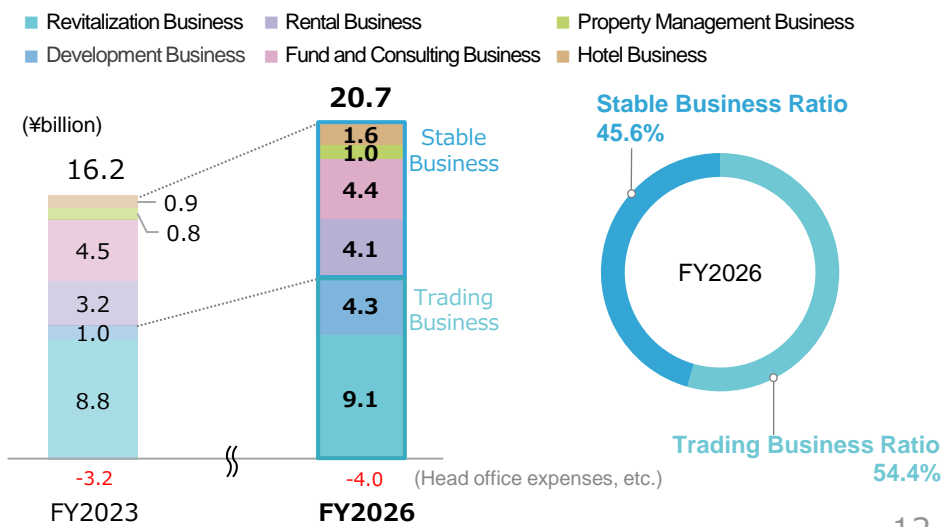
About Business Portfolio



Strategy of Each Business

- Trading Business**
- Combine “Revitalization Business” and “Development Business” and sell based on market conditions, product status, and stock status with a plan
 - Reduce risks by dispersing asset types and locations
 - Strengthen procurement and expand stock for Revitalization Business which is our growth business
 - Plan the best product based on location, land shape, and rising construction cost trend in Development Business
- Stable Business**
- Although Rental Business (fixed assets) has lower capital efficiency, should build-up assets with a plan to expand stable income
 - Mainly acquire the properties whose asset value will increase in the long term as fixed assets and occasionally achieve unrealized gains through replacement of inventories
 - Aim for scale expansion in the Hotel business while also considering partial off-balance-sheet and gaining management contracts
 - Aim to increase income by improving business efficiency and service quality in the Property Management Business and Fund and Consulting Business

Operating Profit by Segment



Capital efficiency of on-balance-sheet businesses (our recognition)

	Trading Business		Stable Business	
	Revitalization	Development	Rental	Hotel
ROIC*	Around 10%	Around 5%	Around 2.5%	Around 5%
Project Period	0.5-1.5 years	1-4 years	Long-term	

* Calculated as follows for administrative purpose: Trading Business (Revitalization and Development) includes rental income during the holding period. Rental Business includes fixed assets only. Hotel Business is under assumption of normal operation.

- Although long-term interest rates are expected to rise moderately and yield spreads to narrow due to the BOJ's policy changes, the superiority of domestic real estate is expected to continue
- Real estate prices are likely to remain high due to soaring construction and labor costs
- While the impact of the spread of teleworking on office demand will subside, the impact of the large supply of offices in 2025 needs monitoring

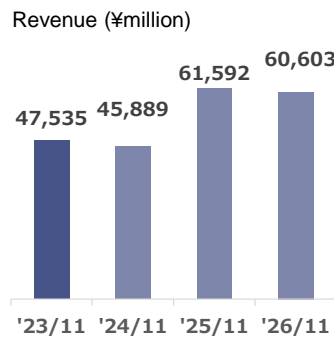
Type		Future (Now – 3 years after)	
		Weather	Perception of the environment
Office			While the office market bottomed out in 2023, large supply in 2025 is expected to have a downside impact on vacancy rates and rents. Meanwhile, the liquidity of small and medium-sized offices will be maintained for the time being.
Rental Apartment			Both vacancy rates and rents are projected to remain steady with the improved balance of supply and demand, as a result of an increase in population inflow to the Tokyo metropolitan area and the rise in preference for rental apartments.
Condos			Prices of new condominiums in the 5 wards of central Tokyo are expected to remain high given the steep rise in construction cost and supply control. Meanwhile, sales in suburbs may struggle.
Detached Houses			The trend of reduced construction starts is expected to continue due to the steep rise in construction costs. The number of environmentally-friendly detached houses with improved energy-saving performance is expected to increase in the future.
Hotel			Domestic demand may decrease due to the rise in lodging prices caused by the growth of inbound demand and a fall in demand for business trips caused by the spread of working from home.
Commercial Facility			While rent is expected to rise with growth in demand for store openings in commercial areas in central Tokyo such as Ginza with the recovery in consumer spending, rent in general areas may decline due to growth in e-commerce.
Logistics			Rents are expected to decline in the first year due to an increase in new supply, but thereafter, rents are expected to rise due to increased demand for e-commerce.
Funds	Private Placement		While the market size is expected to grow due to the increase in alternative investment, the speed of growth may slow depending on the governments' monetary policies in each country.
	J-REIT		The AUM growth is expected to slow down due to the harsh environment surrounding property acquisition.
Loan Environment			While a tightening of the lending attitude is not expected, some financial institutions will likely be more selective due to the accumulation of a real estate loan balance.

Business environment during the 3-year mid-term plan

- ▶ The domestic economy is expected to maintain the recovery trend and the moderate inflation is expected to continue due to improved employment and income condition
- ▶ Although the domestic long-term interest rate is expected to rise, the impact on the real estate cap rate is likely to be limited
- ▶ Not yet invested funds (standby funds) of the real estate funds in the Asian-Pacific region are at high level and the demand for Japanese real estates is expected to continue
- ▶ Demand for environmentally-friendly products is expected to grow in response to the acceleration towards decarbonization and recycling-oriented society and higher awareness of climate change and disaster risk

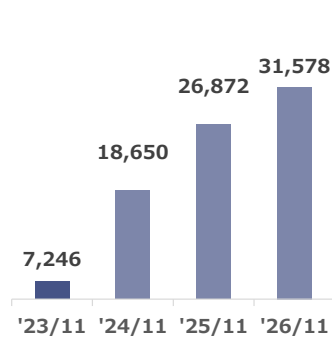
Business strategy by segment

Revitalization Business



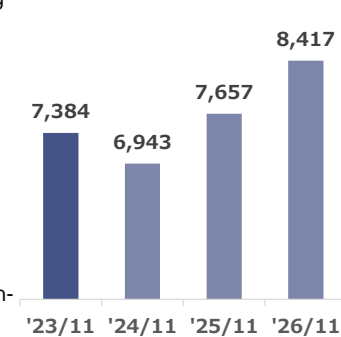
- Establish the Tosei Brand in real estate revitalization
- Property supply for “Green × Value Up Residential Fund”
- Approach to the expanding private equity market
- Strengthen sales and design, targeting central Tokyo area and wealthy individuals in the sales of pre-owned condo units

Development Business



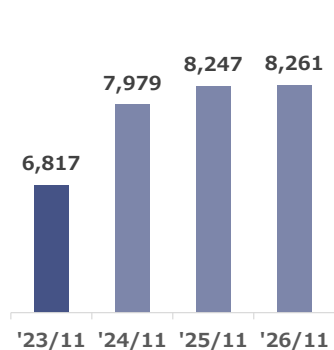
- Promote developments, leasing and sales
- Strengthen the development of wood-frame apartments
- Research of high-priced detached houses for wealthy individuals
- Develop products with superior design and environmental performance
- Strengthen architectural design department and expanding of in-house wood construction

Fund and Consulting Business



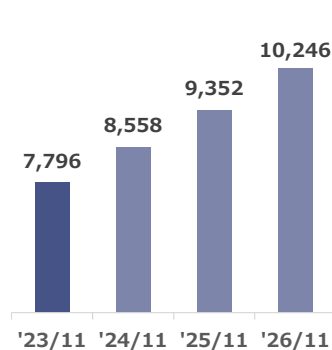
- Expand AUM from ¥2.3 trillion to ¥3.0 trillion
- Improve the proposal capability for setting up new funds
- Expand the capacity for further contracts (increase employees, utilize DX)
- ESG initiatives such as acquiring environment-related certifications

Rental Business



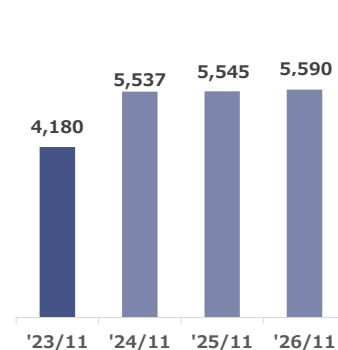
- Research on rental apartments with a concept that follows the changing lifestyle and new areas where investment opportunities are to expand (services for foreigners etc.)
- Energy saving renovations and promoting acquisition of environment-related certifications for fixed assets
- Strengthen property competitiveness by introducing IoT facilities and utilizing digital technologies

Property Management Business



- Expand income by increasing new contracts and strengthening construction proposal capabilities
- Expansion of large-scale property management contracts such as for logistic facilities
- Promote environmental real estates, tenant engagement, supply chain engagement
- Increase operational efficiency through use of IT


Hotel Business



- Research for providing emotional value and promotion of differentiation strategy
- Promote new hotel development
- Diversify types of hotels under management and promote acquisition of management contracts
- Promote DX (consider introducing revenue management system etc.)

Business Strategy -3-year P/L Simulation by Segment-

(#million)	FY2023 Result		FY2024 Forecast		FY2025 Forecast		FY2026 Forecast	
	Profit Margin	Composition Ratio	Profit Margin	Composition Ratio	Profit Margin	Composition Ratio	Profit Margin	Composition Ratio
Revenue	79,446	100.0%	92,116	100.0%	117,850	100.0%	123,223	100.0%
Revitalization Business	47,535	59.8%	45,889	49.8%	61,592	52.3%	60,603	49.2%
Development Business	7,246	9.1%	18,650	20.2%	26,872	22.8%	31,578	25.6%
Rental Business	6,817	8.6%	7,979	8.7%	8,247	7.0%	8,261	6.7%
Fund and Consulting Business	7,384	9.3%	6,943	7.5%	7,657	6.5%	8,417	6.8%
Property Management Business	7,796	9.8%	8,558	9.3%	9,352	7.9%	10,246	8.3%
Hotel Business	4,180	5.3%	5,537	6.0%	5,545	4.7%	5,590	4.5%
Internal Transactions	-1,515	-	-1,441	-	-1,416	-	-1,474	-
Gross Profit	30,285	38.1%	34,150	37.1%	37,686	32.0%	40,229	32.6%
Revitalization Business	11,183	23.5%	9,171	20.0%	11,341	18.4%	12,543	20.7%
Development Business	2,133	29.4%	6,249	33.5%	6,197	23.1%	6,347	20.1%
Rental Business	3,546	52.0%	4,114	51.6%	4,484	54.4%	4,598	55.7%
Fund and Consulting Business	7,040	95.3%	6,591	94.9%	7,301	95.4%	8,027	95.4%
Property Management Business	2,754	35.3%	3,021	35.3%	3,307	35.4%	3,615	35.3%
Hotel Business	4,036	96.6%	5,384	97.2%	5,375	96.9%	5,420	97.0%
Internal Transactions	-410	-	-381	-	-322	-	-322	-
Operating Profit	16,254	20.5%	17,702	19.2%	19,374	16.4%	20,728	16.8%
Revitalization Business	8,877	18.7%	6,181	13.5%	8,017	13.0%	9,160	15.1%
Development Business	1,036	14.3%	5,030	27.0%	4,425	16.5%	4,336	13.7%
Rental Business	3,232	47.4%	3,727	46.7%	4,084	49.5%	4,171	50.5%
Fund and Consulting Business	4,555	61.7%	3,931	56.6%	4,104	53.6%	4,446	52.8%
Property Management Business	813	10.4%	841	9.8%	927	9.9%	1,016	9.9%
Hotel Business	990	23.7%	1,538	27.8%	1,608	29.0%	1,666	29.8%
Corporate Expenses, etc.	-3,251	-	-3,547	-	-3,792	-	-4,069	-
Profit Before Tax	15,310	19.3%	16,500	17.9%	17,700	15.0%	19,000	15.4%
Income Tax Expenses	4,802	-	5,290	-	5,700	-	6,089	-
Profit for the Year	10,508	13.2%	11,209	12.2%	11,999	10.2%	12,910	10.5%
EPS (¥)	219.74		231.72		248.03		266.86	
ROA	6.7%		6.4%		6.3%		6.3%	
ROIC	5.2%		4.9%		4.9%		4.9%	
ROE	13.6%		13.0%		12.7%		12.5%	

*  The green portion shows gross profit margin and operating profit margin

Assumptions of the Plan

- ▶ Revenue ¥123.2B, Profit Before Tax ¥19.0B in the final fiscal year
- ▶ Aim for sustainable growth by expanding the Trading Business and steady accumulation of the Stable Business

【Trading Business】

- The Revitalization Business and the Development Business are planned to become growth drivers
- The rich development pipeline is to be completed and will promote commercialization and sales in the Development Business
- The gross profit margin for the 2nd and 3rd years are set conservatively

【Stable Business】

- Improve profitability of Rental Business due to the accumulation of prime assets
- Plan to expand AM fee with the AUM target of ¥3 trillion in Fund and Consulting Business
- Stable business ratio is planned to be around 45%
1st year 47.2% ⇒ 2nd year 46.3% ⇒ final year 45.6%

Promoting product and service differentiation and business efficiency through the use of IT and digital technology

Business Development by Tosei Proptech Co., Ltd.

Promoting aggressive DX to expand customer base

Crowdfunding

- Expand product variation and increase fund composition frequency
- Implement advertising strategies, expand membership

Total amount under management for TREC series

7 funds

Cumulative Total ¥1.9B



Security token

- The first domestic company to list ST on ADDX
- Increase recognition through continuous ST issuance
- Aim to issue STs in Japan, including listing on ODX

Track record of management

3 funds

Cumulative Total ¥7.4B



Digital matching

- Expand sales channels for the condo units
- Increase TRESQ's recognition and membership

Digital matching



Strengthen competitiveness by IT and digital utilization

Improve business efficiency, service quality, and product competitiveness by promoting defensive DX

▶ Digitalization of business processes

- Business efficiency and work style transformation through the use of digital
- Research on real estate valuation using AI and big data
- Enhancing product strength and competitiveness through the use of robotics, IoT, and automation (DPA)

▶ Establishment of DX promotion system

- Reinforcement of group-wide system management structure and DX promotion structure
- Establish digital human resource development and IT literacy education system
- Upgrade IT architecture throughout the group

- Strengthen both growth investment and shareholder returns using cash generated from business operations
- Enhance funding capabilities which enables the sustainable growth maintaining equity ratio of 35% and net D/E ratio of 1.4 times
- Expand BS through accumulation of fixed assets that generate stable income etc.

Capital Allocation

Free Cash Flow*1 (FCF)

(Amount for the three-year mid-term management plan)

Cash generated from business
¥271.0B

Fund procurement ¥38.1B
Sales of properties ¥193.3B
Cash flow from operating activities ¥39.5B

Allocation

Growth Investment
¥260.3B

• Invest in prime assets

Shareholder returns*2
¥10.7B

*1 Calculated in-house as follows:

Free cash flow for the three-year period = Cash flow financed by borrowing and other sources + cash flow recovered through the sales of properties + operating cash flow without changes in inventories

*2 Although acquisition of treasury stock will be considered flexibly, it is not included in the above

(¥billion)	New Mid-Term Plan	Previous Mid-Term Plan
Growth Investment	260.3	190.3
Inventories	228.3	172.2
Revitalization	146.7	120.0
Development	81.6	52.2
Fixed Assets	31.9	18.1
Shareholder Returns	10.7	6.6
Total	271.0	196.9

Investment in prime assets

- Expansion of acquisition
 - Flexible portfolio composition to meet demand (residential for investment, office, logistic facility, condominium, detached house, etc.)
 - Research of new asset types (data center, infrastructure facility, etc.)

Shareholder returns

- Raise payout ratio to 35%
- Flexible acquisition of treasury shares

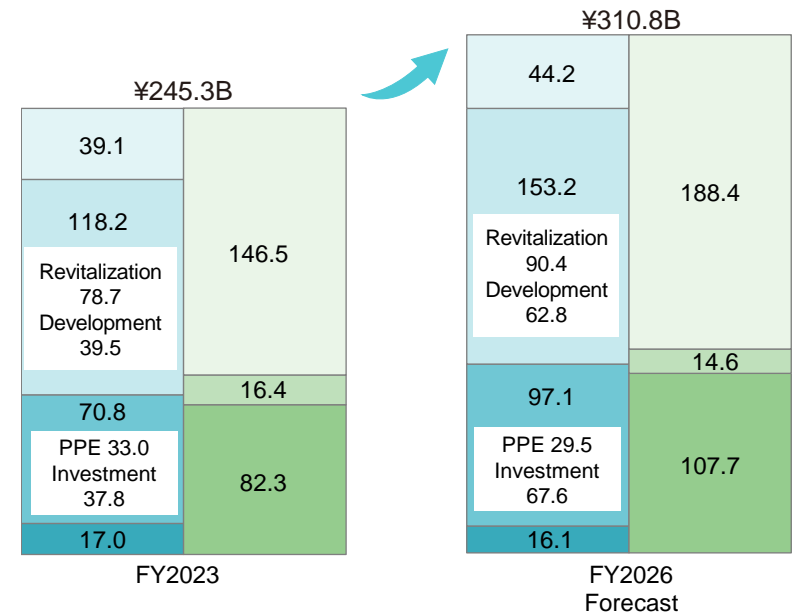
Financial policy

- Maintain financial soundness
 - Equity Ratio 35%
 - Net D/E Ratio around 1.4 times

Balance Sheet Simulation

BS Expansion through Growth Investment

- Cash and cash equivalents
- Inventory
- Fixed Asset
- Other assets
- Interest-bearing debt
- Other liabilities
- Equity



Equity Ratio	33.4%
Net D/E Ratio	1.31 times

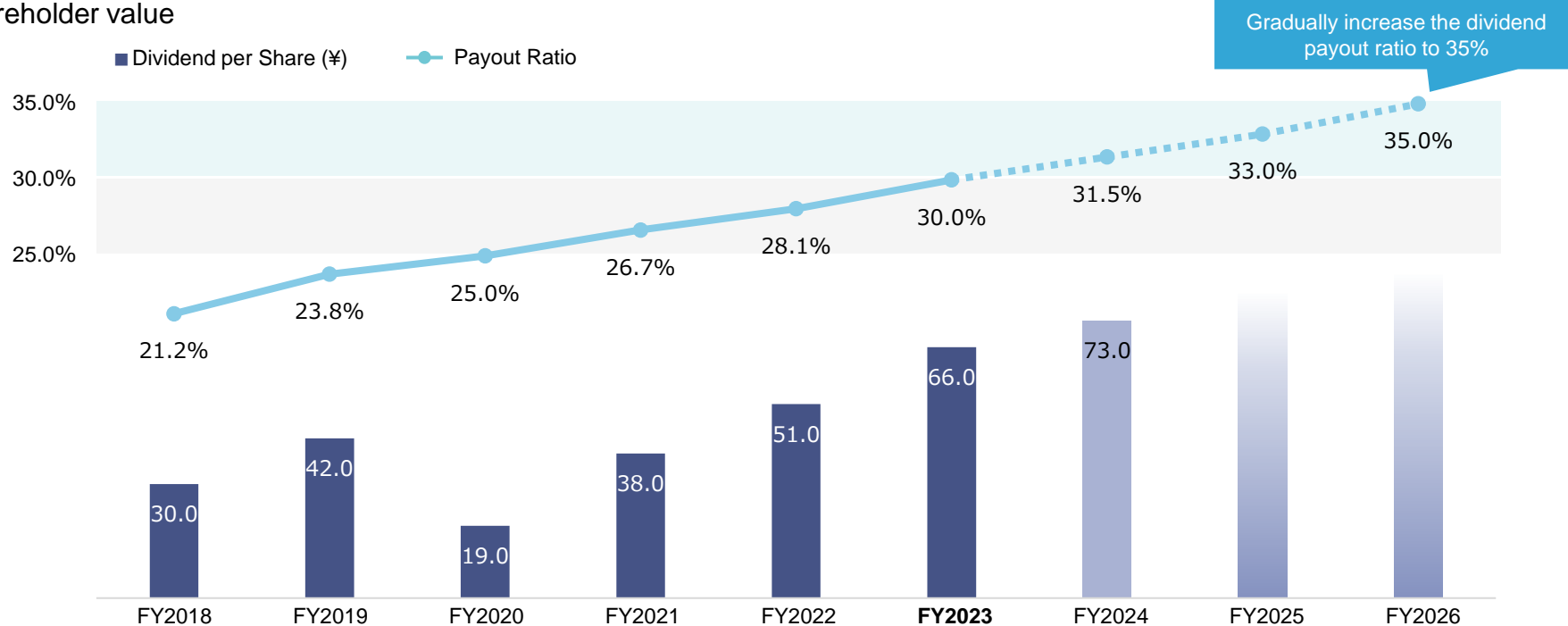
Equity Ratio	34.6%
Net D/E Ratio	1.34 times

Financial Strategy and Capital Policy

-Shareholder Returns Policy-

Return the results of profit growth to shareholders. Plans to gradually increase the dividend payout ratio to 35% over the three-year period of the mid-term management plan

Taking into account share buybacks by comprehensively considering the business environment, stock price trends, and improvement in shareholder value



Profit for the Year* ¹ (¥million)	6,852	8,447	3,602	6,721	8,607	10,507	11,209
Earnings per Share (EPS)	¥141.36	¥176.40	¥76.05	¥142.56	¥181.66	¥219.74	¥231.72
Dividend per Share	¥30	¥42	¥19	¥38	¥51	¥66	¥73
Payout Ratio	21.2%	23.8%	25.0%	26.7%	28.1%	30.0%	31.5%
Share Buyback	-	¥1billion	¥500million	¥500million	¥885million	¥113million	-
Total Return Ratio (Including share buyback) ²	-	35.5%	38.8%	34.5%	38.3%	31.5%	-

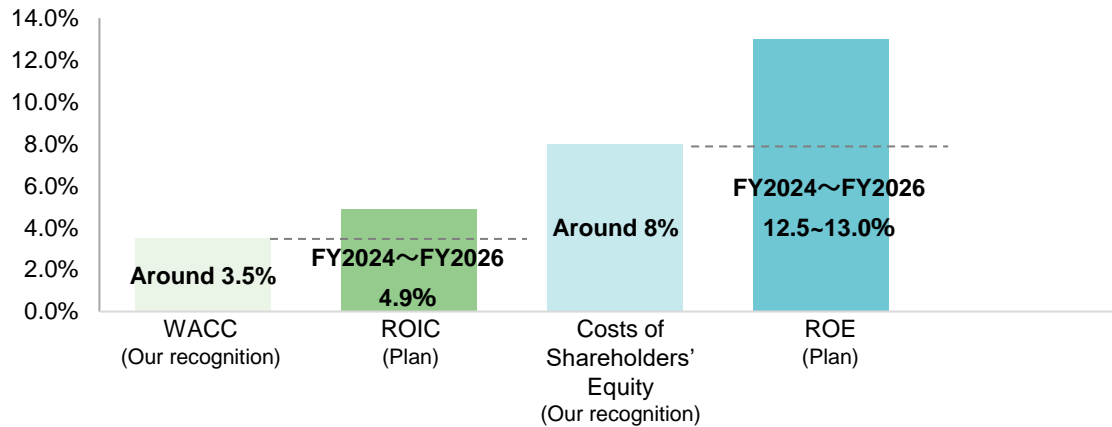
**Gradually increase the
dividend payout ratio to
35%**

*1 Profit attributable to owners of the parent

*2 Total Return Ratio = (Total dividends + Total share buybacks) / profit for the year. Disposal of treasury stock is not considered.

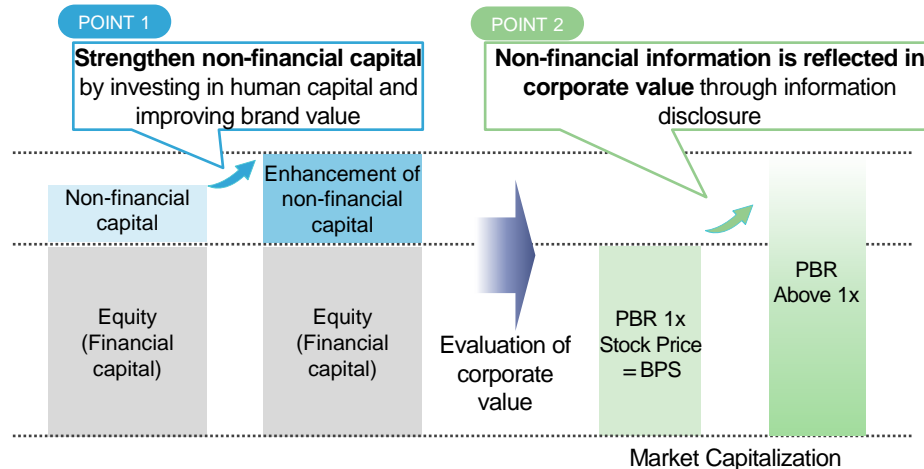
Maintain and improve return on capital

- ▶ Maintain return on capital in excess of the cost of capital, which is the market's expected return
- ▶ We recognize that ROE of 12% or more is appropriate for pursuing financial soundness and capital efficiency, while continuing to balance the portfolio between trading and stable businesses



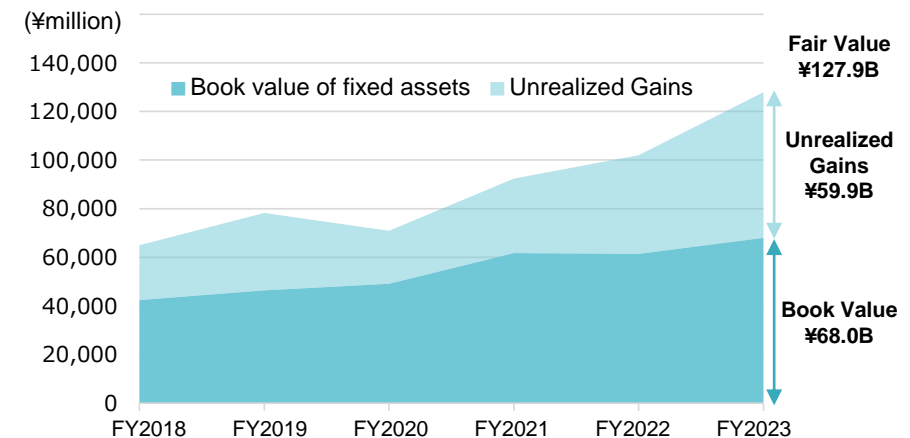
Enhancement of non-financial capital and proactive information disclosure

- ▶ Strengthen non-financial capital by investing in human capital and improving brand value
- ▶ Improve the corporate value by proactive information disclosure

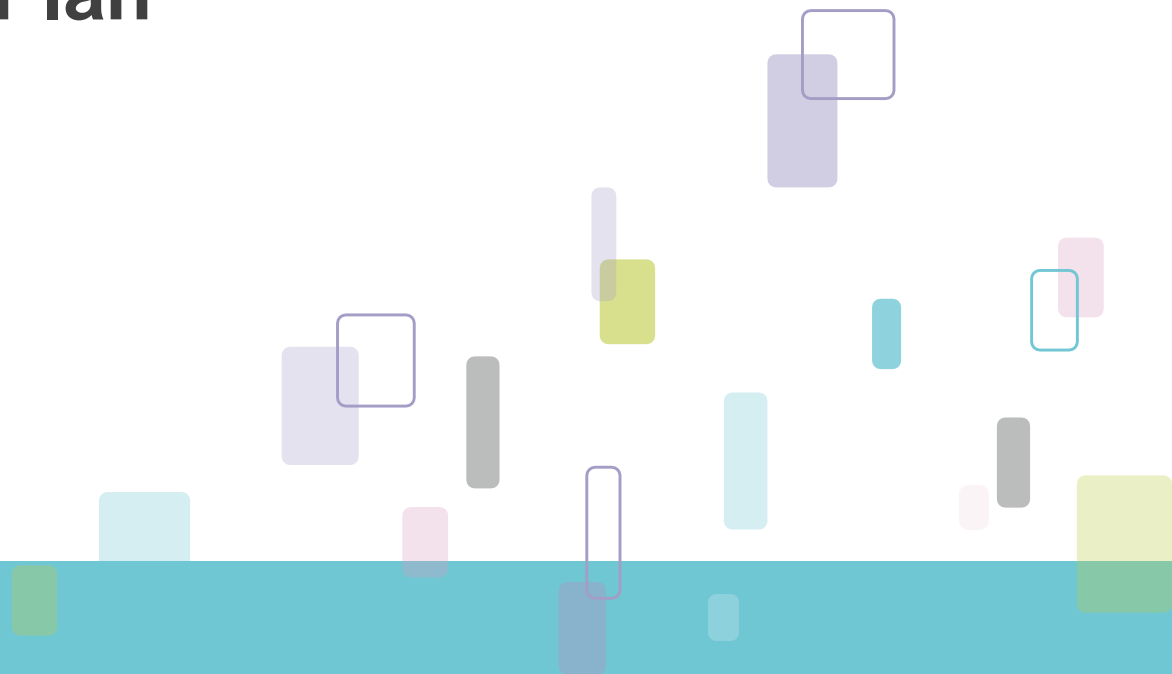


Increase of Net Asset Value

- ▶ Increase NAV by building up fixed assets through expansion of purchases of prime assets
- ▶ Review composition of inventories and fixed assets to return unrealized profit with a plan



Appendix: Review of the Previous Medium-Term Management Plan



Main Policy

“Infinite Potential 2023”

Pursue the Group's infinite growth potential in all aspects of real estate and aim for a new stage as a comprehensive real estate company.

Basic Policies

Growth Strategy

- Expand existing businesses and increase operating profit with a focus on environmental/social issues
- Enhance existing businesses and create new income-generating models through DX

Strengthen the Business Base

- Implement a balance sheet strategy with a focus on increasing business scale, Group-held assets and capital efficiency
- Implement Group strategy and organizational strategy with a focus on achieving both governance and efficiency
- Improve operational and administrative efficiency through the promotion of utilization of IT and enhance employee satisfaction conducive to improving productivity
- Promote business management and ESG with a focus on sustainability

- Trading Business drove Revenue and Profit with the firm investment demand as a tailwind while the Company aims to recover from COVID-19
- Profit Before Tax increased to ¥15.3B in the final fiscal year and hit record high
- Maintained ROE above 12%. Raised the dividend payout ratio to 30.0% as planned

<Numerical Targets>	Mid-term management plan Initial plan for the final fiscal year	Infinite Potential 2023				
		2020/11	2021/11	2022/11	2023/11	
Revenue (¥million)	100,000	Beginning-of-year Plan	80,354	69,535	80,000	85,000
		Result	63,939	61,726	70,953	79,446
Profit Before Tax (¥million)	14,000	Beginning-of-year Plan	13,046	8,001	12,000	14,000
		Result	5,901	10,302	12,753	15,310
<Performance Indicators>						
ROE	More than 12%	6.1%	10.8%	12.5%	13.6%	
Ratio of Stable Businesses*1	Around 50%	77.8%	40.7%	43.0%	49.2%	
Equity Ratio	Around 35%	36.5%	33.8%	34.3%	33.4%	
Net D/E Ratio	Around 1.3 times	0.91 times	1.23 times	1.29 times	1.31 times	
Payout Ratio	Around 30%	25.0%	26.7%	28.1%	30.0%	

*1 Ratio of Stable Businesses = Sum of each operating profit of the 4 Stable Businesses / (Operating profit - head office expenses, etc.)

< Reference >

(¥million)	2020/11	2021/11	2022/11	2023/11
Total Assets	161,684	195,010	210,955	245,329
Equity	58,969	65,958	72,290	82,319
EPS	¥76.05	¥142.56	¥181.66	¥219.74

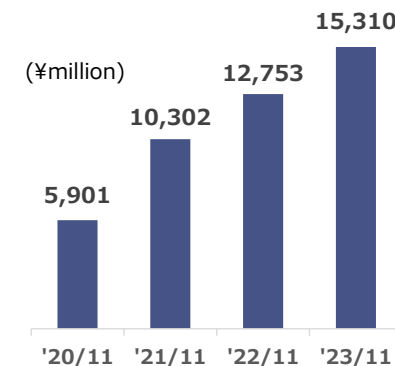
Basic Policies

Main achievements during the 3 years

Growth Strategy

<p>Expand existing businesses and increase operating profit with a focus on environmental/social issues</p>	<ul style="list-style-type: none"> • Revenue ¥79.4B, Profit Before Tax ¥15.3B in the final fiscal year and hit record highs • The balance of AUM in Fund and Consulting Business reached ¥2.3trillion • Newly established “Green x Value Up Residential Fund” and launched “T’s Eco” brand • Opened 3 new hotels (Tosei Hotel COCONE Asakusa, Kamakura, Tsukiji Ginza), expanding own management hotels to total of 8 in the Hotel Business
<p>Enhance existing businesses and create new income-generating models through DX</p>	<ul style="list-style-type: none"> • Established 6 funds with total of ¥1.71B under management in the real estate crowdfunding business bringing the cumulative total amount under management to ¥1.99B • Became the first domestic company to be listed on ADDX in the security token issuance business and issued 2 funds. The cumulative total under management rose to ¥7.42B with 3 funds.

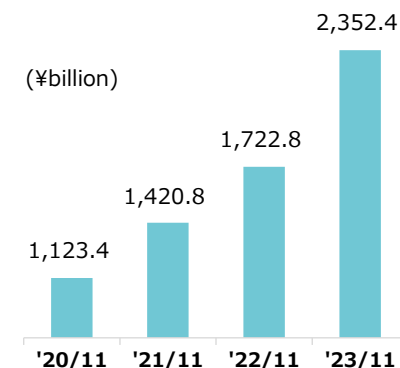
▶ Profit Before Tax



Strengthen the Business Base

<p>Implement a balance sheet strategy with a focus on increasing business scale, Group-held assets and capital efficiency</p>	<ul style="list-style-type: none"> • Total Assets increased from ¥161.6B to ¥245.3B, Equity increased from ¥58.9B to ¥82.3B • Promoted acquisition while maintaining financial soundness. Inventories increased from ¥65.4B to ¥118.2B. Number of M&A increased
<p>Implement Group strategy and organizational strategy with a focus on achieving both governance and efficiency</p>	<ul style="list-style-type: none"> • Established new department dedicated to the asset management of income-generating real estates held as fixed assets • Set up an efficient organizational/operational structure by consolidating all property management operations to the subsidiary, Tosei Community, etc.
<p>Improve operational and administrative efficiency through the promotion of utilization of IT and enhance employee satisfaction conducive to improving productivity</p>	<ul style="list-style-type: none"> • Realization of location free work style (preparing remote work environment, promotion of paperless, etc.) • Established diverse work styles (permanent teleworking system, supporting childcare leave, etc.) • Implementing measures to improve employee satisfaction (1on1 interviews, employee satisfaction surveys, etc.) • Certified as the 2023 Health & Productivity Management Organization (Large enterprise category)
<p>Promote business management and ESG with a focus on sustainability</p>	<ul style="list-style-type: none"> • Promote acquisition of environment-related certifications (DBJ Green Building, BELS, etc.), green lease contracts, introduction of renewable energy, etc. • TCFD disclosure, GHG emission target/result disclosure, published skill matrix for the Board of Directors • Formulated Tosei Group Human Rights Policy and Sustainability Promotion Regulations • Selected for the “FTSE Blossom Japan Index” and “FTSE Blossom Japan Sector Relative Index”

▶ Assets Under Management



▶ Environment-related Certifications





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