

To All Concerned Parties

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 (Code: 8890, TSE Standard Market)
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Notice Concerning Establishment of Medium-term Management Plan

Raysum Co., Ltd. (the “Company”) announces that it established the Medium-term Management Plan for the period of the fiscal year ending March 2023 to the fiscal year ending March 2025 as follows. The Company will work to provide greater added-value to clients and enhance its corporate value by continually developing and evolving its core Value Creation Services and the related businesses.

1. Background to the Establishment of the Medium-term Management Plan

The Company operates the three businesses of “Value Creation Services” wherein it provides real estate assets with high added value to clients in Japan and abroad; “Value-Add Services” wherein it conducts leasing management and building management to enhance the value of the real estate provided to clients; and “Future Value Creation Services” wherein it conducts business that addresses future social issues under its own operation by utilizing real estate.

Being restricted in many business activities due to the global spread of COVID-19 served as an opportunity for the Company to review the intrinsic value of real estate. The Company redefined its highest priority as “to think through the essence of the value that allows society, the economy and the environment to coexist in harmony and leads to continuous development, and to realize such,” and all its employees are united in their efforts to operate the business.

The financial results for the fiscal year ended March 2022 presented a significant recovery from the fiscal year ended March 2021, which was impacted by the COVID-19 pandemic. Along with the building up of a track record in improving real estate value as a result of the employees who have accumulated knowledge through transactions with high-net-worth individuals gaining skills, the number of transactions with not only individuals but also corporate clients in Japan and abroad has been on the rise. In addition, with steady purchases, we have extremely ample inventory in stock to be available for sale in the future. Furthermore, we have launched an effort to offer new real estate investment products enabling investments in the 10-billion-yen-scale investment products formed by bundling several real estate properties, with funds of several tens of million yen and up, to many clients. Under such circumstances, we have established the Medium-term Management Plan to make the next three years a time of further growth for the Company.

2. Quantitative Targets

	FY ended March 2022		FY ending March 2023 Plan	FY ending March 2024 Plan	FY ending March 2025 Plan	(mm yen) Total for the 3 fiscal years
	Initial forecast	Actual				
Net sales	62,000	68,402	80,000	90,000	100,000	270,000
(Of which, Value Creation Services)	—	(61,893)	(71,000)	(80,000)	(89,000)	(240,000)
Operating profit	8,000	11,363	12,500	13,500	17,000	43,000
Profit	4,800	6,630	7,500	8,300	10,500	26,300

[Reference]

When the above profit is achieved and the distribution “at a payout ratio of 20% or higher on a consolidated basis,” which is the Company’s distribution policy, is conducted, annual dividends will be as follows (assuming the current numbers of issued shares and treasury shares).

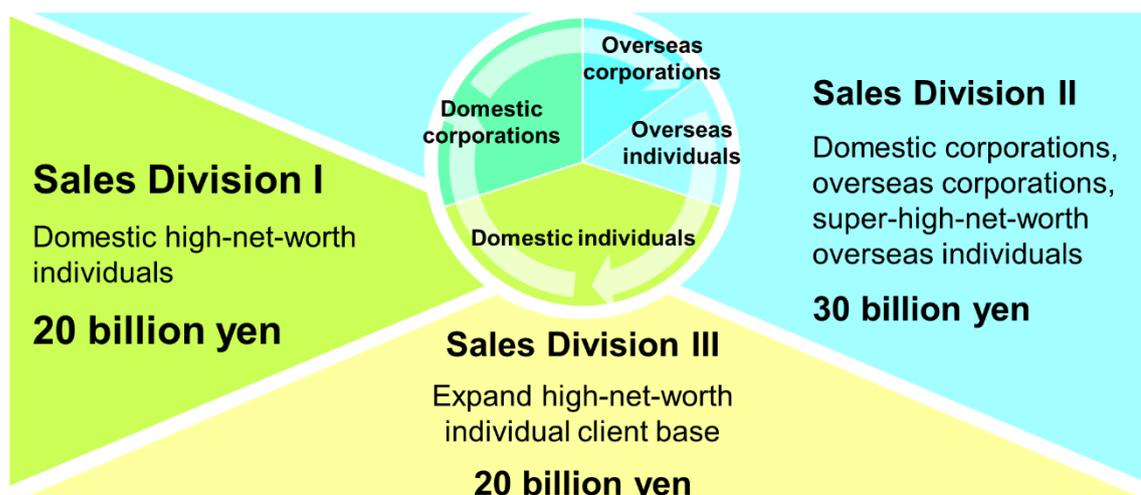
Annual dividends	27.00 yen	37.00 yen	▶	42.00 yen	46.00 yen	58.00 yen
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3. Business Strategy

The main business strategies for Value Creation Services, which is the Company’s core business accounting for approximately 90% of net sales, are as follows.

(1) Sales strategies

- ① Deeper involvement with high-net-worth individuals in Japan
 - High-net-worth individual clients in Japan are the Company’s strength and continue to be the main clients.
 - Expand the client base to include high-net-worth and super-high-net-worth individuals (with total assets of several tens of billion yen). Continue to expand and advance transaction opportunities.
- ② Increase in domestic corporate clients and overseas clients
 - As the track record in improving real estate value has built up, inquiries from domestic companies and institutional investors have increased.
 - Transactions with overseas clients have been also trending upward. Increase transactions of large-scale properties (several billion yen to over 10 billion yen) with domestic corporate clients and overseas clients.
- ③ Expansion of strategic products
 - Formed 10-billion-yen-scale real estate investment products by bundling several real estate properties to allow for investment starting from units of 50 million yen.
 - The first round of products (approximately 6 billion yen) were sold out in the fiscal year ended March 2022. The second and the third rounds (10-billion-yen scale each) are currently in preparation.
 - Provide opportunities for new real estate investment to many clients in Japan. Expand the client base.

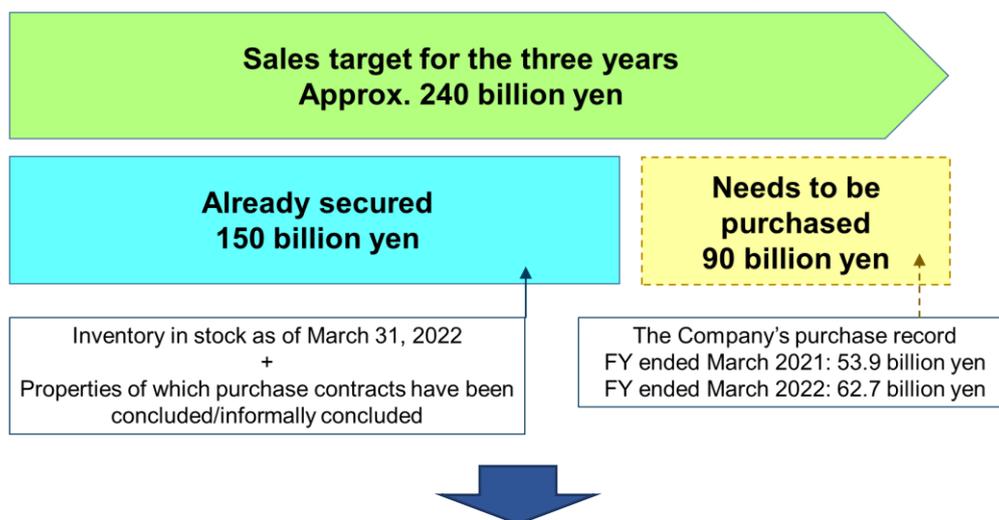


(The figures represent rough ideas of sales for the fiscal year ending March 2023.)

(2) Purchase Strategies

- ① As a result of making proactive efforts in purchasing real estate assets with potential value even under the COVID-19 pandemic, the inventory in stock that will be available for sale in the future is extremely ample at present.
- ② Of the sales target for the next three years of 240 billion yen, real estate assets to be acquired equivalent to 150 billion yen have already been secured.
- ③ For the remaining 90 billion yen, purchase of real estate assets equivalent to this amount is sufficiently plausible considering the Company's current purchase record.

(Figures are based on sales prices.)



The purchase/sales plan this time is drawn conservatively and the Company aims to make further progress.

4. Management Indicators as Objectives

The Company has set the following targets as basic rules. The Company will firmly maintain the targets during the period for the Medium-term Management Plan and strive to raise the corporate value and increase return of profit to shareholders under the stable financial base.

	FY ended March 2022	Basic rules (to be also maintained during the period for the Medium-term Management Plan)
Equity ratio	48.6%	In order to be able to continue taking risks associated with value creation even if market conditions change, equity ratio of 50% or higher is set as the basic rule. (However, 40% or higher will be flexibly applied when expanding businesses.)
ROE (Return on equity)	13.2%	10% - 20%
Payout ratio	20.5%	With 20% or higher set as the basic rule, a specific ratio will be determined considering business development, etc.

(*Note) The forward-looking statements in this press release, such as financial results outlook, are based on the information the Company has obtained at present and the certain assumptions the Company deems reasonable, and thus the actual results and such may significantly differ due to various factors.