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To Whom It May Concern

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Notice Regarding Announcement of Next Medium-term Management Plan (Outline)

At the Board of Directors meeting held on December 10, 2021, the Company resolved to be listed on the "prime market."

In order to be subject to the transitional measures related to the listing maintenance standards, we have prepared a plan to conform to the listing maintenance standards of the new market category.

As the key of the plan, we hereby inform you about the outline to the next medium-term management plan (from the fiscal year ending March 2023 to the fiscal year ending March 2025) as follows.

1. Outline of the next medium-term management plan

Our next medium-term management plan will start from the fiscal year ending March 2023 and the planning period will be three years until the fiscal year ending March 2025. Of the listing maintenance standards stipulated for the prime market, the Company did not satisfy the items of market capitalization of shares in circulation and average daily trading value but positioned the next medium-term management plan period as an improvement period to maximize corporate value. Specifically, we will aim to achieve an ROE of 10.0% with a minimum goal of 8.0% by promoting growth strategies and implementing capital policies that enhance capital efficiency.

The official version of the next medium-term management plan is scheduled to be announced at the same time as the financial results for the third quarter of February 2022.

2. Numerical targets

The following are set as the target values for the next medium-term management plan with the fiscal year ending March 2025 as the final year.

	Fiscal year ending March 2022 (forecast)	Fiscal year ending March 2025
Ordinary profit	1,100 million yen	2,000 million yen
ROE	5.3%	8.0% Minimum/10.0% Goal

* ROE for the fiscal year ending March 2022 (forecast) is calculated from net assets at the end of September 2021 and net income of 770 million yen.

3. Next Medium-Term Management Plan

(1) Business strategy

i. Growth strategy for new business transformation

- Promotion of loyal customer strategy to expand businesses with high profitability and growth potential among existing businesses
- Growth of service business from "selling goods" to "selling things"
- Creation of future core businesses by launching new businesses and business models

ii. A total of 3 billion yen for 3 years is set as the strategic investment limit for "creating new corporate value"

- Strengthening the business foundation by aggressively investing in focused businesses and areas
- Creation of new businesses and business models

(2) Capital strategy

i. Promotion of balance sheet management with an awareness of optimal capital structure

ii. Utilize interest-bearing debt for necessary growth investment to optimize cost of capital

iii. Implementation of shareholder return with the intention of not accumulating equity capital

(3) Governance development

i. Establish an investment committee to improve the quality of discussions of the board of directors and the executive board by strengthening the supervisory/examination function for investment decisions, including M&A strategies

ii. Strengthening the fairness, transparency and objectivity of procedures related to nominations and remuneration through voluntary nomination and remuneration committees

iii. Promote management from the perspective of shareholders by newly adopting ROE as a KPI for performance-linked remuneration for Directors

(4) ESG/SDGs initiatives

i. Promote management that seriously addresses ESG issues based on our basic sustainability policy

4. Shareholder return policy

(1) Fiscal year ending March 2022 (forecast)

In addition to the ordinary dividend, a dividend of 15 yen will be paid to commemorate the 70th anniversary of the company's founding (total annual dividend: 50 yen).

(2) From the fiscal year ending March 2023 to the fiscal year ending March 2025

Maintain a dividend payout ratio of 100% until the average ROE for three years exceeds 8%.

END