

CFO's Message

Maintaining financial discipline & focusing on investor relations and marketing

Over the three years through FY2024, we steadily expanded our sales and profits, client numbers, and consultant numbers. Our financial health is now more robust. During the three-year period beginning in FY2025, We will work to maximize corporate value while maintaining financial discipline.



Director, Managing Executive Officer

Shintaro Hashiba

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The essence of our business is to eliminate or minimize the concerns of our high-net-worth clients. In recent years, the economic and financial environment has been volatile, and real estate prices in Japan have risen markedly, especially in urban areas. As asset values increase, corresponding measures are demanded. As a wealth consulting firm that works closely with high-net-worth individuals, we feel strongly that our role is increasing more than ever.

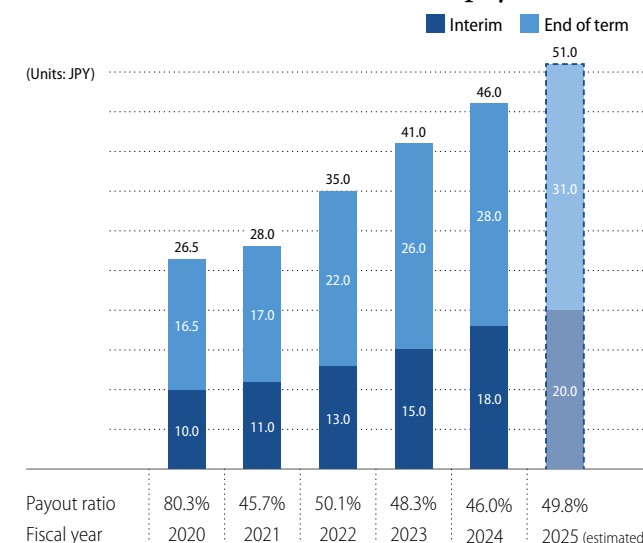
Inheritance consulting involves ways to preserve assets and pass them on to the next generation. Also, to whom and in what form should succession of assets take place? While our methods vary, our focus is on helping our clients lead happy lives. In the area of business succession consulting, aging of management and lack of successors have long been a problem in our society. The reality is that there is no one to consult on the delicate issue of how to pass on management rights and assets such as shares. We believe that our role is to accompany these managers in resolving their concerns and provide them with peace of mind.

In the new Medium-Term Management Plan (FY2025–27), we intend to

maintain ROE of over 20%, as we have to date. One cause for reflection on the previous Medium-Term Plan (FY2022–24) is that we did not attain the operating income target that we had initially set. The target itself may have been overambitious. However, our operating income grew steadily and our financial soundness became stronger. Our clients, consultants, and overall sales have all steadily increased in number. In the new Medium-Term Management Plan, the dividend payout ratio will remain at the 50% level, and we aim to achieve a dividend on equity (DOE) ratio that exceeds the cost of shareholders' equity.

The financial impact of our business integration with Chester Group is expected to be limited, with a balance sheet impact of less than 1 billion yen. However, we see great potential for impact on PL (profit and loss statements) and synergy creation, and from FY2025 onward, we expect that synergies from expanding our business domains and utilizing complementary relationships will drive a boost in operating income. We are currently in the process of post-merger integration (PMI), and due in part to thorough due diligence prior to the acquisition, no unexpected risks or

Trends in dividends & dividend payout ratio



negative factors have materialized at this point, and the process is proceeding smoothly.

We have declared a policy, moving forward, of strengthening our investor relations activities and marketing strategy. We strive to raise our profile and gain understanding by communicating sincerely to investors and high-net-worth individuals what our business is all about and our growth story. As for PER, as we believe there is significant room for improvement, we intend to work on two axes: lowering the cost of shareholders' equity and improving the expected growth rate.

Over the three years beginning in FY2025, we plan to invest 3 billion yen. We will execute aggressive investments in areas such as AI and digital transformation (DX), although we may need to consider increasing the amount through M&As and other means. The key principles of our financial strategy are to hold no real estate inventory and to maintain a level of cash and deposits enabling us to respond to any dramatic change in market conditions. We will strive to maximize corporate value by focusing on stable, sustainable profit growth without compromising financial soundness.