



# Medium-Term Management Plan 2022

(Securities Code: 3772)

Wealth Management, Inc.

April 11, 2019

# Table of Contents

<b>A Message from the Representative Director</b> .....	03
<b>Corporate Philosophy</b> .....	04
<b>History</b> .....	06
<b>About the Previous Medium-Term Management Plan (start: FY ended March 31, 2017)</b> .....	07
<b>About Medium-Term Management Plan 2022</b> .....	12
<b>About the Wealth Management Group</b> .....	20
<b>Appendix</b> .....	29
<b>Disclaimer</b> .....	42

## *A Message from the Representative Director*

I hope this communication finds everyone in the best of health and prospering.

I wish to first offer my gratitude for your continued support of the business of the Wealth Management Group.

Our Group was founded in 1999 as a financial media business. In 2013, we converted ourselves into a business in the field of real estate securitization, and in 2015 we entered the field of hotel management. That same year, we divested ourselves of our financial media operations so we could devote all of our energies to the businesses of real estate securitization and hotel management. In 2016, we formulated a medium-term management plan that called for our Group to "build a ¥100 billion hotel portfolio" and "grow hotel operation sales to ¥10 billion." I believe we have made steady work over the past three years toward achieving those goals.

We have now created a new corporate philosophy and a credo for the Group. Together, they clearly lay out the "sentiments" to be cherished both in our Group's businesses and for ourselves as members of this Company. Furthermore, to further develop the initiatives undertaken to date, we have formulated our Medium-Term Management Plan 2022 that covers the three years through the fiscal year ending March 31, 2022.

Under this Plan, we will work even harder to pool the energies of our Group together with the goal of achieving even greater growth. Specifically, by working to convert to a "flow-of-funds business model" with the aim of creating Japanese real estate investment trust (J-REIT), we work during the Plan's three years to acquire a distinguished body of assets under management and create a foundation that will satisfy the standards for listing in the first section of the Tokyo Stock Exchange.

You can expect further great things to come from the Wealth Management Group. Thank you again for your continued support.

Representative Director      Kazutoshi Senno

## —— Corporate Philosophy ——

Through creating comfortable time and spaces,  
we at Wealth Management Group contribute  
to the growth of society by delivering  
excitement and prosperity.

Every customer will experience  
Japan's attractiveness and culture.

## FOUR CREDO

1

---

***KEEP OUR  
WORD***

2

---

***"OMOTENASHI"  
TO YOU AND  
YOURS***

3

---

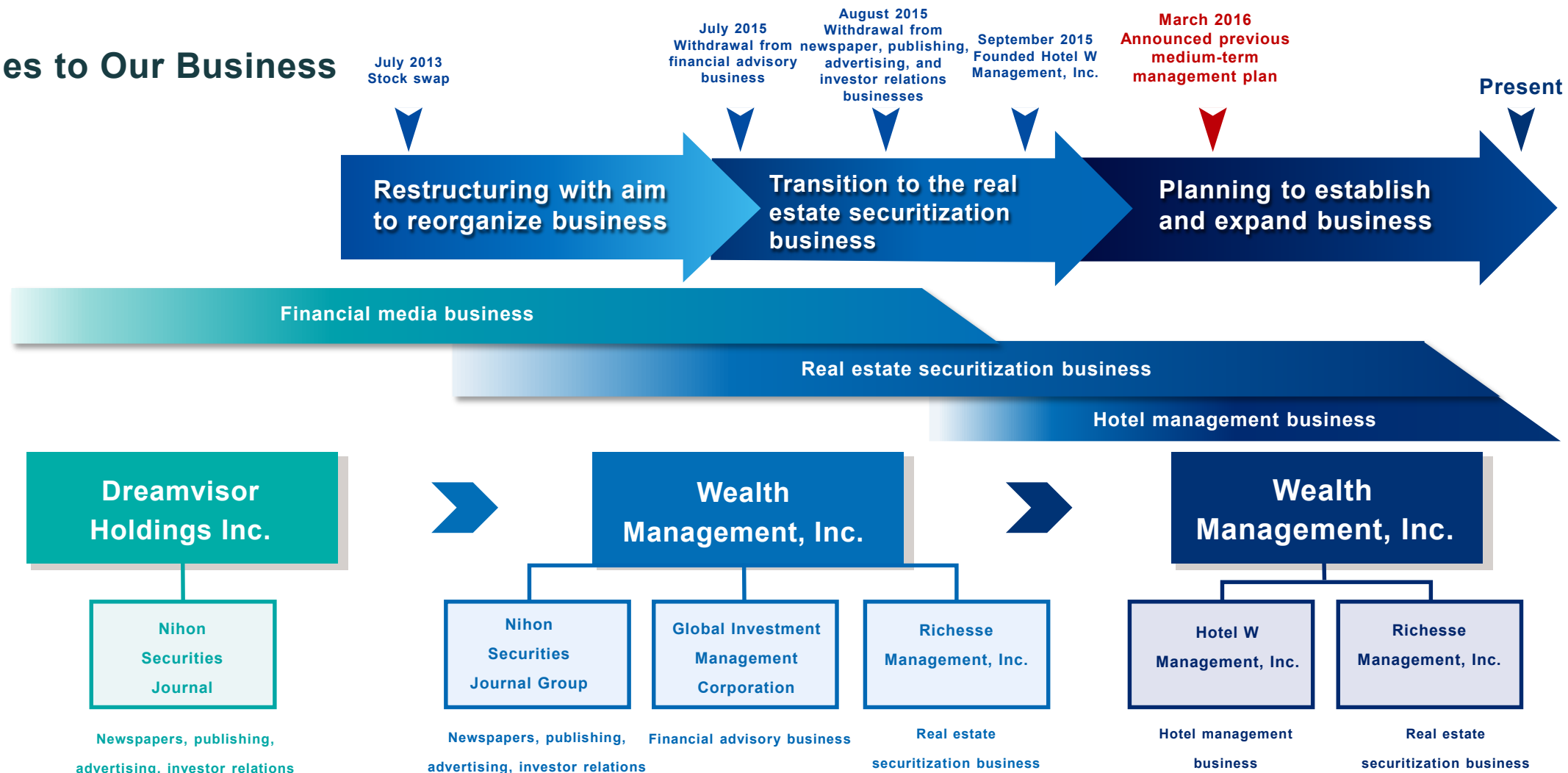
***DISCOVER  
EXPERIENCE***

4

---

***PROGRESS  
WITH  
MOTIVATION***

## Changes to Our Business

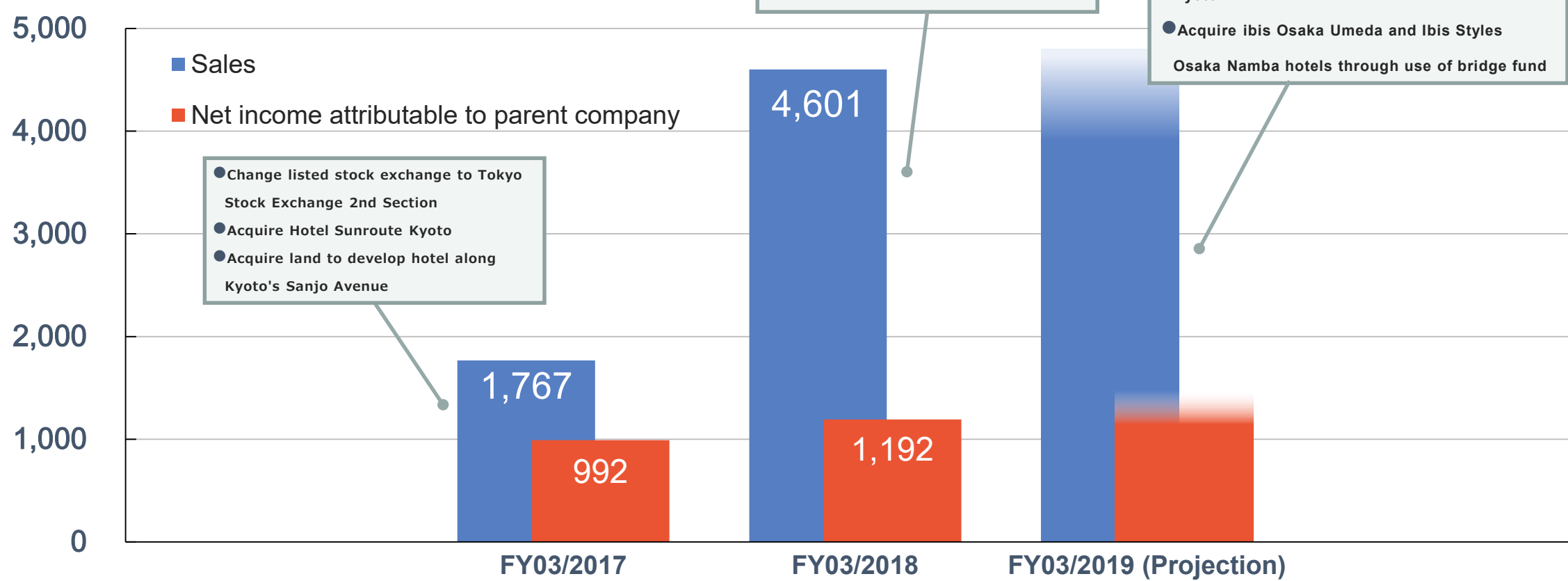


**About the Medium-Term Management Plan  
(start: FY ended March 31, 2017)**

# Transitions in Business Conditions

## Trends in Scale of Business (From FY ended March 31, 2017)

Units: ¥1,000,000s



\*Based on revised earnings forecasts as of February 8, 2019, in compliance with the TSE's timely disclosure rules



# Progress on Major Objectives

Results under Previous Medium-Term Management Plan (started  
FY ended March 31, 2016)

**Established structure to deliver full range of hotel-related services  
from development to capital procurement and management**



**Gain market recognition as boutique investment bank with particular  
strengths in the hotels business**



**Build hotel portfolio worth ¥100 billion-equivalent by 2020**



**Grow to reach hotel operation sales of ¥10 billion by 2020**



partially achieved

1

Value-creating **real estate company** with strengths in revitalizing and developing hotels and traditional inns

---

2

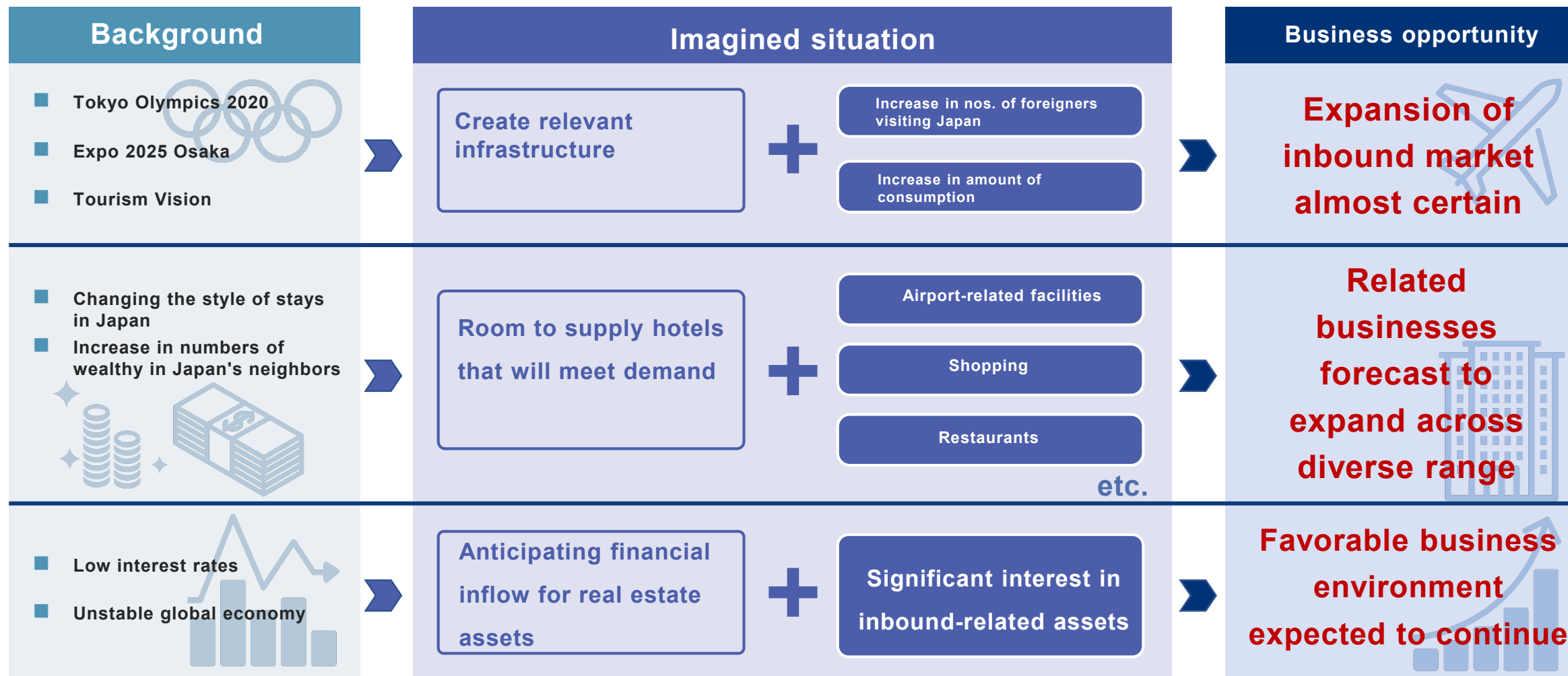
**Hotel operations** that work to maximize profits, by forming tie-ups with hotel operators who have internationally recognized brands to provide everything from budget- to luxury-level lodgings

---

3

Independent, boutique-style **asset management company** ready to handle everything from core to opportunistic approaches to investment based on links with investors of all types in Japan and abroad

# Environmental Awareness



\*Please refer to the Appendices starting from p. 29

# **About Medium-Term Management Plan 2022**

## Start of **Medium-Term Management Plan 2022** covering three years from FY ending March 31, 2020 to FY ending March 31, 2022

- Objectives
- Transform the Company into an **asset recycling business** and acquire **distinguished body of domestic assets under management** through goal of creating a **J-REIT**
  - Move forward on laying foundations that satisfy **standards for listing on TSE 1st section**

## Make the following a reality to achieve next stage of growth

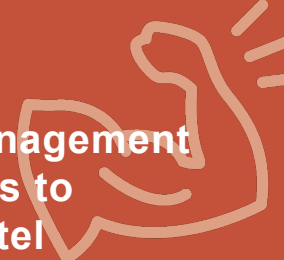
### Establish business model

Become an asset-recycling business that seeks to accumulate assets under management and achieve external growth by working through a cycle in which real estate whose asset value has been improved contributes to the REIT that the Company will form



### Strengthen business

Engage in independent hotel management operations using our hotel assets to collaborate with global brand hotel operators



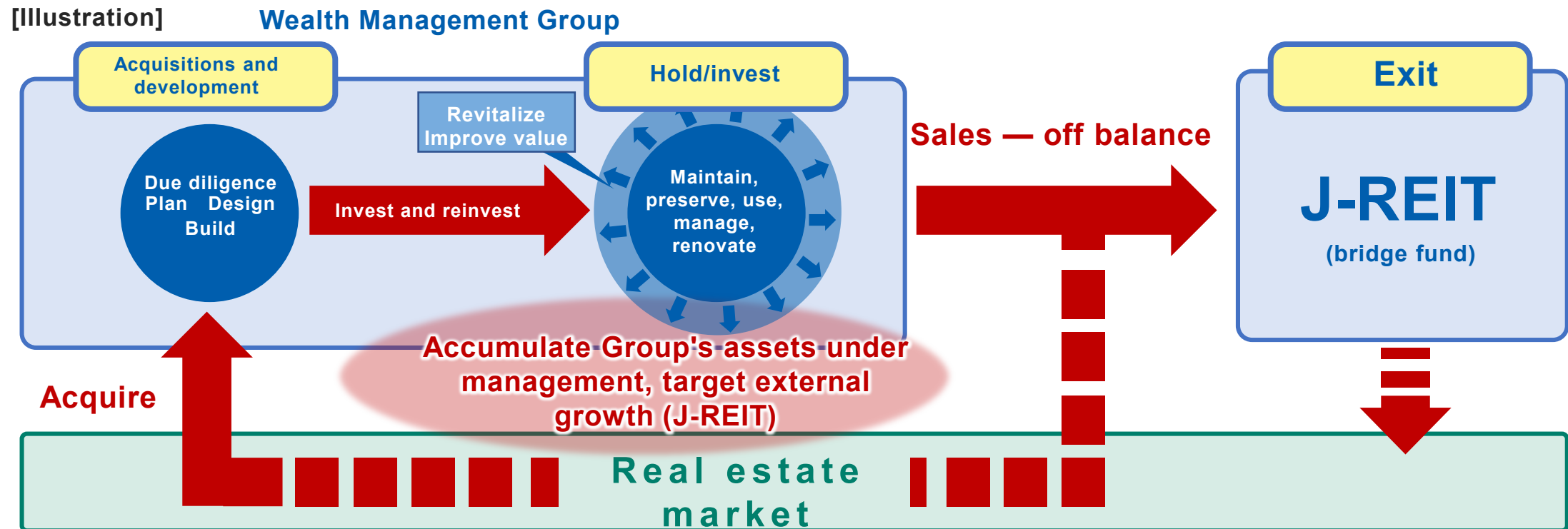
Growth



Stabilize business foundations

# Business Strategy

1. Develop and expand real estate securitization business by **becoming an assets-recycling business.**



## 2. All-out effort to acquire new fiduciary trusts while improving profitability of existing hotel management business

Hotel projects currently underway: Continue steady efforts toward beginning operations

FY ending March 31, 2020

FY ending March 31, 2021

FY ending March 31, 2022 and after

Opens April 26!!

### Kyoto Yura Hotel MGallery

[Location] Higashiyama-ku, Kyoto City, Japan

[No. of rooms] 144



### [Project] Gojo Proposal

[Location] Shimogyo-ku, Kyoto City, Japan

[No. of rooms] 70 planned



### [Project] Ryozen Proposal

[Location] Higashiyama-ku, Kyoto City, Japan

[No. of rooms] 60 planned



### [Project] Nijo Proposal

[Location] Nakagyo-ku, Kyoto City, Japan

[No. of rooms] 25 planned



### [Project] Dojima Proposal

[Location] Kita-ku, Osaka City, Japan

[No. of rooms] 300 planned



### [Project] Tozankaku Proposal

[Location] Higashiyama-ku, Kyoto City, Japan

[No. of rooms] 150 planned

Under study



## Financial Strategy

1. Investigate **capital procurements that make the most of the capital market**
2. Engage in **real estate investments that take full advantage of financial leveraging**

## Personnel Strategy

1. Build "workplaces where the work is worthwhile and the environment is pleasant" and "a personnel structure that rewards results"
2. Secure human resources and build personnel system to handle management and operation of hotels in different categories

## Basic Strategy

1. **Reconstruct an appropriate distribution of shareholders** through developing new strategic capital alliance partners
2. Study and implement **policies aimed at improving shareholder liquidity**

## Dividend Strategy

1. Implement **stable dividends** according to earnings level
2. Study indicators such as **total shareholder returns (TSR)\***

\*Percentage increase in share value + dividend rate, for a fixed period

Numeric targets for each fiscal year of the Medium-Term Management Plan 2022 are shown below

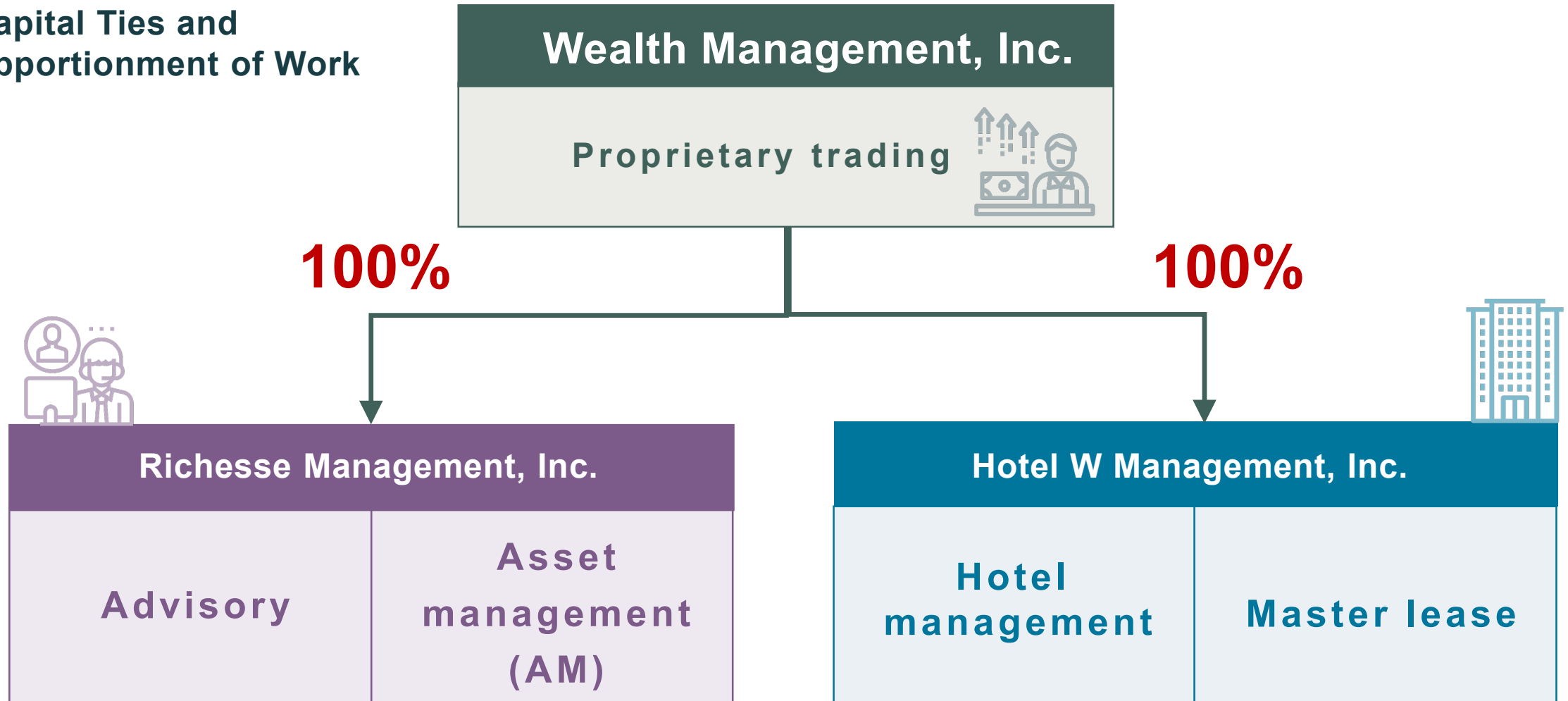
	FY ending March 31, 2020	FY ending March 31, 2021	FY ending March 31, 2022
<b>Sales</b>	<b>¥9.0 billion</b>	<b>¥10 billion</b>	<b>¥14.0 billion</b>
<b>Ordinary profit</b>	<b>¥3.0 billion</b>	<b>¥3.5 billion</b>	<b>¥4.0 billion</b>
<b>EBITDA*</b>	<b>¥3.5 billion</b>	<b>¥4.0 billion</b>	<b>¥4.5 billion</b>

\*Earnings before interest, tax, depreciation and amortization; ordinary profit (before amortization) + depreciation allowance

# About the Wealth Management Group

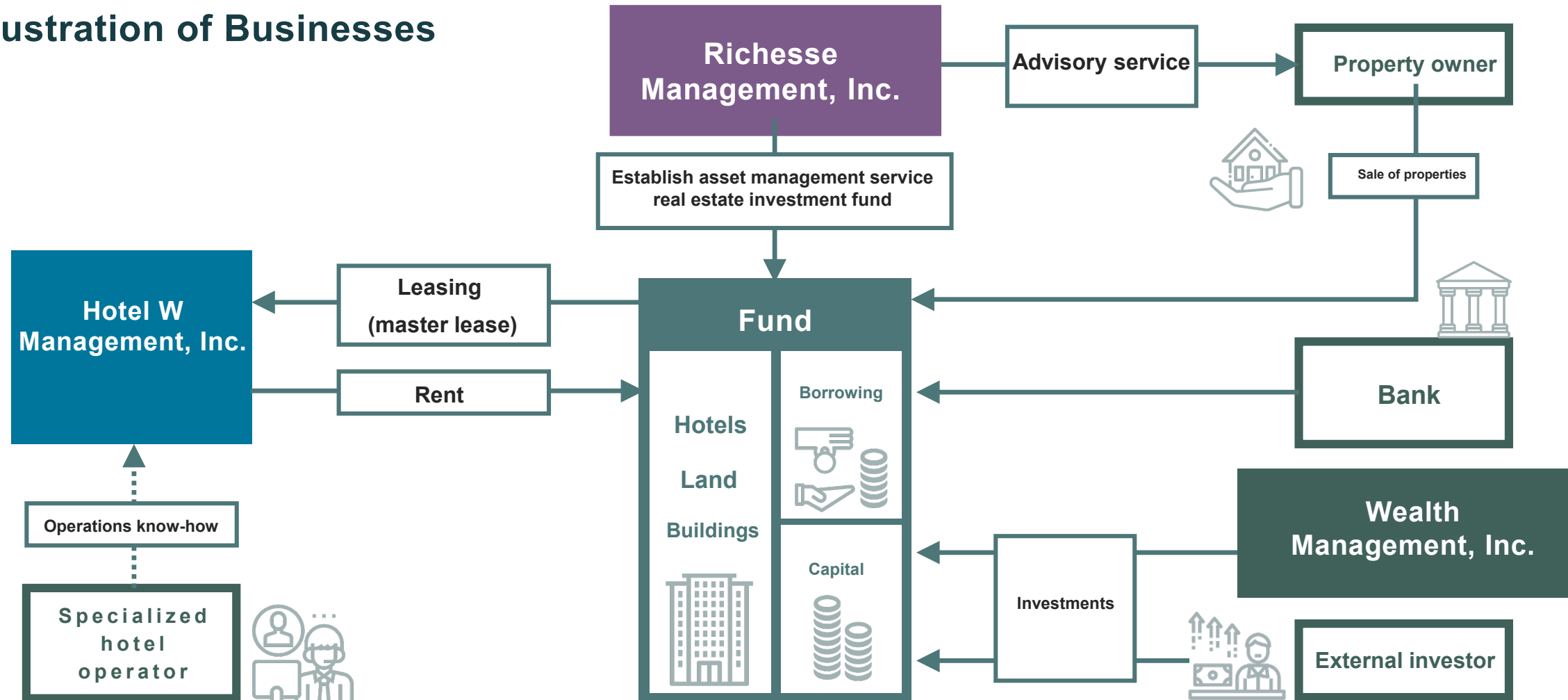
# Group Overview

## Capital Ties and Apportionment of Work



# Group Overview

## Illustration of Businesses



## Introducing the Group's Businesses

**Wealth Management, Inc.**

**Self-financed and jointly financed**

Direct investments into real estate handled either independently or jointly with other companies, implemented as suited to the circumstances of the investment prospect.

**Richesse Management, Inc.**

**Real estate securitization business**

<p><b>Advisory service</b></p> <p>Delivering advice in all areas from discovering investment opportunities to matters of due diligence, acquisitions, and sales.</p>	<p><b>Asset management service</b></p> <p>Working to offer a platform to support customers in all matters related to real estate investments extending from getting in to leaving the sector.</p>
--	---

**Hotel W Management, Inc.**

**Hotel management business**

<p><b>Hotel management</b></p> <p>Providing a variety of hotel management services including revenue management and on-site operations, as well as consulting on investing in and developing hotels.</p>	<p><b>Master lease</b></p> <p>Stabilizing rents and providing total support for getting the most out of properties.</p>
--	---

## Wealth Management Inc.

Headquarters location	Ark Mori Building 33F, 1-12-32 Akasaka, Minato-ku, Tokyo, Japan	
Capitalization	¥880.01 million (as of March 31, 2019)	
Stock Exchange Where Listed	Tokyo Stock Exchange Second Section (Securities Code: 3772)	
Board Members	Representative Director	Kazutoshi Senno
	Director	Akihiro Imada
	Director (outside)	Hiroaki Tanaka
	Director (outside)	Shuji Honjo
	Director (outside)	Masaharu Hino
	Director (outside)	Akira Nishie
	Full-time Auditor	Toru Okuyama
	Auditor (Outside)	Yoshinari Ozawa
	Auditor (Outside)	Yoshihiro Morishima
	Auditor (Outside)	Masaru Ota
Fiscal Year-End	March 31	
Business Summary	Real estate securitization, hotel management	

### Representative's Profile

#### 千野 和俊

Appointed as director in 2001 to be a founding member of Mitsubishi Jisho Investment Advisors, Inc., and participating in management of said company. At said company, operated six real estate funds and two NPL funds, whose fiduciary value topped ¥300 billion.

Founded Richesse Management, Inc. in 2006. Total amount of fiduciary value to date including performance as AM at Lehman Brothers Global Fund and various U.S. pension funds tops ¥200 billion.

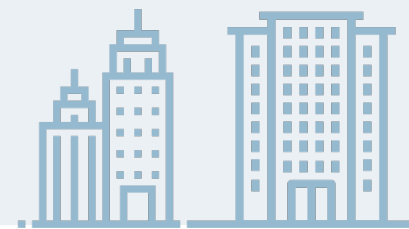


## Richesse Management, Inc.

<b>Headquarters location</b>	Ark Mori Building, 1-12-32 Akasaka, Minato-ku, Tokyo, Japan
<b>Capitalization</b>	¥63 million (as of March 31, 2019)
<b>Board Members</b>	<p><b>Representative Director</b> Kazutoshi Senno</p> <p><b>Director</b> Akihiro Imada</p> <p><b>Director</b> Taisuke Mihara</p> <p><b>Director</b> Norihiro Masuda</p> <p><b>Auditor</b> Hiroaki Tanaka</p>
<b>Registration and Licensing</b>	<p>Real Estate Agency Business (Governor of Tokyo Prefecture [3] No. 86765)</p> <p>Type II Financial Instruments Business/</p> <p>Investment Advisory and Agency Business (Director-general of the Kanto Local Finance Bureau Director-General [Financial instruments] No. 579)</p> <p>Money Lending Business (Governor of Tokyo [5] No. 30512)</p>

## Hotel W Management, Inc.

<b>Headquarters location</b>	2-13 Soemon-cho, Chuo-ku, Osaka City, Japan
<b>Capitalization</b>	¥24 million (as of March 31, 2019)
<b>Board Members</b>	<p><b>Representative Director</b> Atsushi Chikamochi</p> <p><b>Director</b> Norihiro Masuda</p> <p><b>Director</b> Masanao Komatsu</p> <p><b>Auditor</b> Toru Okuyama</p>





## Ibis Styles Osaka Namba

### Ibis Styles Osaka Namba

The Ibis Styles Osaka Namba Hotel operated by Hotel W Management, Inc., is well-located just a one-minute walk away from the well-known tourist destination that is Osaka's Dotonbori district. The location is indeed extremely convenient, with the Ebisubashi and Shinsaibashi pedestrian shopping arcades also sitting just minutes away by foot and easy access available to such other popular tourism destinations as Universal Studios Japan® and Osaka Aquarium Kaiyukan.

[Location] 2-13 Soemon-cho, Chuo-ku, Osaka City, 542-0084, Japan

[Access] Approx. 5 min. walk from Exit 2 of Osaka Metro Nipponbashi Station, approx. 8 min. walk from Exit 14 of the Metro Namba Station.

[Facility] No. of rooms: 343

Room types: Singles (including semi-doubles), doubles, twins, triples, four-person, Japanese-style, banquet and meeting rooms

Dining facility: Breakfast space (Japanese and Western-style buffet), also independently operated tenant restaurants

Internet: Free Wi-Fi throughout the building

Multifloor car garage: Available





## Ibis Osaka Umeda

### Ibis Osaka Umeda

Grand opening on November 1, 2018!!

Ibis Osaka Umeda is located in the heart of Osaka's vibrant Umeda district, with its abundance of offices, shops, restaurants, and bars. Sitting a 4-minute walk away from JR Osaka Station and the Umeda Station common to many lines, this hotel's location is extremely convenient. It provides superlative access to many local major landmarks and attractions including Universal Studios Japan®, Osaka Castle, Osaka Aquarium Kaiyukan, Umeda Sky building, Osaka International Convention Center (aka "Grand Cube Osaka"), and the Congrès Convention Center. Furthermore, that transportation access also makes it easy to get to the nearby cities of Kyoto, Nara, and Kobe.

[Location] 1-5 Komatsubara-cho, Kita-ku, Osaka City, Osaka Prefecture, 530-0018, Japan

[Access] 4 min. walk from JR Osaka Station and all lines using Umeda Station

[Facility] No. of rooms: 181

Room types: Doubles, twins

Dining facility: Cookpark (cafe/bar)

Hours of operation: 7 a.m. to 11 p.m. (last orders 10:30 p.m.)

Internet: Free Wi-Fi throughout the building



## Kyoto Yura Hotel MGallery by Sofitel

MGallery by Sofitel

Grand opening on April 26, 2019!!

Kyoto Yura Hotel MGallery by Sofitel is AccorHotels first luxury boutique hotel in Japan. It's at a splendid site, located near the most vibrant neighborhood along Kyoto's busiest commercial and entertainment street—Sanjo Avenue. It sits a 2-minute walk away from the Sanjo and Sanjo Keihan stations, and it is about 15 minutes away from JR Kyoto Station. The location provides excellent access to the city's major tourist destinations.

Here, patrons can enjoy some special moments on a trip meant to stay in their memories, and do so in a space arranged like a hidden retreat that incorporates the best features of Japanese style.

[Location] 84 Ohashi-cho, Sanjo-dori-ohashi higashi-iru, Higashiyama-ku, Kyoto City, Kyoto Prefecture, 605-0009, Japan

[Access] 2 min. walk from Keihan Main Line Sanjo Station; 2 min. walk from Tozai Subway Line Sanjo Keihan Station

[Facility] No. of rooms: 144

Room types: Doubles, twins

On-site facilities: 54th Station Grill (restaurant), 1867 (bar), fitness room

Internet: Free Wi-Fi throughout the building

Completely non-smoking



# Appendix

# インバウンド – 日本政府の政策 –

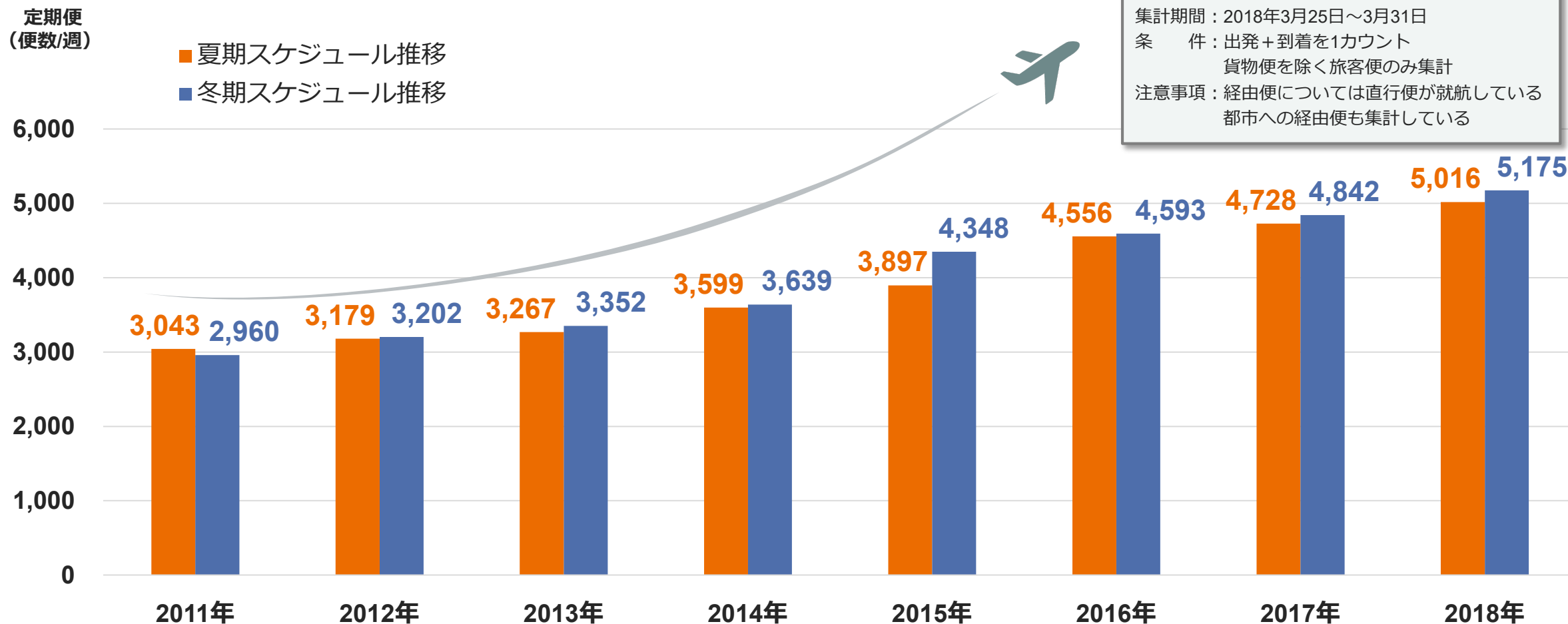


	2012年 政府策定目標	2017年 政府策定目標	
	2016年までに	2020年までに	2030年までに
訪日外国人旅行者数	1,800万人	4,800万人 2015年の約2倍	6,000万人 2015年の約3倍
訪日外国人旅行消費額	3兆円	8兆円 2015年の2倍超	15兆円 2015年の4倍超
地方部※での 外国人延べ宿泊者数	2,400万人泊	7,000万人泊 2015年の3倍弱	1億3,000万人泊 2015年の5倍弱
外国人リピーター数	1,000万人	2,400万人 2015年の約2倍	3,600万人 2015年の約3倍

※三大都市圏（埼玉県、千葉県、東京都、神奈川県、愛知県、京都府、大阪府、兵庫県）以外の地域

出典) 観光庁 明日の日本を支える環境ビジョン 概要 「観光立国推進基本計画」

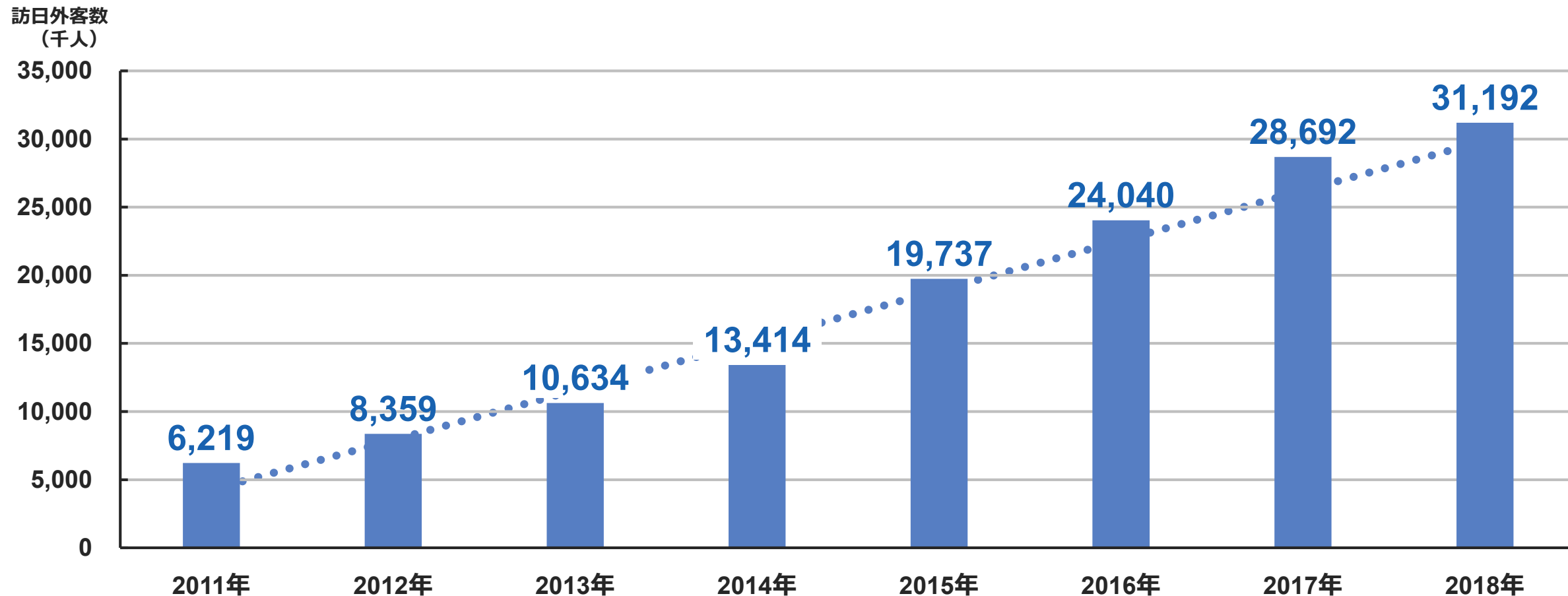
# インバウンド – 国際線就航の状況 –



出 展：2018年夏期事業計画認可データ  
 集計期間：2018年3月25日～3月31日  
 条 件：出発+到着を1カウント  
 貨物便を除く旅客便のみ集計  
 注意事項：経由便については直行便が就航している  
 都市への経由便も集計している

出典) 国土交通省 2018冬期スケジュール 国際線定期便の概要

## 年別訪日外客数推移

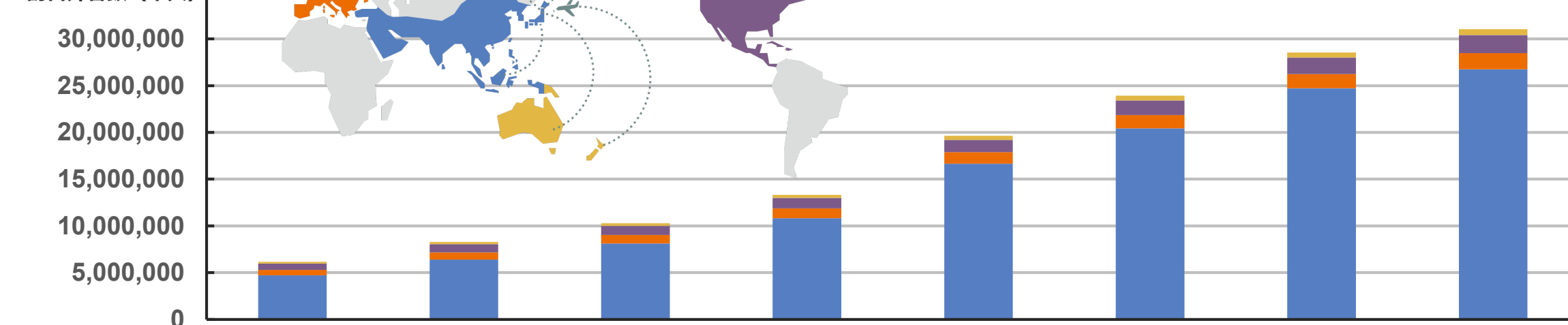


出典) 日本政府観光局 年別訪日外客数の推移 (2003~2018)



## 地域別内訳

訪日外客数 (千人)

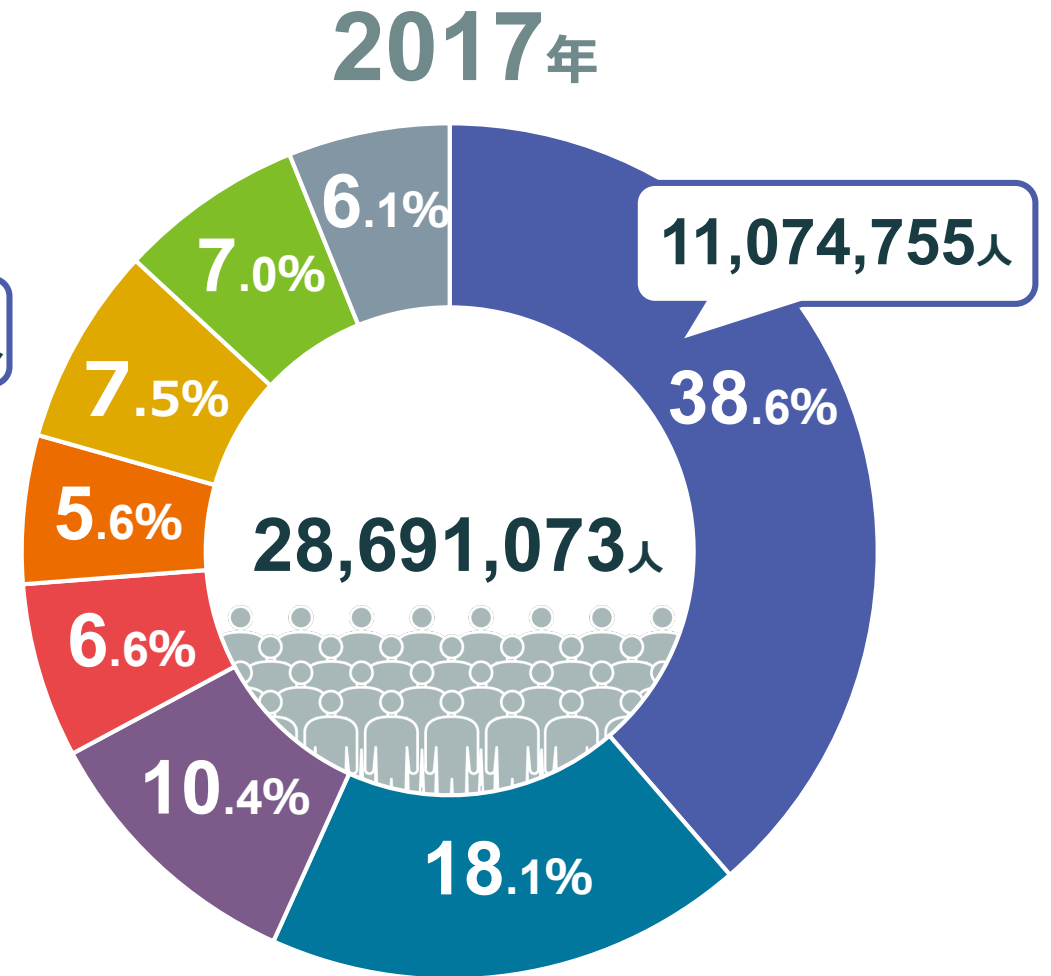
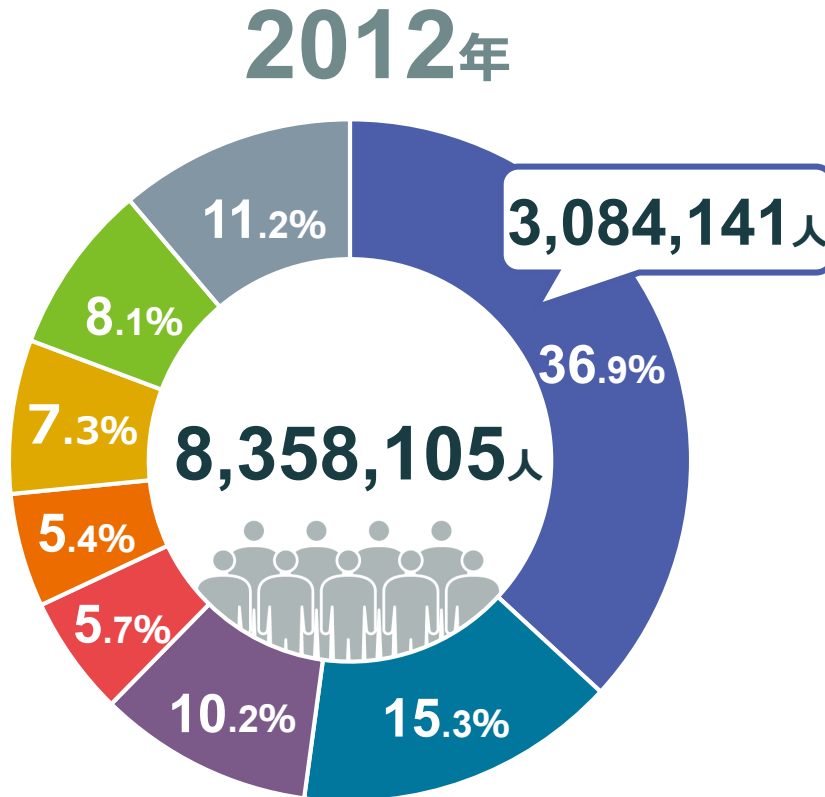


	2011年	2012年	2013年	2014年	2015年	2016年	2017年	2018年
オセアニア	190,000	242,000	285,000	348,000	430,000	506,000	547,000	631,000
北アメリカ	686,000	877,000	982,000	1,113,000	1,311,000	1,571,000	1,757,000	1,940,000
ヨーロッパ	570,000	776,000	905,000	1,049,000	1,245,000	1,422,000	1,526,000	1,721,000
アジア	4,724,000	6,388,000	8,116,000	10,820,000	16,646,000	20,429,000	24,717,000	26,758,000

出典) 日本政府観光局 地域別の内訳 (2016~2018)

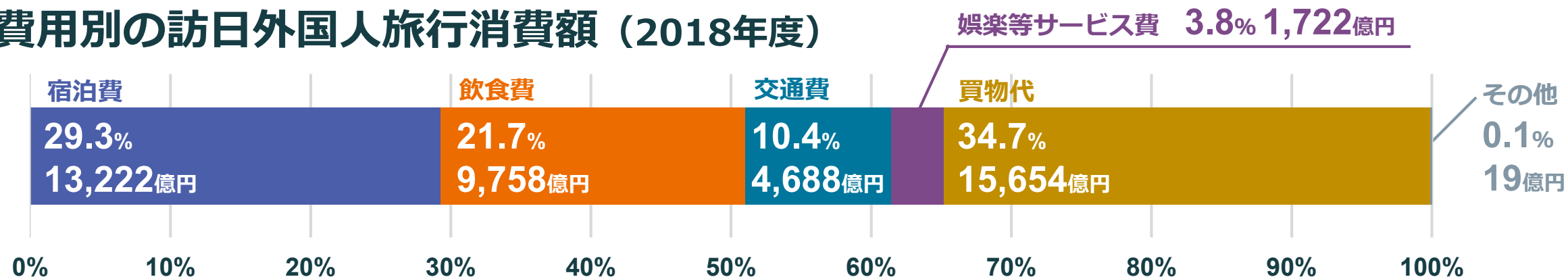
## 訪日外客数 (リピート率)

- 1回目
- 2回目
- 3回目
- 4回目
- 5回目
- 6~9回目
- 10~19回目
- 20回以上



出典) 日本政府観光局 訪日回数内訳2012、2017

## 費用別の訪日外国人旅行消費額（2018年度）



## 都道府県別訪日外国人訪問率（TOP10）、平均泊数・1人当たり旅行中支出額

訪問地 (都道府県)	訪問率 (%)	平均泊数(泊)	1人当たり旅行中支出 (円/人)
1 大阪府	39.1	2.8	64,408
2 東京都	37.2	4.3	97,047
3 千葉県	29.6	0.3	14,277
4 京都府	26.8	1.5	25,345
5 福岡県	12.0	2.4	56,360
6 北海道	11.7	5.1	109,607
7 奈良県	8.8	0.5	8,485
8 沖縄県	7.5	3.8	69,027
9 愛知県	6.7	2.7	45,492
10 兵庫県	6.4	1.1	21,742

出典) 観光庁 観光統計2018 (年間)

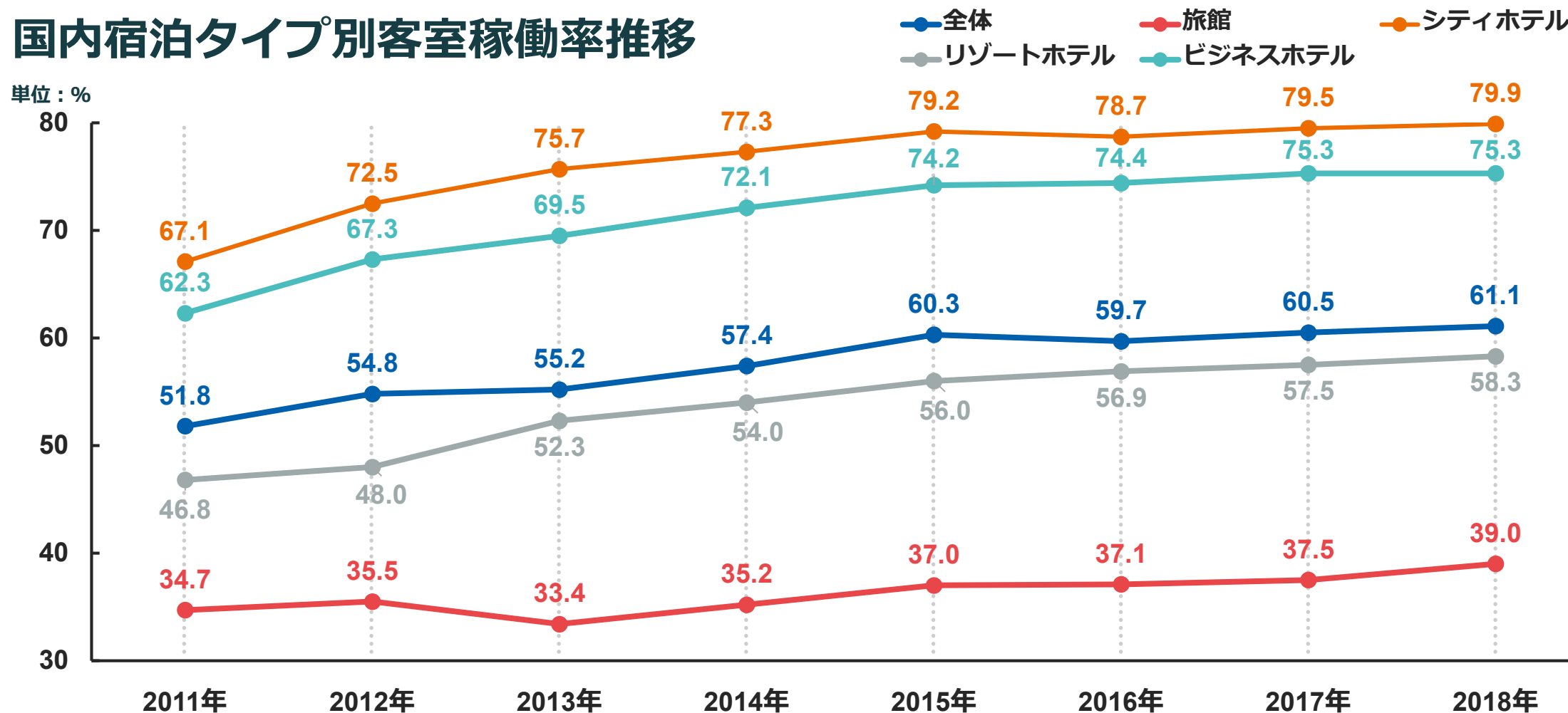
## 旅館・ホテルの営業施設・客室推移

	2014年				2017年			
	旅館		ホテル		旅館		ホテル	
	施設数	客室数	施設数	客室数	施設数	客室数	施設数	客室数
北海道	2,391	45,691	689	63,674	2,195	42,142	702	66,817
千葉	1,203	22,811	174	28,744	1,138	21,698	190	33,706
東京	1,194	45,204	675	98,644	1,306	58,583	718	110,641
愛知	985	27,762	292	27,718	874	30,573	301	28,769
京都	693	9,946	216	23,650	652	9,151	269	27,038
大阪	759	18,981	371	57,147	732	18,405	498	71,193
兵庫	1,189	15,938	421	27,771	1,091	15,126	434	29,578
奈良	395	5,538	58	3,667	340	4,788	66	4,409
福岡	621	10,395	393	39,475	539	9,454	418	42,470
沖縄	562	7,456	363	32,611	613	8,882	396	35,823

増 減			
旅館		ホテル	
	客室数	施設数	客室数
▲ 196	▲ 3,549	13	3,143
▲ 65	▲ 1,113	16	4,962
112	13,379	43	11,997
▲ 111	2,811	9	1,051
▲ 41	▲ 795	53	3,388
▲ 27	▲ 576	127	14,046
▲ 98	▲ 812	13	1,807
▲ 55	▲ 750	8	742
▲ 82	▲ 941	25	2,995
51	1,426	33	3,212

※厚生労働省「衛生行政報告例」をもとに、ウェルス・マネジメントにて編集

## 国内宿泊タイプ別客室稼働率推移



出典) 観光庁 観光統計宿泊旅行統計調査 平成30年1月～12月分 (年の速報値) 報道発表資料

## 世界主要都市のホテル宿泊費

(千円)

	東京	ニューヨーク		ロンドン		パリ	
リッツカールトン	73	140	\$1,285	126	£872		
ハイアット	62	50	\$452			161	€ 1,310
インターコンチネンタル	41	60	\$544	50	£332	35	€ 278
シャングリ・ラ	80			82	£568	121	€ 988
マンダリンオリエンタル	75	140	\$1,148	123	£850	140	€ 1,145
ペニンシュラ	55	50	\$1,100			117	€ 950
フォーシーズンズ	77	60	\$1,198	95	£661	143	€ 1,163

1USD=110円

1GBP=145円

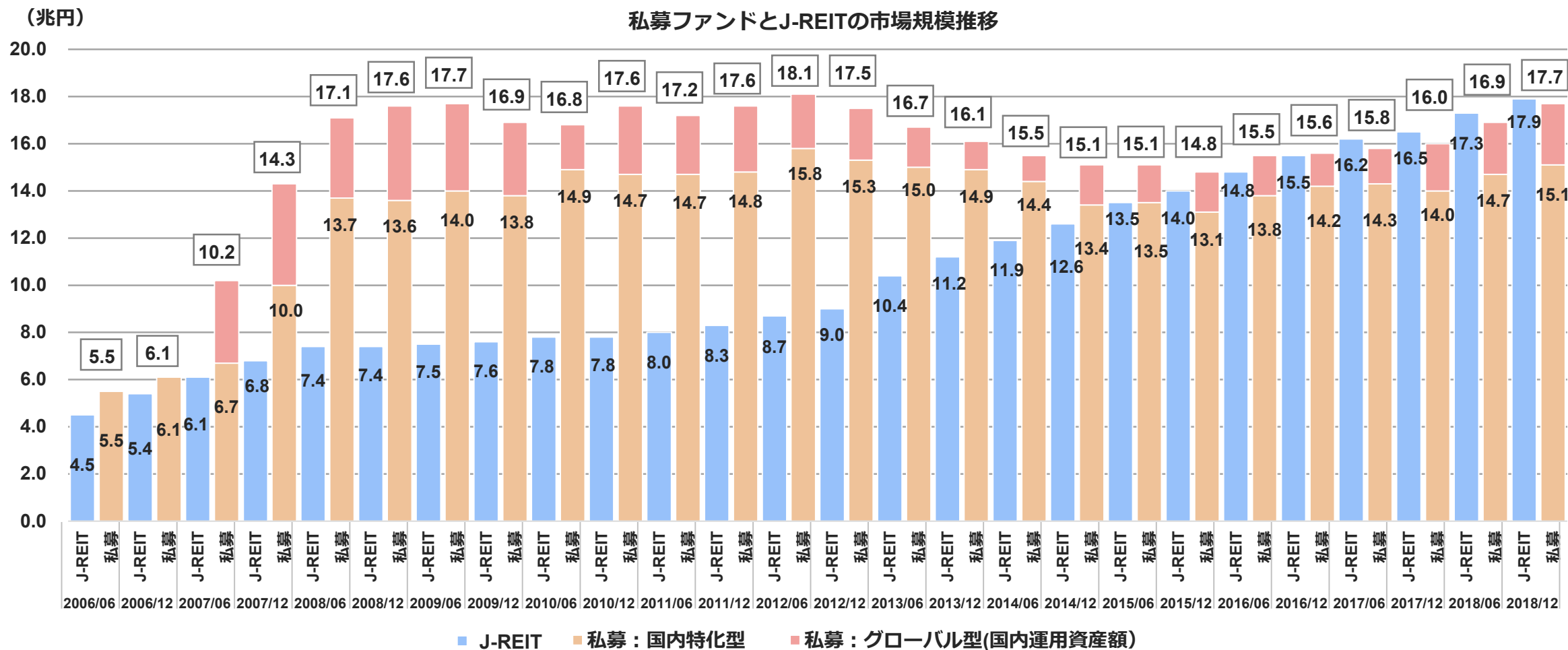
1EUR=123円

※参考

帝国ホテル	46
ホテルオークラ	41
ホテルニューオータニ	45

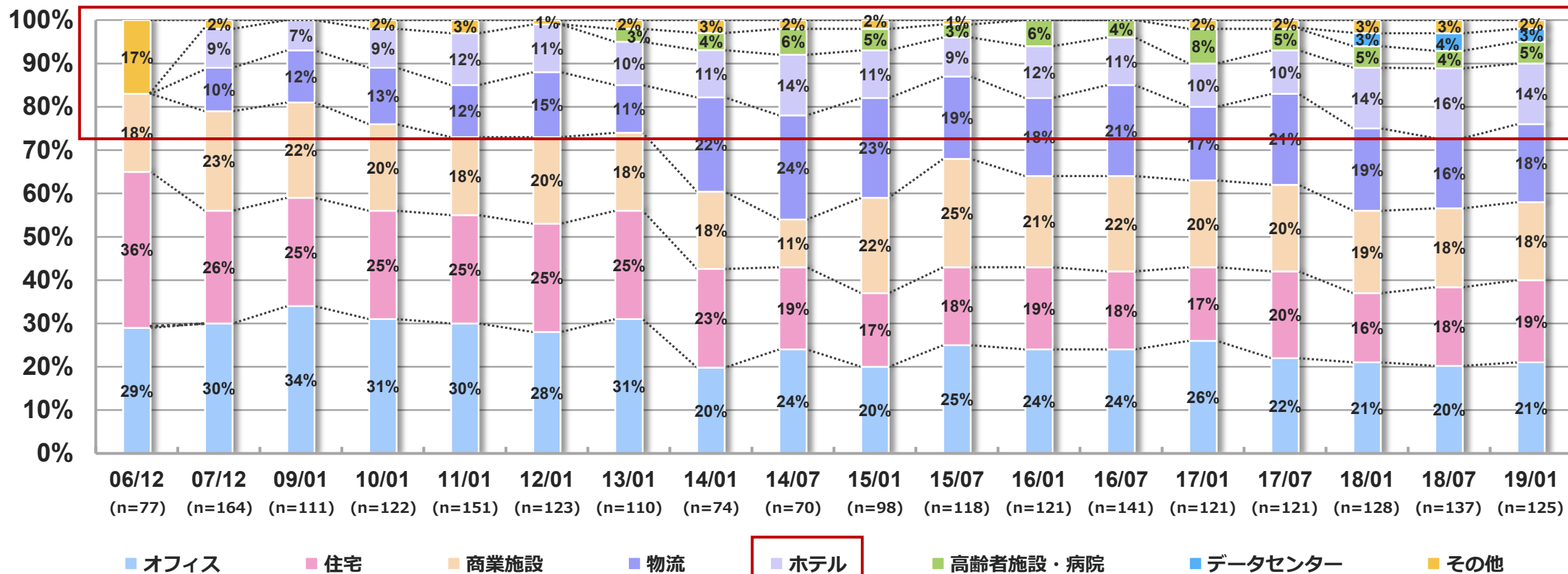
※各社公式ホームページより ウェルス・マネジメント調べ (2019年3月28日時点)

# 不動産ファンド —市場規模推移—



出所) 三井住友トラスト基礎研究所

## 投資対象物件タイプ 〈不動産私募ファンドに関する実態調査 2019年1月 ～アンケート調査結果の概要～〉



※06/12は物流、ホテルはその他に含まれる

※アンケートにおいてデータ記載可能なファンドの集計結果

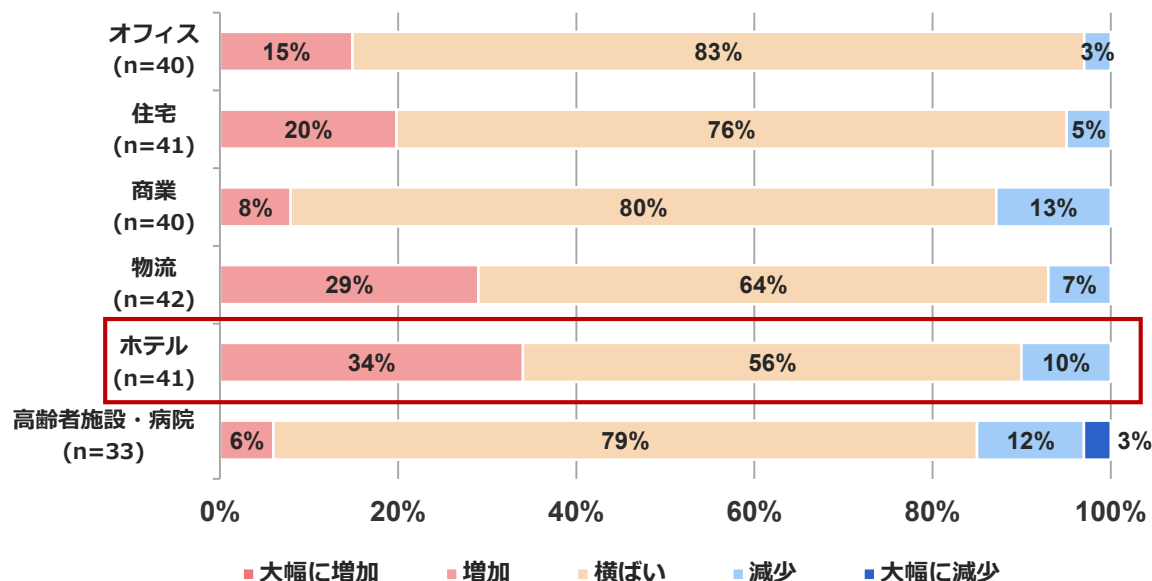
※グラフ中の「n」は有効回答数

出所) 三井住友トラスト基礎研究所

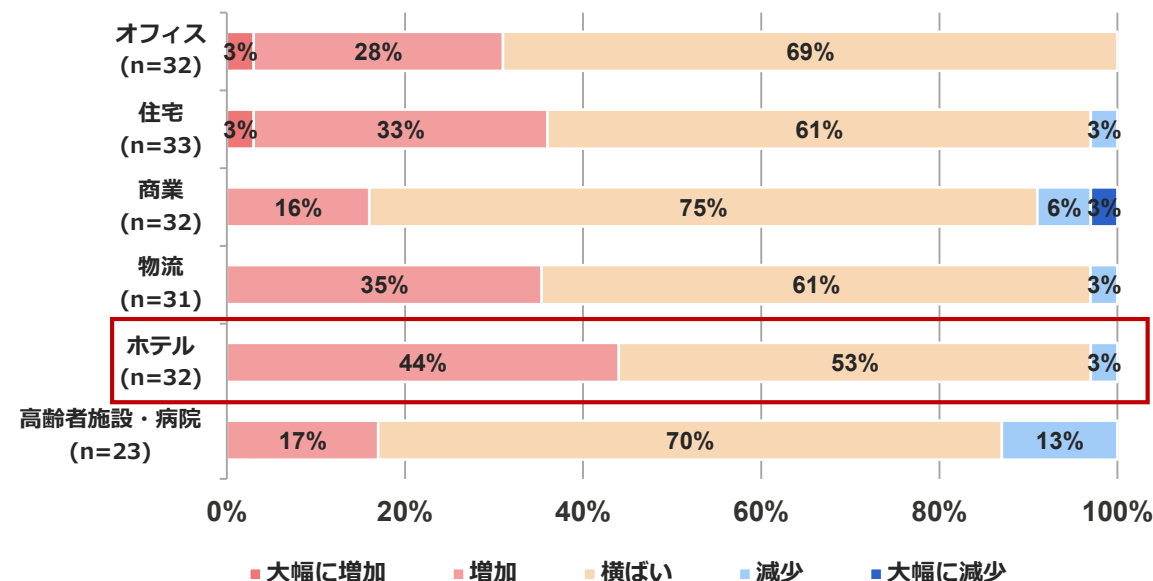


## 投資対象物件タイプ別 〈不動産私募ファンドに関する実態調査 2019年1月 ~アンケート調査結果の概要~〉

### 国内投資家の投資意欲



### 海外投資家の投資意欲



※グラフ中の「n」は有効回答数

出所) 三井住友トラスト基礎研究所

# 免責事項

- 本資料は、今後の中期経営計画に関する情報の提供を目的としたものであり、投資の勧誘を目的としたものではありません。実際の投資に際しては、ご自身の判断と責任において投資判断を行って頂きますようお願い致します。

また、本資料の記述内容につきましても、信頼できると思われる各種データに基づいて作成されていますが、当社はその正確性、安全性を保証するものではありません。本資料は、投資家の皆様がいかなる目的にご利用される場合においても、ご自身のご判断と責任においてご利用されることを前提にご提示させていただくものであり、当社はいかなる場合においてもその責任を負いません。

- 本資料には、当社および連結子会社の計画など将来に関する記述が含まれております。これらの将来に関する記述は、作成時点において入手可能な情報に基づいており、様々なリスクや不確実性が内在しています。従って、実際の業績等は様々な要因により大きく異なる可能性がありますことをご承知おき下さい。