

An aerial photograph of a city at sunset. The sun is low on the horizon, casting a warm orange glow over the city and mountains in the distance. The city is densely packed with buildings, and the mountains are visible in the background under a clear sky.

A R U H I

Medium-term Strategic Plan 2023

May 11, 2023

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1

Get the housing loan business onto regrowth track

- Expand variable interest rate products and strengthen sales channels through collaboration with outside partners including SBI Group companies
- Become the first choice of customers and realtors together with Flat 35, our No.1 product in terms of volume

2

Accelerate transformation into a homebuying company

- Strengthen new channels as below to capture more mortgage transactions in additions to realtor channels
- Create demand for relocation and mortgage by becoming consultation partner of customers on a property and mortgage in all respect when they start considering relocation

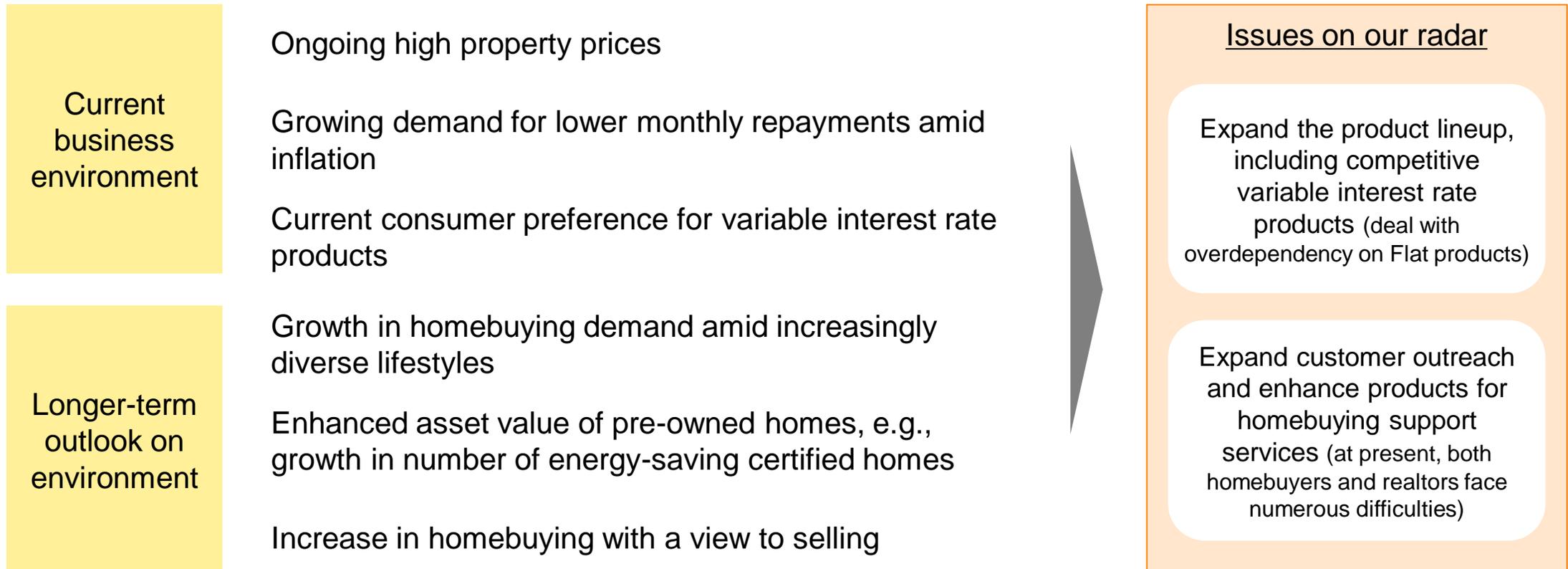
3

Create demand by utilizing data

- Provide customers with one-stop homebuying services from relocation to mortgage, and accumulate relocation database
- Aim for further growth by utilizing the database and creating further demand for relocation

We identified issues to be tackled in the medium-term strategic plan to address a rapidly changing business environment and increasingly diverse lifestyles

Business environment as we see it



Value ARUHI provides to customers

Support to customers in searching towns and properties livable for them

Consultation partner to ease anxiety about homebuying

Housing loan products to address various needs

Diverse consultation channels

Comprehensive homebuying support

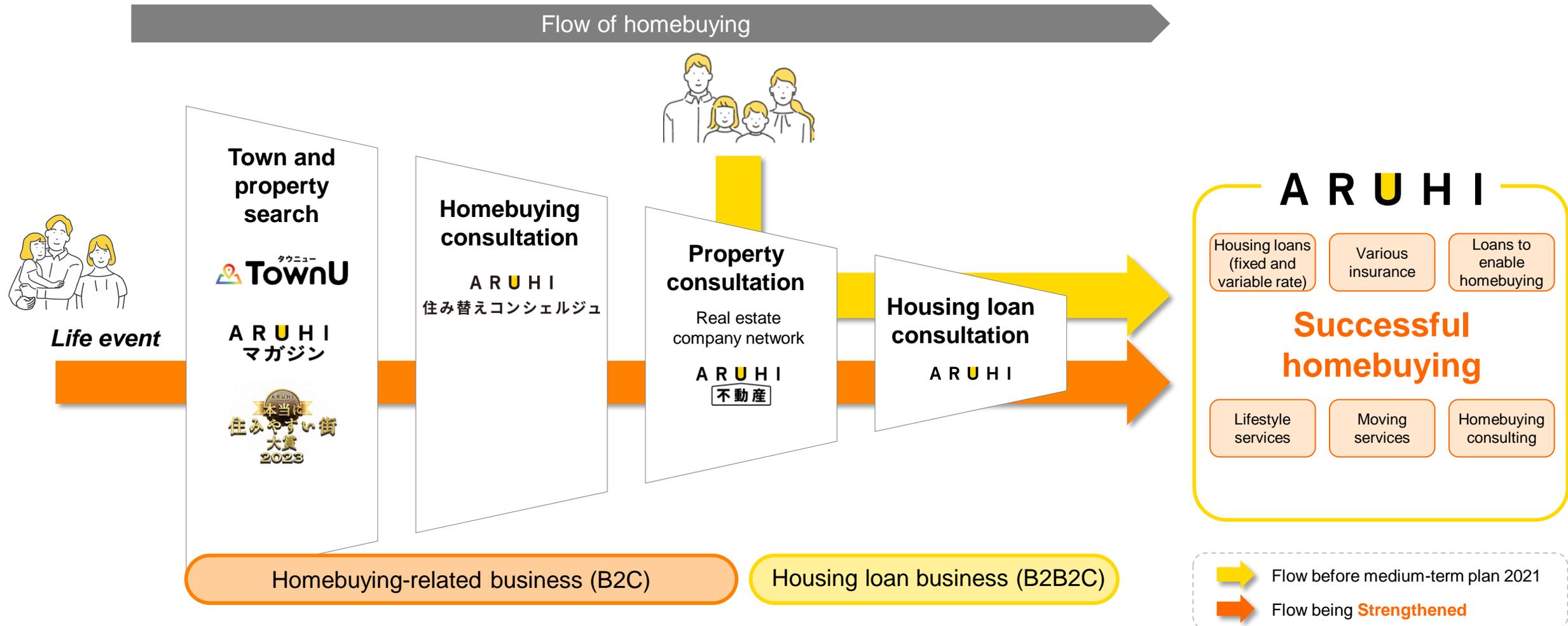
ARUHI's Vision

Transformation into a homebuying service company
that helps with your search, purchase, and living

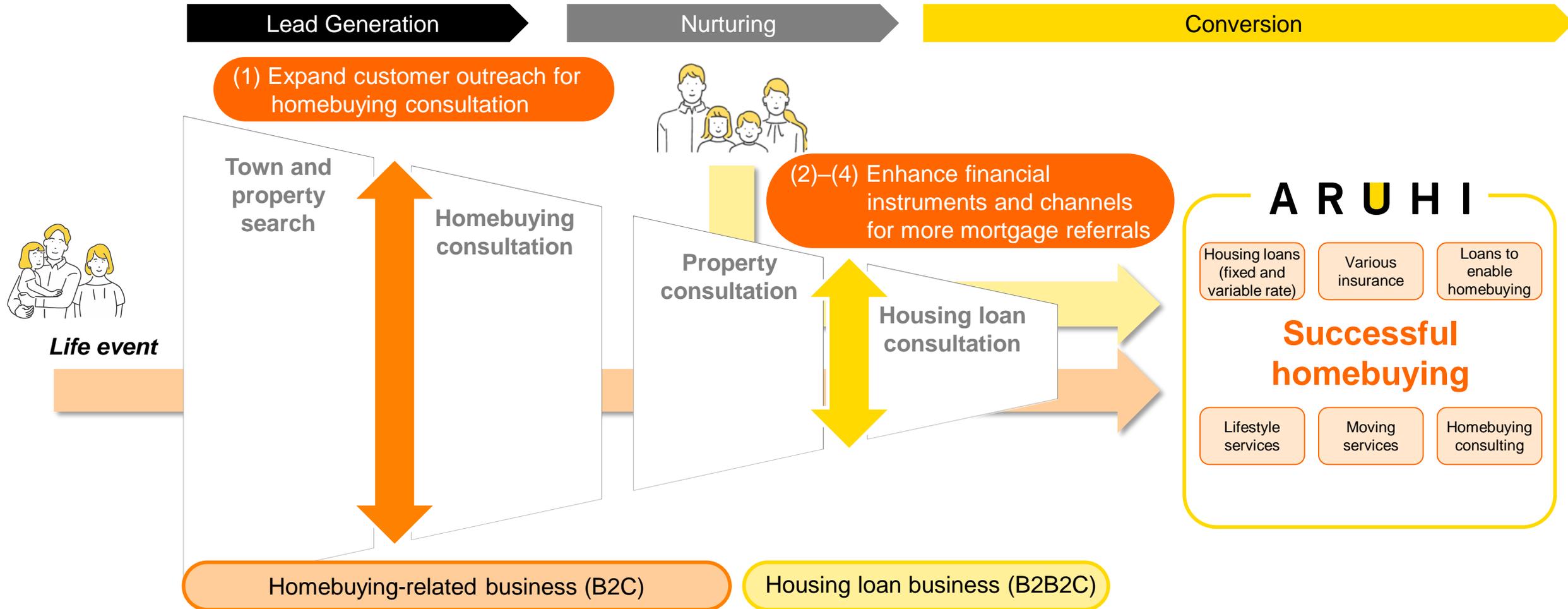


Helping customers make their most important “day” the best it can be

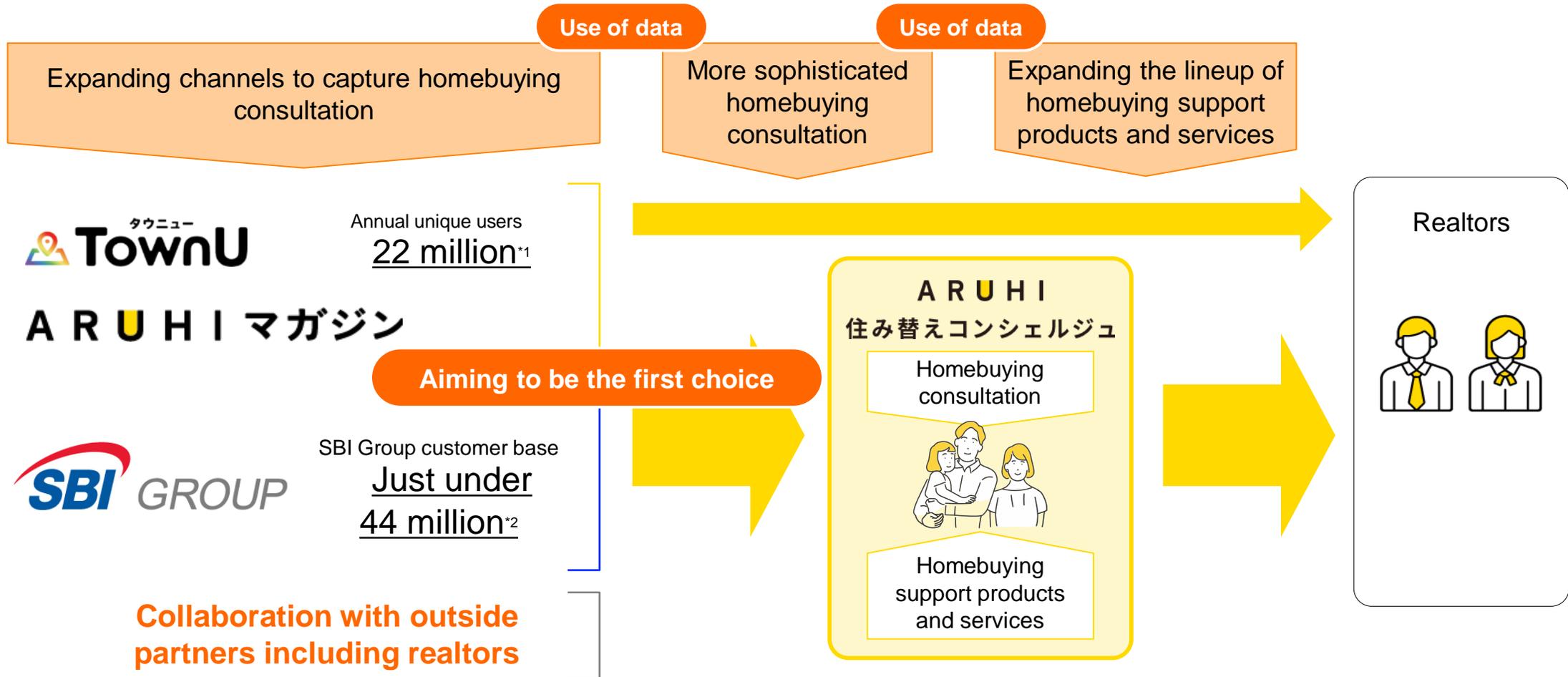
By **adding new stages such as town search and homebuying consultation** to the flow of homebuying starting with property consultation, we assist customers in successful homebuying based on their life stages



Expanding customer outreach for homebuying consultation services, and enhancing financial instruments and channels for more mortgage referrals to grow as a homebuying service company



Striving to be the first choice of customers for homebuying consultation by expanding the lineup of homebuying support products and services through collaboration with the SBI Group and outside partners, TownU, and the use of homebuying data

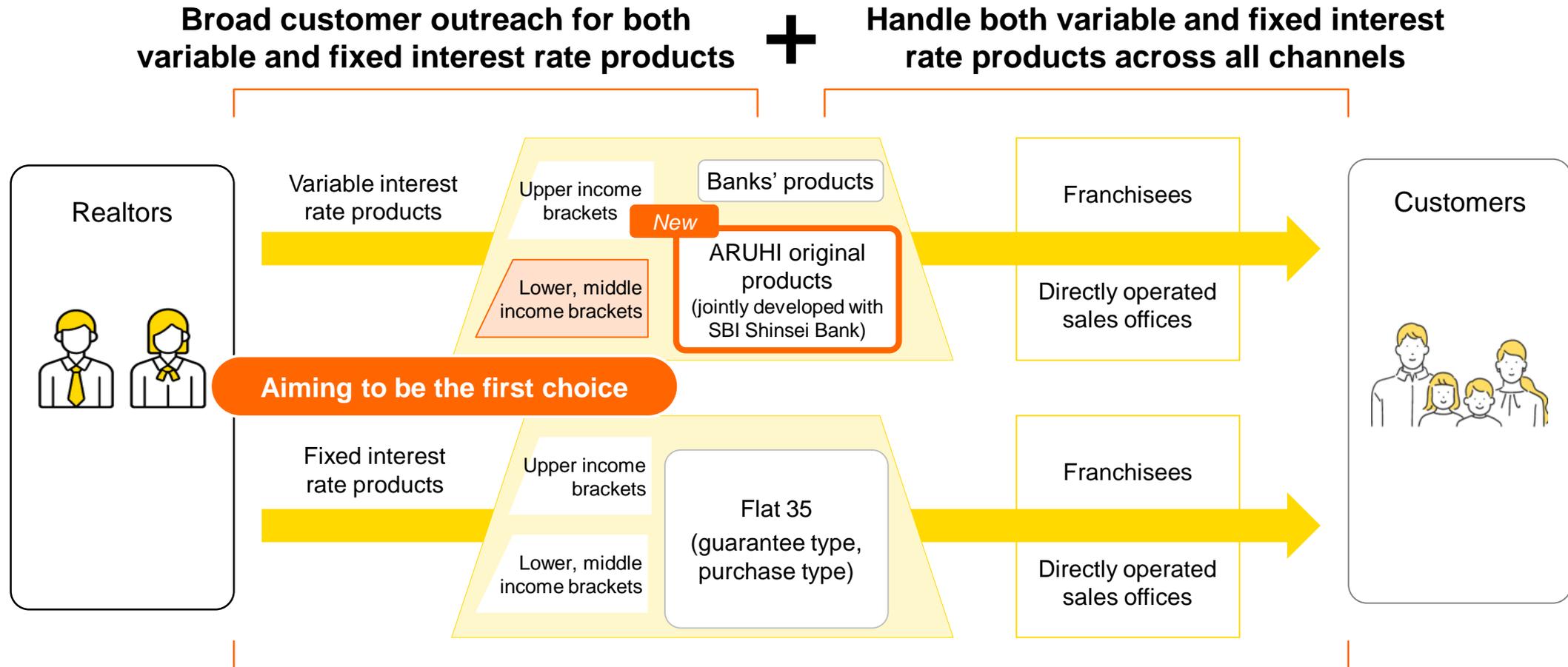


*1 FY2022

*2 Source: Materials for the information meeting held by SBI Holdings, Inc. dated December 5, 2022

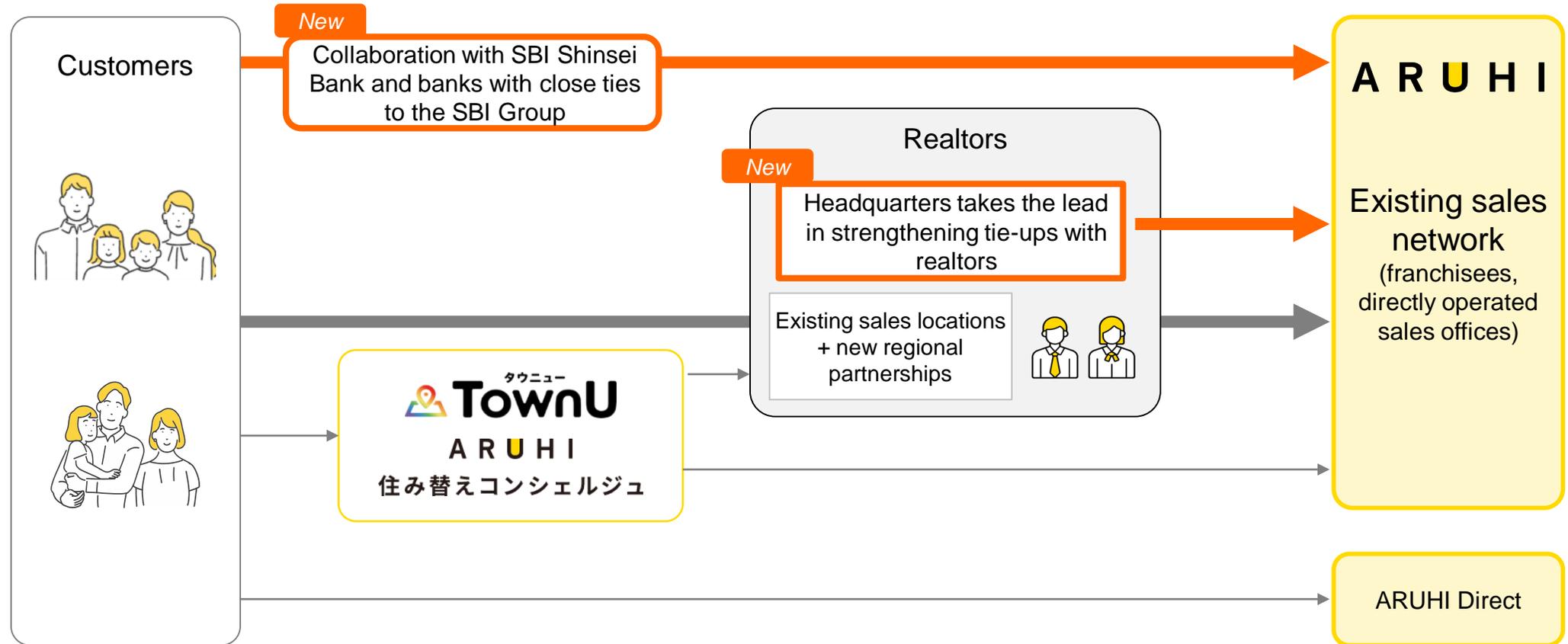
4. Growth Strategies 3/5 | (2) Creating full lineup of housing loan products across all channels

- **Aim to be the first choice of realtors** by developing ARUHI original variable interest rate products (jointly with SBI Shinsei Bank) and utilizing IT to speed up processing



Utilize the power of IT to accelerate processing speed

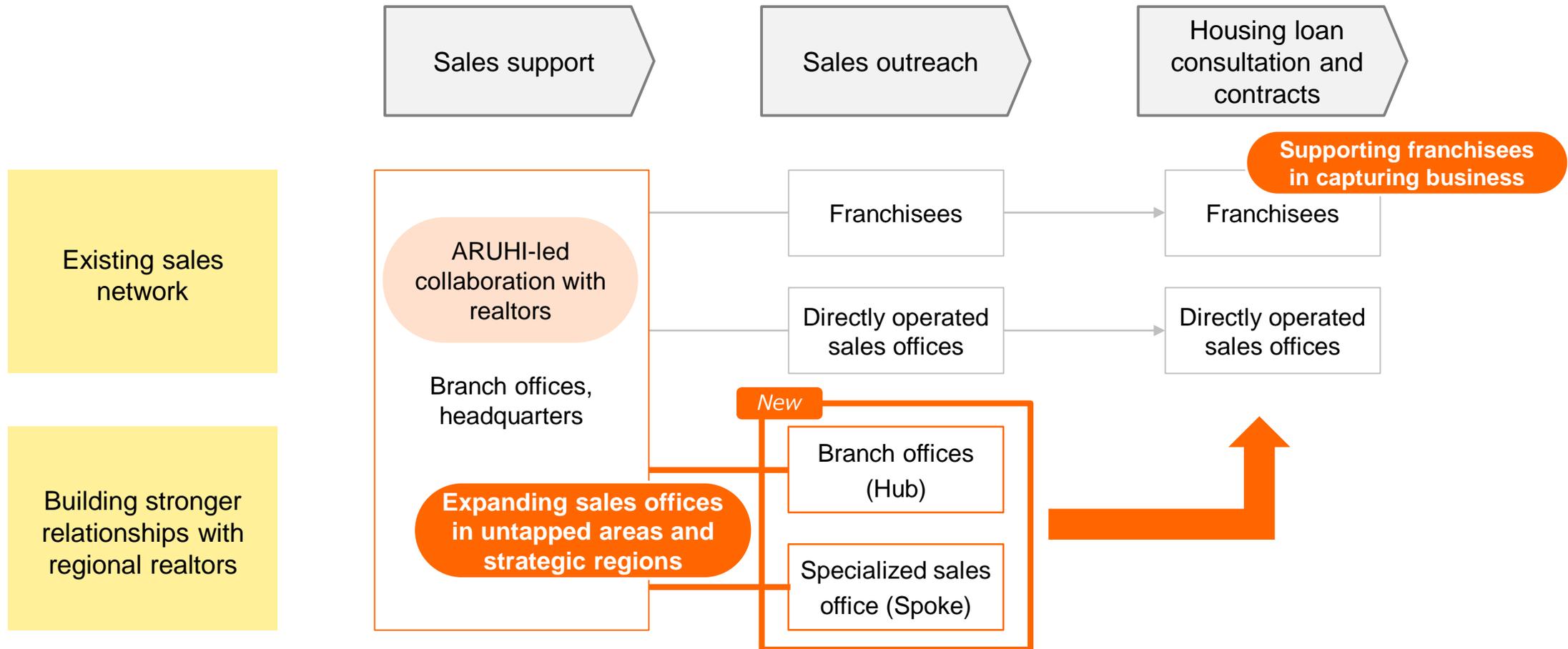
Enhance new mortgage transactions for our existing sales network by referrals of Flat 35 from SBI Shinsei Bank and banks with close ties to the SBI Group and reinforcement of tie-ups with realtors led by headquarters



4. Growth Strategies 5/5 | (4) Revising sales office format and building stronger relationships with realtors

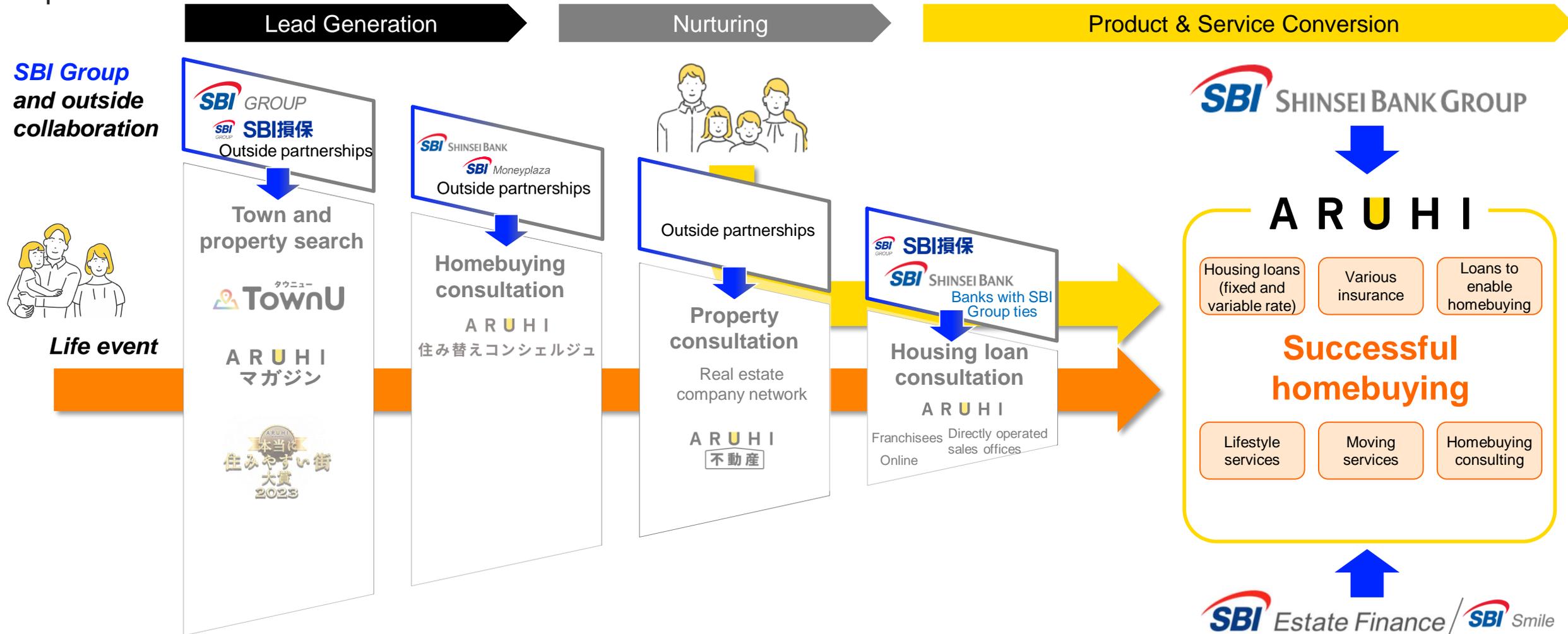
Strengthening relationships with realtors by expanding the network of sales offices specializing in outreach to untapped areas and strategic regions, and reinforcing branch office-based sales

Capturing business through collaboration between branch offices and franchisees

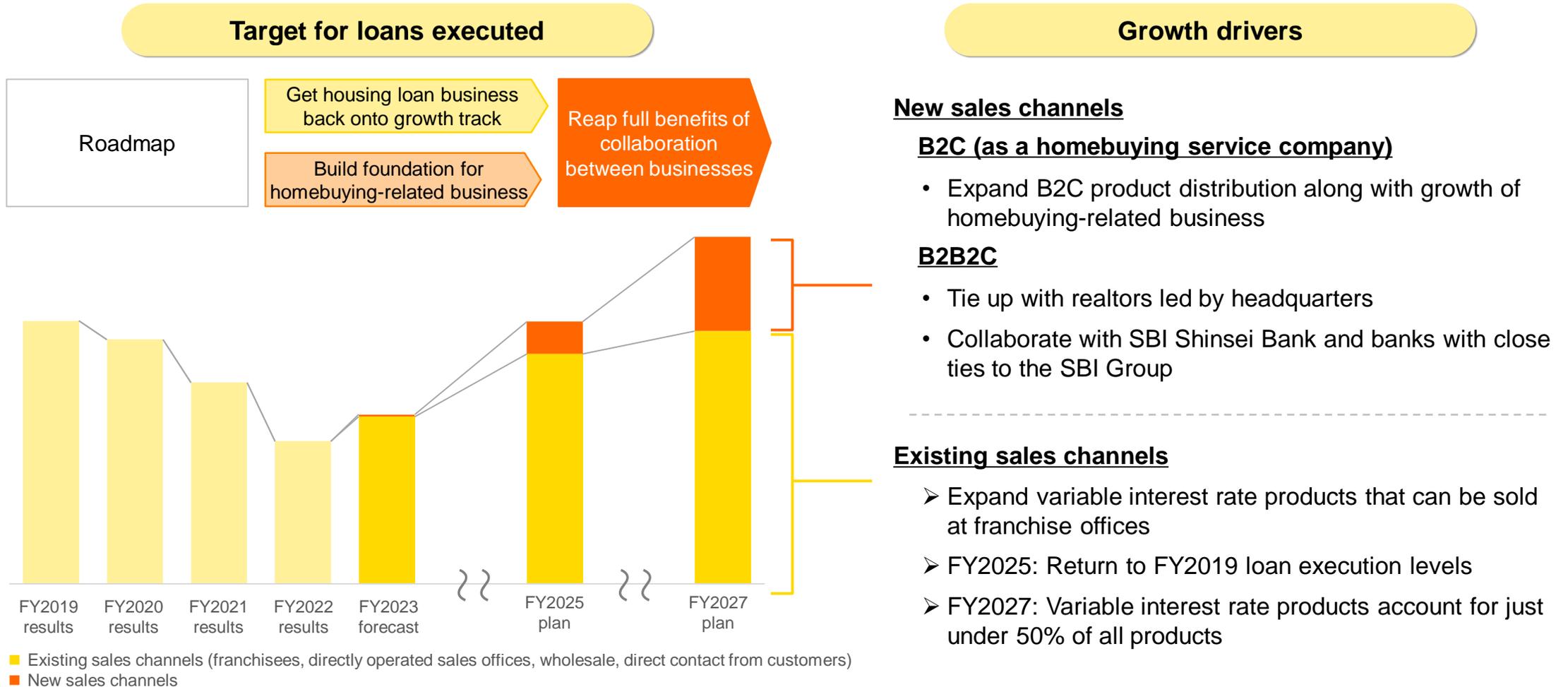


5. Collaboration with SBI Group Companies and Outside Partners

Expand customer outreach for homebuying-related services and mortgages leveraging collaboration with SBI Group companies and outside partners, and enhance the lineup of mortgages and homebuying-related finance products



Will return to FY2019 level in three years and accelerate the pace of loan growth through new homebuying-related sales channels from year three of the medium-term strategic plan



Aim for income before tax of ¥10 billion in five years (FY2027)

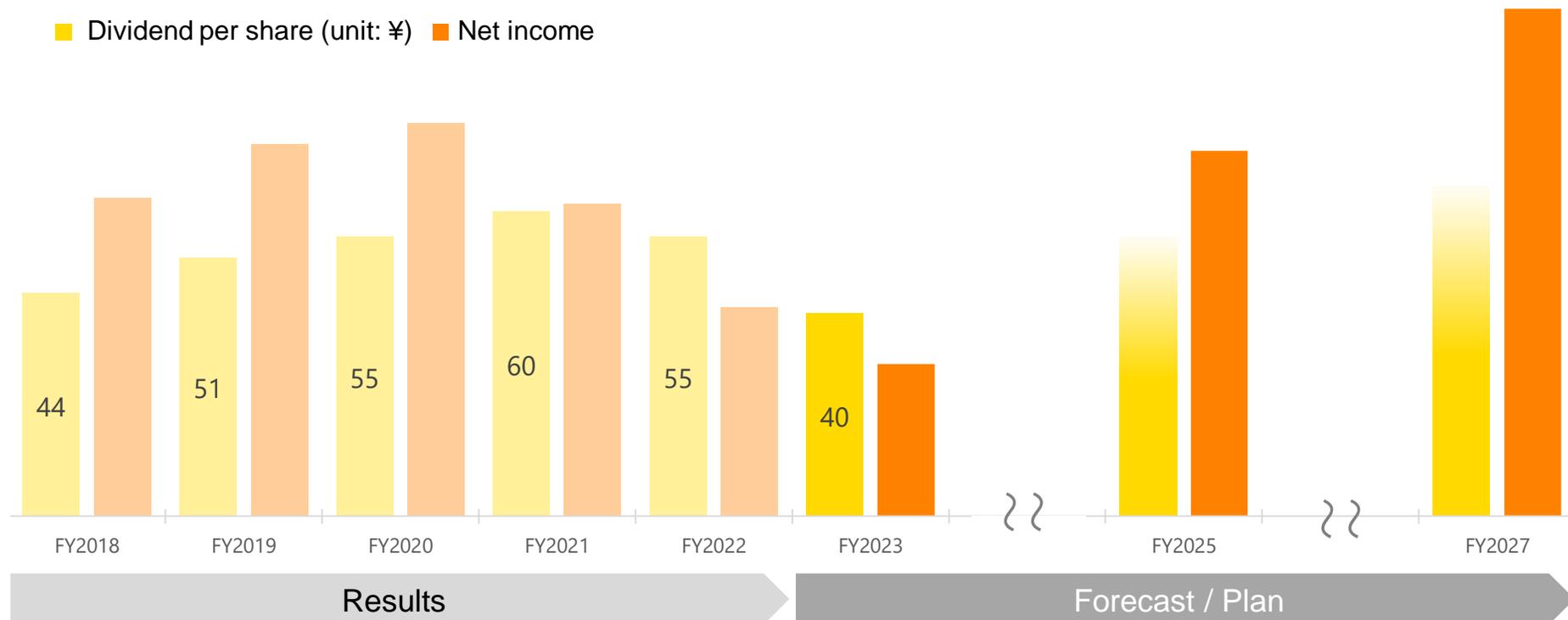
(Millions of yen)

	FY2022 results	Medium-term strategic plan 2023			
		FY2023 forecast	FY2025 plan	FY2027 plan	CAGR (FY2022– 2027)
Operating revenue	22,601	21,000	31,000	40,000	12.3%
Housing loan business (Loan execution, finance)	15,090	13,500	20,600	26,600	12.2%
Other businesses (Other than described above)	7,511	7,500	10,400	13,400	12.5%
Income before tax	4,119	3,000	7,200	10,000	20.4%
Pre-tax profit margin	18%	14%	23%	25%	—

Basic principle:

Setting out a minimum payout ratio of 35~40% , while balancing future growth investments and stable dividends for shareholders after comprehensively taking into account the level of ROE and financial leverage.

Aim for an increase in dividend amount through profit growth in the medium-to-long term.



We are taking a range of initiatives to reinforce compliance while further utilizing digital technology for ongoing reinforcement of administrative processes

Compliance-related governance

- Established Compliance Committee consisting of representative directors, directors, executive officers, and general managers, the Compliance Division, and the role of Chief Compliance Officer (CCO)
- Internal whistleblower system that enables reporting when material facts regarding compliance come to light
- Framework consisting of three lines of defense encompassing operational departments, compliance division, and internal audit division

Group-wide compliance programs

- Determine annual compliance programs approved by the Board of Directors
- Appoint compliance promotion managers at branch offices closer to front line operations to enhance regional compliance
- Have compliance interviews with all franchisees' employees and new store managers of both franchisees and directly operated sales offices

Reinforcing appropriate sales office management framework

- Foster compliance awareness through regular education, training, and self-assessments for all employees
- Regular inspection and guidance through visits to all sales offices
- **Further utilization of digital technology for the purpose of managing Flat 35 appropriately**

Through our transformation into a homebuying service company, we will help form a circular society that encourages the use of existing housing stock and bring about sustainable lifestyles



Environmental initiatives

Mitigating environmental impact and addressing climate change by forming a circular society that encourages the use of existing housing stock

- Supporting acquisition of quality pre-owned housing
- Encouraging the adoption of environmentally friendly housing on a larger scale
- Promoting sustainable finance
 - Establishment of sustainable finance framework
 - Issuance of green residential mortgage-backed securities (RMBS)



Social initiatives (1)

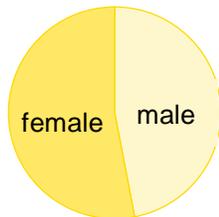
Fostering and developing human resources that generate social value, and respecting individuals



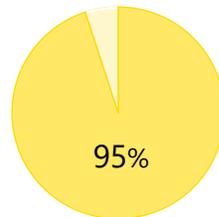
Social initiatives (2)

Proposing satisfying, sustainable lifestyles suited to each individual

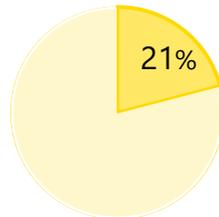
Gender ratio



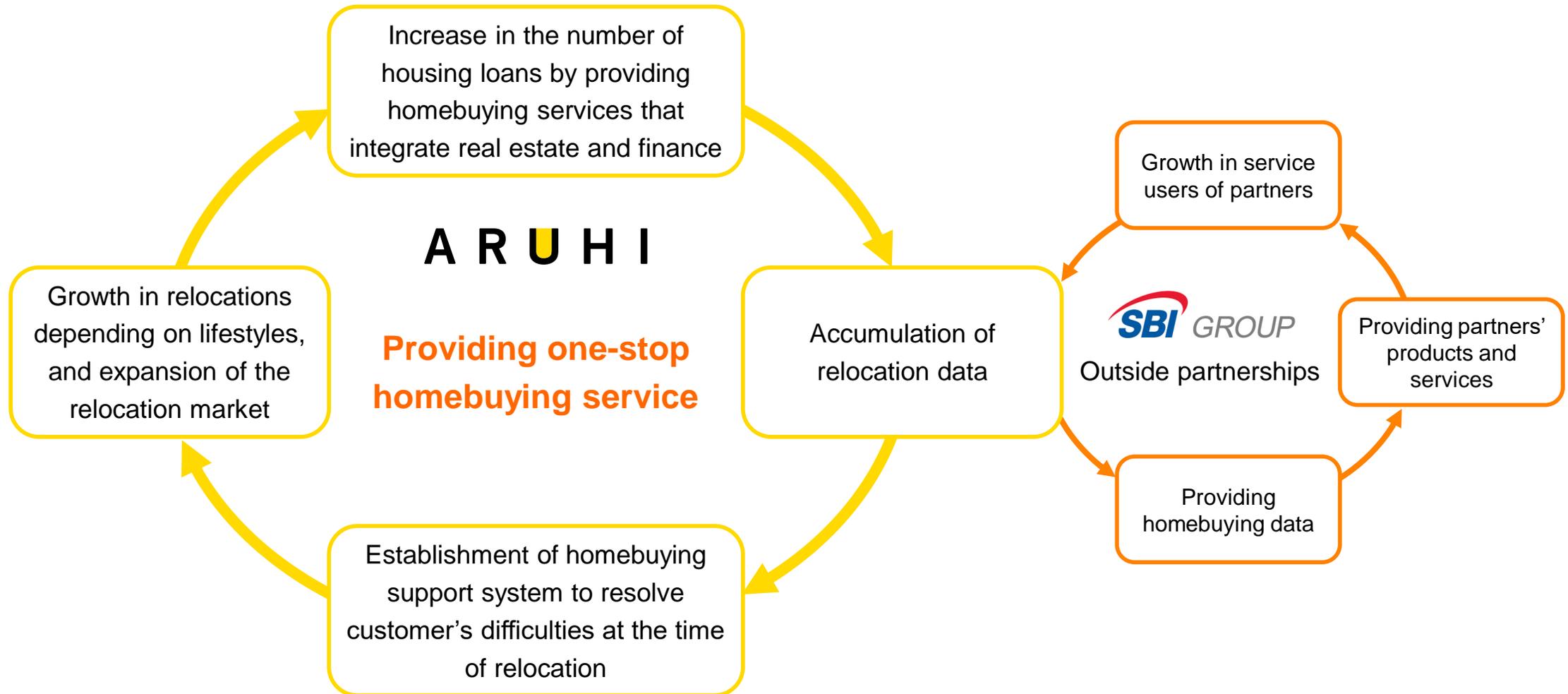
Return after maternity and childcare leave



Ratio of female managers



We are providing homebuying services integrating real estate and finance, and expanding relocation market by utilizing accumulated customer data for further homebuying service so that we will accelerate our growth.



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