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FOR IMMEDIATE RELEASE

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Notice Regarding Revision of Medium-term Management Plan

Sun Frontier Fudousan Co., Ltd. (the "Company") announced today that the Company has revised its medium-term management plan for the fiscal year ending March 31, 2023, which was announced on May 8, 2018, in light of the impact of the recent spread of the COVID-19.

1. Background of the revision

The Company is promoting a five-year medium-term management plan from the fiscal year ended March 2019 to the fiscal year ending March 2023. In the fiscal year ended March 31, 2019, the first year for medium-term management plan, and the fiscal year ended March 31, 2020, the Company's business performance had been growing steadily with progress exceeding the plan. However, the business environment surrounding the Company changed significantly due to the impact of the spread of COVID-19 infections from the beginning of 2020. Against this backdrop, our Company has developed its business based on the three management policies of "thorough prevention of infection outbreak and continuation of business," "financial stability," and "concentration of resources for the 'revitalization and utilization of real estate' our core business." Based on these policies, the Company has quickly captured on-site trends and customer feedback, worked on its ability to resolve client's problems, and developed its business.

Although the spread of COVID-19 is yet to be resolved, it is expected that the global economy will hit a bottom and return to a recovery path by next year, with the spread of vaccines and the continuation of large-scale fiscal measures and monetary easing in each country. Taking into account these changes in the business environment and the new state of "post COVID-19," we decided that it was necessary to revise the timing of achievement in medium-term management plan in order to re-establish a sustainable growth trajectory starting from the fiscal year ended March 2021, which was affected by the COVID-19 outbreak.

2. Overview of the revision

(1) Period

The fiscal year ending in medium-term management plan will be extended for two years to the fiscal year ending in March 2025, but the financial target in the medium-term management (net sales 100 billion yen, ordinary profit 20 billion yen, profit attributable to owners of parent 14 billion yen) will stay the same since we believe this target to be a passing point of the continuous growth of the company and aim to establish the "standing on both feet of flow and stock" profit structure.

		March 2021 (Results)	March 2025 (Target)
Financial Target	Net sales	59.6 billion yen	100 billion yen
	Ordinary profit (loss)	7.5 billion yen	20 billion yen
	Current Net Income	4.2 billion yen	14 billion yen
Management Indicator	Ratio of Ordinary Income	12.6%	20.0% or more
	Equity Ratio	52.3%	50.0% level
	ROE	6.5%	10.0% or more

(2) Basic policy

Providing "places where people gather and communicate with each other, and create social development and happiness for people"

<Office Business>

- Contribute to carbon neutrality by reducing the waste of non-renewable resources through "Revitalization"
- Focus on "Central Tokyo," "Small and Medium size," and "Office Building," and capture diversifying needs in a clients' point of view that is on-site consistent

Contribute to creating prosperous towns for the future by utilizing new fields including digital technology

<Hotel Business>

- Provide safe and soothing time and space, creating the best smiles and making people's minds healthy and rich

<Overseas Business>

- Provide comfort to the people in Asia, together with our partners
- Improve the quality of housing for local residents and contribute to the urban development by specializing in development, sales, management and mediation of housing (condominiums)

(3) Key points

Points to be Strengthened to Capture the Changing Times and Upgrade Business and Management

- ESG Based on our corporate philosophy of "contributing to the lasting prosperity of humankind, plants and animals on the earth, by reducing the waste of non-renewable resources" we will take into account the perspectives that contribute to the resolution of social and environmental issues more than ever before in our business development and conduct corporate governance to become a model company for society.
- Digital We will establish the Digitalization Promotion Office and focus on utilizing new technologies, responding quickly to changes, and reforming our business model.
- Cash flow Under the policy of "continuation of business" "in the COVID-19 outbreak, we have been focusing on cash and deposits. We will strengthen the creation of cash by effectively investing in business and systematically collecting funds.

(4) Investment Plan (Fiscal Year Ending March 31, 2022 - Fiscal Year Ending March 31, 2025)

Systematically invest in each business, digitalization and M&A, recovering through growth

<Office Business>

- Aim for business growth while collecting investment at a constant turnover rate through systematic procurement and development.

<Hotel Business>

- Complete the hotels under construction and aim to achieve profitability operating the existing hotels and the opening hotels on schedule. At the same time, recover from the sale of the existing hotels and operate them effectively.

<Overseas Business>

- Continuously and systematically invest in condominium development projects for the future.

<Digitalization>

- Actively invest in digitalization for operational efficiency and business support and expansion.

<M&A>

- Strategically invest in peripheral businesses and growing fields to expand existing businesses.

(Unit: billion yen)

	Office Business	Hotel Business	Overseas Business		Digitalization	M&A
Balance at the End of March 2021	72.8	21.8	0.6	Total investment	3	5
Investment amount	200	7	8			
Amount collected	182.8	5.8	2.5			
Balance at the End of March 2025	90	23	6.1			

3. Other

For more information on medium-term management plan, please visit here.

Please refer to https://www.sunfrt.co.jp/en/ir_info/ir_prospects/