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On January 13, 2021, Star Mica Holdings Co., Ltd., announced the withdrawal of targets in its five-year management plan (FY11/18–FY11/22).

At a meeting of the Board of Directors held on the same day, Star Mica decided to withdraw targets for FY11/22 in the “Challenge 2022” five-year management plan, which was revised upward in July 2019.

#### Reason for withdrawal of targets

As a leading company in the renovated condominium industry, Star Mica formulated a five-year management plan starting from FY11/18 with the aim of maintaining its position as an industry leader and continuing to create value for customers. Under the management plan, the company aimed to achieve the targets shown in the table below in the final year of the plan (FY11/22) by expanding its Renovated Condominium, Investment, and Advisory Services businesses. From FY11/18 to 1H FY11/20, the company saw success in aggressive property acquisition and sales, such that sales, profits, and the balance of real estate for sale generally trended according to plan.

From March 2020 onward, in response to the COVID-19 pandemic, Star Mica set preparing for possible changes in the business environment as its highest priority. It accordingly shifted its policy in FY11/20 and FY11/21 to emphasize balance in the number of properties acquired and sold rather than growth in the balance of real estate for sale in an attempt to maintain and increase the equity ratio and cash on hand. In addition, the company reviewed a part of the Investment business’s investment plan and decided against including the sale of income-generating real estate into the plan for FY11/22. As a result, it expects to achieve the management plan targets in or after FY11/22.

Uncertainty persists in the business environment even after January 2021 as the state of emergency declarations have been reissued in various areas. The company has thus decided that it is difficult to predict when it can achieve the targets set forth in the medium-term management plan and to reasonably estimate targets for FY11/22. In consideration of these factors, the company has decided to withdraw the FY11/22 targets.

#### FY11/22 targets in the “Challenge 2022” five-year management plan (for reference)

Five-year management plan (consolidated) (JPYmn)	FY11/22 Target
Sales	50,000
Operating profit	8,500
Recurring profit	7,500
Real estate for sale (Renovated Condominium business)	100,000

Source: Shared Research based on company data

This note is the most recent addition to the [full report](#).

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