INVESTORS CLOUD FY2017 FINANCIAL RESULTS

FY2017 Financial Results Briefing Materials

February 2018 investors cloud co., ltd. (TSE1:1435)

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INVESTORS CLOUD

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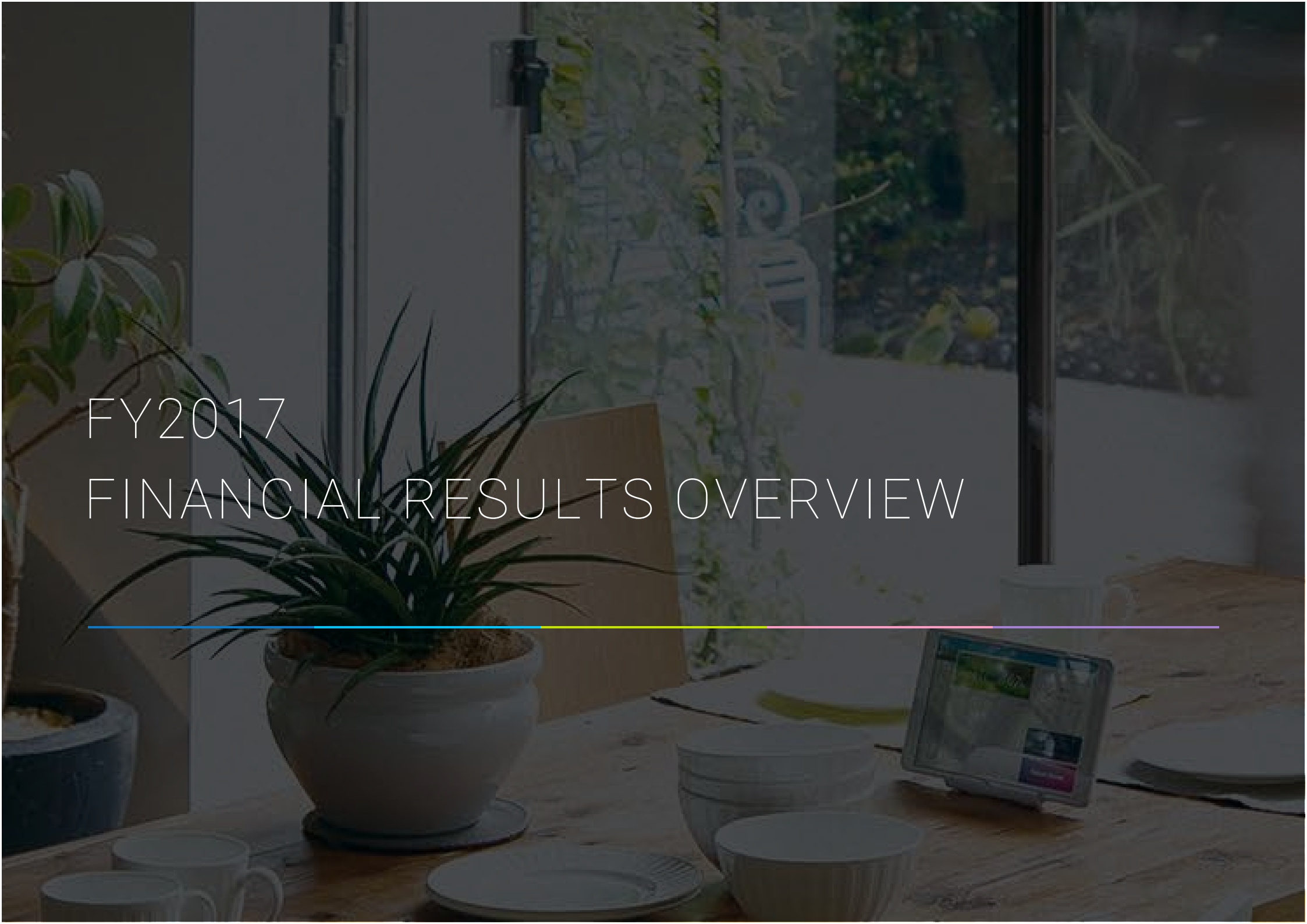


FY2017
FINANCIAL RESULTS OVERVIEW

Name	investors cloud co., ltd.
Head office	7F, 2-27-25, Minamiaoyama, Minato-ku, Tokyo
Established	January 23, 2006
Representative	Daisaku Furuki, President
Capital	628,000,000 yen
Employees	417 persons (68 persons in new subsidiaries included / consolidated basis/full-time employees / as of December 31, 2017)
Businesses	Development and operation of IoT apartment management app “TATERU Apartment” Planning and operation of real estate investment-type crowdfunding “TATERU Funding” Development and operation of smart online renovation “SMA-RENO”
Subsidiaries	Robot Home Co., Ltd. (IoT business) TATERU bnb, Inc. (Minpaku business) Realize Asset Management Co., Ltd. (Apartment platform business)
Associates	BIJ.inc.

- Achieved net sales of 176.8% YoY and operating income of 155.0% YoY

- Achieved a total increase in membership of 35,767 persons (16,329persons) and 839 contracts (24contracts), and 122.1% YoY in the 2017.

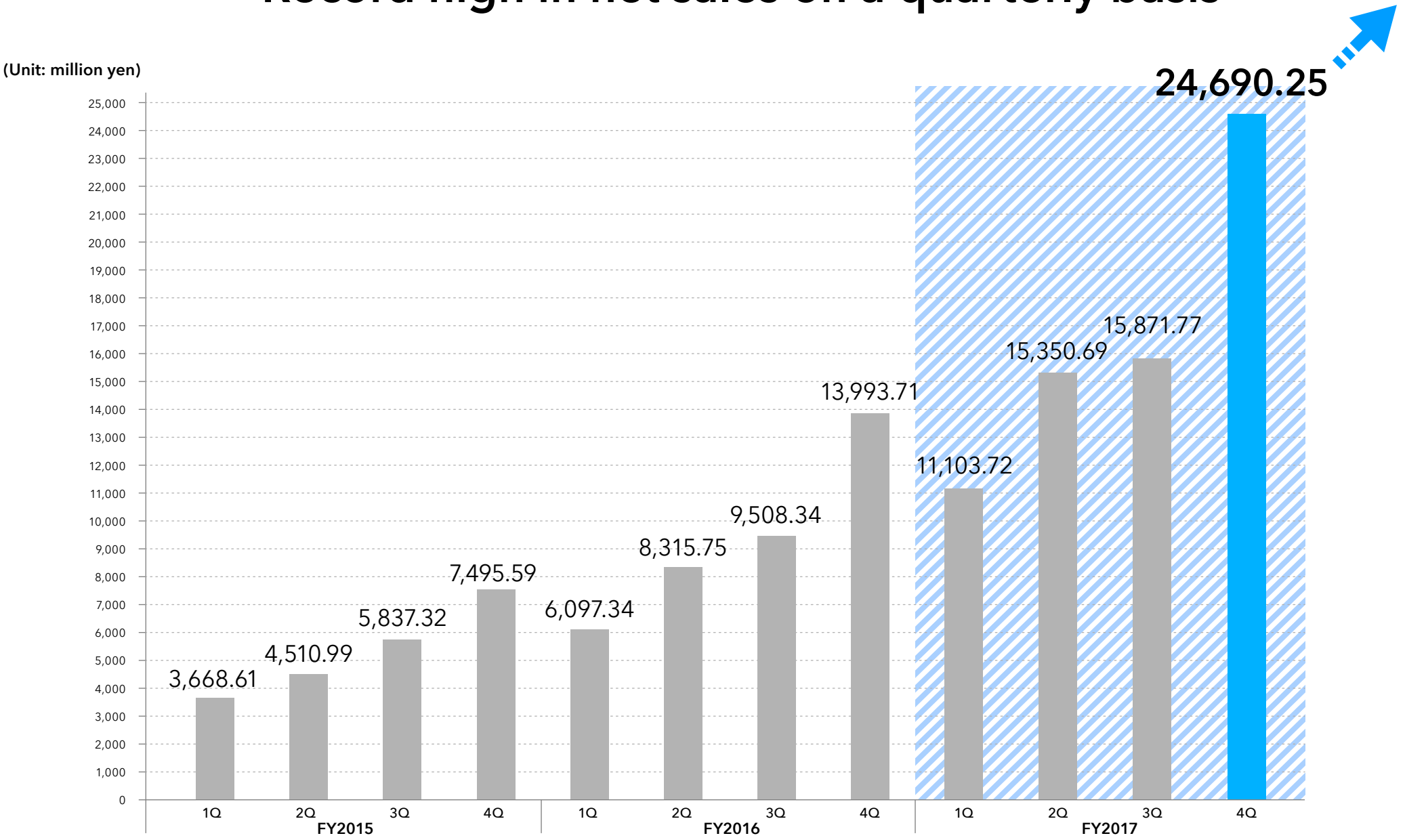
()・・・The numbers inside the parentheses show the numeric data of Realize Asset Management Co., Ltd.

Achieved net sales of 176.8% YoY and operating income of 155.0% YoY

(Unit: million yen)

	FY2016		FY2017		
	Amount	% of sales	Amount	% of sales	YoY
Net sales	37,915	100.0%	67,016	100.0%	**176.8%**
Gross profit	7,314	19.3%	11,704	17.5%	160.0%
Selling, general and administrative expenses	3,508	9.3%	5,805	8.7%	165.5%
Operating income	3,806	10.0%	5,898	8.8%	**155.0%**
Ordinary income	3,803	10.0%	5,863	8.8%	154.2%
Profit attributable to owners of parent	2,354	6.2%	3,995	6.0%	169.7%

Record high in net sales on a quarterly basis



*As the Company shifted to consolidated accounting from 2Q FY2016, results for 1Q FY2016 and before are not consolidated.

Achieved higher revenue and profits while controlling the increase in inventories

(Unit: million yen)

	December 31, 2016	December 31, 2017	YoY change
Current assets	8,490	15,511	+7,021
Inventories	2,420	3,332	+911
Non-current assets	2,365	6,352	+3,987
Total assets	10,856	21,864	+11,008
Liabilities	4,825	12,197	+7,371
Net assets	6,030	9,667	+3,636
Total liabilities and net assets	10,856	21,864	+11,008

Mainly cost of construction orders received

Goodwill of 1,921 million yen is recorded

- Profit attributable to owners of parent 3,995 million yen
- Dividends (611) million yen

Forecasting record net sales and income

(Unit: million yen)

	12th Fiscal Period, FY2017 (Result)	13th Fiscal Period, FY2018 (Forecast)			
		2Q (Cumulative)	Full-year	% of sales	YoY
Net sales	67,016	27,639	76,611	100%	114.3%
Operating income	5,898	1,926	7,113	9.3%	120.6%
Ordinary income	5,863	1,913	7,099	9.3%	121.1%
Profit attributable to owners of parent	3,995	1,280	4,815	6.3%	120.5%

FY2018 of each segment

(Unit: million yen)

	TATERU Apartment	TATERU Funding	TATERU bnb	Robot Home	Others	Total	Adjustment	Consolidated PL
Net sales	74,100	563	554	1,246	146	76,611	-	76,611
Operating income	7,422	302	183	336	38	8,282	▲1,169	7,113

Issuance of subscription rights to shares on the conditions of business performance achievement in 2Q

Issued 0.97% out of the current total number of outstanding shares

Period	(Consolidated) Operating income	Exercisable ratio of paid stock options
FY2018 or FY2019	In excess of 7.0 billion yen	33% of allocation is exercisable
FY2019 or FY2020	In excess of 10.0 billion yen	66% of allocation is exercisable
FY2020 or FY2021	In excess of 12.5 billion yen	100% of allocation is exercisable

Reference data: Recent trends in operating income

FY2015 −1.89 billion yen　FY2016 −3.80 billion yen　FY2017 −5.89 billion yen

Implementation of stock split and substantial enhancement of shareholder special benefit plan in accordance with the stock split

Common stock of shareholders that were stated or recorded in the shareholder registry as of Friday, December 29, 2017 are to be split at a ratio of five shares for each share held as of Monday, January 1, 2018. This stock split aims to raise stock liquidity and further broaden the shareholder base.

Total number of outstanding shares prior to the stock split

15,811,800 shares

The number of shares increased due to this stock split

63,247,200 shares

Total number of outstanding shares after the stock split

79,059,000 shares

Total number of authorized shares after the stock split

282,464,000 shares

Yield on special benefits

● Prior to the stock split

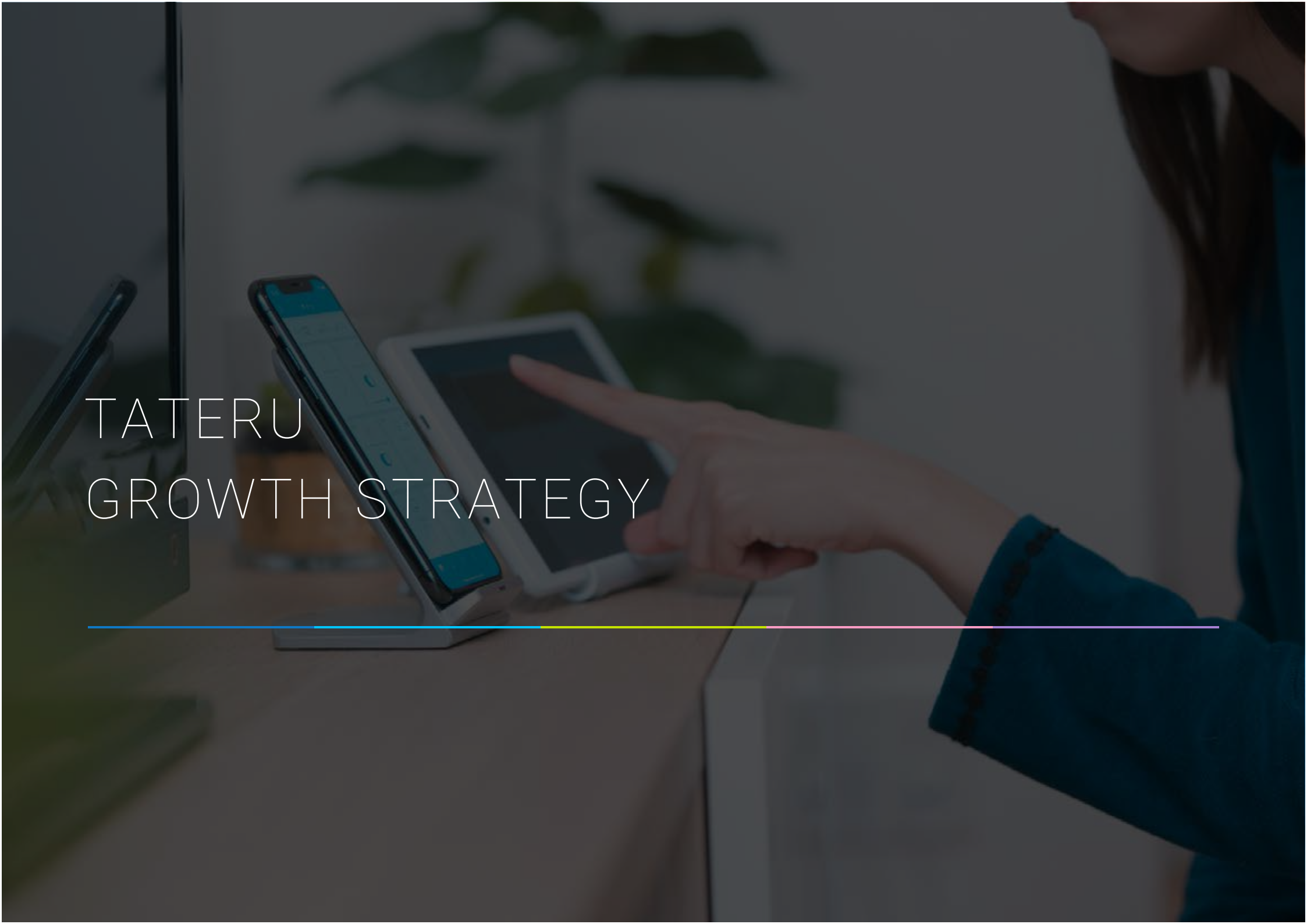
0.36%



● After the stock split

1.80%

(Calculated based on the share price as of December 29, 2017)



TATERU
GROWTH STRATEGY

The Company's trade name will change from "investors cloud co., ltd." to "TATERU, Inc."

On condition that partial amendments to the Articles of Incorporation are approved at the 12th Annual General Meeting of Shareholders to be held on March 27, 2018, the Company has resolved to change its trade name from "investors cloud co., ltd." to "TATERU, Inc." as of April, 1, 2018.

INVESTORS CLOUD

↓

TATERU

Aiming at further enhancing our customer awareness and branding, as well as developing our businesses more effectively

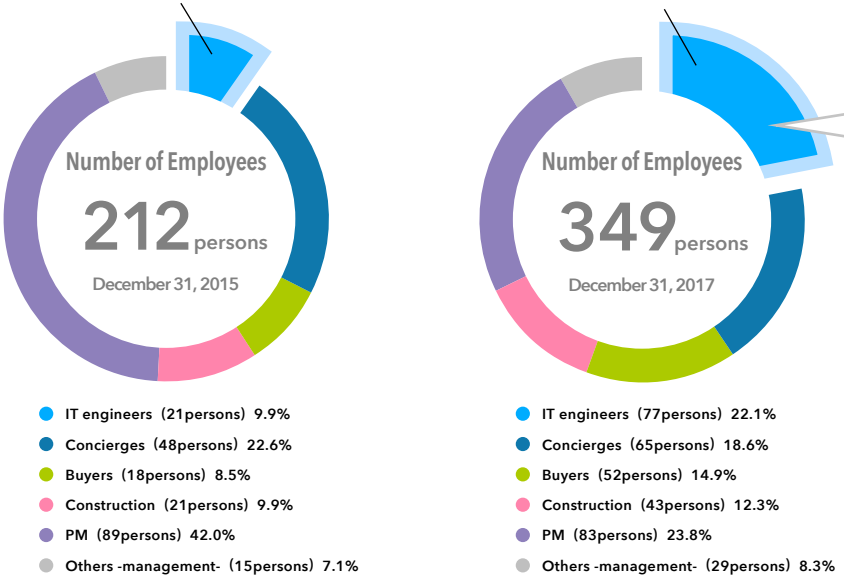
Doubled the proportion of IT engineers, aiming for further growth as a Real Estate Tech company

Proportion of IT engineers

Approx. 2 times

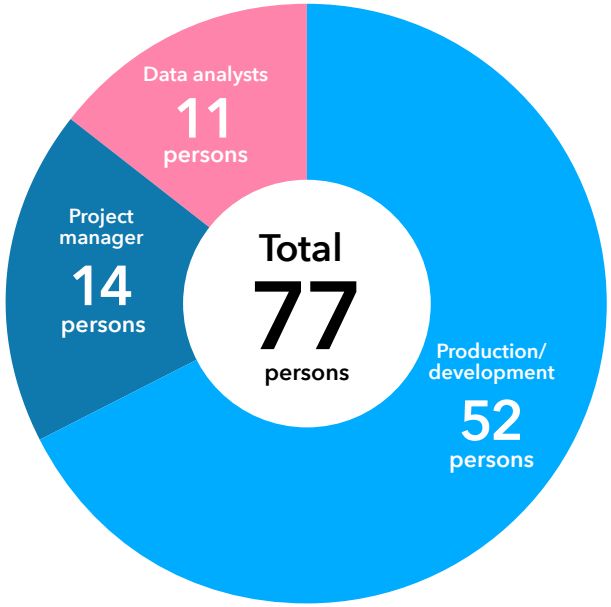
Doubled the proportion of IT engineers in order to further enhance the real estate platform development as a Real Estate Tech company after going public in 2015.

IT engineers (21persons) 9.9% → **IT engineers (68persons) 22.1%**



December 31, 2015	December 31, 2017
IT engineers (21persons) 9.9%	IT engineers (77persons) 22.1%
Concierges (48persons) 22.6%	Concierges (65persons) 18.6%
Buyers (18persons) 8.5%	Buyers (52persons) 14.9%
Construction (21persons) 9.9%	Construction (43persons) 12.3%
PM (89persons) 42.0%	PM (83persons) 23.8%
Others -management- (15persons) 7.1%	Others -management- (29persons) 8.3%

IT Business Administration Department composition by category

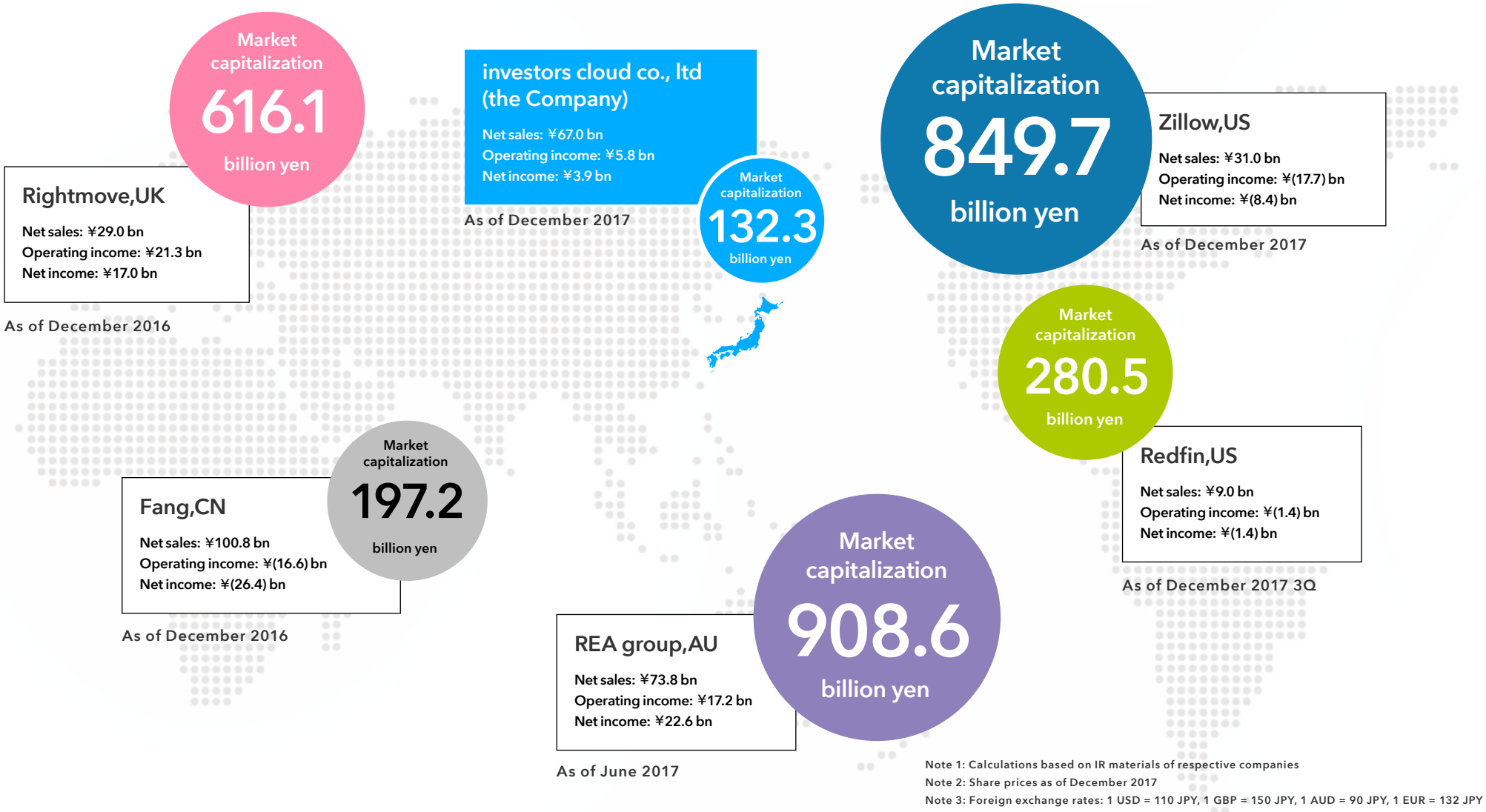


TATERU group **349 persons** + New subsidiary **68 persons** = Total number of full-time employees of consolidated group companies **417 persons**

investors cloud co., ltd.
Robot Home Co., Ltd.
TATERU bnb, Inc.

Realize Asset Management Co., Ltd.

Real Estate Tech Market Size



Note 1: Calculations based on IR materials of respective companies
Note 2: Share prices as of December 2017
Note 3: Foreign exchange rates: 1 USD = 110 JPY, 1 GBP = 150 JPY, 1 AUD = 90 JPY, 1 EUR = 132 JPY

Real Estate Tech business

TATERU

Apartment platform business

TATERU Apartment

Crowdfunding business

TATERU Funding

Minpaku business

TATERU bnb

New

Real estate portal site

TATERU Buy-Sell

IoT business

Robot Home

Apartment kit

IoT device development /

App development for owners /

Tool development for management companies /

Big data business

Apartment platform business

TATERU Apartment

Introducing IoT apartment management with the “TATERU Apartment" app

Membership ..... 142,359 persons
(16,329 persons)

Owners ..... 1,492 persons
(166 person)

Managed properties ..... 18,699 rooms

Occupancy rate 97.0%

as of December 31, 2017



()・・・The numbers inside the parentheses show the number of employees of Realize Asset Management Co., Ltd.

TATERU Apartment business: 5 strengths

1. Inventory reduction through land matching
2. One-stop IoT apartment management via app
3. Acquisition and nurturing of new members via marketing automation system
4. IoT apartment through in-house development
5. High profitability model through land information matching

1. Inventory reduction through land matching

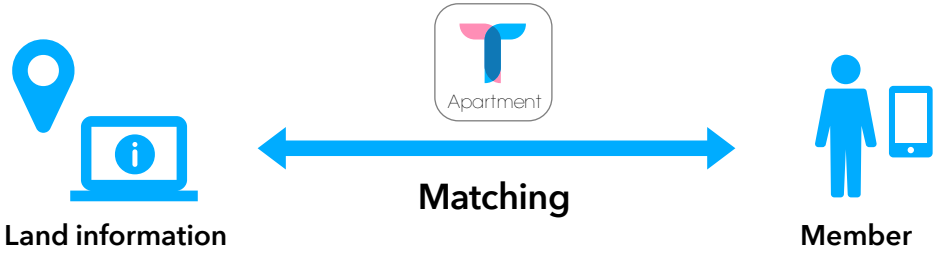
Assuming estimated sales of 67.0 billion yen, inventory can be reduced from 39.1 billion yen to 3.3 billion yen

= Achievement of debt-free management by land matching scheme

Former two-stage distribution model



TATERU one-stage distribution model



- **Merits for members**

  Significantly lower costs, including intermediary margin and double taxation

- **Merits for real estate companies**

  Charging brokerage commissions

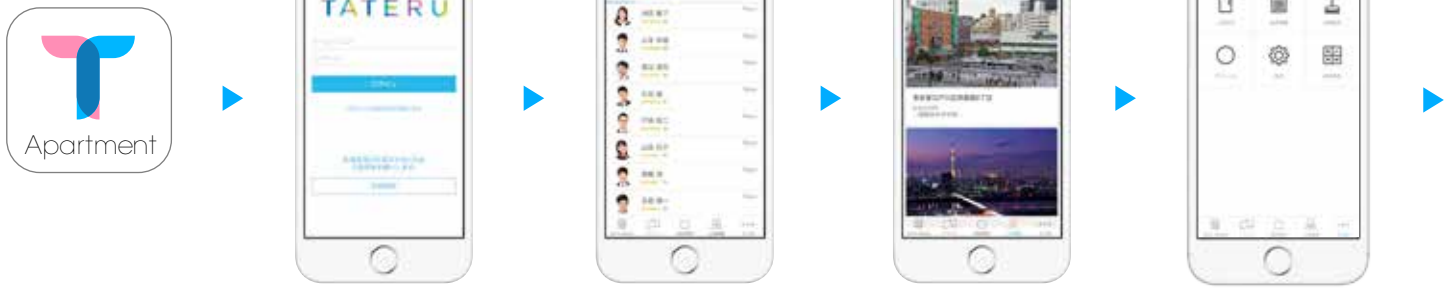
- **Merits for investors cloud**

  Low financial risk as the Company does not hold land inventory

2. One-stop IoT apartment management via app

TATERU × PKSHA TECHNOLOGY

TATERU × Money Forward



Install the app

Complete member registration

Choose a sales representative and consult via chat

Land property info
〜
Apartment completion

Apartment management report



TATERU Kakutei Shinkoku
(tax return support)
(For PC or app)



Cleaning report



Occupancy status

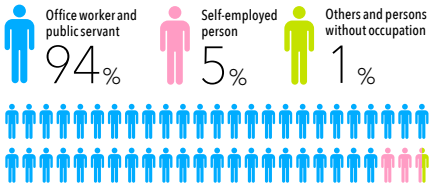


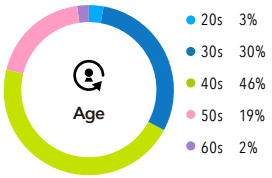
Payment statement

Features of TATERU apartment management

- Original business model of "initiating apartment management from land matching"
- "Office workers in their 30s to 50s with annual income over 7 million yen" have started TATERU as a means of wealth accumulation

Positioning map of TATERU owners



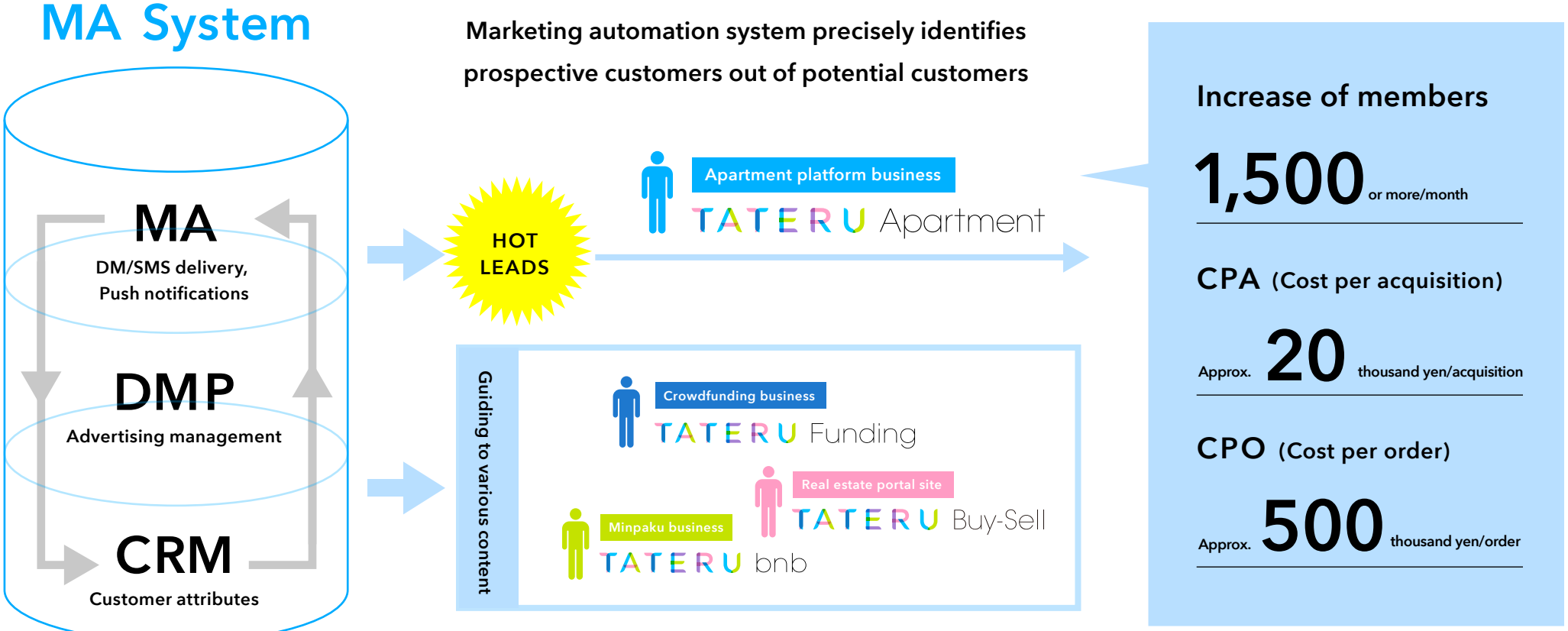




(As of December 31, 2017)

3. Acquisition and nurturing of new members via marketing automation system

Advertising by dedicated in-house digital marketers



4. IoT apartment through in-house development

IoT for rental properties are provided in TATERU apartments,
now allowing single households with IoT environment

Plan to provide 10,000 rooms by December 2018. IoT devices can also be attached to properties of other companies.

Main features



CENTRAL CONTROLLER

Tablet type gateways that can be equipped with various functions



TAG SECURITY

Detects window open, close, vibration and informs you via app even when away from home



SMART LOCK

Offers *four ways to unlock doors in a simple and convenient manner

*Smartphones / Keypads / NFC such as card keys / physical keys



NATURE SENSOR REMOTE CONTROLLER

Remote controller that acquires the status of the home environment and can control devices remotely



SMART LIGHT

Turn on/off lights and adjust colors/tone of lighting



DOOR PHONE

Intercom that can respond via the cloud even when away from home

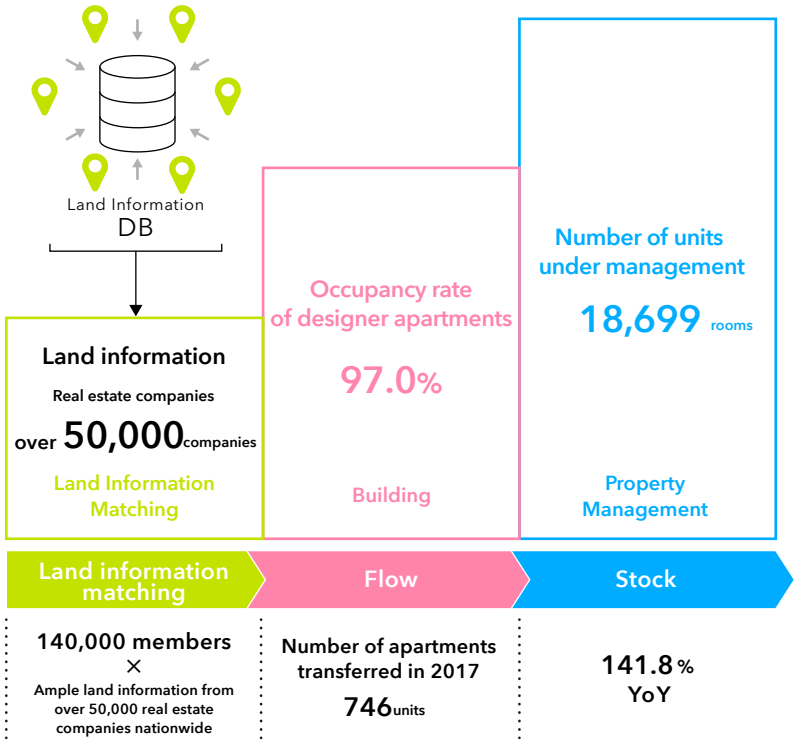




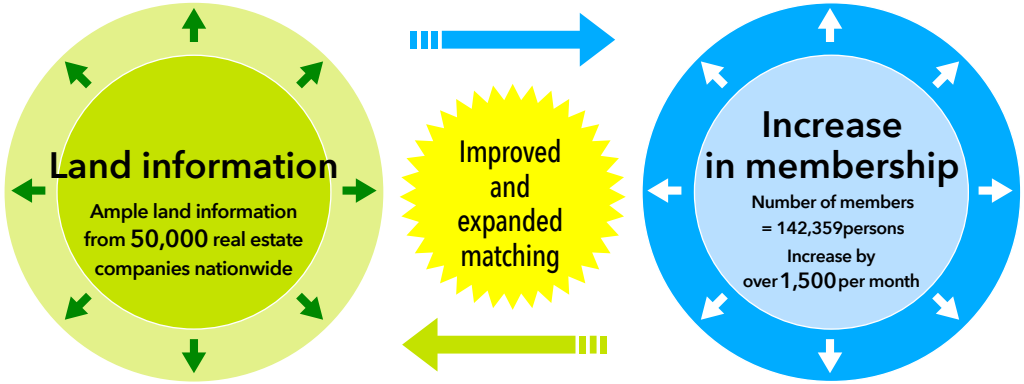
For details, refer to page 25

5. High profitability model through land information matching

Unique apartment platform sequence



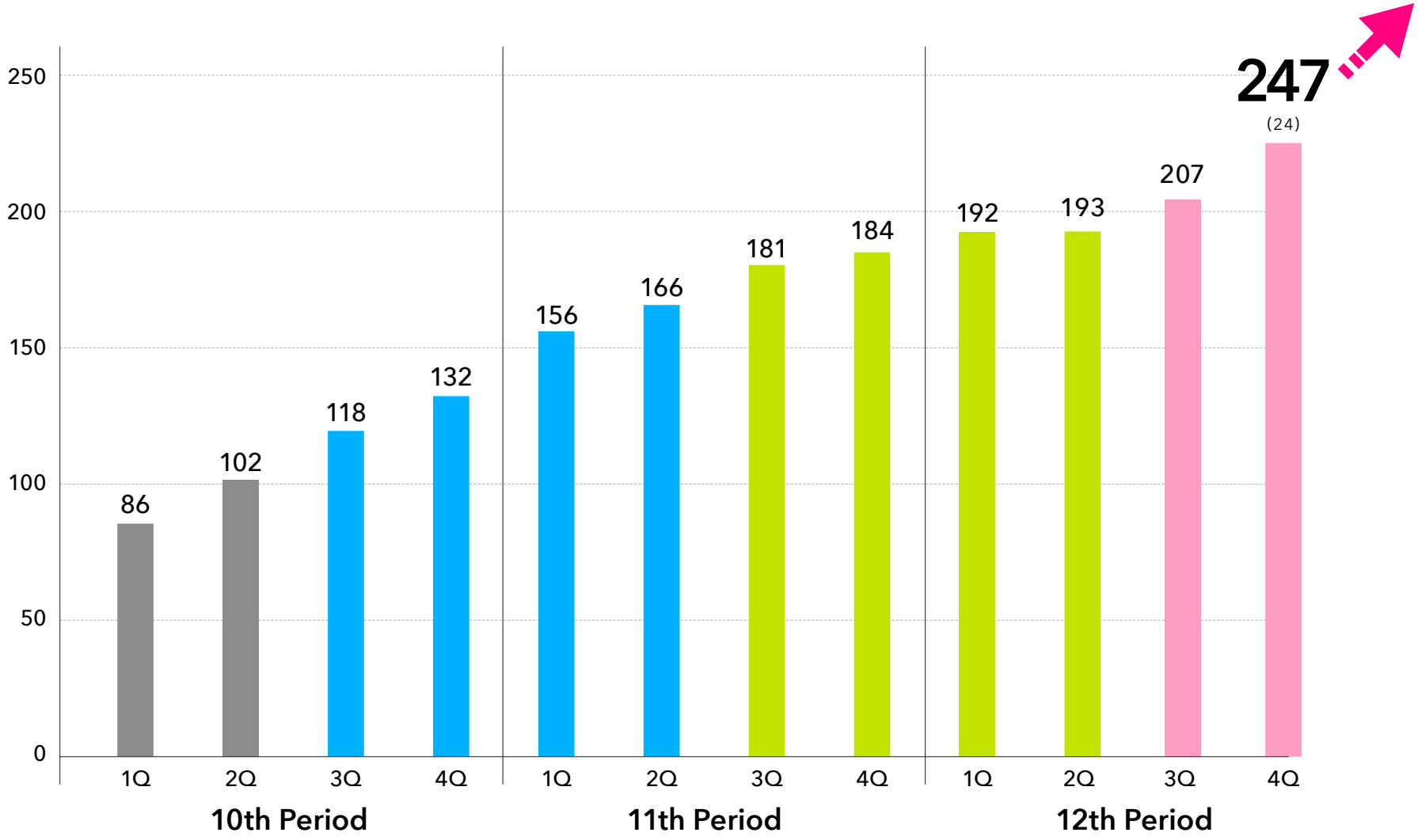
Accelerated growth model combining land information and membership



Two-revenue structure from matching of land and members



Achieved total contracts of 122.1% YoY in the end of FY2017
50.0% in progress for transfer of 900 units in FY2018



()・・・The numbers inside the parentheses show the number of units of Realize Asset Management Co., Ltd.

Robot Home

Sales and OEM provision of "Apartment kit" which enables anyone to provide IoT rental housing

Planning to provide 10,000 rooms by December 2018

kit (=TATERU kit)



CENTRAL CONTROLLER

Tablet type gateways that can be equipped with various functions



TAG SECURITY

Detects window open, close, vibration and informs you via app even when away from home



SMART LOCK

Offers *four ways to unlock doors in a simple and convenient manner

*Smartphones / Keypads / NFC such as card keys / physical keys



NATURE SENSOR REMOTE CONTROLLER

Remote controller that acquires the status of the home environment and can control devices remotely



SMART LIGHT

Turn on/off lights and adjust colors/tone of lighting

OEM provision

Evolve into IoT apartment



Order unit price per room increase by

175,000yen (ex.tax)

Anyone can easily provide IoT rental housing by using Robot Home's "Apartment kit". By utilizing "Apartment kit", residents can realize various types of lifestyles through indoor central controllers, while improving the convenience and security of their daily lives.

*The above SMART LOCK image is a prototype under development and its design differs from currently installed devices.

Property No.2

1K apartment in Takanodai Nerima-ku, Tokyo





Floor plan —— 1K　　Exclusive area —— 22.63㎡

Applied devices —— Control each home appliance in cooperation with IoT devices such as smart speakers, SMART LOCK, TAG SECURITY, SMART LIGHT (air conditioners, TV, humidifier, robot cleaner, electric curtain, digital window, etc.)

Apartment kit

1. Ease of use

2. High security

3. High convenience

Voice control of home appliances by connection with smart speakers


CENTRAL CONTROLLER


TAG SECURITY


SMART LOCK


NATURE SENSOR
REMOTE CONTROLLER


SMART LIGHT


DOOR PHONE

*The above SMART LOCK image is a prototype under development and its design differs from currently installed devices.

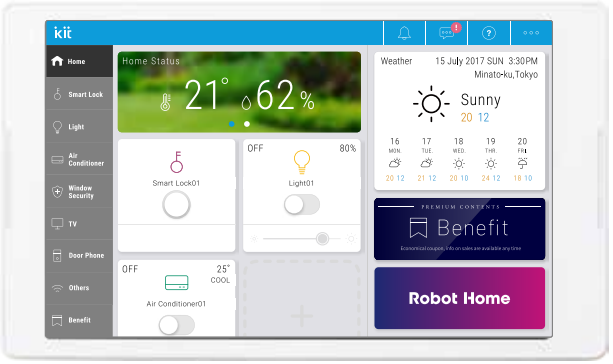
1. Ease of use

Each IoT device is connected in advance,
allowing use from the first day of occupancy



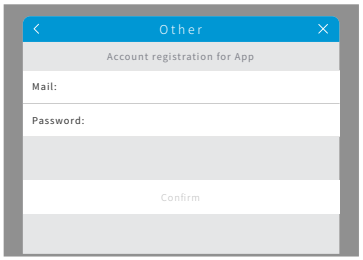
*Showroom

<Tablet standardly provided in TATERU Apartment>



Available from the first day of occupancy!

<Setup via App>



Tablet setup screen



App setup screen

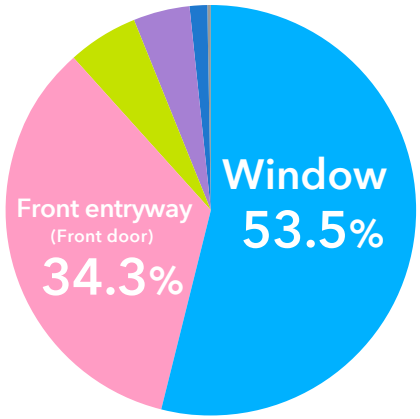
Only an email address and password are required!

2. High security

Number of burglaries committed in 2016

Approx. **40,000** cases (Approx. **107** cases per day)

Entry point for burglaries

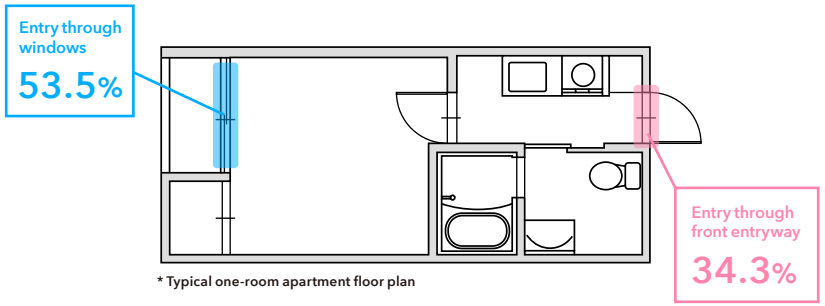


Shared housing (three floors or less)
9,130 crimes committed in total (2016)

Windows and **front doors** account for Approx.

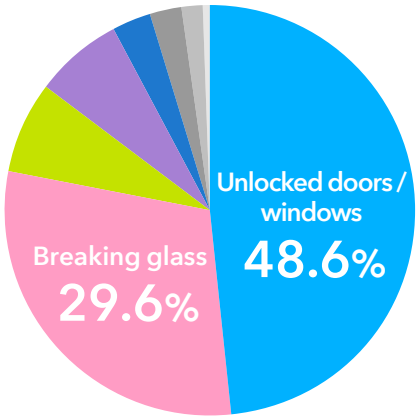
90% of burglary entry points

53.5%	Window
34.3%	Front entryway (front door)
5.4%	Unknown
4.3%	Other entryway
1.5%	Other
0.1%	Emergency exit



* Typical one-room apartment floor plan

Means for entry into shared housing



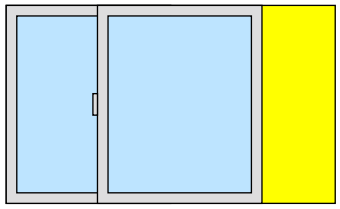
Shared housing (three floors or less)
9,130 crimes committed in total (2016)

The means for entry into shared housing are …

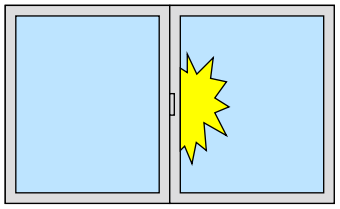
Unlocked doors / windows 48.6%

Breaking glass 29.6%

48.6%	Unlocked doors/ windows	3.1%	Other
29.6%	Breaking glass	2.6%	Other unlocking
7.2%	Duplicate keys	1.7%	Door lock-picking
6.9%	Unknown	0.3%	Door removal



Unlocked doors/windows
(Entry through doors/windows)
48.6%



Breaking glass
(Entry through windows)
29.6%

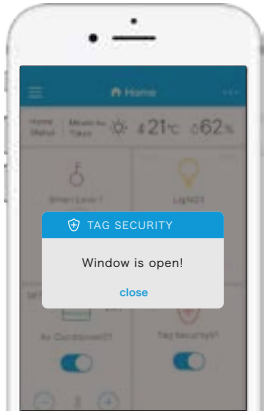
Source: "Smile (Home) Crime Prevention #110," National Police Agency (http://www.npa.go.jp/safetylife/seianki26/theme_a/a_d_1.html)

2. TATERU kit SECURITY

Sensors detect entry → Alerts residents → Police are notified as necessary

Crime prevention on windows (TAG SECURITY)





Screen informing detection of window open, close, or vibration

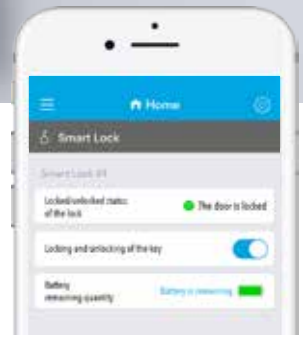


Camera launch screen (under development)

- When windows are opened
  * Magnet sensors detect opening and alerts residents via tag security
- Breaking glass
  * Detect through vibration sensors
- Unlocked doors/windows
  * Alert residents through lock check functions (under development)

Crime prevention on front doors (SMART LOCK)





Displays open/close status (under development)

- Unlawful unlocking
  * Discourage intruders via alarm sounds
- Unlocked doors/windows
  * An auto-lock function is available

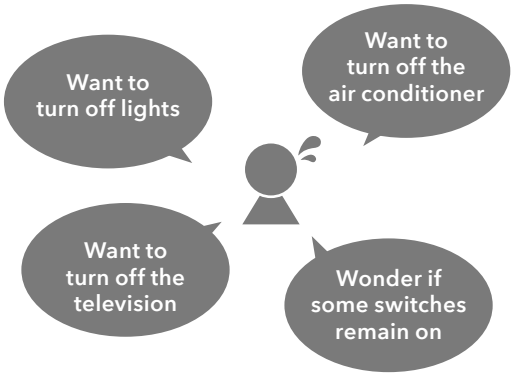
*The above SMART LOCK image is a prototype under development and its design differs from currently installed devices.

3. High convenience

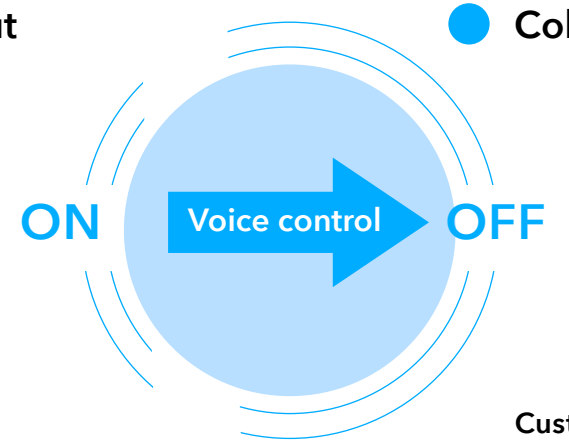
Compatibility with smart speakers allows for connecting to various home appliances such as lighting, air conditioners, and televisions, to enable customized settings via voice control.

Voice control frees residents from worries of un-switched-off devices while away from home

For example, when going out



Collectively control switches via voice





Customize home appliances via voice control



NATURE SENSOR REMOTE CONTROLLER

Residents can check the status of indoor temperature and humidity, as well as control air conditioners, televisions, and others with one tap of the central controller. In addition, control of infrared communication devices such as air conditioners is available even when away from home.

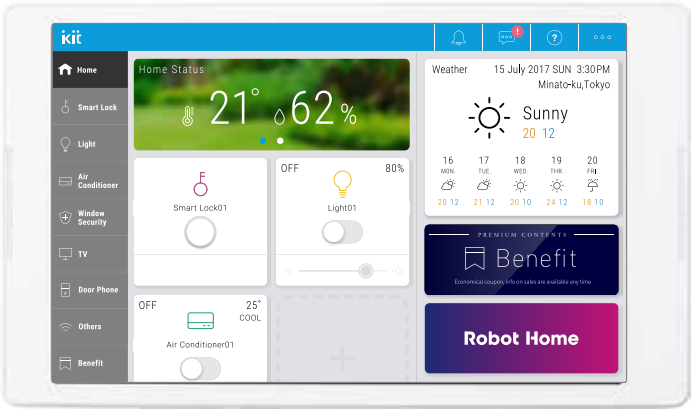


SMART LIGHT

Residents can set the tone of lighting to their taste. Lights can be turned off remotely while away from home in case they were not switched off.

CENTRAL CONTROLLER

Tablet type gateway that can be equipped with various functions



Price — 30,000yen(ex. tax)

Color — white

Weight — 315g

Dimensions — 208x122x10mm (*Except for the projection)

Installation — Indoor

*System fees 1,000 yen (ex.tax) /month charged for separate options

Concierge for all rental properties

Chat service supports the daily lives of residents including problems (such as water leakage) and point of contact for notifying when moving out. Connections to various IoT devices and home appliances allow residents to obtain a unique gateway which suits their own lifestyle.



TAG SECURITY

Detects window open, close, vibration and informs you via app even when away from home



Price — 7,000yen(ex. tax)

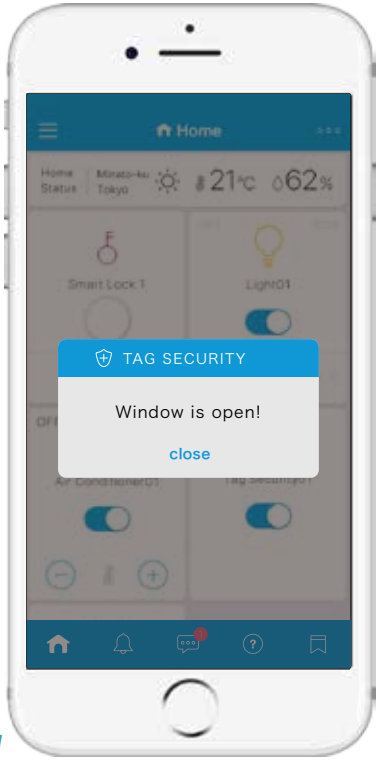
Color	white
Dimensions	84x38x8mm(body) 10x38x8mm(magnet)
Weight	27g
Installation	Indoor

Alerts on abnormalities are sent to smartphones

WINDOW SECURIY installed on window detects its open, close, vibration and you can check the abnormality in the house via smartphone when away from home.



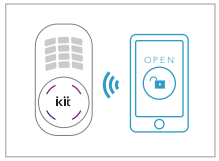
Alarm triggered when an abnormality is detected



SMART LOCK

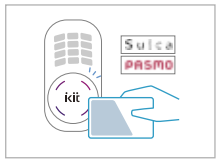
4 easy ways to unlock the door

Price — 78,000yen (ex. tax)



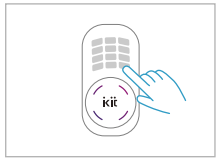
By smartphone

Capable of unlocking via smartphone through Bluetooth wireless communication.



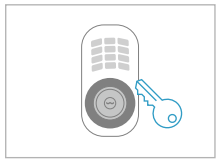
By traffic system IC card

Capable of unlocking via traffic system IC cards.



By keypads

You can set the PIN code of your choice. Automatic renewal of PIN code available in case of vacancy.

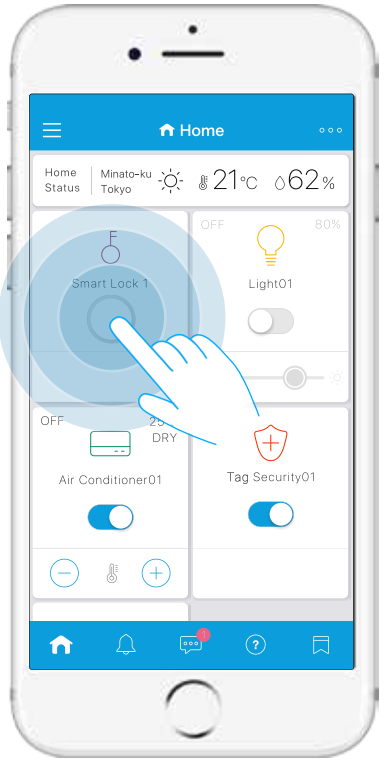


By physical keys

Physical keys are also valid, so residents can still unlock the door even if the smartphone is low on battery.

Enhanced security functions for vacancies Special processing technology enables a device that stays put





● Auto lock function

Doors are locked automatically when closed. No need to worry about forgetting to lock doors.

● Logdata available on history of unlocking

Data for "when" and "how" doors were unlocked is stored automatically, eliminating the labor of recording access.

● Low battery notification

An alert sound will ring when the battery level is low.

● Warning function

A warning sound of 105dB rings when doors are forcefully unlocked, preventing unlawful entry during vacancy.

● Easy installation

Optimal for rental properties because no work is required for the doors. Device will remain firmly attached to door by special processing.

● 9V battery compatible

Even if batteries run down, power can be supplied temporally by square-type 9V batteries from outside the doors.

NATURE SENSOR REMOTE CONTROLLER

Remote controller that acquires the status of the home environment and control devices remotely

Price — 13,000yen (ex. tax)

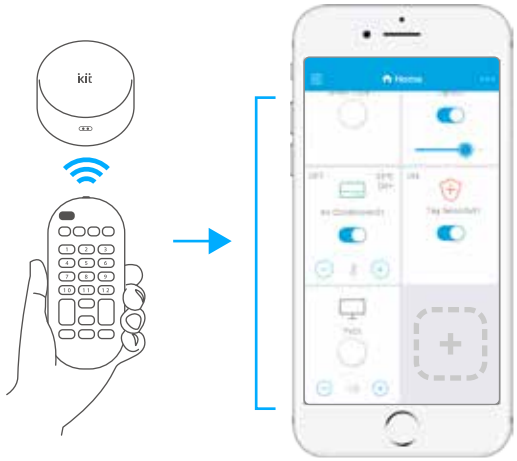
Color — white

Dimensions — ϕ78×38mm

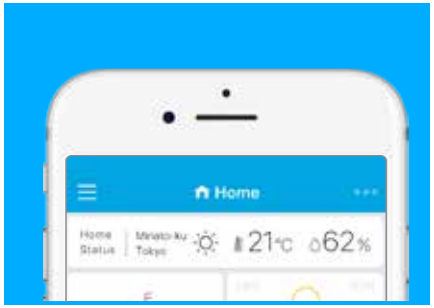
Weight — 100g

Installation — Indoor

Stay connected to the status indoors for a more convenient and comfortable life



Can add various remote controllers at home



Acquire and show the status of weather, temperature and humidity

Residents can check the status of indoor temperature and humidity, as well as control air conditionings, TV, and others in one tap of the central controller. Control of infrared communication devices such as air conditionings are available even when away from home.

SMART LIGHT

Turn on/off lights and adjust colors/tone of lighting



Price — 47,000yen (ex. tax) /room

Color — white　　Installation — Indoor

*reference price : 1 master device +3 slave devices structure
*Since construction cost differs depending on the properties, it will be quoted separately.

No more forgetting to turn off the lights by remote control

Residents can set the tone of lighting in their taste. Lights can be turned off remotely in case they were not switched off while away from home.





Set the illuminance and light color



On and off with a single-button operation. Can adjust the illuminance

Utilizing SMART DOOR PHONE / Correspond to all the home delivery services

TATERU kit HOME ENTRANCE

By utilizing SMART DOOR PHONE, various home delivery system is available even when away from home. Network camera installed in the room enables you to monitor the service in real time and tell your detailed request by voice call.

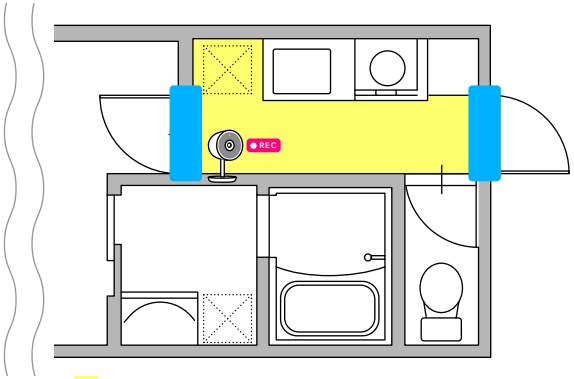
(Under development)

Correspond to all the home delivery services

Physically limiting the area to break into



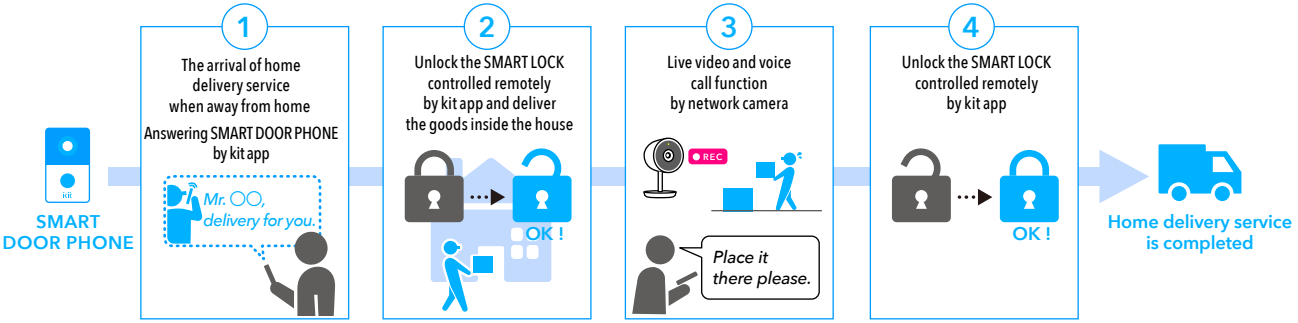
Layout of room entrance, which physically limits the area to break into



・・・HOME ENTRANCE area

・・・Doors that can be locked

The flow of home delivery service utilizing TATERU kit HOME ENTRANCE





Arrival of home delivery service when away from home



Answer the interphone by kit app



Capable of specifying the location to place the goods by voice call

A more comfortable daily life: kit's support services for residents

Benefit

Emergency — Peace of mind in emergencies Supports daily lives

Life service sharing economy 生活110番

Seikatsu #110

Websites containing useful information and contractor search/comparison that help to solve daily troubles

Compare contractors
Capable of searching and comparing services concerning fixing, cleaning, and crime prevention

Original services
Providing original services with unaddressed needs

Daily life information
Updates on useful tips for every day life

Housekeeping — Supports daily lives with housework and house cleaning services

Bears
5,200 staff nationwide with a customer satisfaction rate of 96.5%. The first recipient of the "Housework Services Certification" in Japan.

Housework/Housekeeping Supports domestic work	**House cleaning** Specialized cleaning by professionals n areas such as the kitchen
Cooking Custom cooking is available	**Kids/Babysitters** Caretaking, school pickup and drop off of children and simple errands
Senior support Supports comfortable lives for residents 60 years old and above	**Gifts** Housework services can be presented to others as gifts

Car Rental — Support outings with hassle-free unmanned car rental check-in

ORIX CarShare
Rental offices have expanded to 1,500 nationwide. Car sharing service with a wide range of cars to choose from.

Fee	
	Basic monthly fee 980 yen
	15 minutes 200 yen and up
	6 hour package 3,500 yen and up / 12 hour package 4,500 yen and up / 24 hour package 6,000 yen and up / Night package 2,500 yen and up
	IC card issuance fee (per card) 1,000 yen

* Fee plans change depending on car

Medical — Medical support Directly consult with doctors at any time

first call
Directly consult with doctors anytime for an unlimited number of times for 540 yen/month (incl.tax) (Free for the first month)

Consult via chat | Consult via video message



Consult with doctors about medical problems at any time



Clinical department-based consultation is available, including internal medicine and ophthalmology

Fashion — Support styling with a men's fashion rental service

Leeap
No cleaning required when returning clothes
Fashion rental service for men with a monthly fee

Casual Plan 7,800 yen /month (ex.tax)	·Stylists propose two outfits with three tops and one bottom ·Rent clothes once a month (*Two rentals are available during the first month)
Jacket&Pants Plan 13,800 yen /month (ex.tax)	·Stylists propose two outfits with one jacket, two tops, and one bottom ·Rent clothes once a month (*Two rentals are available during the first month)

New business partners and services coming soon!

Analyze the rate of rent in surrounding areas to decide the rent of your property

Arrange cleaning companies right after moving out, eliminating opportunity losses

See occupancy status of all properties at a glance

TATERU DB

Potential need of the owners

List apartment information on rental apartment websites and see viewer response

24-hour chat with concierges

for Owner

Providing an app that gives owners full control, from resident search to overall management

Develop an owner solution app leveraging the accumulated database of TATERU business



App screen designed for owners

Apartment kit by Robot Home

Owner

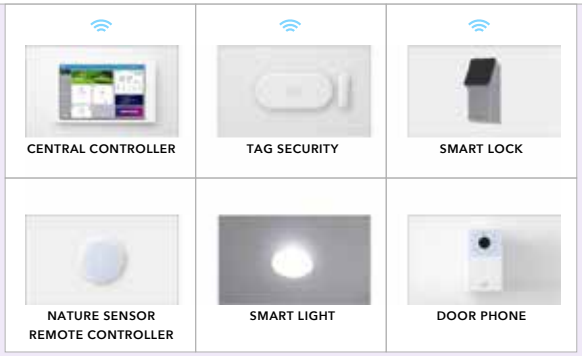
Residents

Management company

for Customer

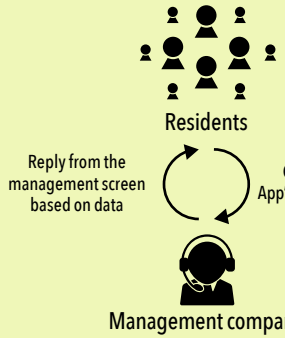
Providing IoT rental housing





for Property Management

Accelerating communication with owners Providing management tools





Management screen designed for management companies

Crowdfunding business

TATERU Funding

exceed 20,000 members

Real estate investment-type crowdfunding starting from 10,000 yen per account via app

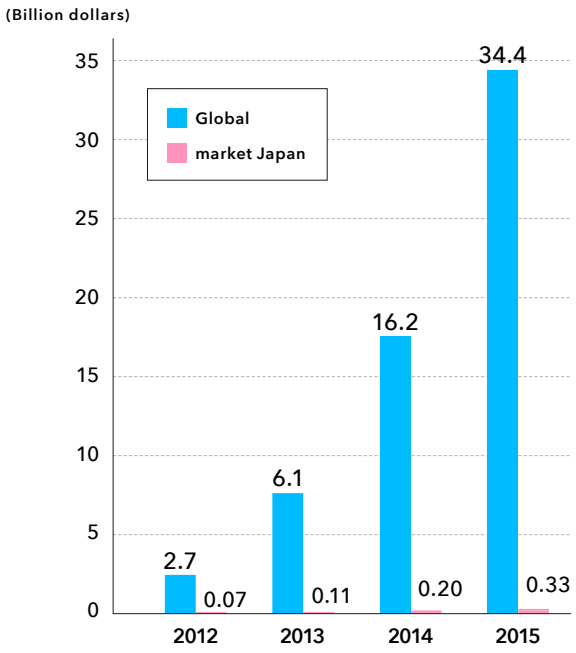
- Investment starting from 10,000 yen per account
- Application/cancellation procedures are free of charge
- Annual yield is 3%-5%



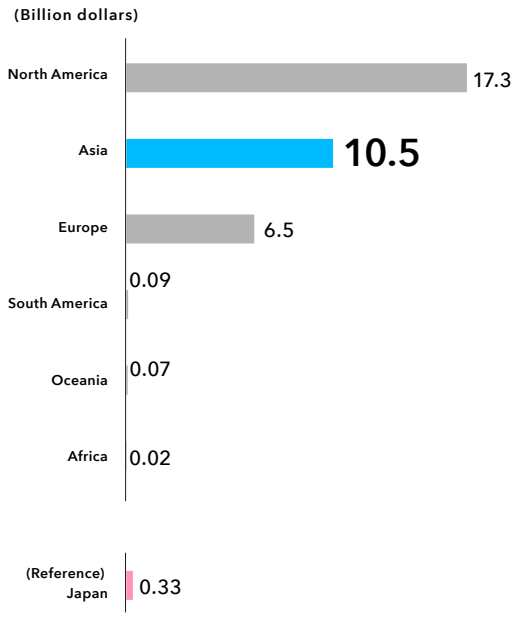
* "starting from 100,000 yen/account, annual yield 5%" till Fund No.6, "starting from 10,000 yen/account, annual yield 3%-5%" from Fund No. 7

Global crowdfunding market size

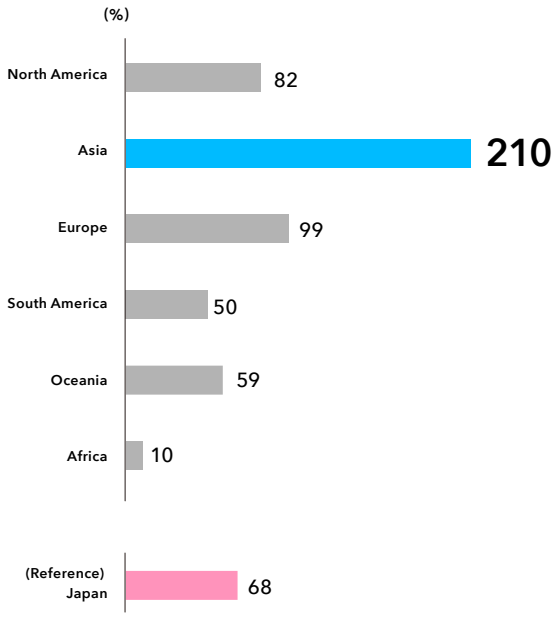
Trends in global crowdfunding market size



Regional market size

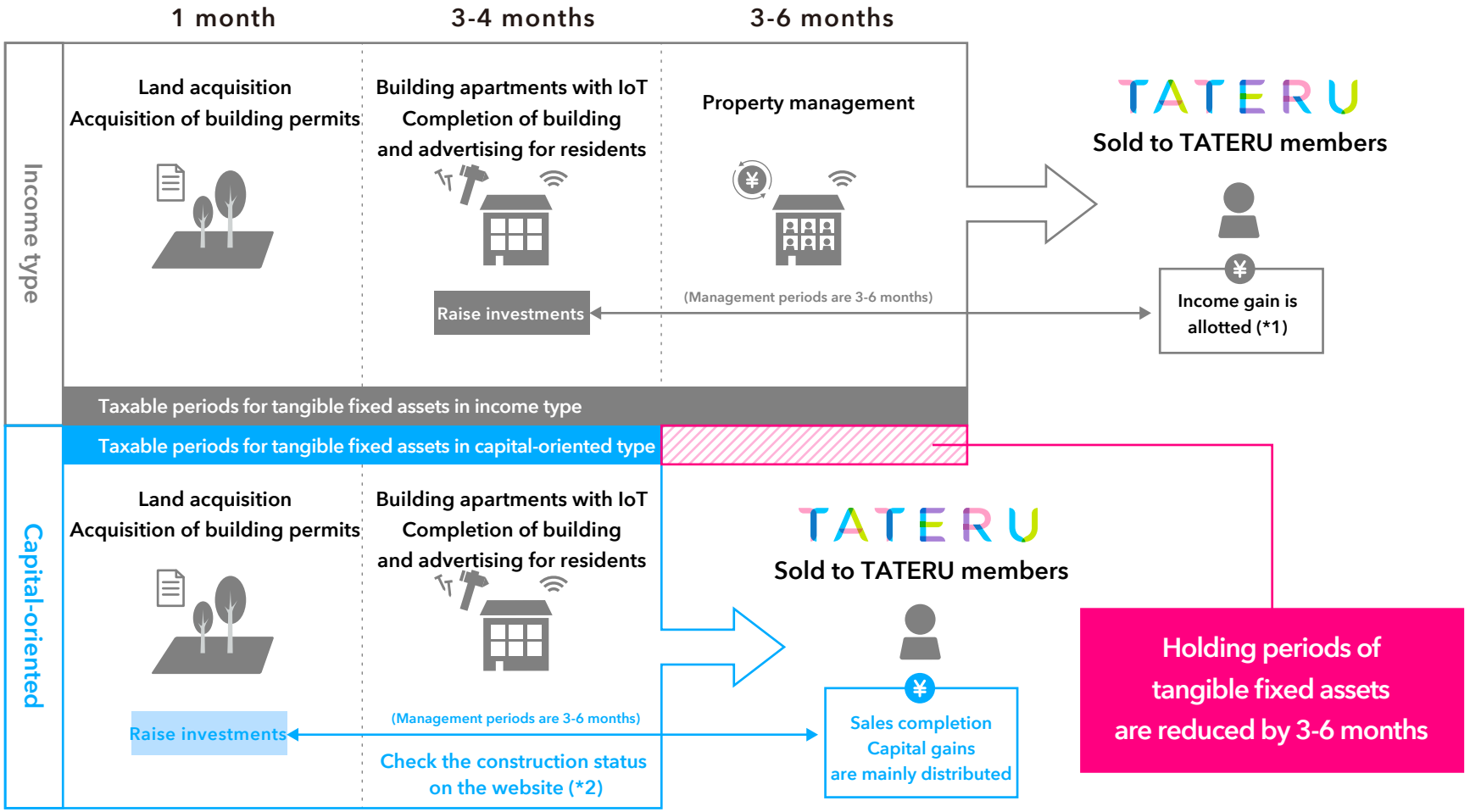


Growth rates (YoY)



* As of 2015 *Japanese market size calculated with an exchange rate of 1 USD = 110 JPY
* Created based on the "2015CF Crowdfunding Industry Report," Yano Research Institute, Statista, and Massolution/Crowdsourcing.org

Started handling "Capital-oriented fund"



* 1 Allotment periods vary by property * 2 Currently under development. Only investors have access to the website.
Income type: A product that allots income gain acquired through rental income etc.
Capital-focused type: A product that allots income gain acquired through rental income etc., and also capital gains acquired by property sales.

Providing easier asset management and the highly convenient service ranging from property information notices, investment applications, and the provision of transaction history, to profit management.

<User flow of App>



1. Member registration

Register name, email address, password, address, and phone number.



3. Select properties

Select the properties to invest in from the property list.



2. Login

Login with the registered email address and password.



4. Investment application

Enter the number of investment units and confirm the application.

*The registration of detailed membership information is required from your personal page when applying for investment.



Other user management functions

Transaction history
Check transaction history such as investment applications and invested amounts.

Refund/transfer applications
Cancellation-related applications can be processed for free at any time.

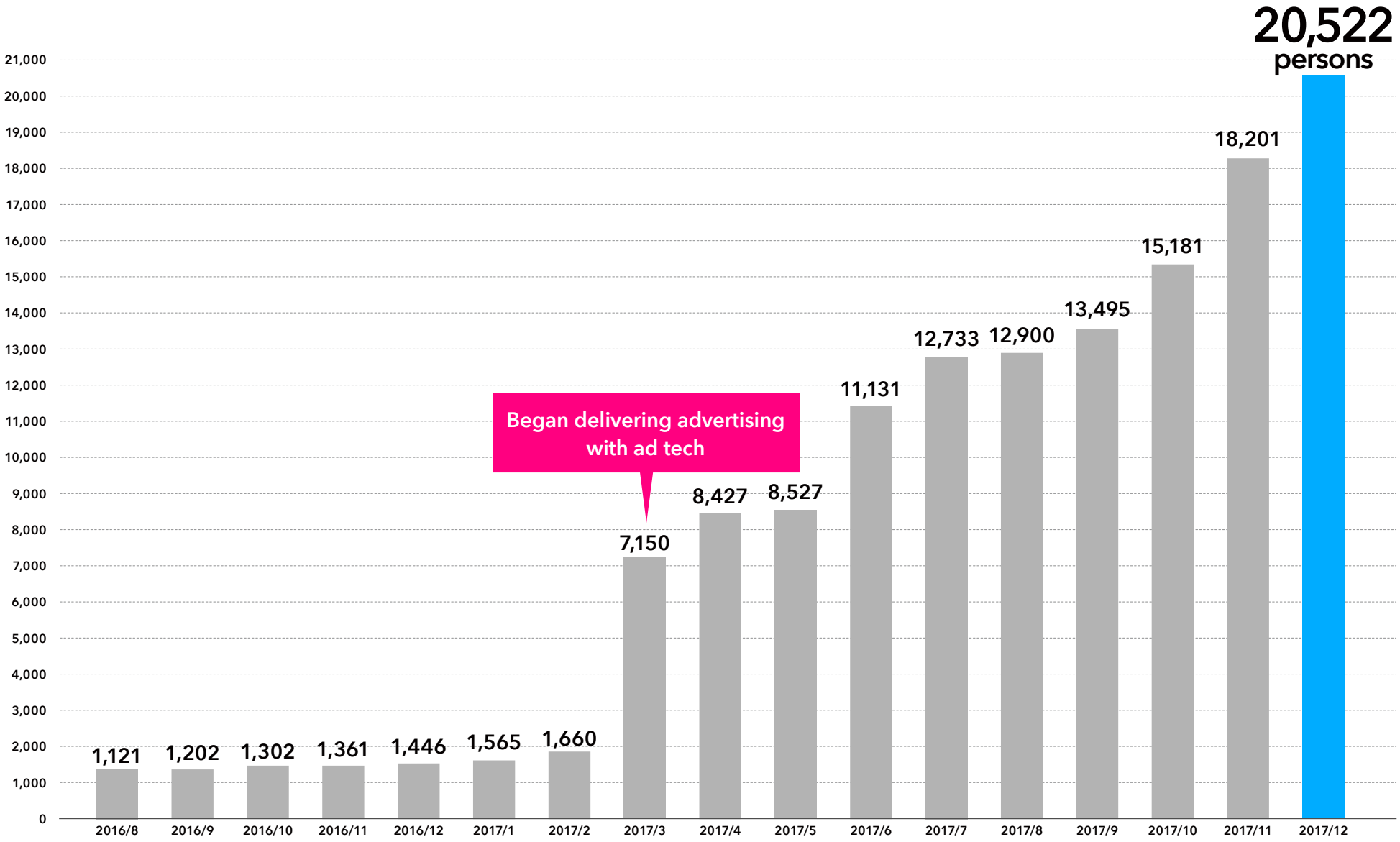
Revenue details
Check revenues that customers have earned via dividend payments.

Inquiries
Inquiries can easily be made via the app.

Change membership information
Register or change membership information easily via the app.

Seminars
Check seminar schedules and make reservations.

Trends in membership since start of operation



Synergies with the TATERU Apartment business

Retention of new customers and strategy to enable cross-selling to "TATERU Apartment"

Supporting apartment management entrepreneurship



Sales of 14 units in TATERU
Sales of 870 million yen

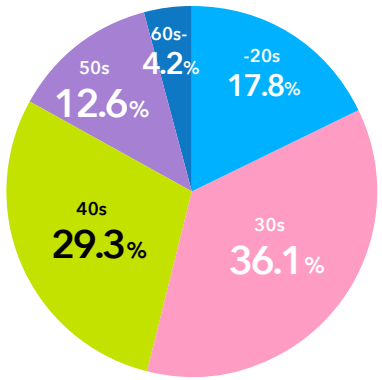
Inflow to "TATERU Apartment"

TATERU

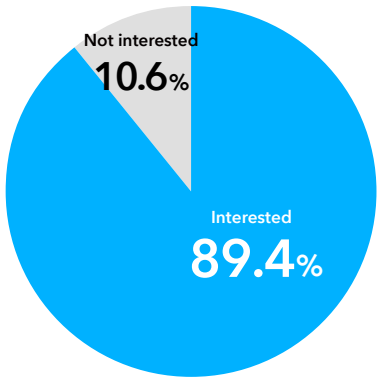
- TATERU Funding to initiate TATERU Apartment management entrepreneurship
- Cultivating new customer base starting from the approachable amount of 10,000 yen per account
- Crowdfunding, a new choice that utilizes IT

Applicants ratio

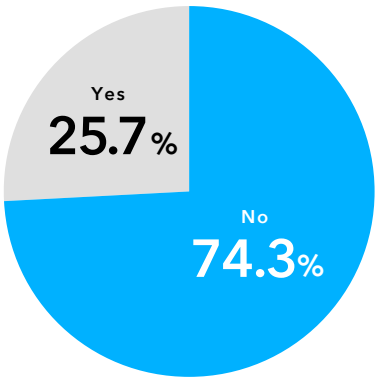
Age



Real estate investment



Experience in real estate investment



as of December 31, 2017

Funds solicited = 785.40 million yen

Funds raised = 3,321.32 million yen



Fund No.1 **Redeemed**

Application of
44.80 million yen
was completed in approx. **20** minutes



Fund No.2 **Redeemed**

Application of
42.70 million yen
was completed in approx. **1** minutes



Fund No.3 **Redeemed**

Application of
153.90 million yen



Fund No.4 **Redeemed**

Application of
272.30 million yen



Fund No.5 **Redeemed**

Application of
415.30 million yen



Fund No.6 **Redeemed**

Application of
338.70 million yen



Fund No.7 **Redeemed**

Application of
146.72 million yen



Fund No.8 **Redeemed**

Application of
71.88 million yen



Fund No.9 **Redeemed**

Application of
208.08 million yen



Fund No.10 **In service**

Application of
320.60 million yen



Fund No.11 **Service commenced on January 1, 2018**

Application of
369.53 million yen



Capital-oriented type Fund No.1 **Service commenced on January 1, 2018**

Application of
222.14 million yen



Capital-oriented type Fund No.2 **Service commenced on January 1, 2018**

Application of
225.87 million yen



Capital-oriented type Fund No.3 **Service commenced on January 1, 2018**

Application of
216.73 million yen



Capital-oriented type Fund No.4 **Service commenced on January 1, 2018**

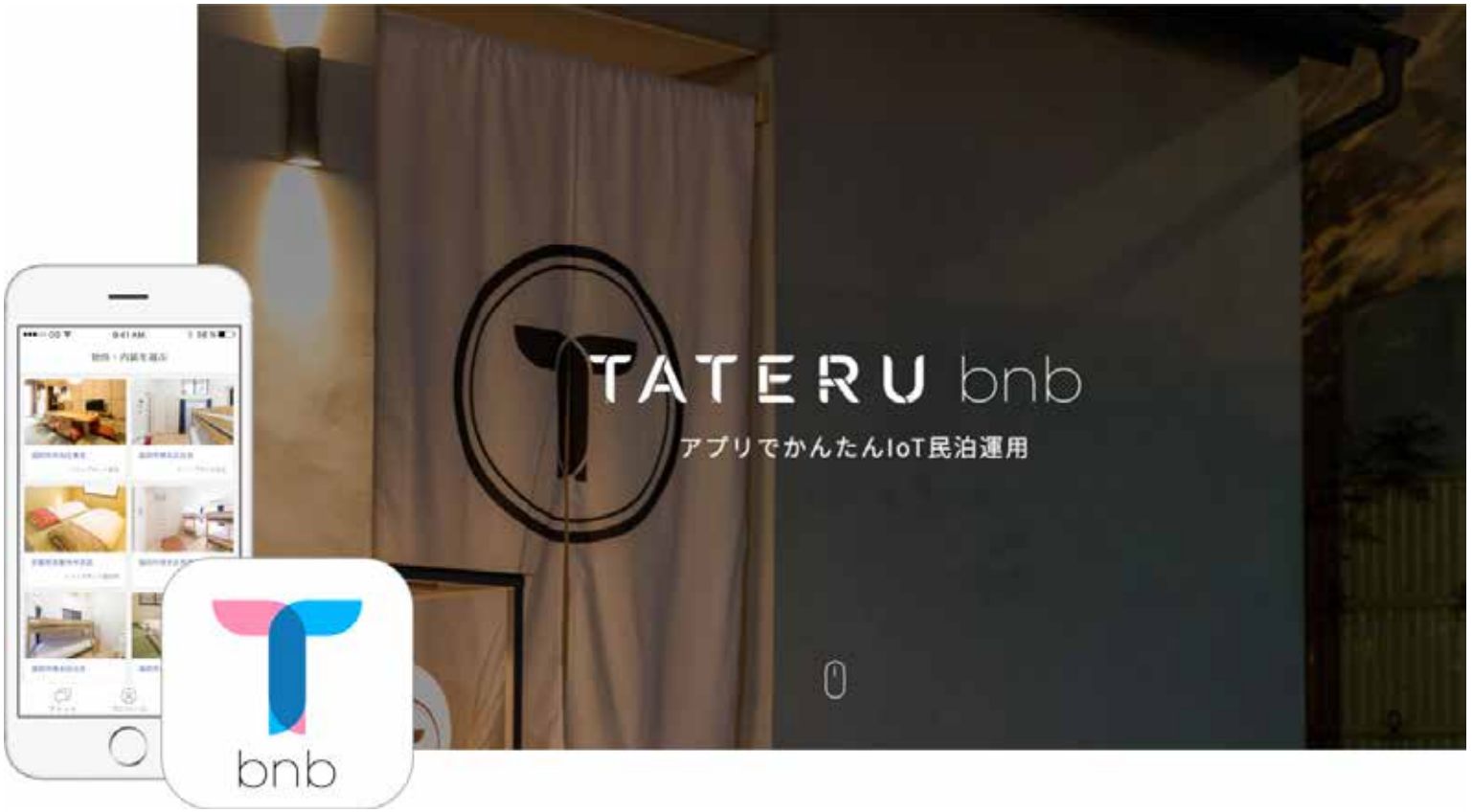
Application of
224.27 million yen

Funds No. 1 to 2 · · · First-come, first-served basis starting from 100,000 yen/account Funds No. 3 to 6 · · · Lottery basis starting from 100,000 yen/account
Funds No. 7 to 11 · · · Lottery basis; Conditions were changed to start from 10,000 yen/account Capital-oriented type fund No. 1 and thereafter · · · Capital-oriented; lottery basis

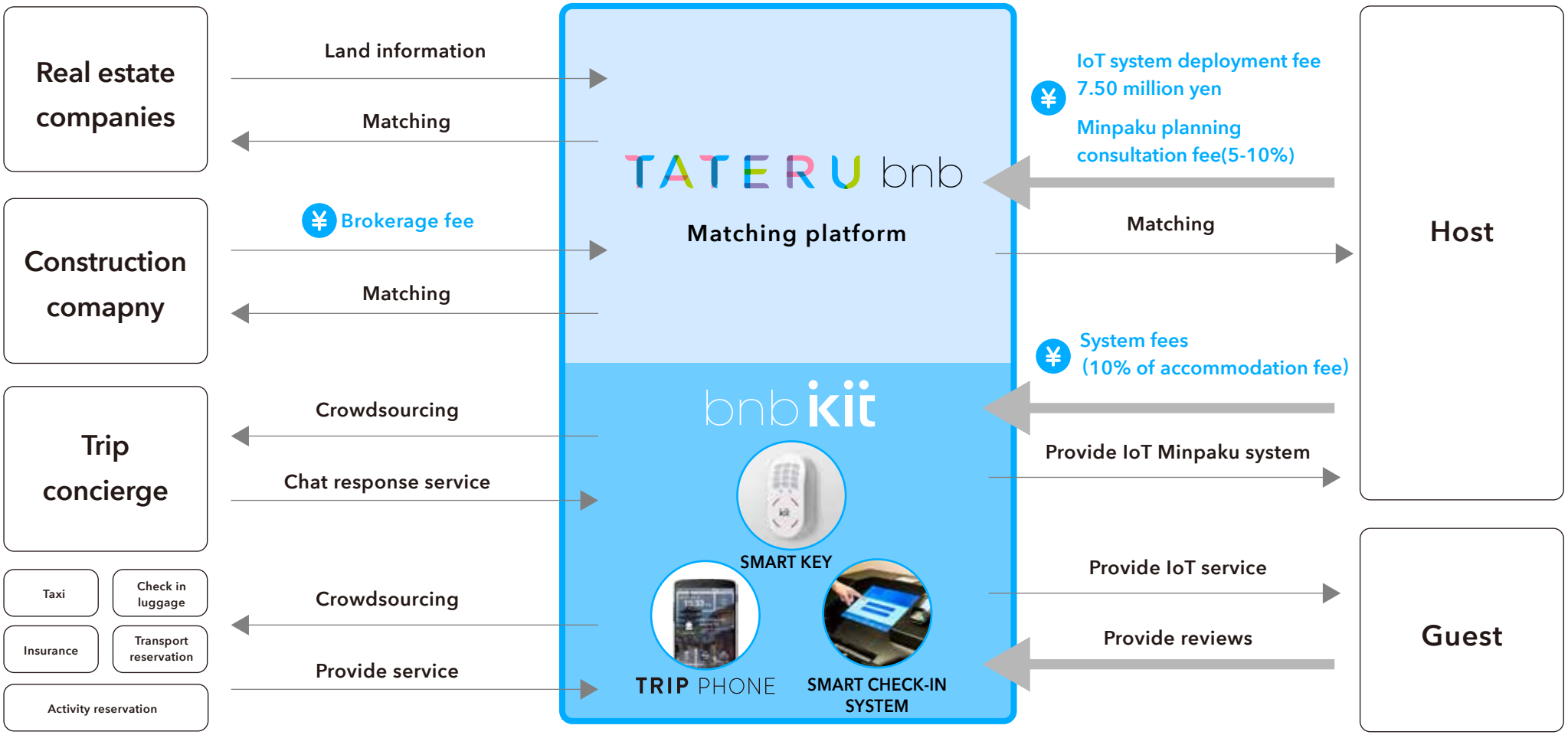
Minpaku business

TATERU bnb

Introducing IoT Minpaku management



IoT Minpaku matching platform



Deregulation of Hotel Business Act

Publication of Order of Enforcement and Enforcement Regulations
and notice was issued according to the revision of Hotel Business Act on Wednesday January 31 2018

Go into effect from June 2018

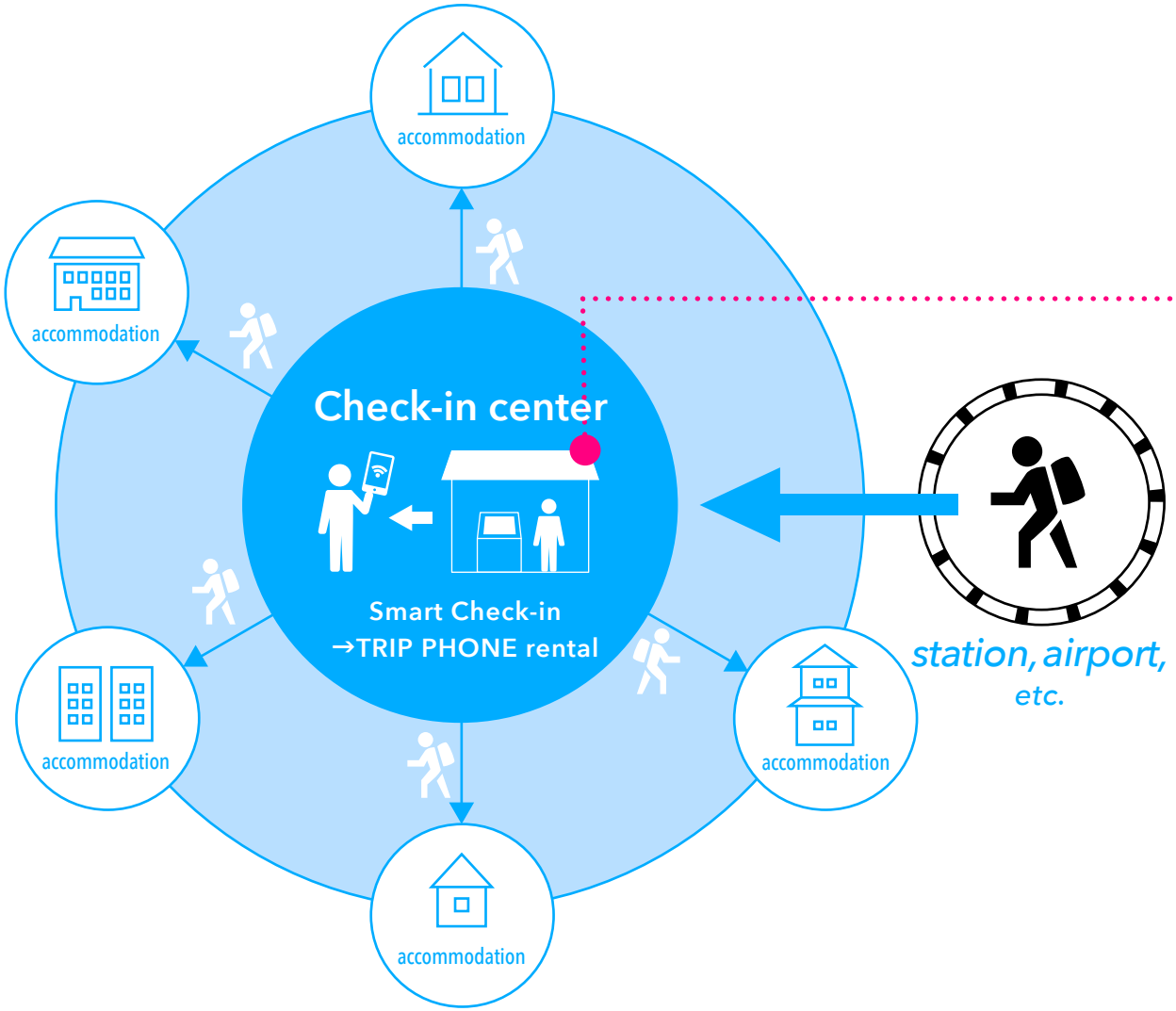
Content of the change to become the point

- **Abolition of reception**
- **Check-in is available by ICT without any face-to-face contact**
- **Management offices are located within 10 minutes distance from each accommodation.**

=Substantially unmanned management available

“TATERU bnb Check-in Center”was opened precedently in Fukuoka which is under Deregulation of Hotel Business Act

Operating mainly in the “Hakata” and “Tenjin” areas of Fukuoka





Check-in counter installed in SUN SELCO, Fukuoka

Check-in flow utilizing IoT

1 ▶ 2 ▶ 3 ▶ 4

Check-in at Smart Check-in center



Receive TRIP PHONE after check-in



You can enter the accommodation any time you like



Have a comfortable trip with TRIP PHONE



Utilizing the “TRIP PHONE” IoT device

CONNECT FOR JAPAN EXPERIENCE
TRIP PHONE

- Smartphone designed for foreign tourists -



TRIP Concierge

AI and human concierge combination offers meticulous response to various requests of tourists.

On a 24-hour basis
Supports Japanese, English, Chinese, and Korean

Tethering

TRIP PHONE provides Internet connectivity anytime, anywhere for tourists’ smartphones and computers.

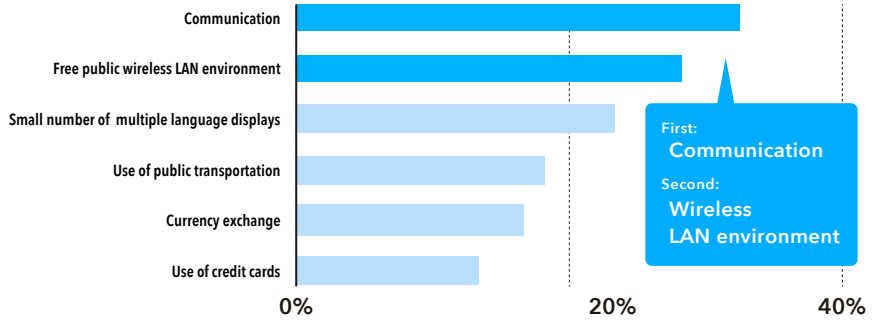
Translation

Translate 31 foreign languages via handwriting or sound.

Guide

GPS-connected audio guide system introduces a town’s popular spots as if listening to a museum audio guide.

“Troubles while traveling” for foreign tourists



Evaluation of accommodation where “TRIP PHONE” is available

>> Selected as the best accommodation on Booking.com!

Word of mouth among foreign tourists

I could use a smartphone with free Wi-Fi, and I could find (check) all information though this was my first trip. Additionally, concierges replied to my inquiries on a 24-hour basis, and I could enjoy my stay to my heart’s content!



TRIP PHONE collaborated companies list

Transport functionreservation

EVOLABLE ASIA CO., LTD.



Music event function

77HZ LTD.



Audio tour function

IPPON, Inc.



Activity curation function

VOYAGIN PTE. LTD.



Emergency call function

Tokio Marine & Nichido Fire Insurance Co., Ltd.



Taxi reservation function

Nihon Kotsu Co., Ltd.



Scan function

Payke Inc.



Restaurant search function for vegetarians

Frembassy, Inc.



Merchandise sales service function

Chapter8, Inc.



Baggage handling service reservation function

ecbo Inc.



Translation function(handwriting, menu)

NTT DOCOMO, INC.

Collaborative experiment

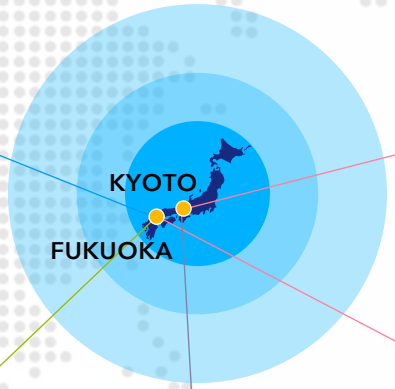


Further development is planned

Development of IoT Minpaku system

Efficient Minpaku management utilizing IoT device "TRIP PHONE"

Around-the-clock concierge and translation functions facilitate resident management and the reduction of management costs.



Tenant Type @FUKUOKA

(Scheduled to open in October 2017)

¥3,000～ / 1 Bed

This hostel is managed by leasing tenants. Owners can open hostels at a good location with small investment, thereby expecting to achieve high capacity utilization and revenue.





*This picture is a depiction

House Type @KYOTO

¥25,000～ / night (up to 5 people)

Traditional townhouse-type hostel. Residents can experience Japanese lifestyles. This hostel is suitable for groups ranging from five to ten people.







House Type @FUKUOKA

(Scheduled to open in September 2017)

¥25,000～ / night (up to 5 people)

Apartment Type @FUKUOKA

¥3,000～ / 1 Bed

Apartment-type hostel. Owners can acquire higher revenues than ordinary rental apartments. Residents can stay here as if living in an apartment. This hostel is suitable for the groups of approx. five people.





Building Type @KYOTO

(Scheduled to open in October 2018)

¥3,000～ / 1 Bed

This is a large-size hostel with luxurious lounges and dining kitchens installed. Not only dormitories but also single rooms targeting groups and individuals are available.





*This picture is a depiction

House Type @Kyoto



House Type @Fukuoka



Revenue and expense simulation for accommodation facilities







Reference price of property

86.25 million yen

Land 43.00 million yen / Property 27.00 million yen /
IoT system deployment fee 8.00 million yen /
Consultation fee (10%) 7.00 million yen /
Interior coordinate fee 1.25 million yen

Room charge	Average occupancy rate	Accommodation structure
¥13,000	70%※1	4 rooms / 1 building

Owner's revenue and expenses

Annual sales	¥13,286,000
Annual operating expenses	(¥8,186,700)※2
Annual profit	¥5,099,300
Yield on investment	5.9%

The Company's sales

IoT Minpaku system fee
=10% of sales
¥1,328,600
(included in operating expenses)

※1 Occupancy rate of 70% is not guaranteed

※2 The breakdown is commission (15% of revenue) plus actual operating expenses such as utilities, linen, cleaning, and personnel (subject to change)

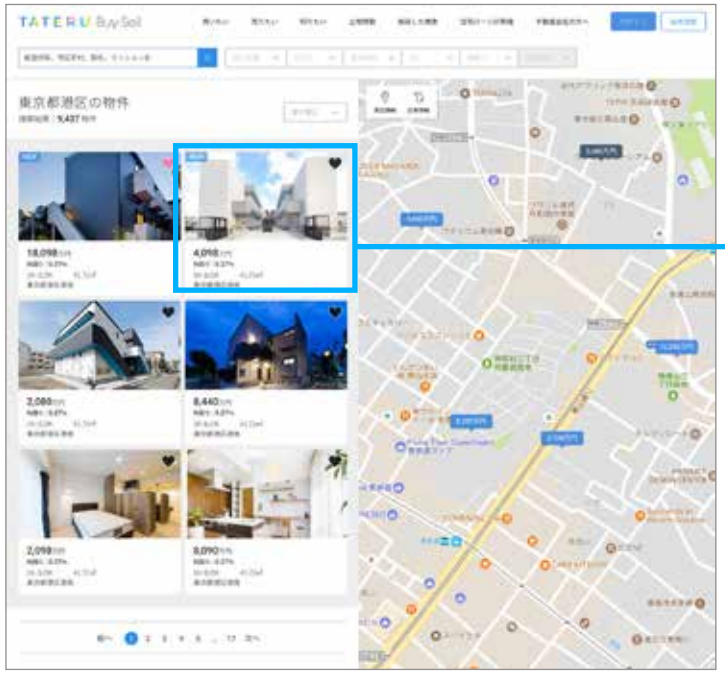
Real estate portal site "TATERU Buy-Sell" is opened

TATERU Buy-Sell

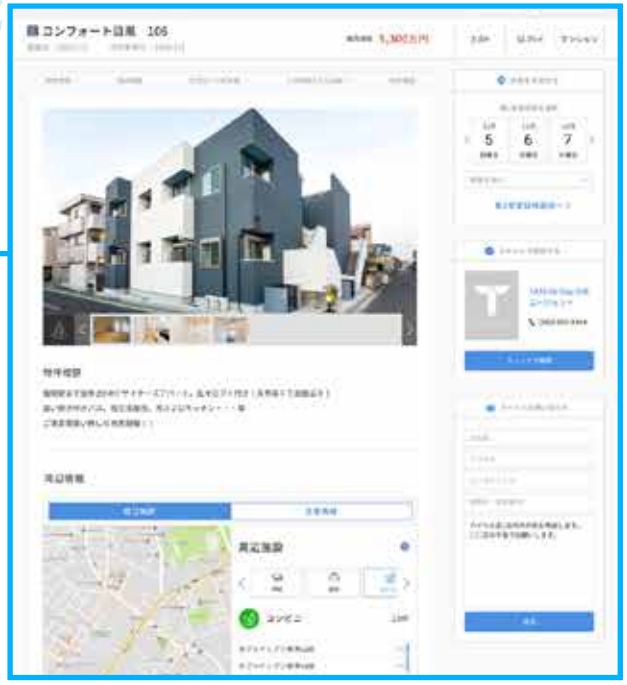


It is *free* to be listed on Real estate portal site “TATERU Buy-Sell”
And planning to expand its business *throughout Japan*
regarding agents and property data listed on.
The contents *for real estate agent* will be open
in August 2018.

Property search screen



Detailed screen 01 (details of the property)



Detailed screen 02 (peripheral information screen)



※一部開発中

TATERU Buy-Sell

× SMA・RENO SMART RENOVATION



Smart renovation online

Began matching service for apartment transactions
SMA-RENO concierges support apartment transactions

Person wishing to sell

Assessment request

Purchase

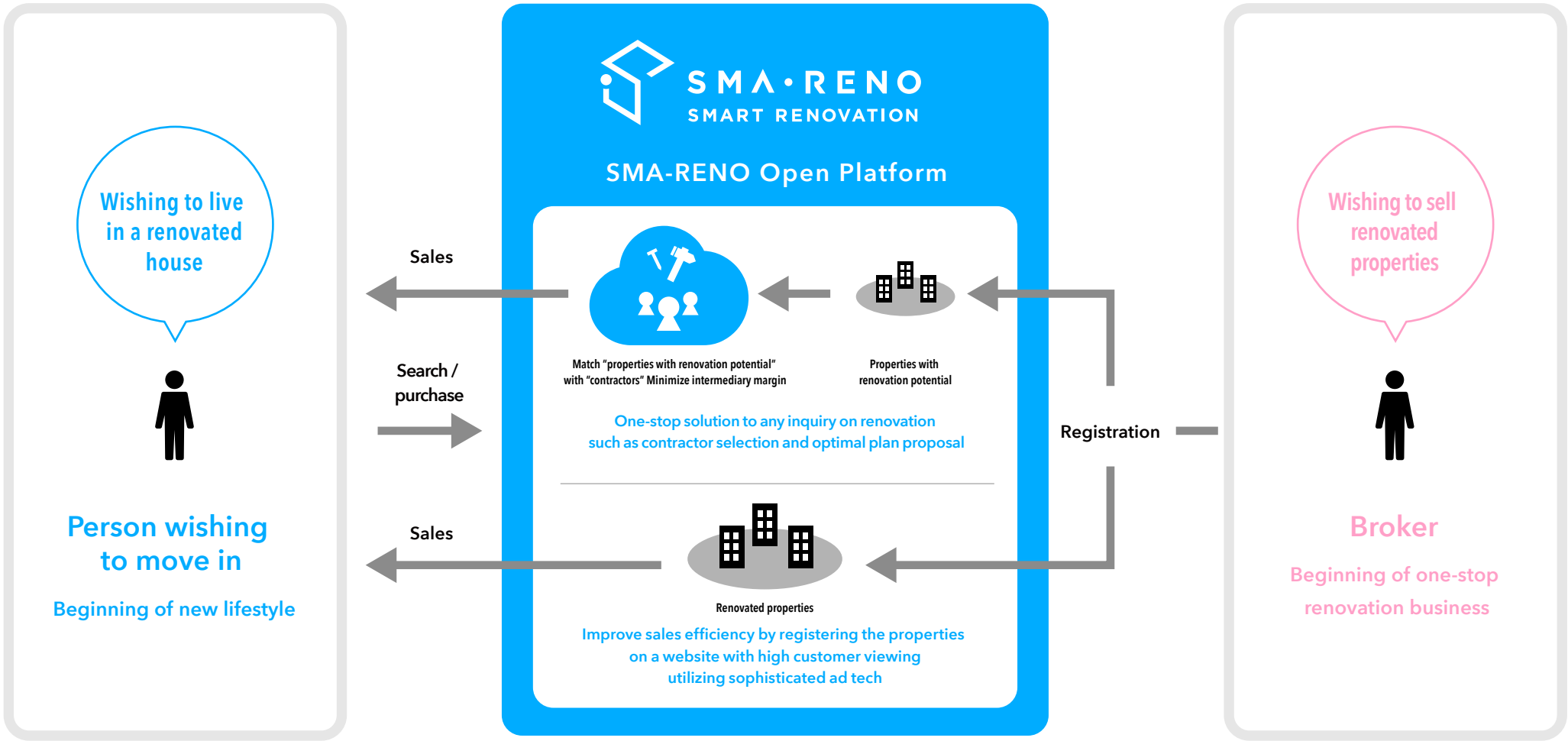
SMA-RENO concierge

- Match the person wishing to sell and SMA-RENO member
- Online chat consultation is available
- Negotiate sales price or create written contract
- Prepare the transfer

Provide property information

SMA-RENO member

Began development of SMA-RENO open platform



TATERU Ventures

Expanding market share in real estate tech
Increase business growth speed and keep seeking for the next innovation

Investee companies list

Listed on the Mothers section of the Tokyo Stock Exchange

Global Link Management Inc.
Operates development, sale, and management businesses for apartments held for investment purposes within 30 minutes of the Yamanote Line in Tokyo. In the future, intends to utilize IT to roll out the Tokyo model globally.

Uhuru Corporation
Engages in business cocreation based on IoT with its mainstay "enebular" IoT orchestration service, which connects edge device data and the cloud.

Secual, Inc.
Develops, manufactures, and sells smart security products, while also providing relevant management services.

BIJ Corporation
Integrator of hotel and IT services, providing a smart hostel business that caters to a wide variety of needs including overseas tourists.

ietty Co., Ltd.
Operates and develops the ietty "sought after" rental property matching website, a rental property recommendation platform.

GA technologies Co., Ltd.
Operates the "Renosy" integrated platform for used real estate, which utilizes AI. Covers a wide range, from the sale of real estate for actual use or income, to renovation services.

MANSION MARKET inc.
Operates one of the largest apartment sales/rental information websites in Japan, and also provides information concerning property market rates (asset value), historic transaction prices, etc.

DIGISURF, Inc.
Realizes profit generation and customer traffic for idle properties with the goal of bringing more comfort to leisure.

ATSUMARU Co., Ltd.
Develops a platform to create customer traffic utilizing big data and artificial intelligence.

Total 9 companies; presently 1 IPO

Disclaimer regarding forward-looking statements

The materials and information presented in this release include “forward-looking statements.” These statements are based on expectations, forecasts, and assumptions that are subject to risks at the time of release, and include uncertainties that may cause outcomes to differ in substance from these statements.

These risks and uncertainties include industries in general, market conditions, and general domestic and international economic conditions such as interest rate and foreign exchange fluctuations.

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