Q1 2021

Securities Code	3300



AMBITION

Supplementary Financial Materials

Fiscal year ending June 2021 (Q1)

November 13, 2020 (Friday)

Ambition Corporation

ISIN JP3128650003

AGENDA

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Policy for the Fiscal Year Ending June 2021

A year of establishing a growth base as a real estate DX company

Plan to continue focusing on the **promotion of company-wide digital transformation (DX)** and the growth of RPA business, and appropriately conduct upfront investment

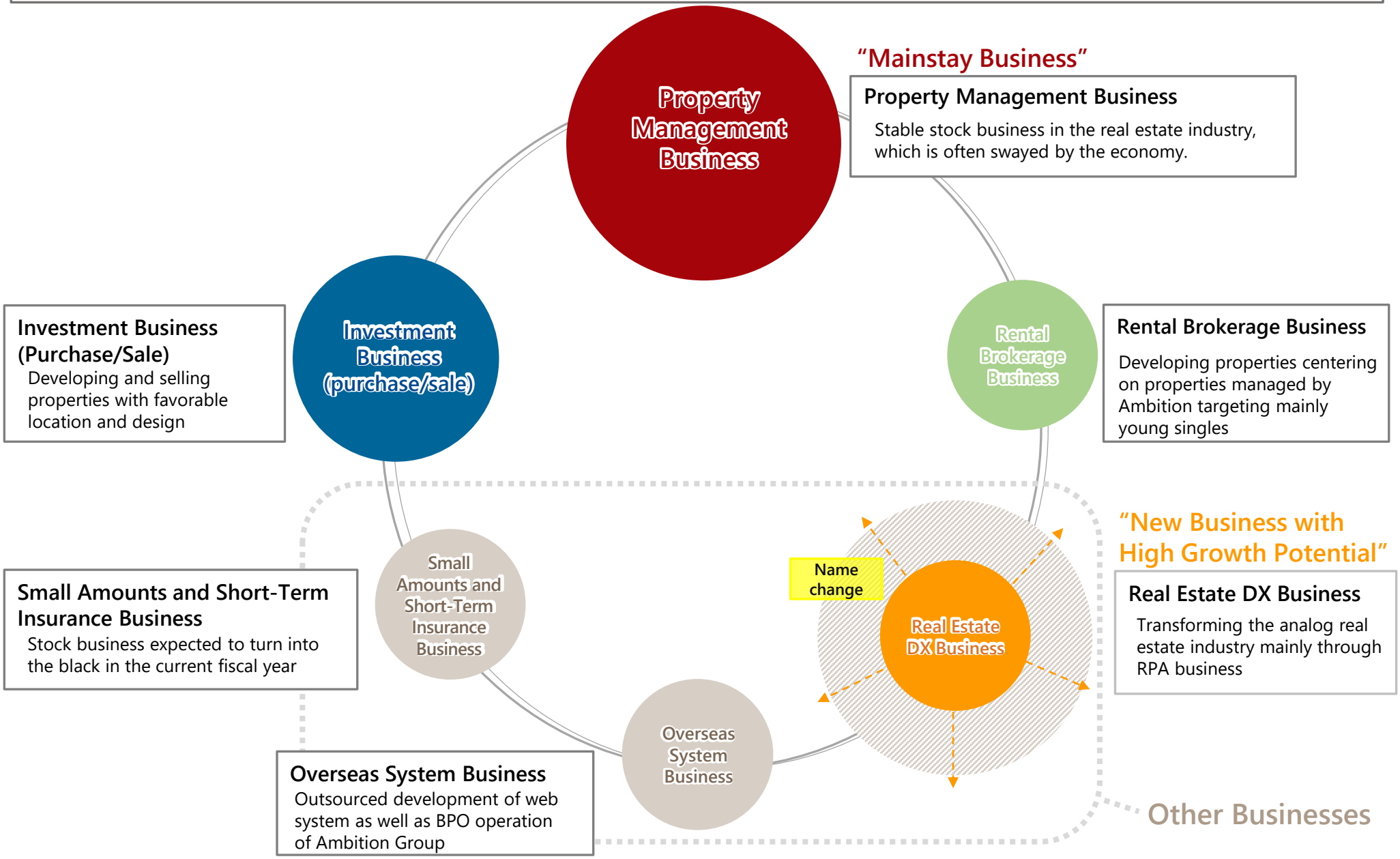
Q1 of the Fiscal Year Ending June 2021

The negative impact of COVID-19 on some businesses was generally eliminated, and net sales totaled 7.23 billion yen (up 4.7% year on year) and operating profit increased significantly to 254 million yen (up 58.1% year on year)

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01 About Ambition Group

Segment Configuration (3 Segments + Other)

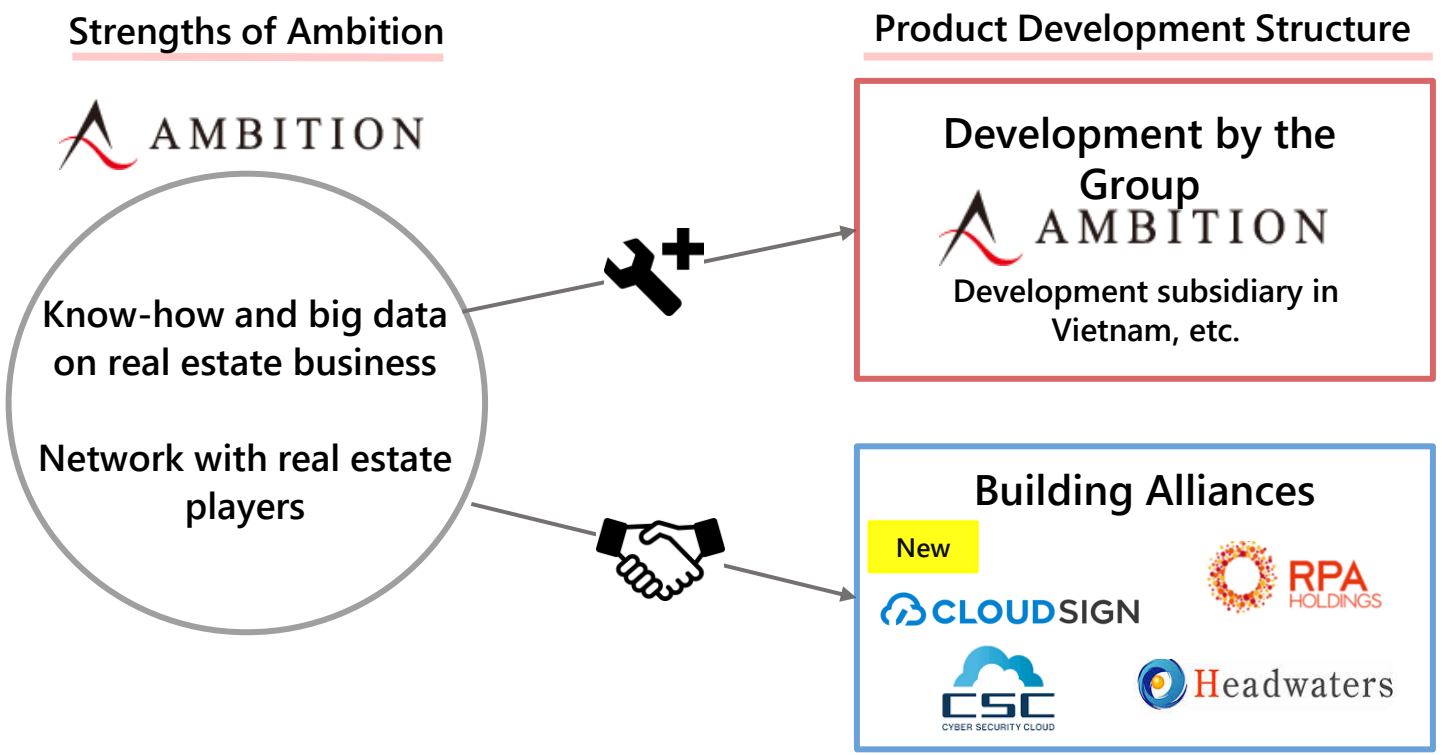


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Changed name of "Real Estate Tech Business" to "Real Estate DX Business" in the current fiscal year

Basic policy: Transforming labor-intensive real estate business through DX

New strategy: Initially focus on the real estate field and conduct product development by combining development by the Group and alliances in a balanced way. Scheduled to also develop customer-oriented services in the future. Eventually consider expansion into fields other than real estate



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As the first step, initially focus on efforts on **DX in the real estate industry** with an aim to realize **"acceleration of growth in Group businesses"** and **"creation of new revenue sources in an SaaS format"** in the real estate field

Business Value Chain

Development → Sales → Property management → Rental brokerage → Renovation → Secondary distribution

AMBITION (Investment) (Property management) (Rental brokerage)

AMBITION+ RENO

Fields developed by Ambition Group

VERITAS INVESTMENT

ROOMPIA Tokyo Smart Life

VALOR HOME ADVISE

Initiatives on DX



IoT-based smart homes

New
AI algorithm inferring optimum rent

ラクテック Rakutech 反響倍増くん Hankyoubaizou-kun

New
CLOUDSIGN Collaborative product

CPMA
(Contract Process Management Automation Cloud)

A funding

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As the second step, scheduled to newly develop customer-oriented services (for consumers) in the real estate field by utilizing the know-how we have cultivated.

As the third step, eventually consider development in fields other than real estate

Business Value Chain

Development | Sales | Property management | Rental brokerage | Renovation | Secondary distribution

STEP 1 Deployment of products in the real estate field



IoT-based smart homes

AI algorithm inferring optimum rent

CLOUDSIGN

Rakutech 反響倍増くん Hankyoubaizou-kun

Collaborative product

A funding

CPMA
(Contract Process Management Automation Cloud)

STEP 3

Also challenge new fields beyond real estate

STEP 2 Launch new services in the real estate field including customer-oriented web services (individual consumers)

COMING SOON

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Major Topics During Q1 of the Fiscal Year Ending June 2021

■ Jul. 3, 2020	Announced appointment of Soichi Yoshimura as an advisor (as of July 1)
■ Jul. 16, 2020	[Veritas] Launch of sales of new designer condominium for investment “LUMEED CUBE Kikugawa PREMIUM”
■ Aug. 14, 2020	[Re-Tech RaaS] Announced acquisition of AI-related patent for “Re-Tech Hankyoubaizou-kun” that forecasts inquiries on real estate
■ Aug. 14, 2020	[Hope] Announced development of “MONOLITH,” a new system for small amounts and short-term insurance that promotes InsurTech
■ Aug. 14, 2020	Announced development of unique AI algorithm that maximizes rental LTV (total revenue in contracts)
■ Aug. 25, 2020	Completed acceptance of entre investment amount for the second and third projects of “Afunding,” a crowd-funding service for real estate investment
■ Sep. 1, 2020	Issued sixth stock acquisition rights through third-party allotment (stock acquisition rights with exercise price adjustment option setting the initial exercise price at 4,000 yen)
■ Sep. 2, 2020	[Hope] Launched “New Living Security Insurance,” a new product for small amounts and short-term insurance
■ Sep. 4, 2020	[Re-Tech RaaS] “Rakutech Hankyoubaizou-kun” certified as target tool in “IT Introduction Subsidy 2020” of the Ministry of Economy, Trade and Industry
■ Sep. 29, 2020	Listing of invested company Headwaters <4011> on the TSE Mothers market
■ Sep. 30, 2020	Announced business partnership with Market Enterprise Co., Ltd. <3135> engaged in the online reuse business

Reference – Q2 Onwards –

Oct. 2, 2020	[Veritas] Launch of sales of new designer condominium for investment “PREMIUM CUBE Komagome”
Oct. 2, 2020	[Veritas] Launch of sales of new designer condominium for investment “PREMIUM CUBE Morishita”
Nov. 1, 2020	[Ambition Agency] Opened “Roompia Ikebukuro Higashiguchi”
Nov. 13, 2020	Announced change of name from Real Estate Tech Business to “Real Estate DX Business” in Other Businesses
Nov. 13, 2020	Announced business partnership in real estate DX product collaboration with Bengo4.com, Inc. <6027> providing electronic contract system “Cloudsign”

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02 Financial Summary

Property Management Business

◎ Strong

The number of managed units, which is the KPI, is continuing to increase steadily even amid the COVID-19 pandemic

Investment Business

○ Steady

Although there was a delay in payment settlements in the previous fiscal year, the impact of COVID-19 has already been eliminated

Rental Brokerage Business

△ Although the number of people visiting stores and demand from students and corporations are generally on a recovery trend, the original relocation needs could not be met

Real Estate DX Business

○ Seminars are held online, and there are no particular demerits caused by COVID-19

Insurance Business and Overseas System Business

◎ Still no adverse impact

Hotel Business

× Could not benefit from Go To Travel campaign as it is a hostel. Suffered significantly from the disappearance of demand for inbound tourism

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Consolidated P/L (Profit and Loss Statement)

Net sales increased by 4.7% year on year, and operating profit increased significantly by 58.1% year on year.
In addition, profit increased by 2.68 times year on year due to the drop in tax burden rate resulting from the improvement of loss for businesses in the red

(Unit: million yen)	Results for Q1 of the fiscal year ended June 2020	Results for Q1 of the fiscal year ending June 2021	YoY comparison
Net sales	6,906	7,230	+4.7%
Gross profit from sales	1,257	1,405	+11.8%
Selling, general and administrative expenses	1,095	1,150	+5.0%
EBITDA*	223	317	+42.2%
Operating profit	161	254	+58.1%
Ordinary profit	123	200	+61.7%
Profit before income taxes	113	199	+76.8%
Profit attributable to owners of parent	37	100	2.68 times

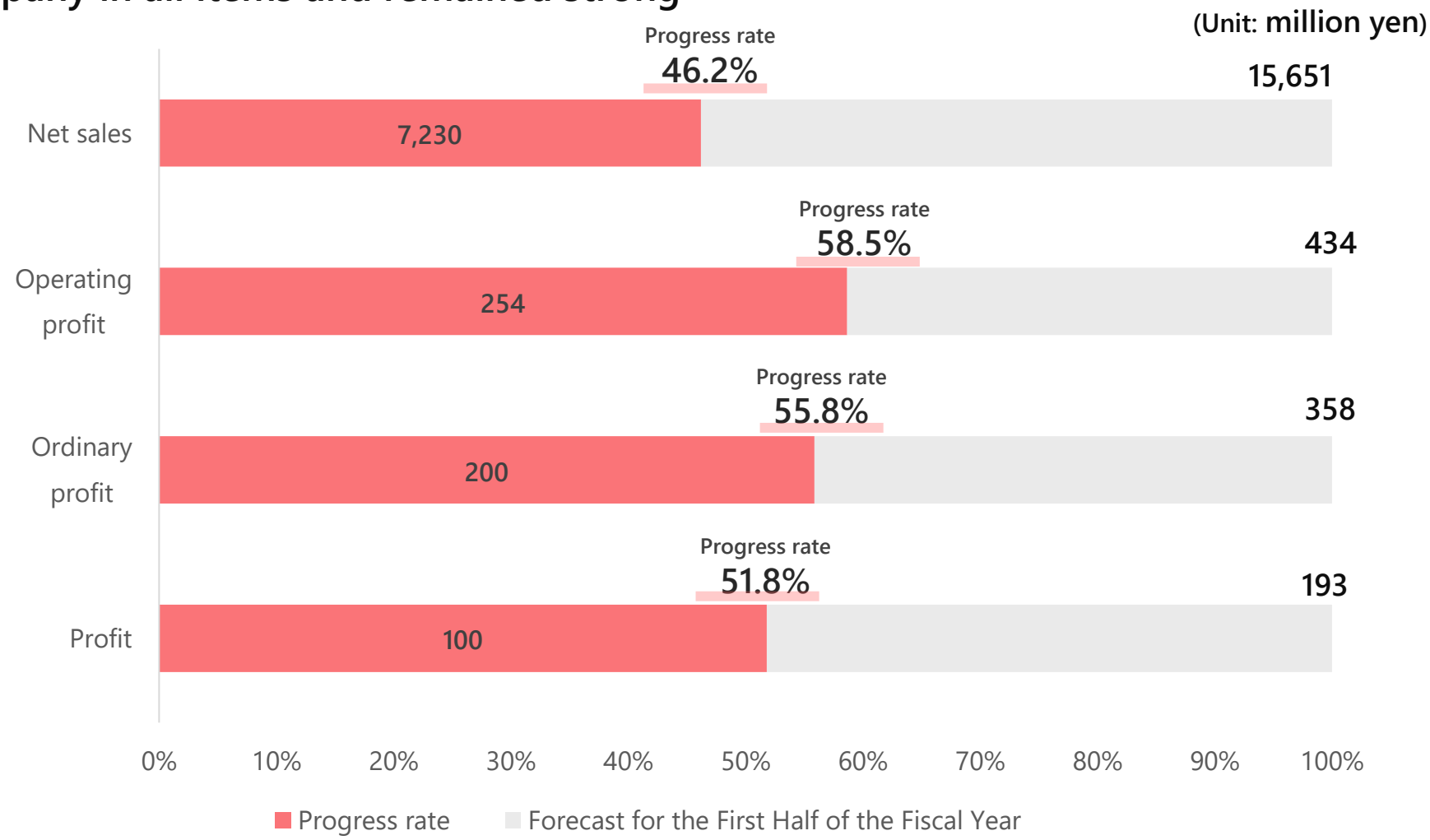
* EBITDA = Operating profit + Depreciation + Software Depreciation + Amortization of Goodwill

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Status of Progress in Forecast for the First Half of the Fiscal Year

The status of progress in net sales is as assumed as net sales in the Investment Business occurred more in Q2 in the current fiscal year.

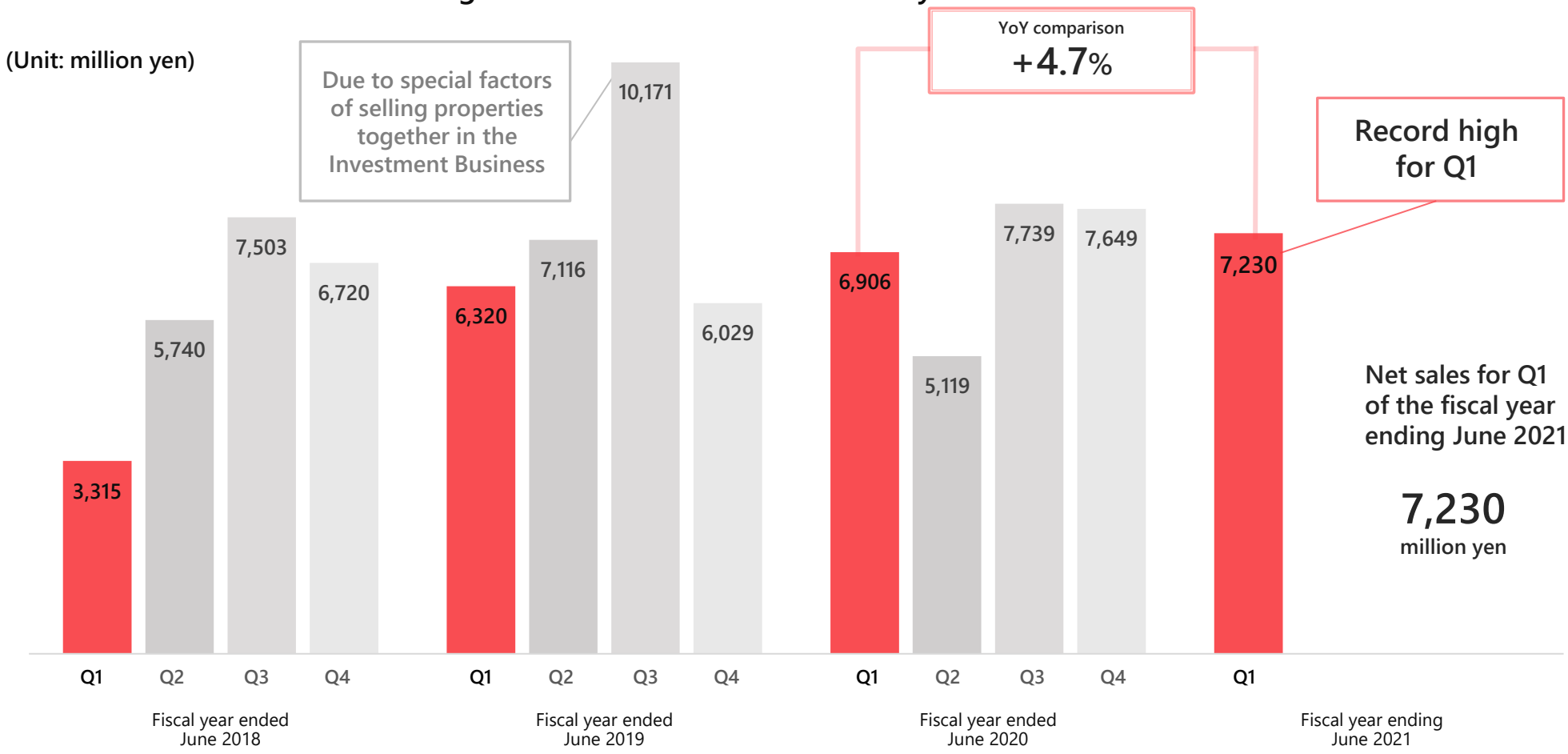
Business performance for Q1 including net sales exceeded the plan within the company in all items and remained strong



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Change in Net Sales (Over 4 Years)

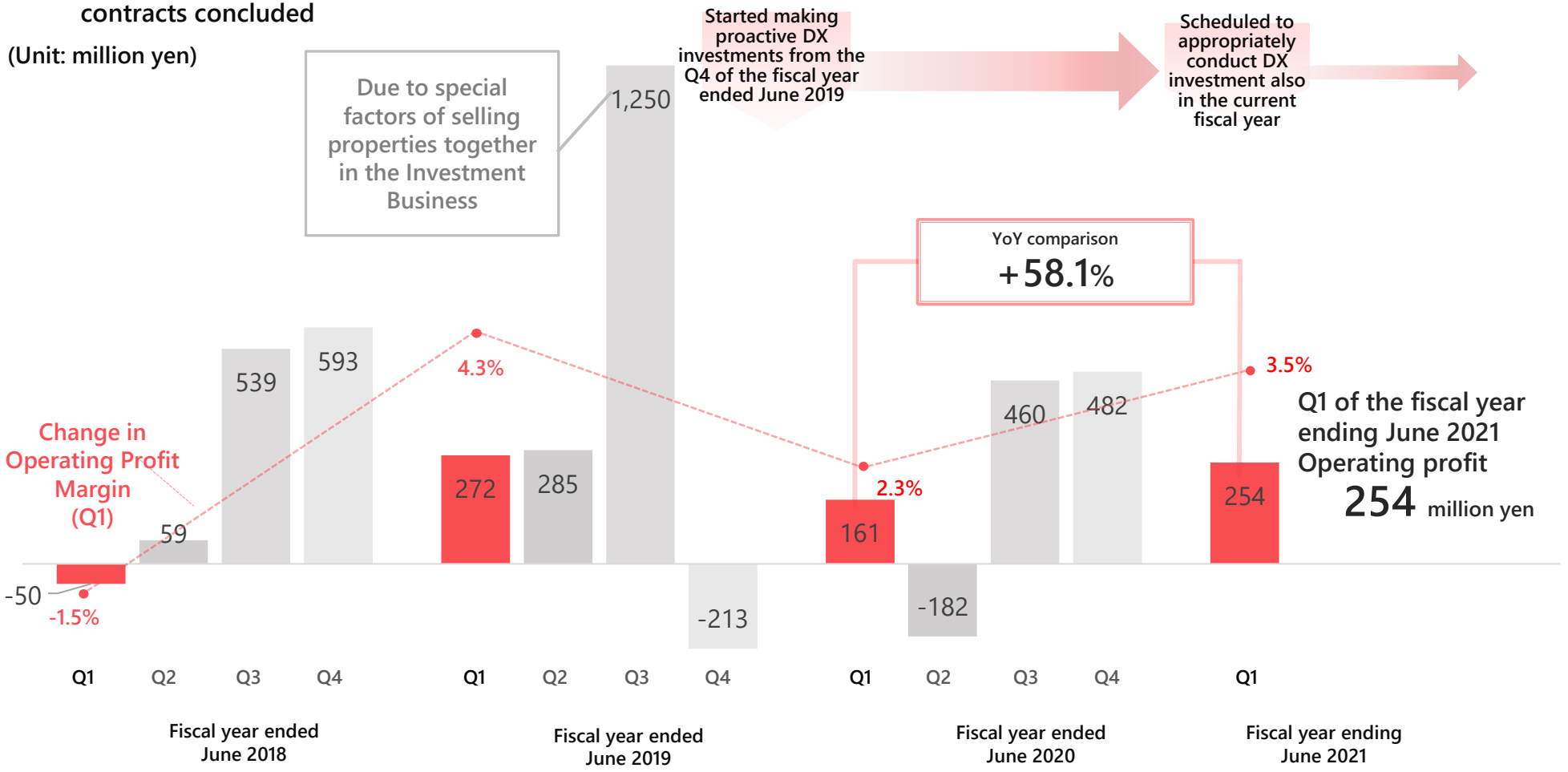
- Net sales increased by 4.7% year on year and reached record high for Q1
- It is a common trend for net sales to occur disproportionately in the second half of the fiscal year
  - This is due to our mainstay Property Management Business being a stock business and the peak season for relocation falling in the second half of our fiscal year



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Change in Operating Profit and Operating Profit Margin (Over 4 Years)

- Operating profit increased significantly by 58.1% year on year in Q1 due to the deferment from the previous fiscal year in the Investment Business
- It is common for operating profit to have a stronger tendency than net sales to occur disproportionately in the second half of the fiscal year
  - This is due to property management and rental brokerage tending to accumulate profit with the increase in the number of contracts concluded



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Although net assets decreased slightly due to the decrease in securities marked to market and the implementation of period-end distribution, the equity ratio remained at the same level, from 25.5% at the end of the previous fiscal year to 25.1%

(Unit: million yen)	End of the fiscal year ended June 2020	End of Q1 of the fiscal year ending June 2021	Amount of change
Current assets	9,395	9,933	+538
Non-current assets	5,819	5,462	-357
Deferred assets	4	3	-1
Total assets	15,219	15,400	+181
Current liabilities	5,639	5,159	-480
Non-current liabilities	5,682	6,359	+677
Net assets	3,897	3,881	-16
Total of liabilities and net assets	15,219	15,400	+181

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03 Individual Business

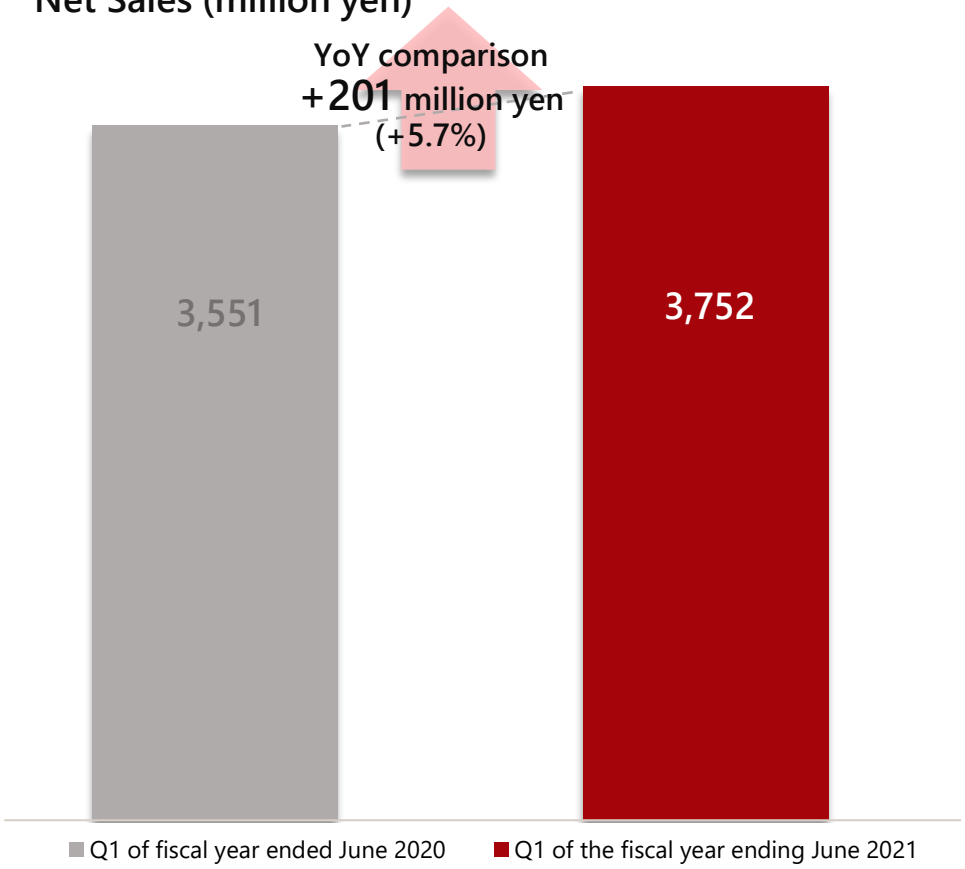
Property Management Business

(Mainly engaged in by AMBITION with some engagement by Veritas Investment and VALOR)

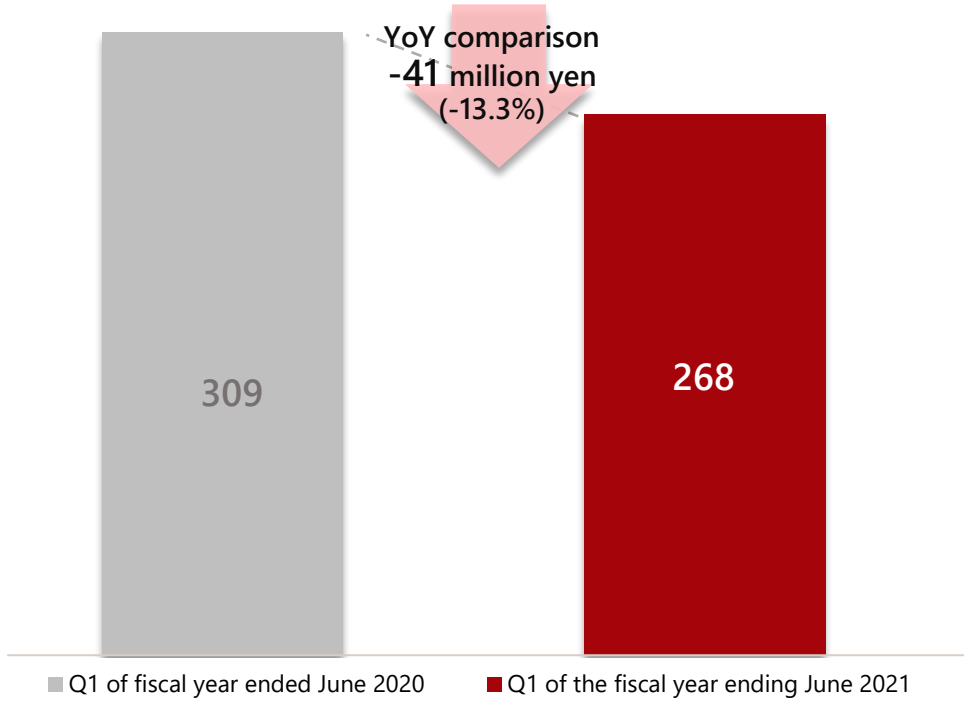
Trend of Business Performance in Property Management Business for Q1 of the Fiscal Year Ending June 2021:

- Net sales increased by 5.7% year on year due to the increase in the number of managed units, which is the KPI
- Segment income decreased by 13.3 % year on year due to DX investments and the temporary decline in occupancy rate resulting from the increase in the number of managed units of new properties. However, the upward trend of revenue is expected to recover from Q2 onward

Net Sales (million yen)



Segment Income (million yen)



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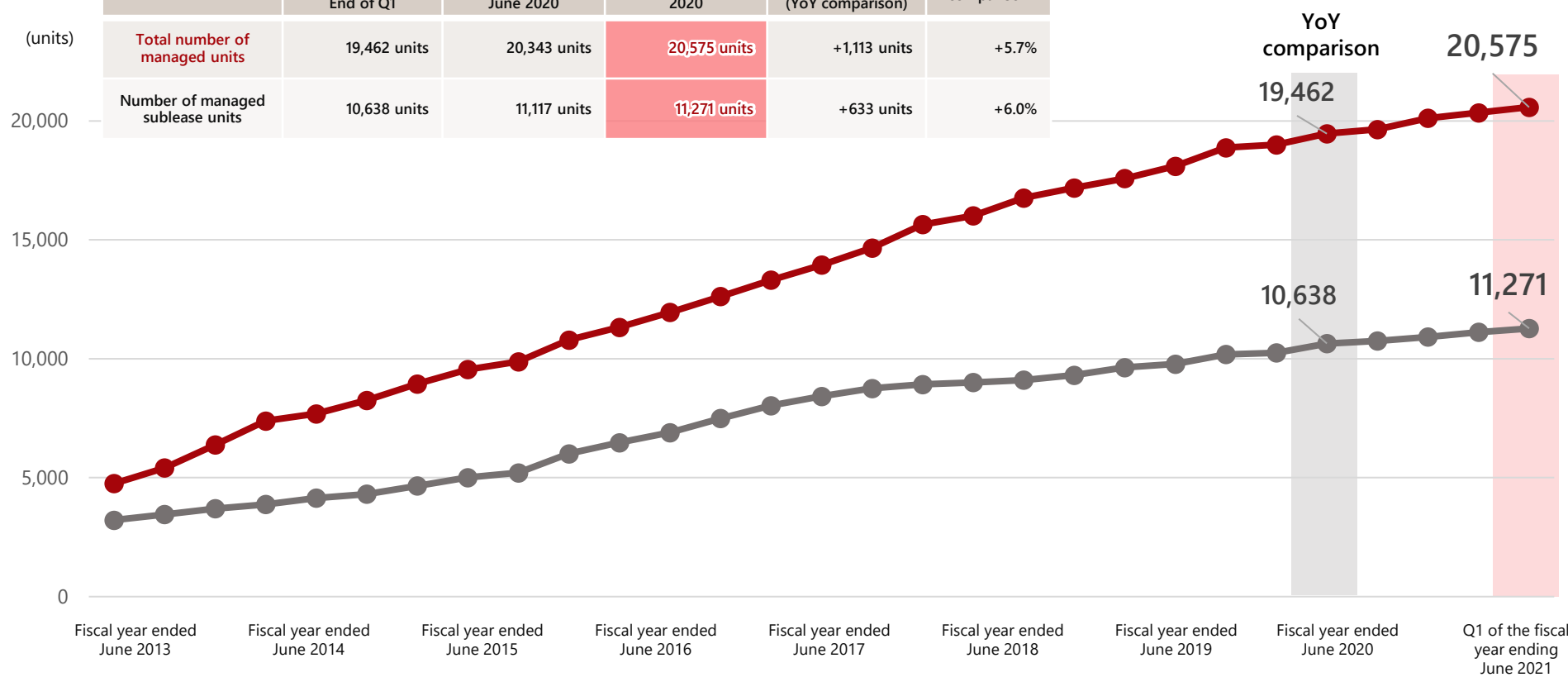
Key Performance Indicator (KPI) of Property Management Business: Change in the Number of Managed Units

Our mainstay Property Management Business is a stock business, and **the number of managed units**, which is the KPI, regardless of economic situation, **is increasing steadily.**

- **Usually, the growth rate tends to slow down when the number of managed units exceeds 20,000, but Ambition continues to maintain a growth rate higher than the average rate in the industry with its unique know-how and network**

[Change in Number of Managed Units and Sublease Management Units]

	Fiscal year ended June 2020 End of Q1	End of fiscal year ended June 2020	End of Q1 of fiscal year ended June 2020	Number of increased units (YoY comparison)	YoY comparison
Total number of managed units	19,462 units	20,343 units	20,575 units	+1,113 units	+5.7%
Number of managed sublease units	10,638 units	11,117 units	11,271 units	+633 units	+6.0%



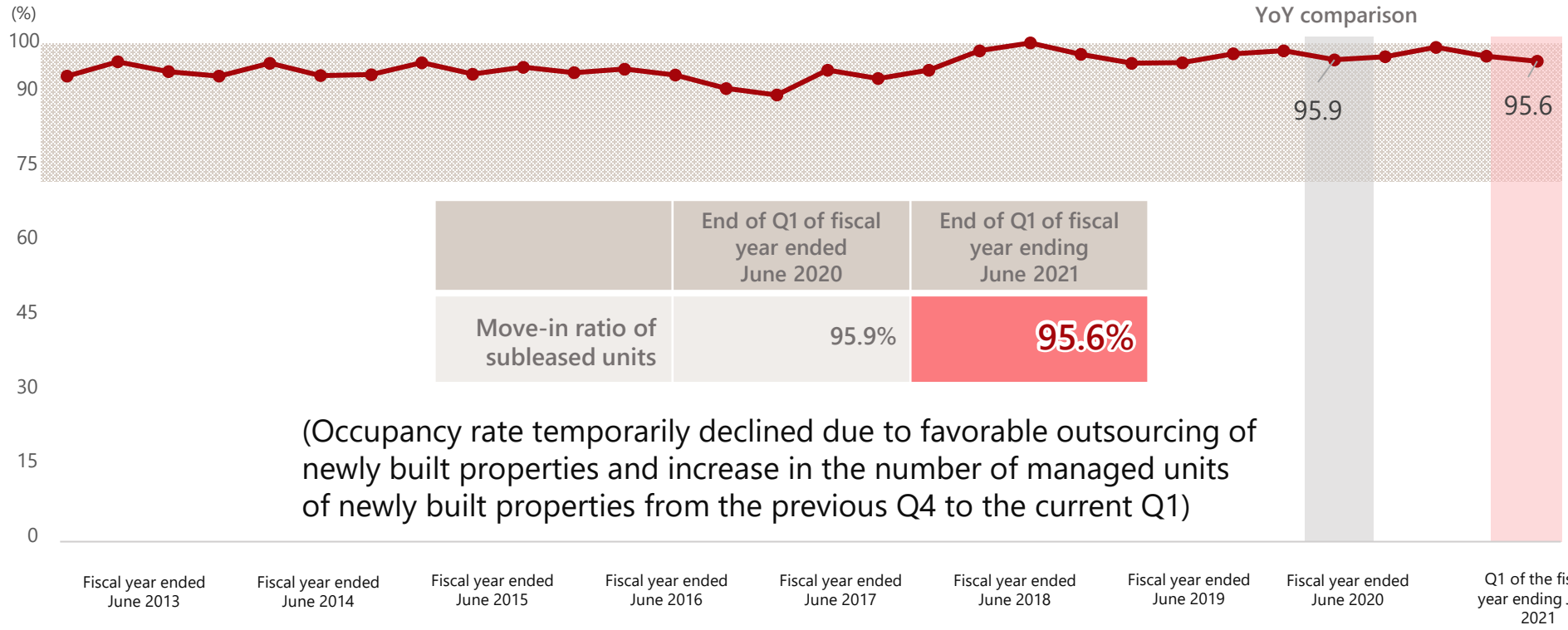
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Property Management Business: Change in Occupancy Rate

Owning several quality properties, such as designer condominiums, mainly in the 23 wards of Tokyo, which sees high demand.
Also maintaining a high occupancy rate compared to many competitors by operating a rental brokerage business within the Group

*Managed properties:	Mainly quality studio condominiums such as designer condominiums
*Area:	Concentrated in Tokyo (mainly in the 23 wards) + Kanagawa, Chiba and Saitama prefectures
*Target group:	Mainly young demographic

[Change in Occupancy Rate]



	End of Q1 of fiscal year ended June 2020	End of Q1 of fiscal year ending June 2021
Move-in ratio of subleased units	95.9%	95.6%

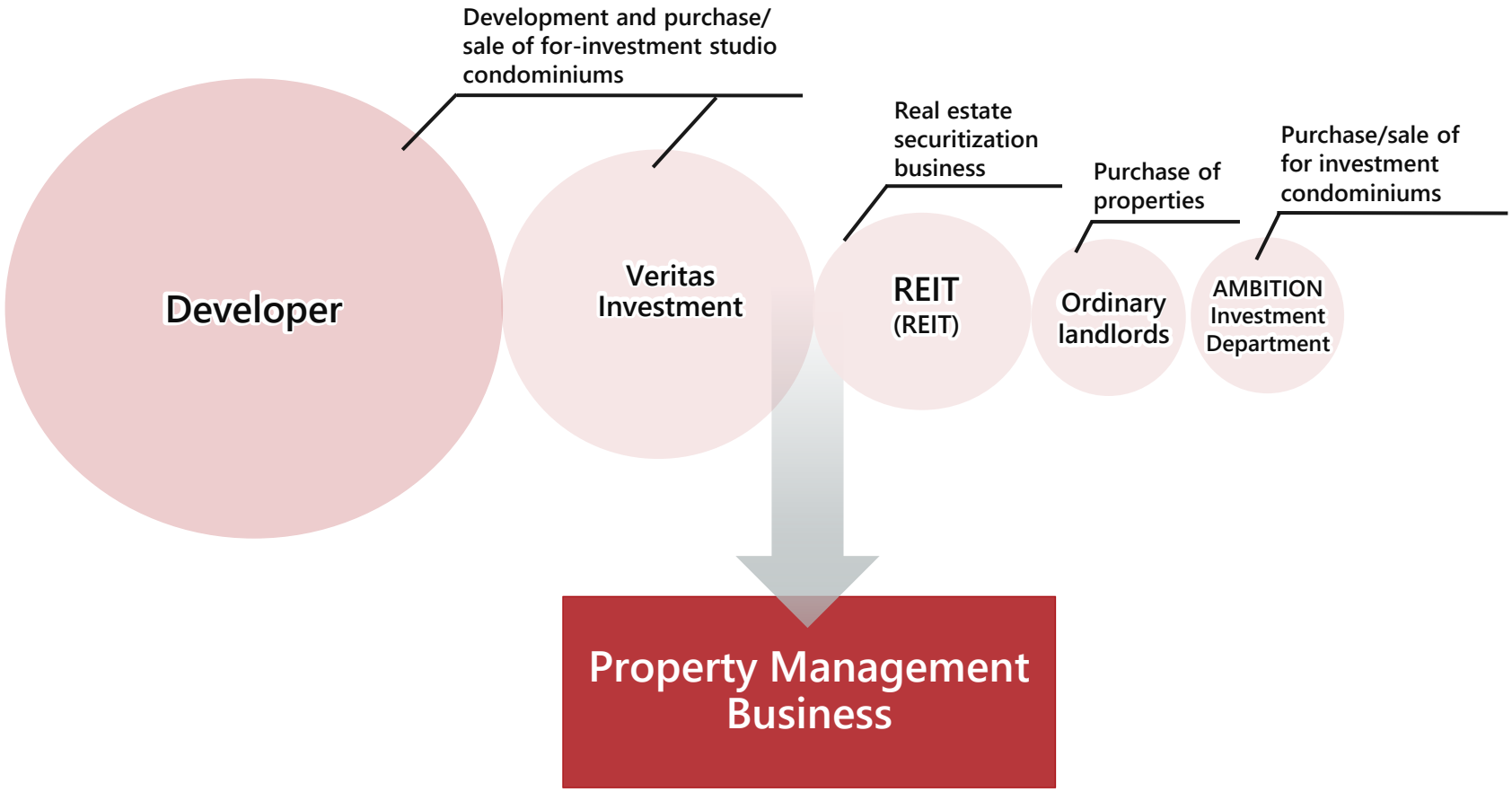
(Occupancy rate temporarily declined due to favorable outsourcing of newly built properties and increase in the number of managed units of newly built properties from the previous Q4 to the current Q1)

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Construct business scheme for stable acquisition of properties to self-manage

Continue to strengthen property supply pipeline for increasing the number of managed units, which is the KPI

Property Supply Pipeline



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Business Partnership with Market Enterprise Co., Ltd. <3135> (Q1: Announced on September 30)

Start making efforts to solve issues on disposing unnecessary items upon relocation with Market Enterprise Co., Ltd. which operates the purchase platform “Oikura”

AMBITION GROUP × MARKET ENTERPRISE おいくら?

Needs for purchasing unnecessary items upon relocation by customers of Ambition

“Oikura,” the largest reuse platform in Japan

Assessment and comparison of the purchase price as well as sales of unnecessary items is possible in a single request

Improvement of customer satisfaction Expansion of revenue base

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Further promote real estate DX in the current fiscal year

- Continue to promote RPA in typical work
  ("Rakutech" was developed for other companies)

- Continuous utilization of brokerage management contract automation cloud "CPMA"

New

- Introduce multiple new systems for the promotion of next-generation management

  - Q1: Test introduction of CRM (Customer Relationship Management System) combining CTI (Computer Telephony Integration) and IVR (Interactive Voice Response)

  Q2: Scheduled to conduct test introduction of repair management system, etc.

New

- Develop a unique AI algorithm that maximizes LTV strategies (lifetime value), and realize automated calculation of optimum rent

New

- Launch product collaboration and development of electronic contract system with Bengo4.com, Inc.

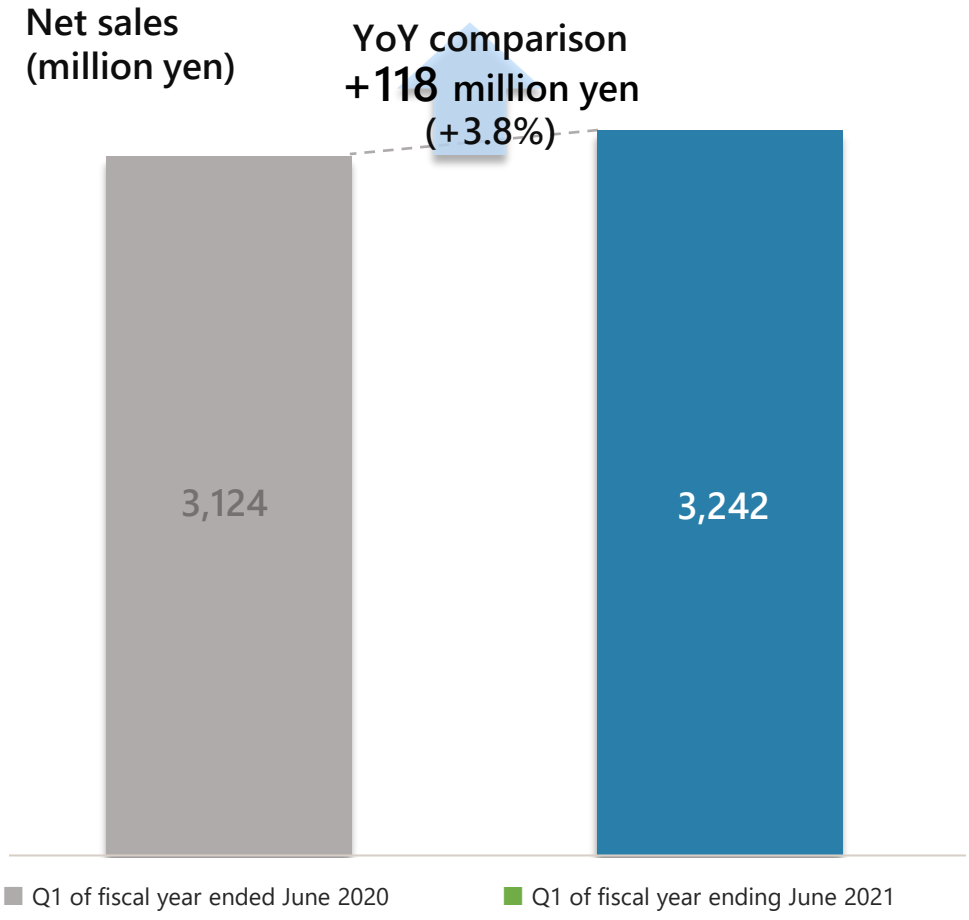


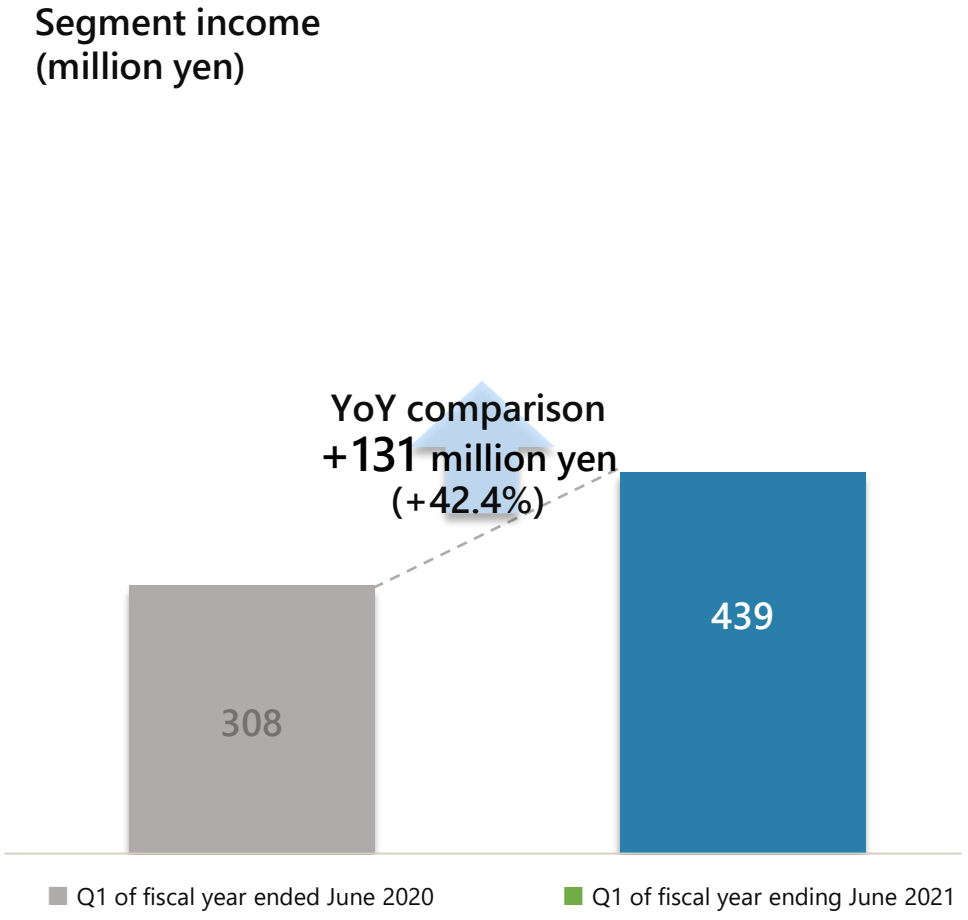
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Investment Business

(Mainly engaged in by Veritas Investment with some engagement by AMBITION's Investment Department)

- Net sales increased by 3.8% year on year due to the posting of the amount of deferment from the previous fiscal year (approx. 1.5 billion yen)
- Segment income increased significantly by 42.4% year on year as deferment from the previous fiscal year occurred for properties with high profit margin





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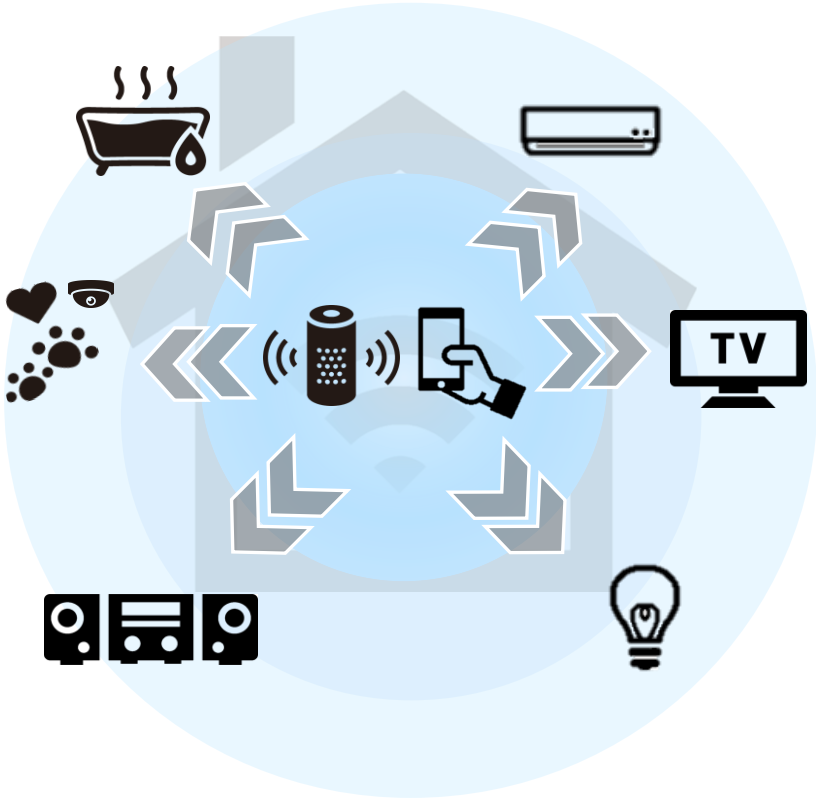
Mainly engaged in by Veritas, which is a subsidiary having strengths in new properties developed by the Group

	Veritas Investment	Investment Department
Characteristics and strengths	Sale of new studio condominiums for investment **Favorable location** Tokyo Premium Area × **Favorable design** Stylish designer condominiums	Renovation/sale of for-sale condominiums AMBITION+ RENO Renovation brand Focusing on location (Tokyo Premium Area) Capable of purchasing properties through various channels
where Payment settlement	76 units (down 17 units year on year)	22 units (up 5 units year on year)
	"**PREMIUM CUBE**" series curated by a famous designer is very popular	Also developing a crowdfunding business A funding

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Veritas adds IoT brand “VERIOT” to “Tokyo x Designers x Studio Condominiums”

Creation of a new condominium standard in Tokyo realizing support for safer, more comfortable urban living



VERITAS INVESTMENT

Using remote controllers for home appliances

Residents

Using smartphones when going out
Using smart speakers at home
Controlling home appliances

Status of property management and notification function

Owners

Notification of management status
Smooth contact through chats

Provision of information on condominium management

Owners

Information on real estate investment and condominium management
Distribution of property information and provision of useful information

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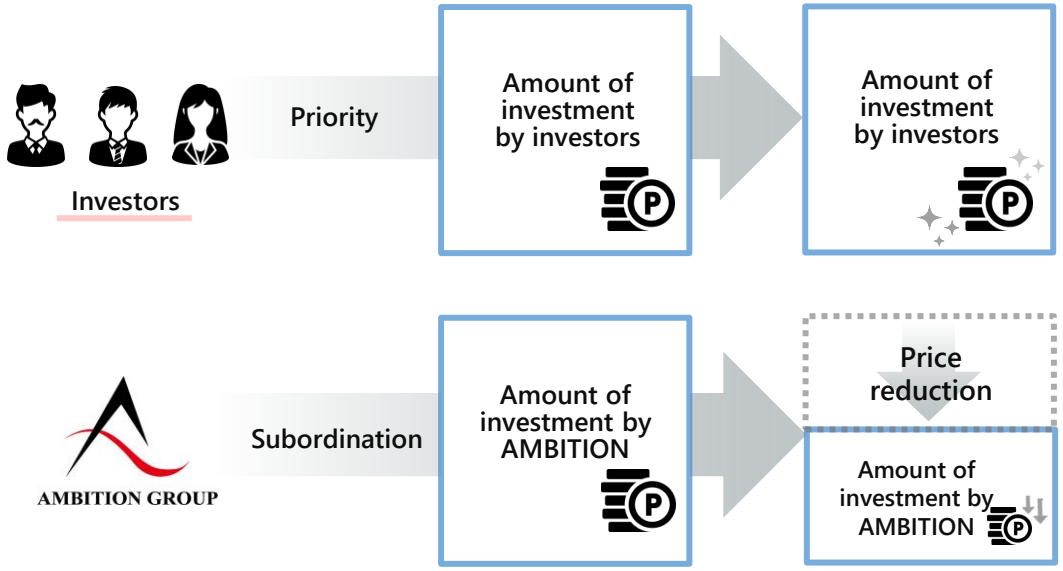
"Afunding," a crowdfunding service for real estate investment, enables online real estate investment in small amounts from 10,000 yen per unit.

Conduct speedy distribution with high return exceeding the industry average



First project	Second project	Third project	Fourth project
Completed			COMING SOON
January 2020 Distribution yield 6%	July 2020 Distribution yield 5%	July 2020 Distribution yield 5%	

Priority and Subordination Scheme



Even if the price of real estate in which investments are made decreases, it will be covered with the amount invested by Ambition

It is popular as a low-risk financial instrument as it preferentially protects the amount invested by investors

It is enjoying a favorable reputation as many people are on the waiting list immediately after the start of solicitation

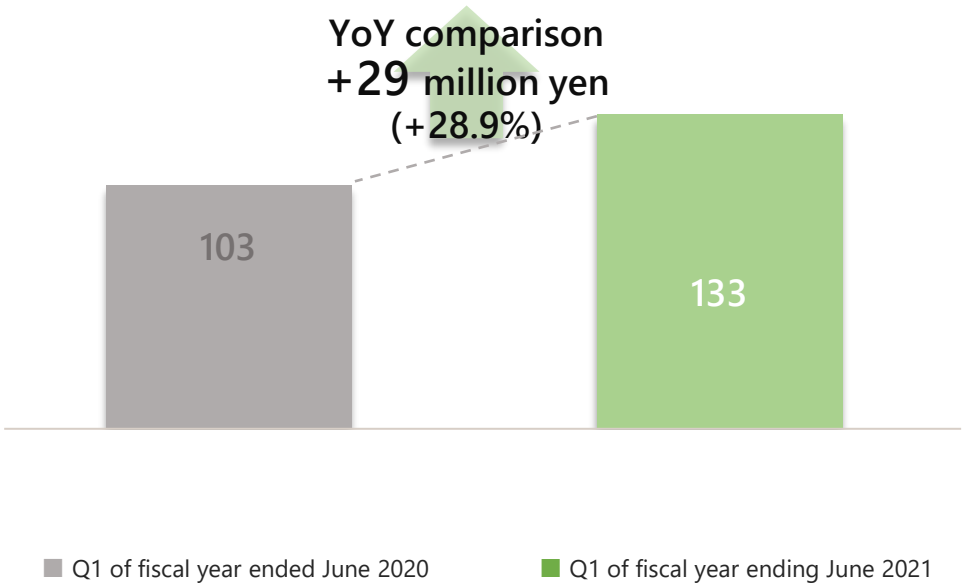
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Rental Brokerage Business

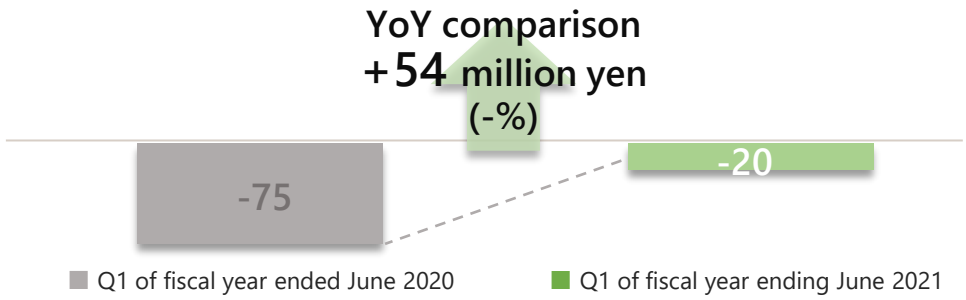
(Engaged in by Ambition Rent and Ambition Partner in addition to Ambition Agency and VALOR)

- Net sales increased by 28.9% year on year due to successful measures for attracting customers including online customer attraction and remote customer attraction through the strengthening of advertising strategy
- In terms of segment profit and loss, improvement in productivity per store (reduction of selling, general and administrative expenses through the introduction of AI x RPA tool "Rakutech") has caused loss to decrease. It is expected to turn into the black during the current fiscal year

Net sales
(million yen)



Segment profit and loss
(million yen)



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Although Ambition intends to change the area of focus to attracting customers mainly through websites, it possesses as one of its strengths the leasing capabilities of brick-and-mortar stores, which contributes to maintaining a high occupancy rate in the mainstay Property Management Business

	ROOMPIA Tokyo Smart Life (Ambition Agency)	VALOR HOME ADVISE (VALOR)
As of Q1	5 branches	7 branches
New	Opened "Roompia Ikebukuro Higashiguchi," which will become a model branch of "next-generation room searches," in October	
Opening of branch in Q2	+1 branch	–
Number of current branches	6 branches	7 branches

Promotion of DX

- Successfully reduced personnel in input operations and increased the number of inquiries substantially with the introduction of "Rakutech brokerage version"
- Customer attraction through websites is favorable
- Strengthen non-face-to-face services such as remote customer service, VR property viewing and electronic contract

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Other Businesses

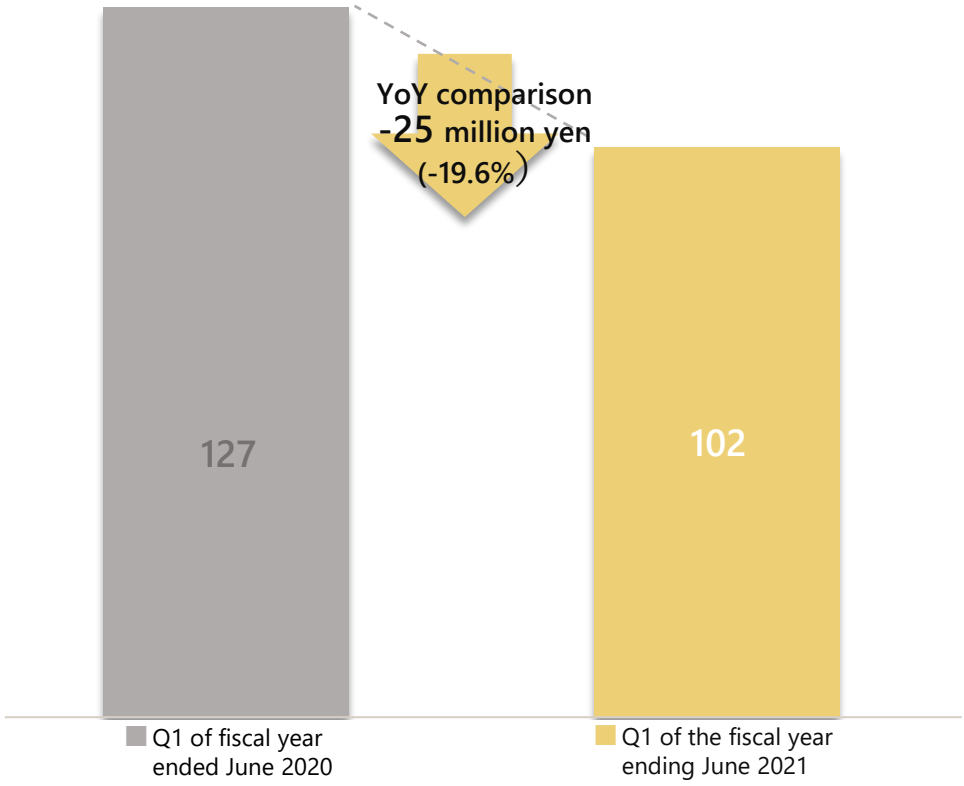
- Real Estate DX Business (Re-Tech RaaS, a new company)
- Small Amounts and Short-Term Insurance Business (Hope)
- Hotel Business (Ambition)
- Overseas System Business (Ambition Vietnam)

Trend of Business Performance in Other Businesses for Q1 of Fiscal Year Ending June 2021

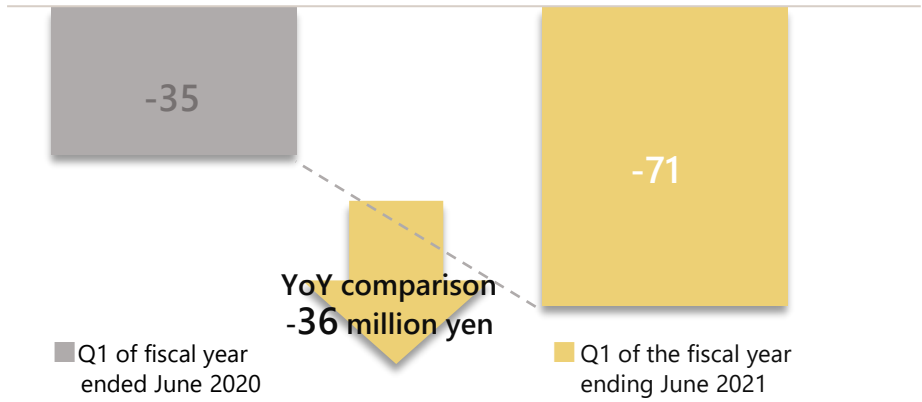
(Real Estate DX, Small Amounts and Short-Term Insurance, Hotel, and Overseas System)

- Net sales increased in the Small Amounts and Short-Term Insurance Business due to the increase in the number of new contracts but decreased by 19.6% year on year in the Hotel Business which suffered from a significant adverse impact of COVID-19
- In terms of segment profit and loss, the loss in the Hotel Business and upfront investment in DX (approx. 40 million yen) caused loss to expand

Net sales (million yen)



Segment profit and loss (million yen)



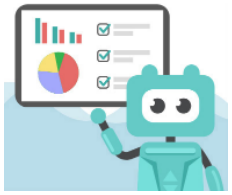
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Making various efforts to realize DX in the "residential" field

Promoting RPA (Robotic Process Automation)

RE-TECH RAAS

Establishment of Re-Tech RaaS



Development and marketing of "Rakutech," an RPA tool incorporating AI

Going Paperless

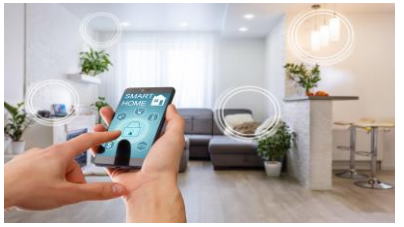
paperlogic

Capital and business tie-up with Paperlogic Co., Ltd.



Proactive investment in IT systems for explaining real estate contract disclosure statement, etc.

Evolving Customer Experience



Initiatives on IoT-based smart homes



Attempts on VR services to allow remote property viewing

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AI + RPA + BPO + big data on leasing = overwhelming improvement in work efficiency

Moreover, the accuracy of the AI improves autonomously through continuous learning and inference cycles

ラクテック
Rakutech 反響倍増くん
Hankyoubaizou-kun

AI-based response forecast

AI forecasts responses to properties
(Patent No. 6670406)

RPA (automatic posting)

Automatically posts properties with high response rates

BPO (business outsourcing)

Bothering operations not performed by RPA alone are fully outsourced



Posts information on a variety of rental property websites

AI continues learning the results as new data

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Good evaluation from customers using Rakutech



Improving work efficiency

Real Estate Company A in Tokyo

Introduced “Rakutech”

After introducing the robot, data entry work that earlier required a day for two persons can be done in an hour by a single person.
This allows employees to concentrate on higher value-added operations (sales and marketing).

Improving work efficiency



Leasing Company B in Tokyo

Introduced “Rakutech”

AI-based response forecast has eliminated property selection left to individuals.
After introduction, the data entry time per case was reduced to less than half.

AMBITION AGENCY

Improving work efficiency

Consolidated subsidiary Ambition Agency Co., Ltd.

The brokerage leasing company of the Ambition Group also introduced “Rakutech”

Automatic posting and business outsourcing have significantly increased work efficiency, reducing the workforce involved in data entry work by 50%.

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Real Estate DX Business: “Rakutech” of Re-Tech RaaS

Development of products incorporating important functions was completed in the previous fiscal year. Planning to add functions and make improvements in the future.

Aiming to expand our share in the real estate RPA market all at once through the following efforts

Expand Sales Force



Expand our sales force, which is at a minimum level now, all at once

Strengthen Marketing



Conduct investments in advertising centering on websites

Implement Agency and Alliance Strategies



Utilize networks to expand sales channels

Approach approx. 125,000 real estate management companies and brokers throughout Japan.

There is plenty of room for expanding the market, as the PRA adoption rate in the real estate industry is not so high yet.

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Business Partnership with Bengo4.com, Inc. <6027> (Q2: Announced on November 13)

Conduct **"improvement of productivity of the Group" and "development of new products for direct sales"** through product collaboration with "Cloudsign," an electronic contract service of Bengo4.com, Inc.

AMBITION × 弁護士ドットコム CLOUDSIGN

Improvement of Group Productivity



Promote electronic contracts in Ambition Group's businesses as well as improvement of business efficiency

Improve profitability and productivity by abolishing personnel costs related to management and mailing and physical costs including postal charge and paper

Product Development for Direct Sales



Collaborate with "Cloudsign" in the development of IT products specializing in the real estate industry

Develop products that will transform the labor-intensive real estate industry (details are yet to be decided)

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Future Policy for Real Estate DX Business

Re-Tech RaaS will endeavor to maximize the number of customers acquired in the current fiscal year.

Aim to obtain the top share in the real estate RPA market

Scheduled to appropriately conduct upfront investment

Previous fiscal year: Focused on system development staff

Current fiscal year: Marketing/sales staff and advertising, etc.

Transforming the analog real estate industry



Expected to significantly contribute to profits with a high profit margin after turning into the black

Also eyeing expansion into industries other than real estate in the future

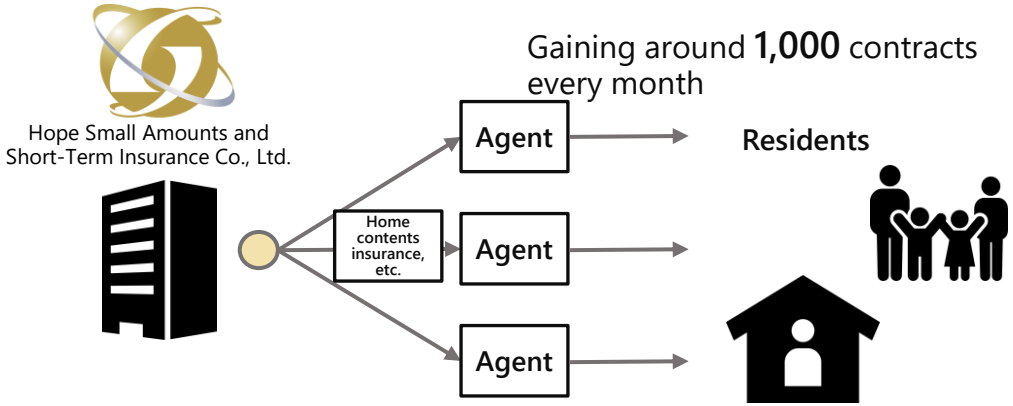
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New Product in Small Amounts and Short-Term Insurance Business (Q1: Launched in September)

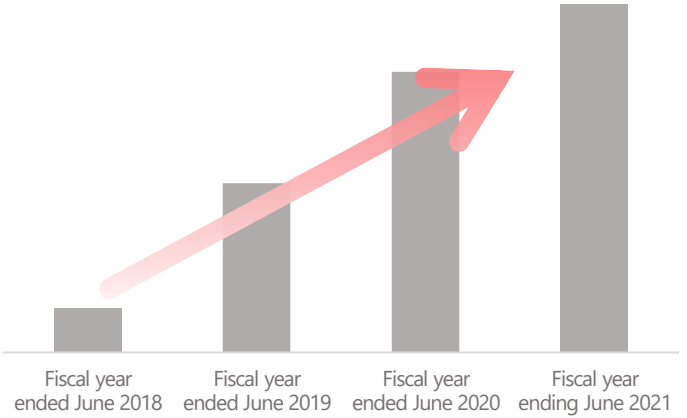
"Home Insurance in Japan (Shin Sumai no Anshin)," a new product that features enhanced coverage including a variety of plans to accommodate customer needs, will have stronger market competitiveness, allowing expectations for an increased number of new contracts



- Covering the risk of facility damages
- Rapid Solution Service for House Problems (24/7 service) and other services in enhanced coverage



Holding over 19,000 contracts at present



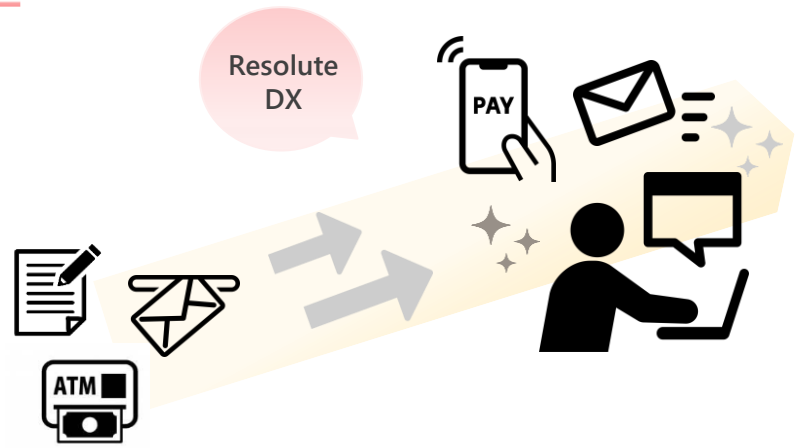
Change in the Number of Contracts Held (illustrative drawing)

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A new system for the Small Amounts and Short-Term Insurance Business to promote InsurTech

MONOLITH
HOPE SSI CO,LTD

The system completes bothersome insurance procedures in a paperless and cashless manner



Advantage for customers

No need to come to the store for the entire process from application to payment

Advantage for agents

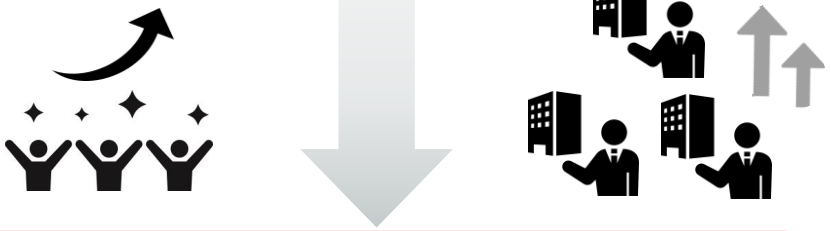
No need to print or send documents, so that the labor of sending, collecting the original and checking can be eliminated. The contract rate will also rise by shortening the period from proposal to conclusion of contract

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Future Policy for Small Amounts and Short-Term Insurance Business

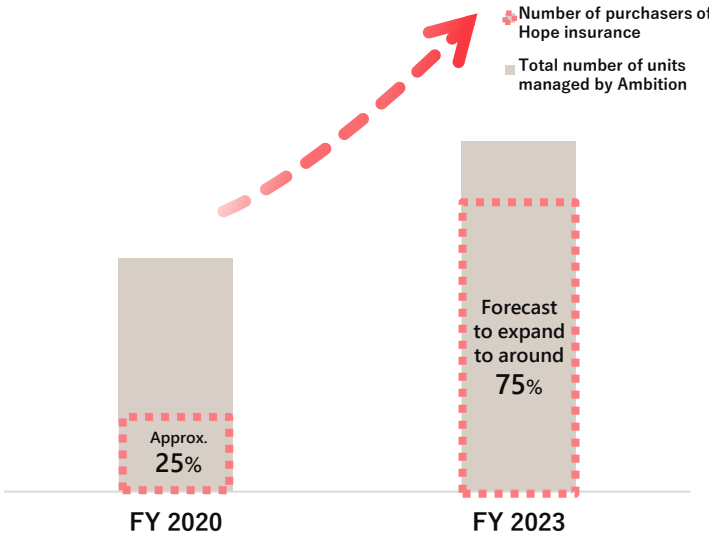
Hope is projected to turn into the black in the current fiscal year, the fourth year since it started operations

- Aim to expand our share by increasing the number of new contracts and agents by promoting InsurTech
- Aim to win contracts with property management companies having a large number of managed units



Stock business stably accumulating profits after turning into the black

The ratio of residents who purchased insurance among all residents in units managed by Ambition is expected to increase by about threefold in the next three years



Change in the Number of Hope Users (illustrative drawing)

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04 Forecast for the Current Fiscal Year

Forecast for the Current Fiscal Year

Sales and profit are expected to see double-digit increases led by the mainstay Property Management Business. Net sales is expected to exceed 30 billion yen

- Net sales: Slightly stronger in first half (due to sales of Veritas properties in the Investment Business occurring more in Q2)
- Operating profit: Stronger in second half (due to profit in the Property Management Business and Rental Brokerage Business accumulating more in the second half due to usual seasonal factors)

(million yen)

	Results for fiscal year ended June 2020 (A)	Forecast for fiscal year ending June 2021 (H1) (Note)	Forecast for fiscal year ending June 2021 (B) (Note)	YoY comparison (B/A)
Net sales	27,414	15,651	30,628	+11.7%
EBITDA	1,173	629	1,516	+29.2%
Operating profit	921	434	1,121	+21.6%
Ordinary profit	817	358	961	+17.6%
Profit attributable to owners of parent	327	193	589	+79.9%

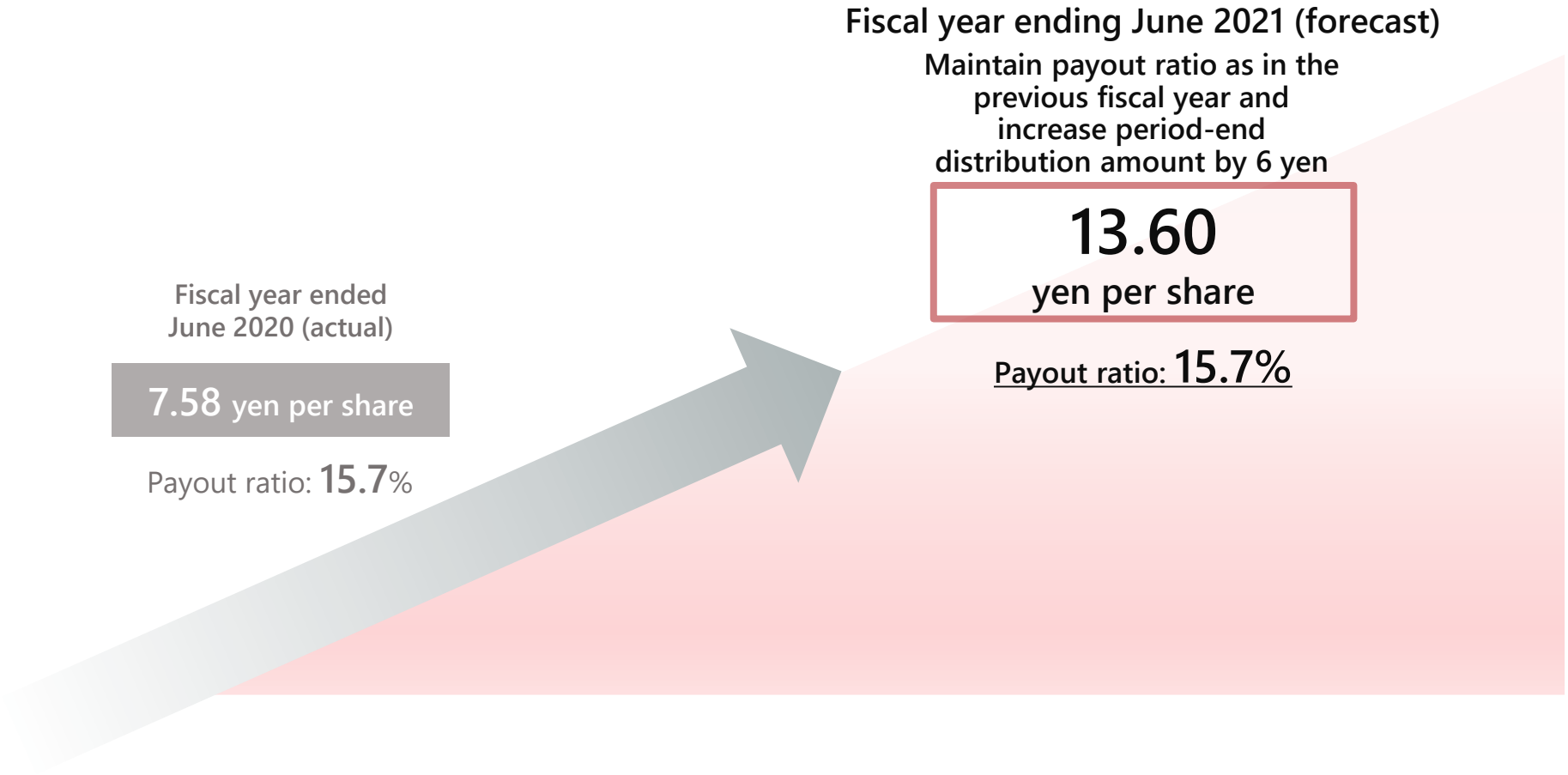
(Note) Business forecasts and other forward-looking statements in this document are based on information currently available to Ambition as well as certain assumptions deemed to be rational. Therefore, actual results may differ significantly due to various factors.

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Distribution Policy

We will continue with a plan for stable shareholder return going forward while conducting proactive upfront investment in growth areas

Expect a significant increase in the current fiscal year



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05 Mid-Term Policy

Mid-Term Policy

We will expand the stable revenue base of existing real estate businesses centered on the Property Management Business, which is a stock business.

While actively promoting new businesses centering on DX in the residential field, we will aim to become a leading company in the real estate industry in both the physical and digital realms

Existing Businesses

Growth of Property Management Business, which is relatively unaffected by the economy and whose revenue base keeps growing, will be the core.

Promote increase of managed units (KPI) centering on studio condominiums in Tokyo which already holds a large share.

In the Investment Business and Rental Brokerage Business, aim for revenue contribution by actively and carefully accelerating activities

New Businesses

Aim to rapidly obtain the top share in the real estate RPA business in which upfront investment is being made. Owning to the SaaS model, large contributions to revenue can be expected after becoming profitable.

Continue to promote InsureTech in the Small Amounts and Short-Term Insurance Business, a stock business, as well, focusing on increasing the number of contracts and agents.

Actively engage in R&D of technology that will evolve the industry

* The medium-term goal will be reviewed in light of the situation with COVID-19, status of progress of new businesses, etc.

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Ambition Group aims for rapid growth of its performance after turning new businesses positive while strongly improving performance of existing businesses

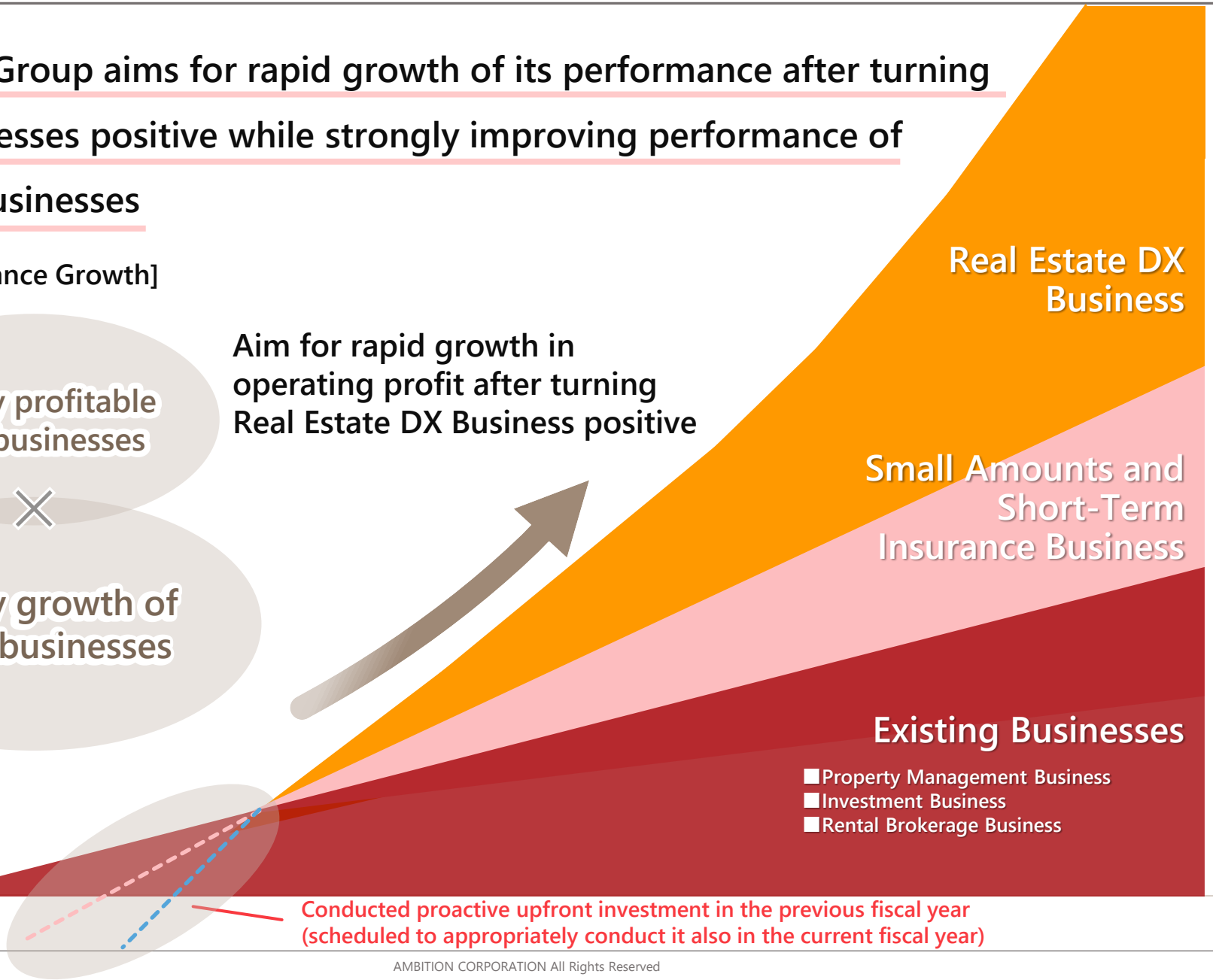
[Performance Growth]

Highly profitable new businesses

×

Steady growth of stock businesses

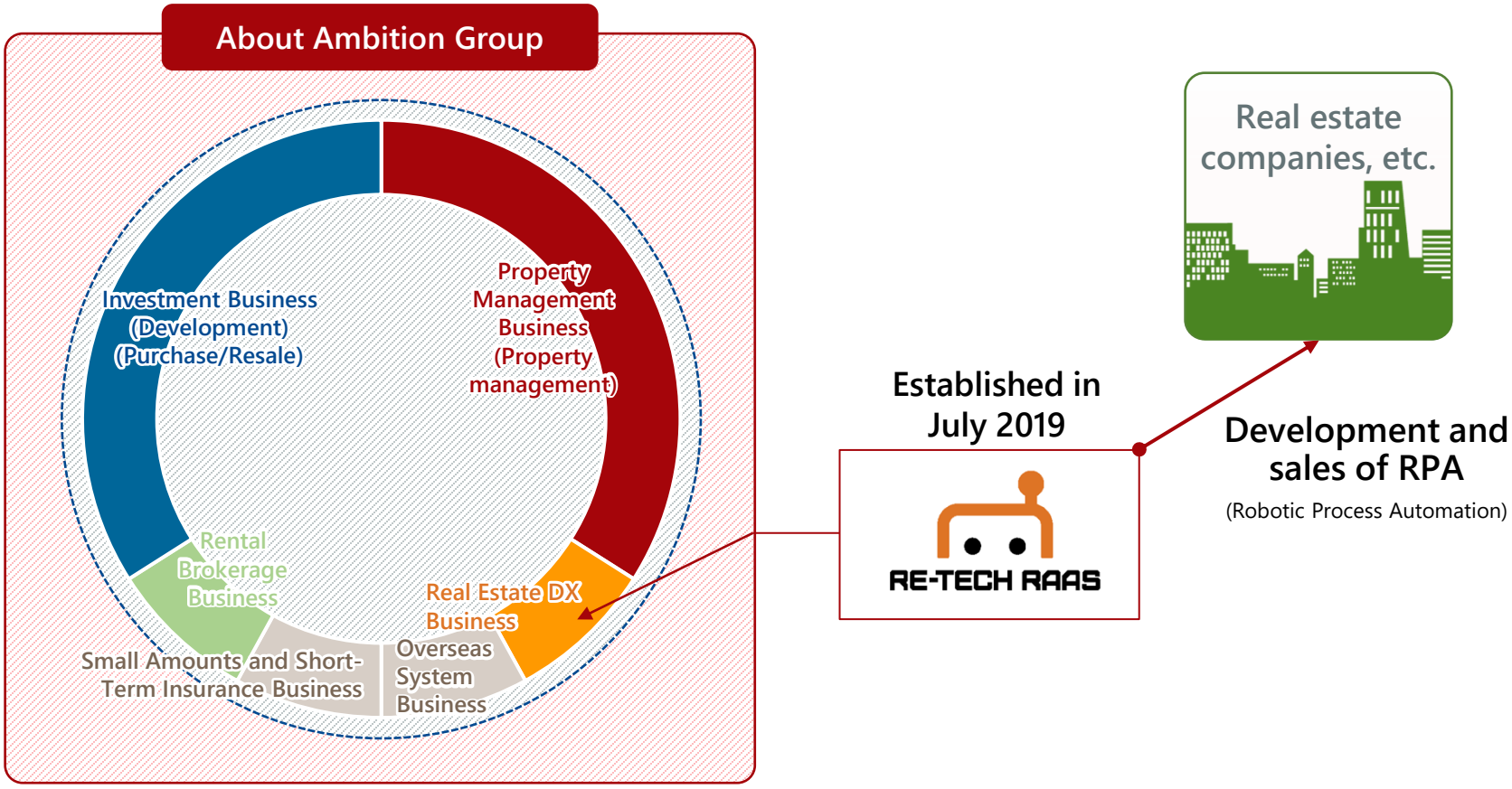
Aim for rapid growth in operating profit after turning Real Estate DX Business positive



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06 APPENDIX

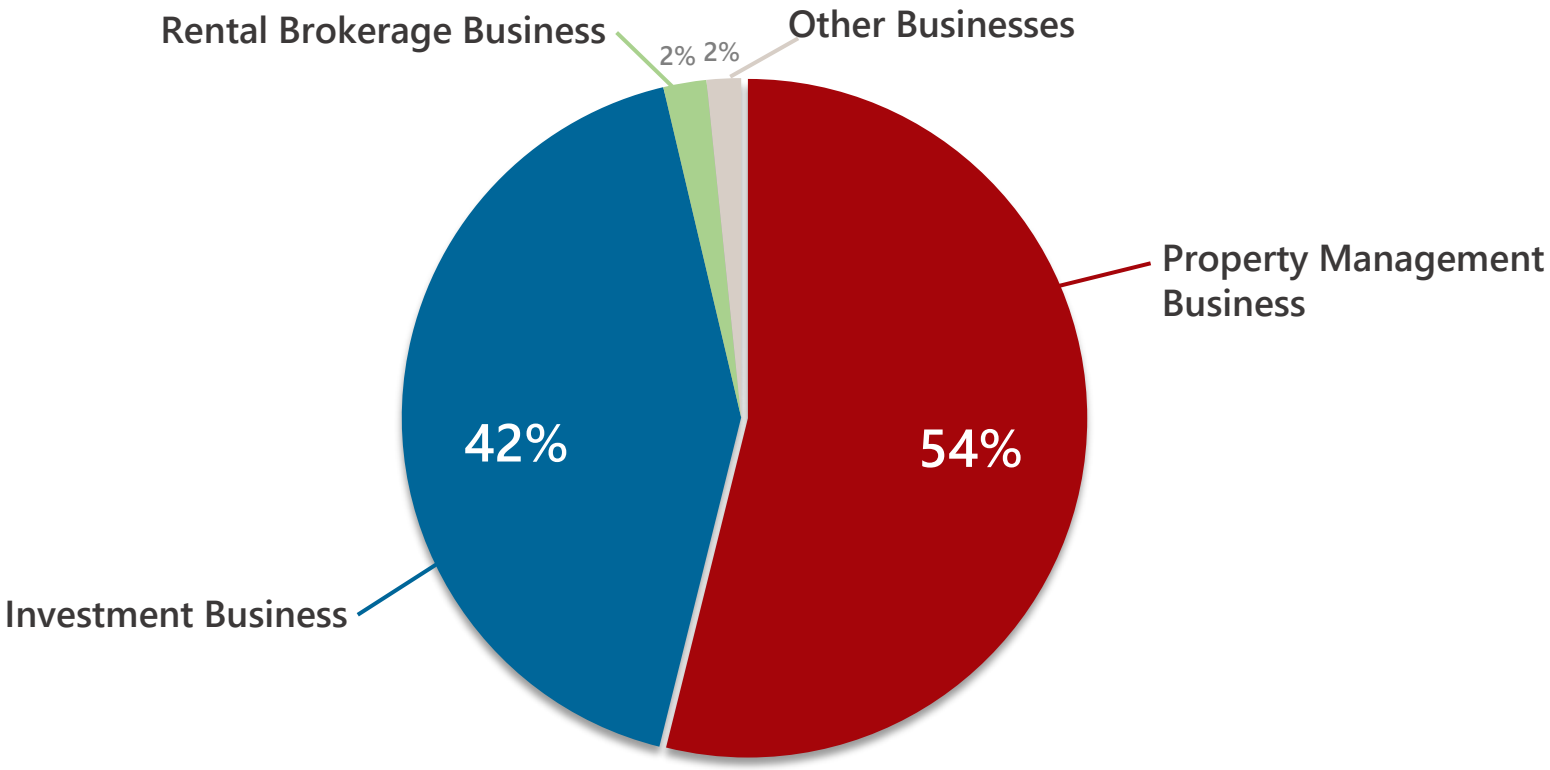
Ambition's real estate SPA handles development, purchase, sales, brokerage of transactions and leasing, insurance and system development, **centering on real estate property management** to address the diverse needs of customers.
Recently, **we have been focusing on the RPA business, which is anticipated to become a new growth driver** in the Real Estate DX Business



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Ratio of Net Sales by Segment (Actual Results for Previous Fiscal Year)

In the fiscal year ended June 2019, the investment Business saw strong sales for properties developed by Veritas and the sales ratio reached 50%, temporarily surpassing that of the Property Management Business. However, **the sales ratio of the Property Management Business returned to the top in the fiscal year ended June 2020**



[Ratio of Net Sales (Fiscal Year Ended June 2020)]

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Promotion and research of digital transformation (DX) in the “residential” field utilizing the assets of existing real estate businesses

Existing Real Estate Businesses

Widely developing the following businesses, focusing on central Tokyo as the main area

- Property Management Business
- Investment Business
- Rental Brokerage Business

Accumulation of deep know-how and big data on real estate business

Business Axis of DX

Industrial transformation through digitalization (business-oriented)

- "RPA" improving business efficiency
- AI business based on big data, etc.

Evolution of customer experience (customer-oriented)

- Smart home (IoT)
- Preview system utilizing AR and VR
- Token community utilizing blockchain, etc.

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Promoting DX due to the following reasons in order to realize our mission

Departure from labor-intensive business

As labor shortage is becoming a social issue, improvement of productivity is required also in real estate businesses

Room for evolution from the viewpoint of customers

There is infinite room for evolution in the “residential” field that has not evolved significantly over the past several decades

Realizable ability

Integrating abundant know-how on real estate and the strengths of dealing with IT from an early stage

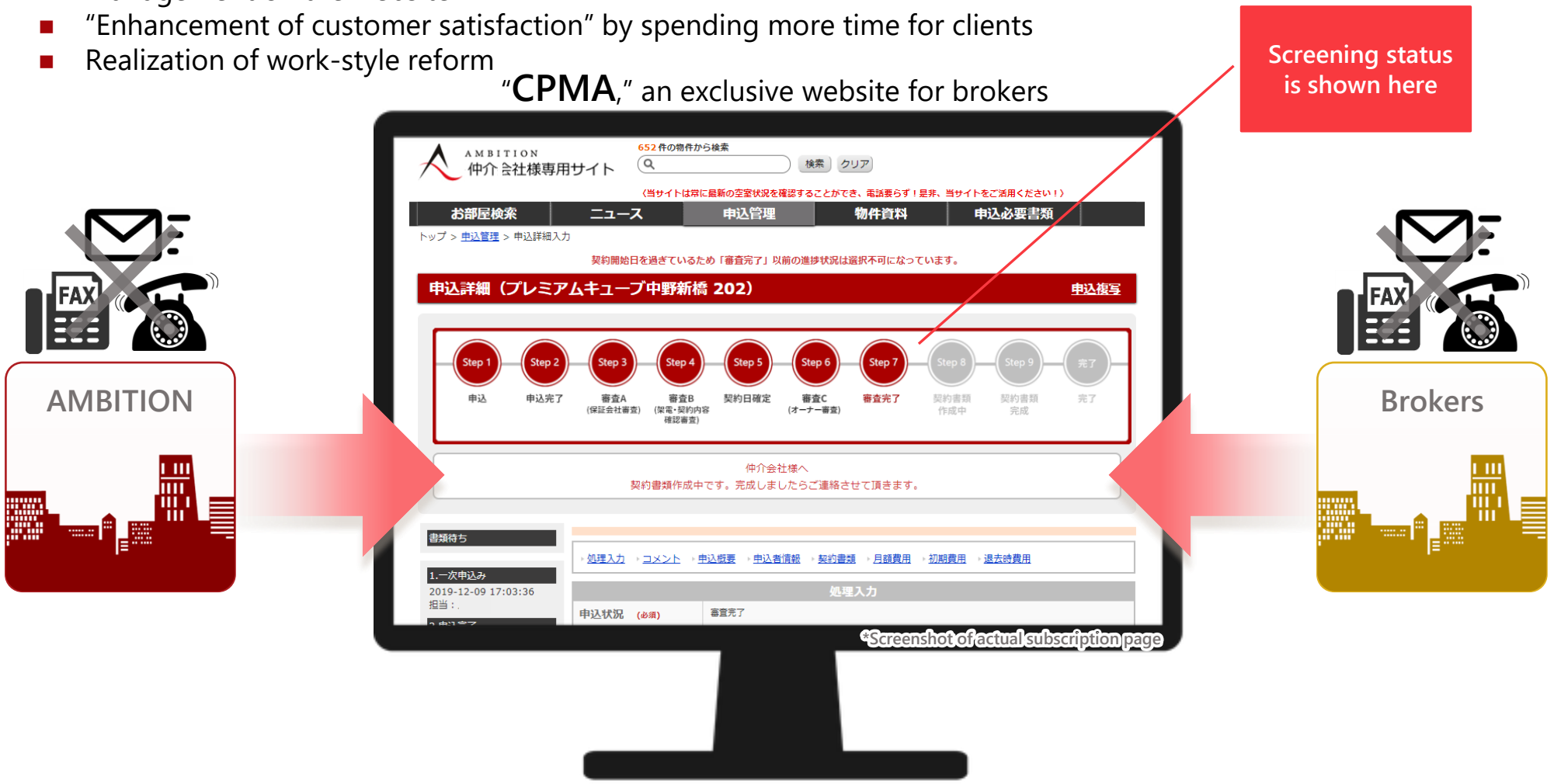
Becoming a leading company in the real estate industry that can realize the mission of creating the “future” of residences and offering “dreams” in living

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“Visualize” on the screen of web browsers in an easy-to-understand manner with the introduction “CPMA”

- Unified management of vacancy confirmation, property viewing and contract process management on the website
- “Enhancement of customer satisfaction” by spending more time for clients
- Realization of work-style reform

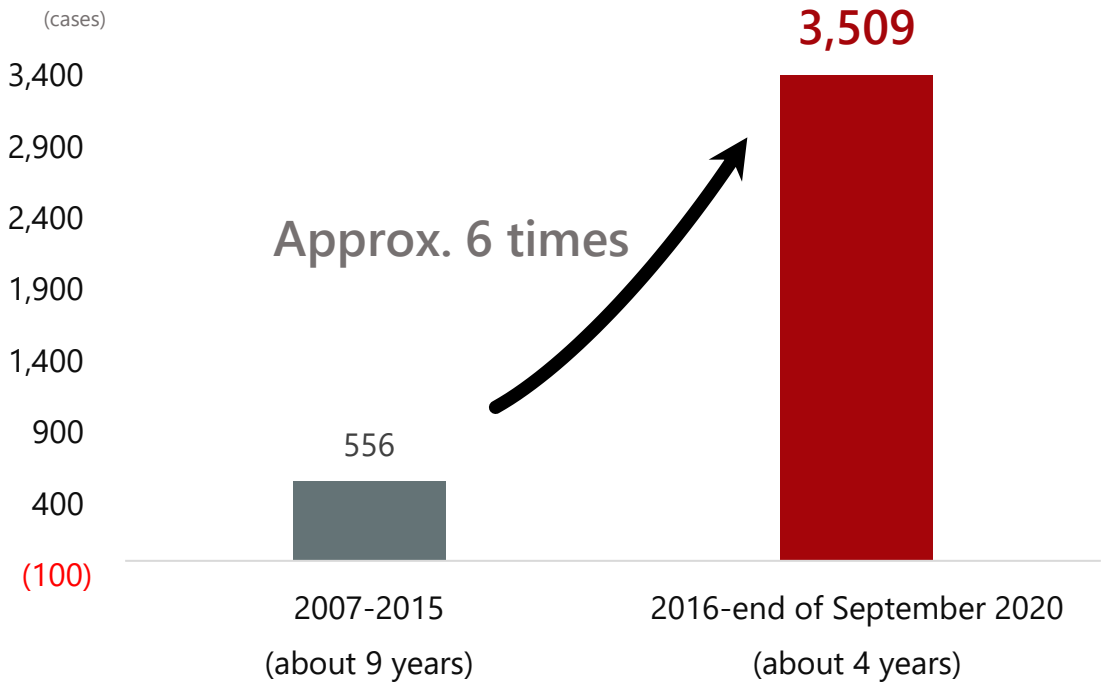
“**CPMA**,” an exclusive website for brokers



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While inbound demand is stagnant due to COVID-19, the rate of foreign residents in the 20,575 units managed by Ambition was maintained at 9.1%, the same level as before the occurrence of COVID-19 (9.1% at the end of Dec. 2019) through the incorporation of relocations of foreign residents by way of brokers specializing in foreign nationals

Number of Contracts with Foreign Residents in Properties Managed by Ambition



Number of Foreigners in Japan

2,939,000
(Approx. **2.2**% of total population)

YoY comparison
+**202,000** (Note)

(Note) Ministry of Justice "Statistics on Foreign Residents," Dec. 2019

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Sales of Veritas Investment's new designer condominiums for investment was favorable

The most important thing in sales of studio condominiums for investment is to minimize risk for investors
The properties of Veritas have helped many investors avoid risks by realizing "high rent x high occupancy rate = high return"

PREMIUM CUBE Series

Curation by a famous designer + Tokyo Premium Area
(Meguro Ward, Shibuya Ward, Shinjuku Ward, Minato Ward, Shinagawa Ward, and Chuo Ward)
=High rent x High occupancy rate = High return



Realized the creation of premium asset value from **"location," "design"** and **"facility specifications"** (CUBE)



PREMIUM CUBE Komagome

PREMIUM CUBE Morishita



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The Investment Department at the main unit of AMBITION excels in "maximization of value" of used properties with a focus on location (Tokyo Premium Area)

[Business]

- Sale of entire real estate
- Renovation/resale of for-sale condominiums <Used>
- Real estate brokerage

Developing a unique renovation brand "**AMBITION＋RENO,**" and creating and providing new value to housing.



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Rental Brokerage Business

In July 2019 (Q1), Ambition established through a part of its rental brokerage business **Ambition Rent Co., Ltd. (for students)** and **Ambition Partner Co., Ltd. (for companies)** by means of a company split with an aim to realign business.

Postponement of entry into schools/universities/companies due to the impact of COVID-19 has led to a strong trend of property hunting being put on hold, but **demand is gradually recovering** after the lifting of the declaration of a state of emergency

For students

AMBITION RENT

Ambition Rent Co., Ltd. was established as a spin-off company of the Student Division of Ambition ROOMPIA Co., Ltd.

UHOMES 异乡好居

Since August 2019 (Q1), we have aimed to enhance services by providing room searches for international students through a "business partnership with Chinese company Uhomes."

For companies

AMBITION PARTNER

Ambition Partner Co., Ltd. was established as a spin-off company of the Corporate Division of Ambition ROOMPIA Co., Ltd.

It is engaged in BtoB business and supports employees of partner companies in finding rooms.

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Ambition ROOMPIA Co., Ltd. underwent an absorption-type merger effective April 30, 2020, and became Ambition Agency Co., Ltd. effective May 1, 2020.

Following on the history to date, stores will operate under the name ROOMPIA.

With the reorganization, on May 9, 2020, ROOMPIA Sagami-Ono Branch was newly opened as VALOR Sagami-Ono Branch

AMBITION
AGENCY

"Ambition Agency Co., Ltd." in business



New opening of "VALOR Co., Ltd." Sagami-Ono Branch

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Re-Tech RaaS Inc., a joint venture company between Ambition and RPA Technologies, was established in July 2019 (Q1) as a company to develop and sell RPA for real estate companies



Re-Tech RaaS is a coined phrase formed by blending the terms "**Real Estate**," "**Technology**," "**Robots**," and "**Software as a Service**" and has a meaning of "network-type service enabled by utilizing robots in a way only a real estate tech firm can do"

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AMBITION
ISIN JP3128650003 3300

The “Rakutech” series by Re-Tech RaaS is a **real estate RPA** package incorporating BPO and AI forecasts on top of ordinary RPA

Improvement in work efficiency can be expected as employees can focus on core jobs.



Cumbersome exchange of massive amounts of paper and documents



Cumbersome data input and output

Introduce “Rakutech”



Focus on core jobs and make progress in business growth

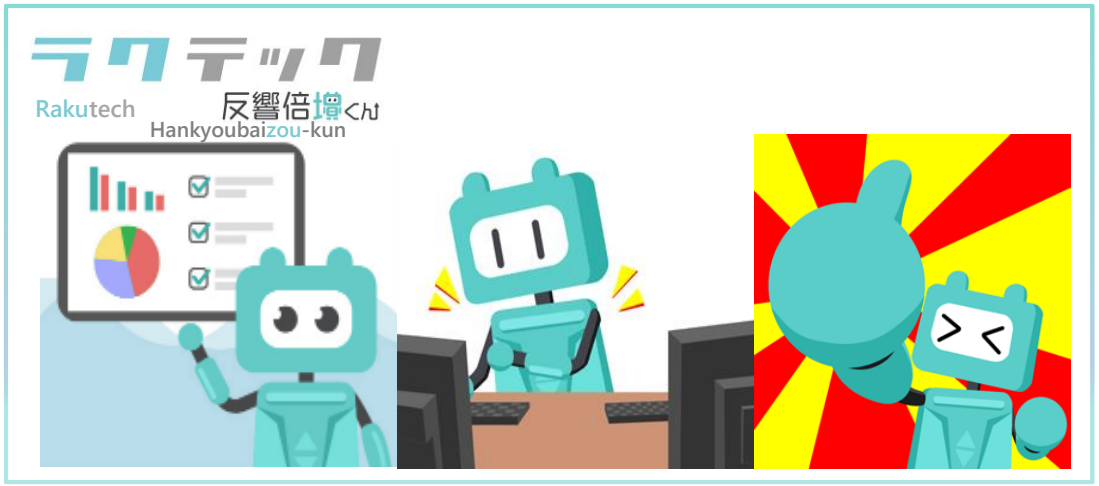


RE-TECH RAAS

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Forecasting responses to properties using AI based on abundant big data on leasing provides a major market advantage

(Patent No. 6670406)



AI-based robot to forecast responses to rental properties

With real estate knowledge installed in RPA, AI analyzes property information to predict "properties that customers want to rent."

AI-related patents have been obtained to establish market advantage for Rakutech

[Advantages of Customers Using the Product]

Well received as a robot for increasing work efficiency and capturing customer needs, as shown in a comment: "Even a part-time worker can enter property information instead of the shop manager and receive more inquiries (customer reactions) than the shop manager.

The more Rakutech is used, the more its accuracy improves, as it creates a model utilizing the user's original features, repeatedly conducts learning, and forecasts inquiries from customers in consideration of the seasonal characteristics

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Other: Hotel Business

Operations were suspended temporarily with the emergency declaration regarding COVID-19 but **resumed in July** after it was lifted.

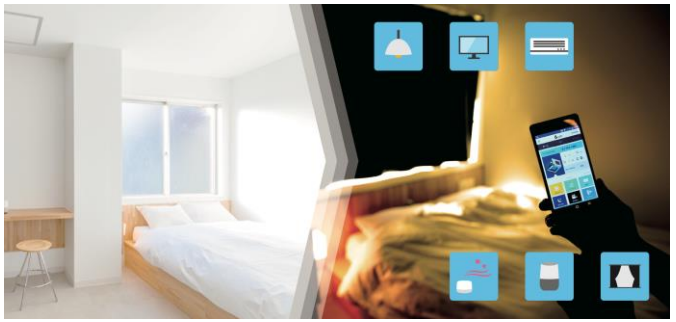
While demand for inbound tourism remains stagnant, operations are conducted by thoroughly implementing measures to prevent COVID-19



[Measures to Prevent Infection from COVID-19]

<For staff>
- In consideration of the health and safety of staff, staff are to wear a face mask while working
- Health checks and measurements of body temperature are required of staff upon arrival at work (rest at home if 37.5°C or higher)
- Thoroughly ensuring frequent washing of hands and gargling during and out of work

<For guests>
- All guest rooms have the inside of rooms disinfected using hypochlorous acid prior to check-in
- All guest rooms are equipped with hand soap and mouthwash
- Guests can rent thermometers free of charge to measure their body temperature



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About the &AND HOSTEL Smart Hostel Brand

&AND HOSTEL produced by the company 'and factory' is an experiential lodging facility which consolidates cutting-edge IoT devices in one place and provides an enjoyable near-future IoT space. It is a smart hostel to connect to the world, providing not only IoT experiences but also a place for encounters and gatherings of lodgers with vibrant communication only possible at hostels



In August 2019 (Q1), we concluded a sublease agreement for **&AND HOSTEL HOMMACHI EAST**, a hostel that incorporates IoT. Similar to **&AND HOSTEL ASAKUSA** and **&AND HOSTEL KANDA,** it is well received as a smart hostel connecting to the world

Sublease agreements concluded for
2 facilities in Tokyo and 1 facility in Osaka



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International operations are implemented **through our affiliate in Vietnam** since it was established in **April 2015**

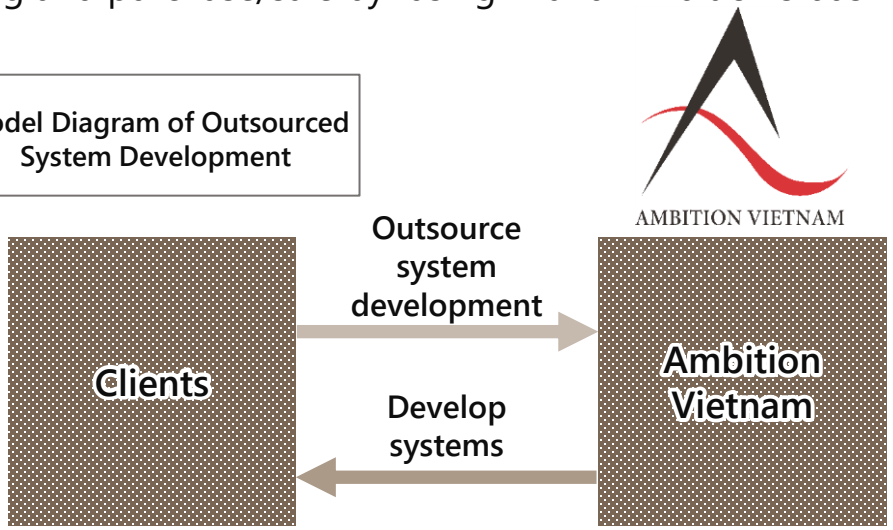
<<Major Operations>>

- Web system development outsourced from companies in Vietnam and Japanese venture firms
- BPO operations for the Ambition Group (data entry service)
- Real estate purchase/sale and leasing brokerage services for foreigners in Vietnam

We are engaged in development and renovation not only for the real estate business but also for the creation of better life.

In conducting real estate business, Ambition Vietnam provides brokerage services centering on real estate leasing and purchase/sale by fusing IT and Ambition's businesses

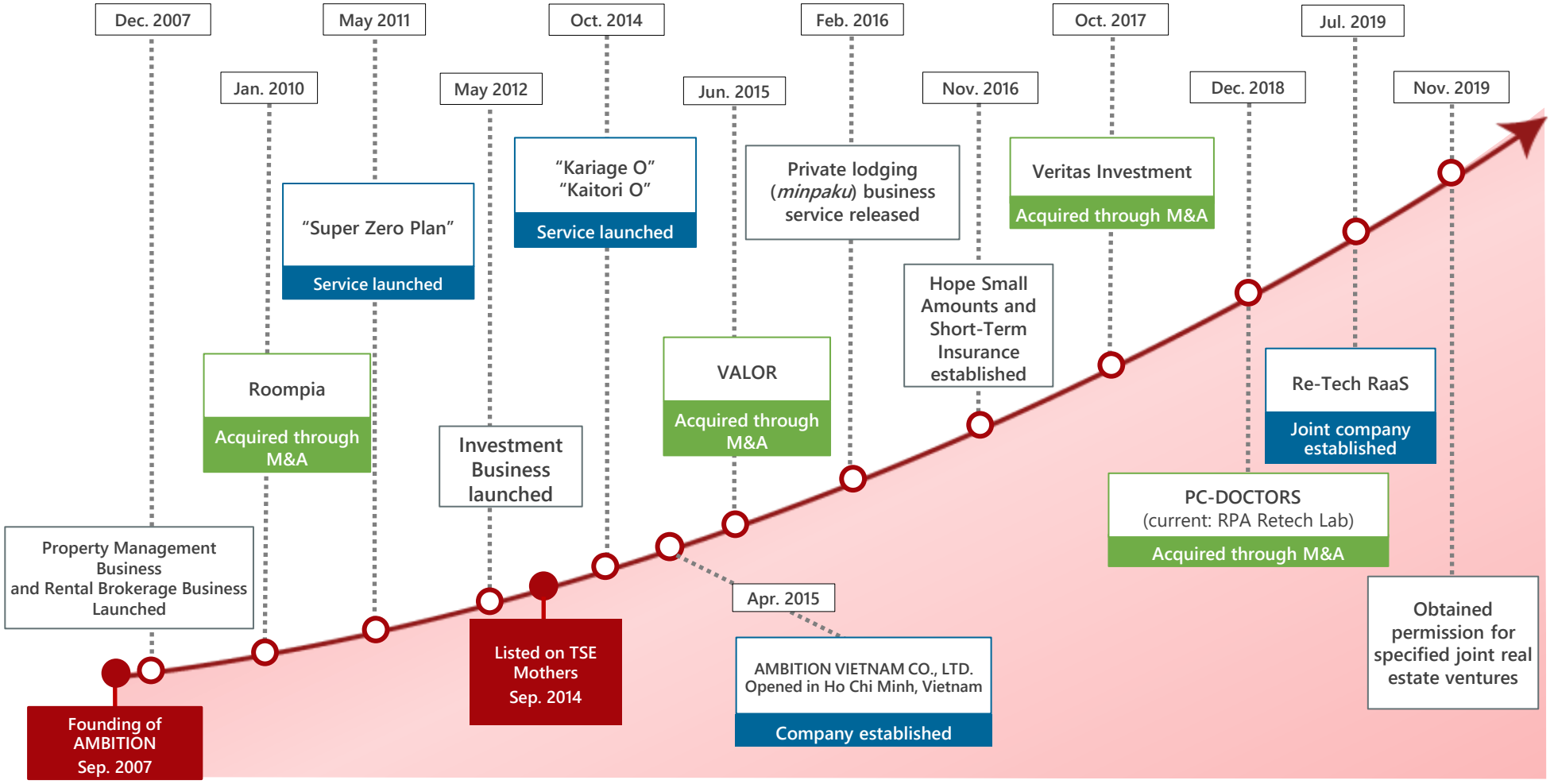
Model Diagram of Outsourced System Development





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Trajectory of Expansion of Business and Services



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Profile of Ambition Group Companies

Company name	**Ambition Corporation**
Representative	Takeshi Shimizu
Established	September 14, 2007
Listed exchange	Tokyo Stock Exchange (Mothers)
Listing date	September 19, 2014
Capital	379,780,200 yen
Settlement period	End of June each year
Directors	Takumi Suzuki, Executive Managing Director; Masaaki Yamaguchi, Director Fumio Nagase, Director (Supervisory Auditor, etc.); Miki Hayashi, Director (Supervisory Auditor, etc.); Hiroto Kawano, Director (Supervisory Auditor, etc.)
License number	Minister of Land, Infrastructure, Transport and Tourism (3) No. 8023
Head office location	Sumitomo Fudosan Harajuku Building 18F, 2-34-17 Jingumae, Shibuya-ku, Tokyo
Department	Property Management Department: Investment Department: Information Strategy Division / Leasing Brokerage Division Business Administration Department: Corporate Planning Office /Financial Affairs Division / Internal Audit Office
Consolidated subsidiary	Ambition Agency Co., Ltd. Ambition Partner Co., Ltd. Ambition Rent Co., Ltd. VALOR Co., Ltd. Veritas Investment Co., Ltd. Hope Small Amounts and Short-Term Insurance Co., Ltd. VISION Co., Ltd. AMBITION VIETNAM CO., LTD. RPA Retech Lab Inc. Re-Tech RaaS Inc.
Partner banks	MUFG Bank, Resona Bank, Mizuho Bank, Sumitomo Mitsui Banking Corporation, ORIX Bank Corporation, Chiba Bank, etc.

Company name	**Ambition Agency Co., Ltd.**
Representative	Toru Oishi
Directors	Takumi Suzuki, Director; Masaaki Yamaguchi, Director; Fumiyoshi Ozeki, Auditor
License number	Minister of Land, Infrastructure, Transport and Tourism (1) No. 9692
Head office location	Sumitomo Fudosan Harajuku Building 16F, 2-34-17 Jingumae, Shibuya-ku, Tokyo
Branches	Naka-Meguro Branch, Takadanobaba Branch, Ginza Branch, Web Division, Higashi-Omiya Branch, Ikebukuro Higashiguchi Branch

Company name	**VALOR Co., Ltd.**
Representative	Naoto Tamura
Directors	Takumi Suzuki, Director; Kazuto Sato, Director; Fumiyoshi Ozeki, Auditor
License number	Minister of Land, Infrastructure, Transport and Tourism (1) No. 9662
Head office location	Nagaoka Building 3F, 2-1-22 Kitasaiwai, Nishi-ku, Yokohama, Kanagawa
Branches	Yokohama Branch, Hiyoshi Branch, Kamiooka Branch, Futamatagawa Branch, Tsurumi Branch, Yokohama Okano Branch, Sagami-Ono Branch

Company name	**Veritas Investment Co., Ltd.**
Representative	Hideki Kawada
Directors	Tomohiko Maeda, Representative Director and Vice President; Yoshio Maruyama, Director; Takeshi Shimizu, Director; Takumi Suzuki, Director; Masaaki Yamaguchi, Director; Fumiyoshi Ozeki, Auditor
License number	Building Lots and Building Transaction Business, Governor of Tokyo (3) No. 89191 Condominium Management Business, Minister of Land, Infrastructure, Transport and Tourism (2) No. 033520 First-class architect office, registered with the Governor of Tokyo, No. 55840
Head office location	Shibuya Mark City West 19F, 1-12-1 Dogenzaka, Shibuya-ku, Tokyo

Company name	**Hope Small Amounts and Short-Term Insurance Co., Ltd.**
Representative	Ryohei Fukumoto
Directors	Takeshi Shimizu, Director; Takumi Suzuki, Director; Fumiyoshi Ozeki, Auditor
Registration number	Director-General of the Kanto Finance Bureau (small amounts and short-term insurance) No. 80
Head office location	Sumitomo Fudosan Harajuku Building 18F, 2-34-17 Jingumae, Shibuya-ku, Tokyo

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Forecasts include various uncertain factors and actual performance may differ significantly from these future outlook.

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