Robot Home

A life with Robot Home can change the world.

Robot Home, Inc. FY2021 FINANCIAL RESULTS

February 2022 Robot Home, Inc. (TSE1:1435)

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1. FY2021 Financial Results Overview

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Company overview

Name	Robot Home, Inc.
Head office	3-4-14, Ebisu Minami, Shibuya-ku, Tokyo
Established	January 23, 2006
Representative	Daisaku Furuki, Representative Director/CEO
Capital	10 million yen
Employees	169 persons (consolidated basis / full-time employees / as of December 31, 2021)

Businesses	AI/IoT business PM platform business Real estate consulting business
Subsidiaries	income club Inc. Residence kit, Inc. (*) TABICT, Inc. Sunassu Co., Ltd. IDC Inc.

*Effective April 1, 2021, TATERU, Inc. changed its trade name to Robot Home, Inc. and its subsidiary, Robot Home Co., Ltd. changed its trade name to Residence kit, Inc.

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Business development

Development of three businesses leveraging AI and IoT technological capabilities

AI / IoT business

- Service to support development, sale, and installation of AI and IoT
- Comprehensive DX support service

PM platform business

- PM platform leveraging AI and IoT

PM business / guarantee business / maintenance business

Real estate consulting business

- Consulting, planning and development of real estate
- Development and operation of income club

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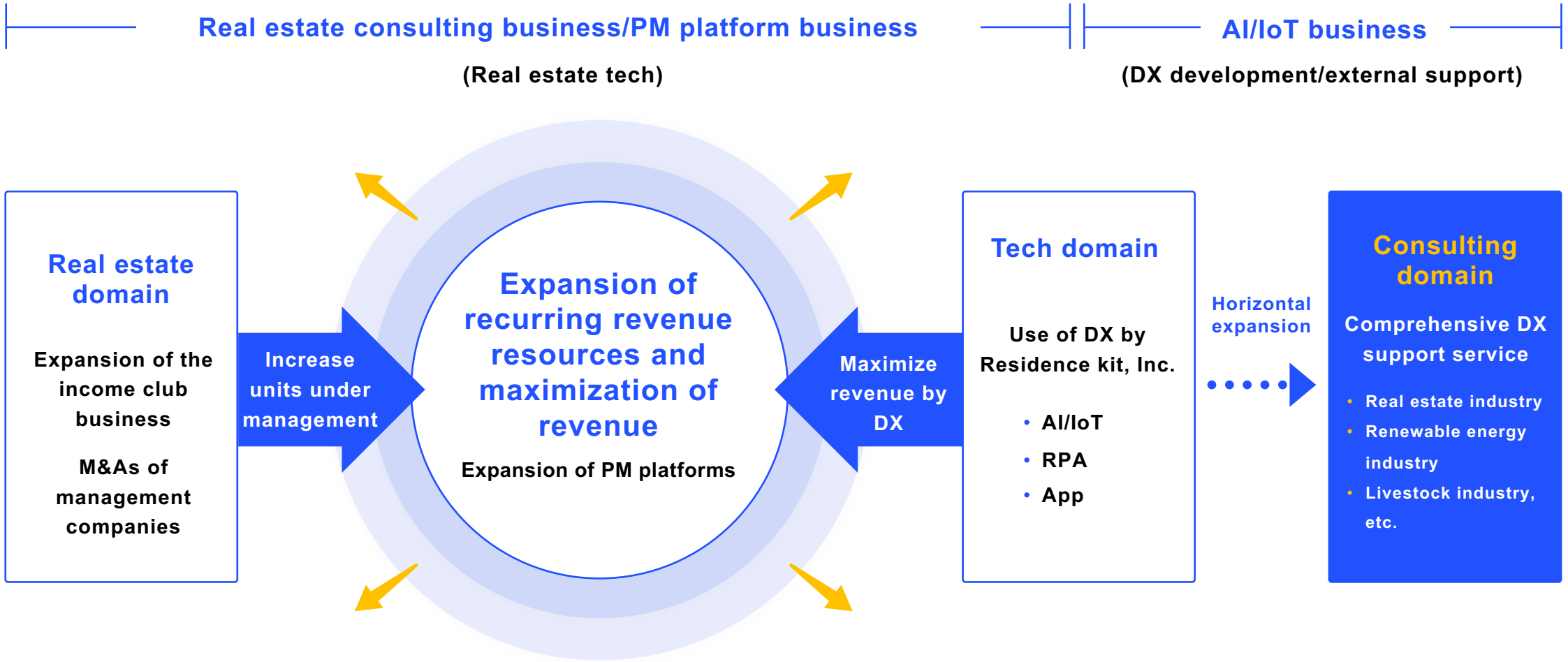
Expansion of knowledge in the real estate and technology domains to the DX domain



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FY2021 Highlights

- Recorded operating income of ¥299 million by sustainably expanding revenue of “stock business” (subscription).
- Obtained DX Certification based on the Ministry of Economy, Trade and Industry guidelines
- Established DX Property Promotion Association
- Launched “income club,” a marketplace for real estate investment
- Acquired all of the shares of IDC Inc. to make it a consolidated subsidiary

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Consolidated statements of income

(Unit: million yen)	FY2020	FY2021
Net sales	6,147	4,090
Gross profit	1,641	2,363
Selling, general and administrative expenses	2,305	2,063 (*1)
Operating profit	▲664	299
Ordinary profit	▲694	355
Profit attributable to owners of parent	▲1,007	373 (*2)

- Recorded operating profit of ¥299 million by sustainably expanding revenue of “stock business” (subscription)
- Reduction in selling, general and administrative expenses through ongoing cost reviews
- Recorded M&A advisory fee of ¥58 million (*1)
- Reduction in tax expenses due to recording of deferred tax assets (*2)

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Segment Information

(Unit: million yen)		FY2020	FY2021	YoY Change
AI/IoT business	Net sales	231	403	172
	Operating profit	58	181	123
PM platform business	Net sales	2,763	3,114	351
	Operating profit	889	1,170	281
Real estate consulting business	Net sales	3,152	580	▲2,572
	Operating profit	▲473	▲83	390

- Net sales and operating profit increased in the AI/IoT business due to the contribution to revenue by comprehensive DX support service
- Net sales and operating profit increased in the PM platform business due to expansion of service into domains related to PM
- Net sales decreased and operating profit increased in the real estate consulting business due to business model reconstruction

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Consolidated balance sheets

(Unit: million yen)	December 31, 2020	December 31, 2021	YoY change
Current assets	8,682	8,015	▲666
Cash and deposits	5,764	4,648	▲1,115
Inventories	1,992	2,798	805 (*)
Non-current assets	693	1,889	1,195
Total assets	9,376	9,905	529
Liabilities	2,140	2,378	237
Interest-bearing debt	200	367	167
Net assets	7,235	7,527	291
Total liabilities and net assets	9,376	9,905	529

- Increase in inventories portfolio for the next growth phase (*)
- Equity ratio: 75.7%
- Repurchase of the Company's own shares worth ¥199 million

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Notice regarding resumption of dividends and dividend payout forecast for 2022

(Unit: yen)	Dividend per share		
	Interim dividend	Year-end dividend	Total
Plan for 2021 (Actual dividend for Q2)	0.00	1.00	1.00
Plan for 2022	1.00	1.00	2.00

- Dividend payment has been resumed in comprehensive consideration of such matters as the achievement of profitability through transformation of the revenue structure to “stock business” (subscription) as well as the financial position and profit return measures.
- Plan for 2021: Year-end dividend of ¥1.00 per share

  Plan for 2022: Total dividend of ¥2.00 per share

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Decision on repurchase of the Company's own shares

Details of matters regarding the repurchase

1. Type of shares to be repurchased	Common stock of the Company
2. Total number of shares to be repurchased	Up to 550,000 shares → 0.6% of the total number of issued shares
3. Total amount of repurchase price	Up to ¥100,000,000
4. Repurchase period	February 15, 2022 to March 14, 2022

Reasons

- To enable the flexible execution of capital policies in response to changes in the management environment
- To make comprehensive assessments of the management environment and consider/implement future M&A strategies and shareholder return policies, among other initiatives

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Financial results forecast

(Unit: million yen)	FY2021 (Actual results)	FY2022 (Forecast)	YoY Change (Forecast)
Net sales	4,090	7,000	+2,909
Operating profit	299	500	+200
Ordinary profit	355	450	+94
Profit attributable to owners of parent	373	400	+26

- Stable growth of recurring revenue in the PM platform business
- Significant improvement in net sales and operating profit through the full-scale operation of the income club business
- Started making upfront investments to further the DX of Residence kit and automation of rental property management using AI

Key agenda for investment

- Enhance the system for DX
- Establish an Intelligent PM Center
- Hire around 100 IT personnel

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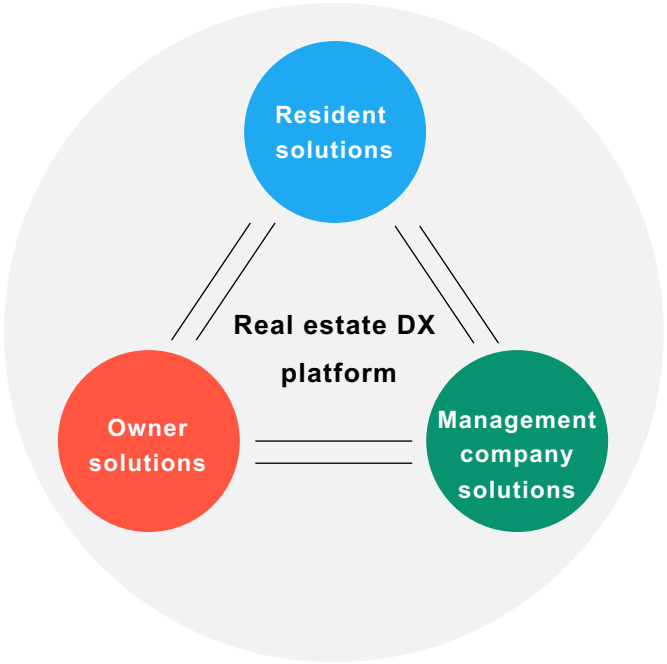
Aiming to become a leading company in SaaS for rental property management

In order to achieve further growth as a DX company in the medium to long run, the Company will further enhance the DX platform in the property management domain and create innovative data-driven services.

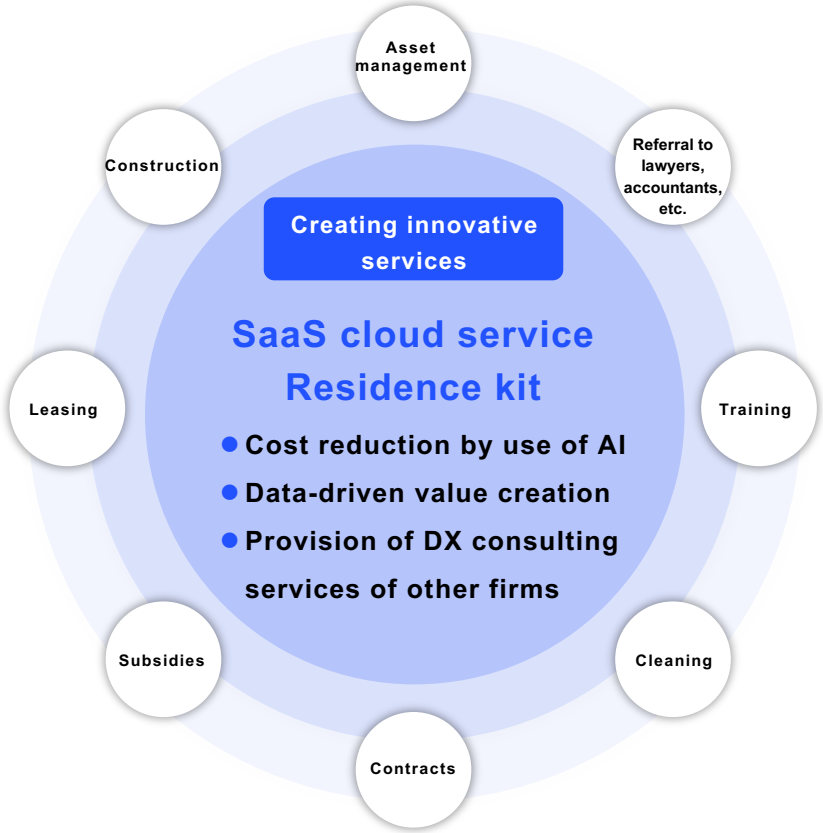
Residence kit



Further enhancement of DX

On agenda

- Enhance the system for DX
- Establish an Intelligent PM Center
- Hire around 100 IT personnel



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2. Robot Home Growth Strategy

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DX Certification based on the Ministry of Economy, Trade and Industry guidelines

Pursuant to Article 31 of the Act on Facilitation of Information Processing, Robot Home, Inc. has been selected by the Minister of Economy, Trade and Industry as a DX-certified operator under the DX Certification Initiative

● DX Certification Initiative (From the information released by IPA: Information-technology Promotion Agency, Japan)

The DX Certification Initiative is based on the Act on the Partial Revision of the Act on Facilitation of Information Processing that came into effect on May 15, 2020. The initiative certifies operators that undertake excellent DX initiatives, based on the application by the operator, in light of guidelines established by the Japanese government (*1).

(*1) The guidelines present a vision for the strategic use of systems in company management. These guidelines were established based on the Act on Facilitation of Information Processing. For details, visit the website of IPA: Information-technology Promotion Agency, Japan.
https://www.ipa.go.jp/ikc/info/dxcp.html (in Japanese)

DX認定

Robot Home

A life with Robot Home can change the world.

List of DX-certified operators (in Japanese)
https://www.ipa.go.jp/ikc/info/dxcp-list-202103.html

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Announcement on establishment of DX Property Promotion Association

DX Property Promotion Association established with the aim of business model innovation in the real estate industry

The spread of COVID-19 has accelerated moves to reform legal systems and customs with the aim of digitalizing “face-to-face, paper-based, and seal” practices. This association will promote the digital transformation (DX) of the real estate industry through the use of advanced technologies such as IoT and AI and, in doing so, help solve various social issues, to contribute to the improvement of the residential environments and convenience of people living in Japan.

DX不動産推進協会
DX PROPERTY PROMOTION ASSOCIATION

Establishment	December 17, 2020
President	Daisaku Furuki, Representative Director/CEO, Robot Home, Inc.
Directors	Ryo Higuchi, President and Chief Executive Officer, GA technologies Co., Ltd.
	Sei Nakanishi, President and Representative Director, PROPERTY AGENT Inc.
	Seigo Miyaji, Representative Director and President, Casa Inc.
	Takeshi Shimizu, President and CEO, AMBITION Corporation
	Kazumasa Tomita, President & Chief Executive Officer, ZUU Co., Ltd.
	Katsuki Matsuzono, President, Residence kit, Inc
Auditor	Hiroyuki Sugimoto, Chairman & CEO, SYLA HOLDINGS Co., Ltd.
Advisor	Kiyohiko Nishimura, Emeritus Professor, The University of Tokyo; former Deputy Governor, The Bank of Japan
Website	http://www.dxppa.or.jp/
Inquiries	info@dxppa.or.jp

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FY2021 DX Property Promotion Association highlights

FY2021 highlights

- **Steady growth of the number of member companies**
  - **Number of member companies: 35**
- **Holding of study sessions on a periodic basis**
  - **Sessions held: 4 / Total number of participants: 406**
- **Participation of the Association Director companies in the Real Estate ID Rule Review Meetings of the Ministry of Land, Infrastructure, Transport and Tourism**
- **Setting up of the Academic Council**

Future aspired by the DX Property Promotion Association

Full digitalization of real estate contracts

- Use of electronic signature
- Standardized IDs for property information
- Designing residence history information based on BIM
- Development of real estate history information

Establishment of an electronic contract system linked with the real estate traceability

Falsification prevention through blockchain connection

Further revitalization and pursuit of soundness of the real estate market

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Launch of a new business

Marketplace for real estate investment

income club (Released in August 2021)

The Company's new business "income club" is a marketplace for real estate investment, which matches investors who wish to buy real estate for investment purposes with agents who wish to sell. The service allows users to browse, consider, and purchase investment purpose real estate developed by voluntary chain members. To further reinvigorate the real estate investment market through income club, we will build a new marketplace by taking advantage of our technology and the network of members.



Sample web page for end users

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Consolidation of IDC Inc. as a subsidiary

Consolidation of IDC Inc. as a subsidiary for further promotion of real estate DX

This enables the combination of the technology domain of the Group's real estate, which is the use of an IoT rental management platform "Residence kit" aiming to automate the Group's real estate, and the real estate domain of IDC Inc.'s extensive real estate expertise accumulated for more than 20 years since its foundation. The Company acquired all of the outstanding shares of IDC Inc. on December 22, 2021, to make it a subsidiary in expectation of a further increase in the corporate value of the Group by promoting DX in real estate and technology.

株式会社 アイ・ディー・シー

[Company overview]

■ **Trade name**	IDC Inc.
■ **Address**	6th Floor, Esaka Minamiguchi Daini Bldg., 10-35 Hiroshiba-cho, Suita-shi, Osaka Prefecture
■ **Establishment**	November 29, 1999
■ **Representative**	Takuji Yamaguchi, Representative Director
■ **Business**	Real estate development Real estate rental/sales brokerage Rental real estate management
■ **URL**	https://www.id-com.co.jp/

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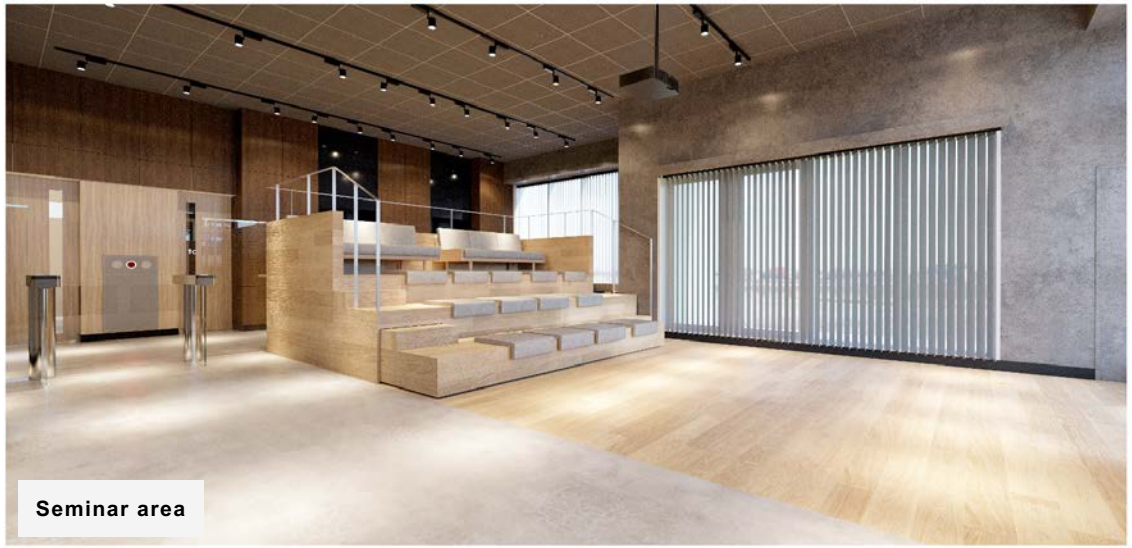
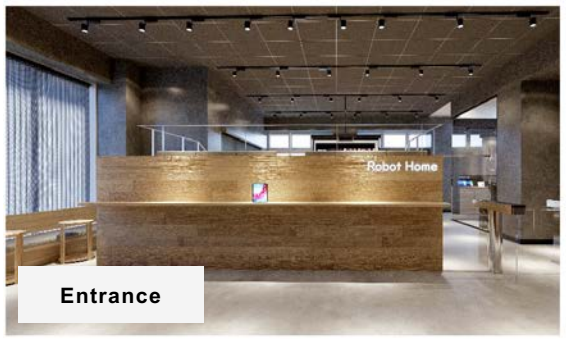
Notice regarding opening of the Ginza Office

Opening of a new office to promote the diversification of work styles and DX (Opened in February 2022)

As part of our measures to respond to recent changes in the social environment caused by COVID-19, a new office was opened in Ginza to promote the diversification of work styles and DX. The office is designed to ensure the safety of not only employees but also all kinds of stakeholders and promote smoother communication by using functions which can accommodate both online and offline experiences, including a large-sized seminar space, common areas to create opportunities for employees to meet face to face, and equipment enabling us to hold physical events that are similar to online ones.


Seminar area



Entrance


Meeting room

Ginza Office address: RBM Ginza Bldg. 9–11Fs, 7-4-15 Ginza, Chuo-ku, Tokyo

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AI / IoT business

Net sales

¥403million

Operating profit

¥181million

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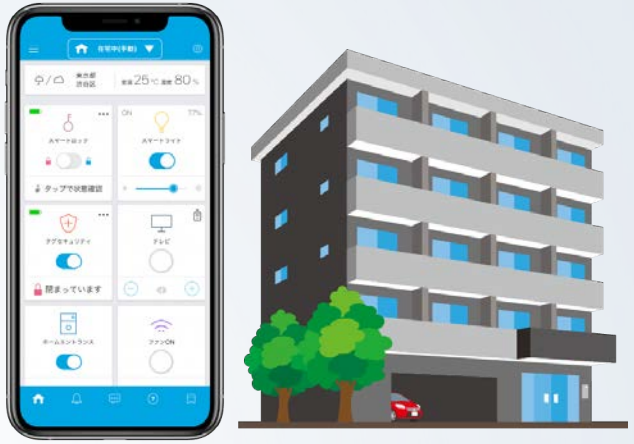
Outline of IoT platform for rental housing, “Residence kit”

Providing a platform that leverages AI/IoT technologies to connect all players – residents, owners, leasing agents and leasing management companies – with the aim of automating real estate management.

Assets × AI / IoT

Increasing asset value by utilizing AI/IoT

Residence kit
for Customer



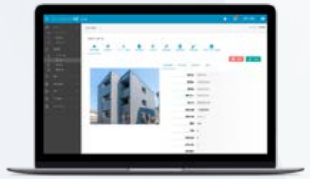
Residence kit
for Owner

Ownership



Residence kit
for PM

Management



Residence kit
for Maintenance

Maintenance



Residence kit
for Agent

Receipt of move-in request



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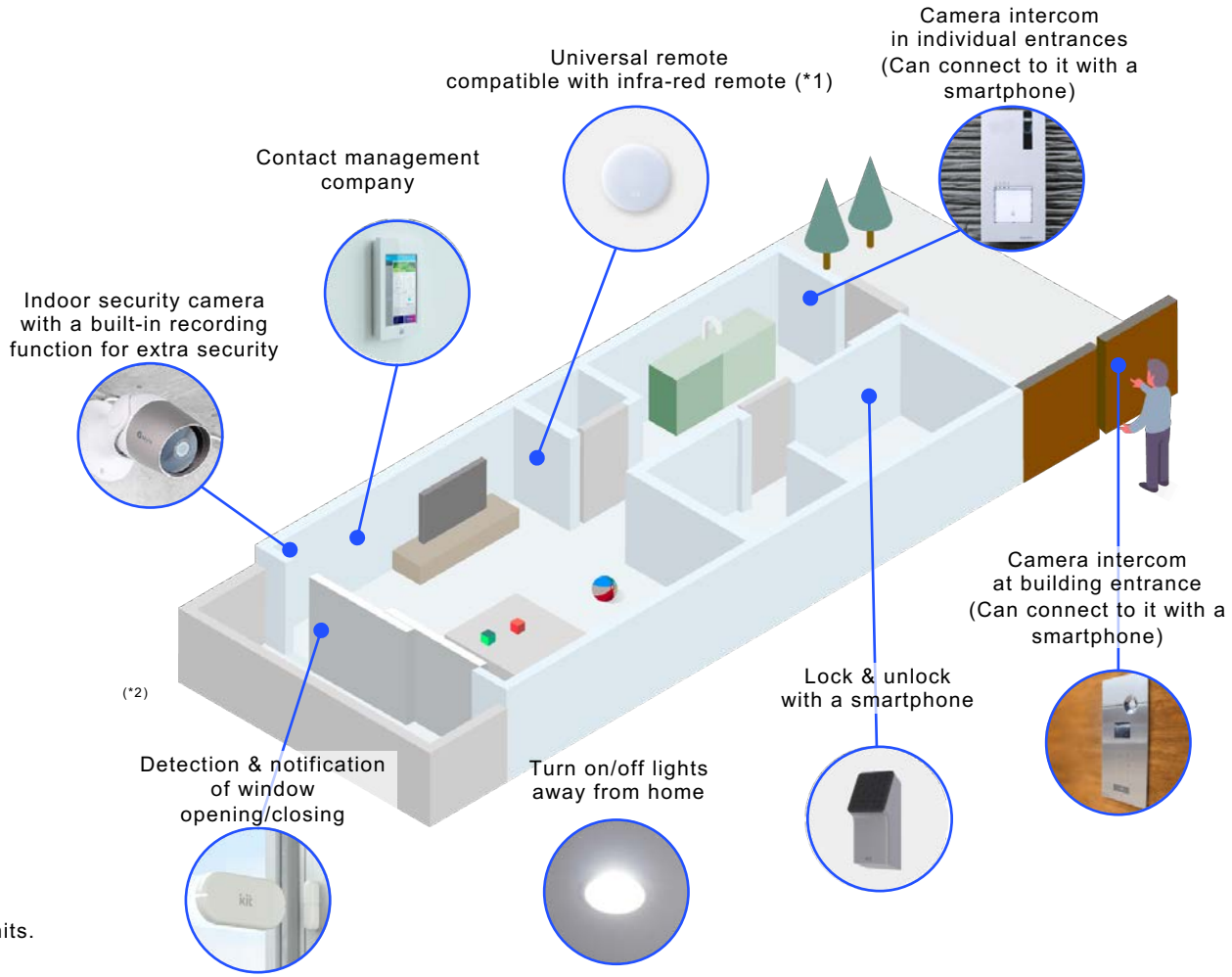
Room with IoT devices controlled easily with a smartphone

Rental property differentiated by IoT ▶ Automation of rental property management ▶ Rental management using RPA ▶ Maintenance service using an app ▶ Help filling vacancy using the vacant room sharing website

Residence kit

for Customer





*1 Some functions may not be available in all units.

*2 The apartment layout is a sample.

Introduced in more than **9,900 units** and continues to increase steadily.

Number of units that introduced IoT

9,961

(As of December 31, 2021)

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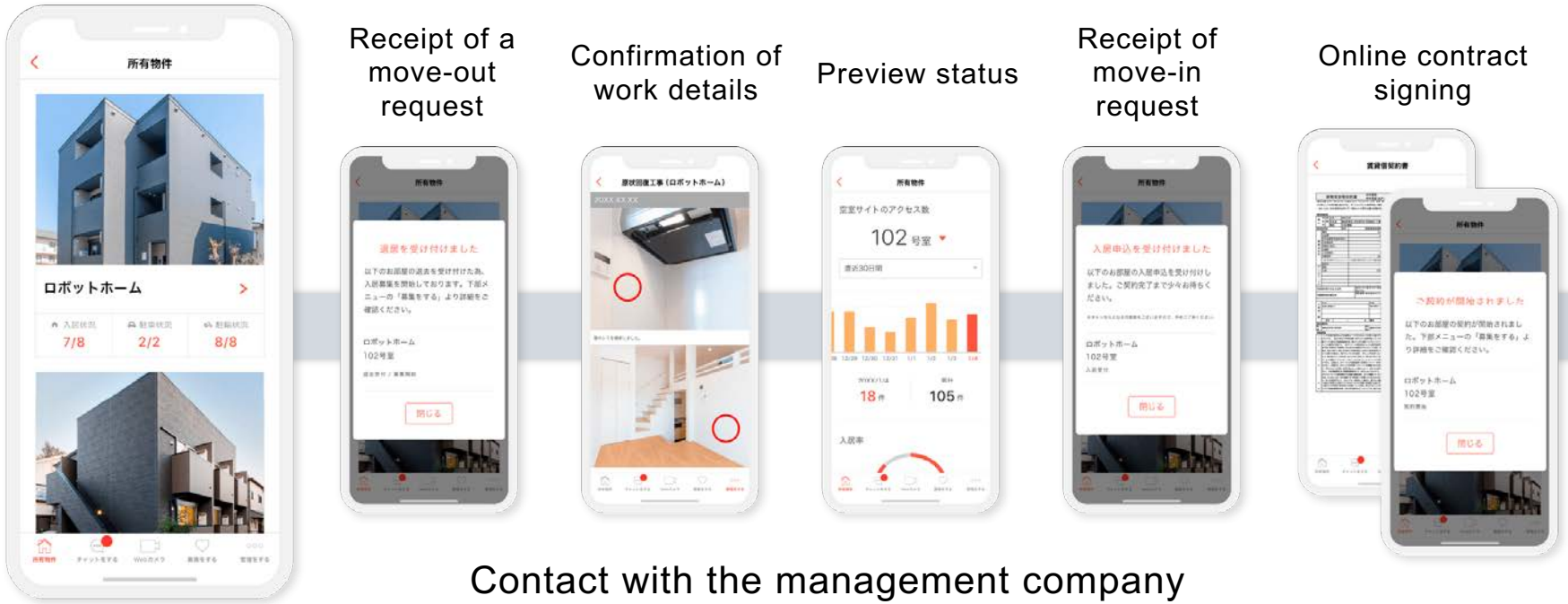
Owners can manage rental housing operations with the app

Rental property differentiated by IoT ▶ **Automation of rental property management** ▶ Rental management using RPA ▶ Maintenance service using an app ▶ Help filling vacancy using the vacant room sharing website

Residence kit for Owner



Contact with the management company is also easy with the chat function on the app.

App helps owners manage their rental properties, from previews to collecting rents and placing orders to suppliers, etc.

Number of owners

1,937

(As of December 31, 2021)

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Management companies can streamline operations with RPA

Rental property differentiated by IoT ▶ Automation of rental property management ▶ Rental management using RPA ▶ Maintenance service using an app ▶ Help filling vacancy using the vacant room sharing website

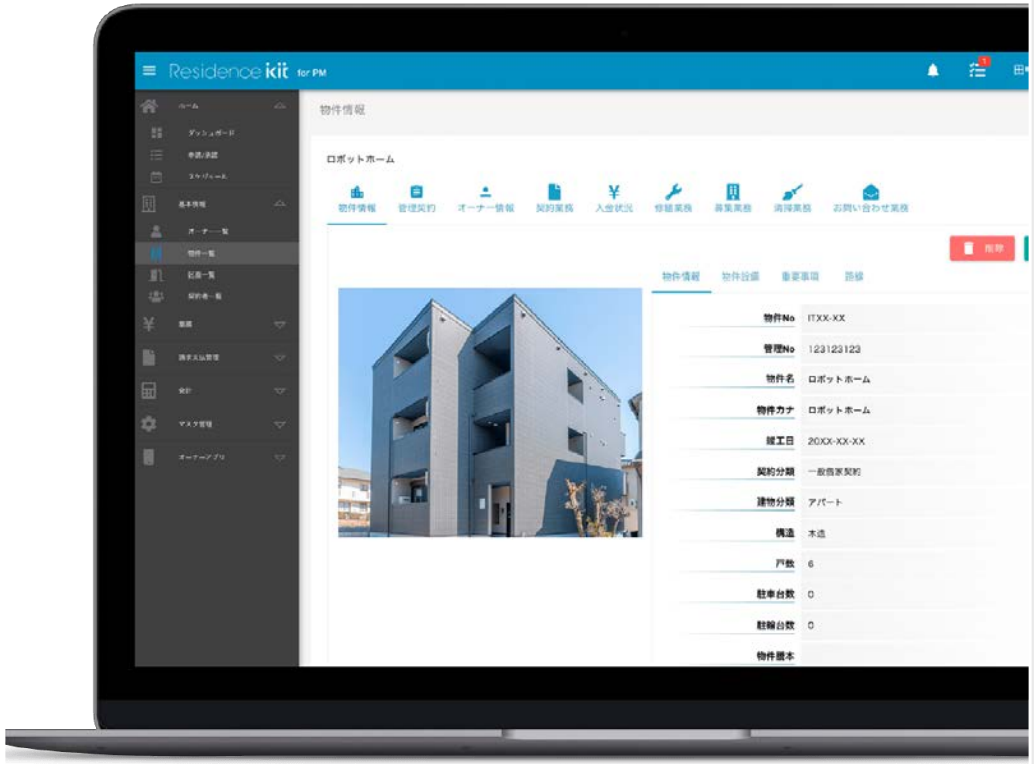
Residence kit for PM

Manage moving-in/moving-out
Receipt of move-in/move-out requests, receipt of repair requests, making orders, management of history

Manage information
Management of property information, management of and search for owner information

Management of remittance history
Management of rent payment, remittance to owners, management of vendor billing

Management of documents
Management of contracts, remittance statements, and bills



Reduces vacancy risk and improves service quality by streamlining operations utilizing RPA.

Number of units that introduced RPA

25,069

(As of December 31, 2021)

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Efficiency improvement in cleaning, inspection, etc. using an app

Rental property differentiated by IoT ▶ Automation of rental property management ▶ Rental management using RPA ▶ Maintenance service using an app ▶ Help filling vacancy using the vacant room sharing website

Residence kit for Maintenance

Centralized management of maintenance service realized through the in-house developed cleaning app

Optimized routes

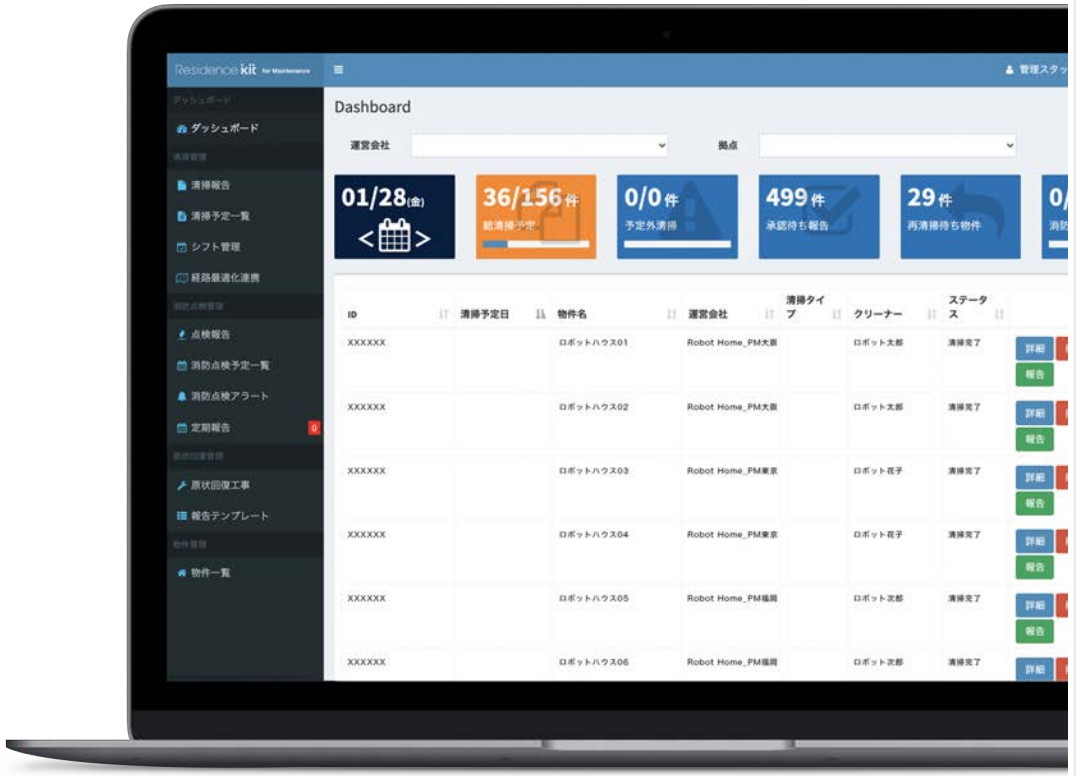
Maximally efficient routes are presented to janitors.

Automatically generated reports

Quality is maintained through completion reports with images attached.

Management screen

The cleaning status can be confirmed at a glance.



Operational efficiency improvement and service quality improvement through the leverage of technology in the maintenance domain

Walk-around cleaning

52,439 times

Fire-fighting inspection

5,378 times

Restoration work

1,543 cases

(As of December 31, 2021, actual results for the fiscal year)

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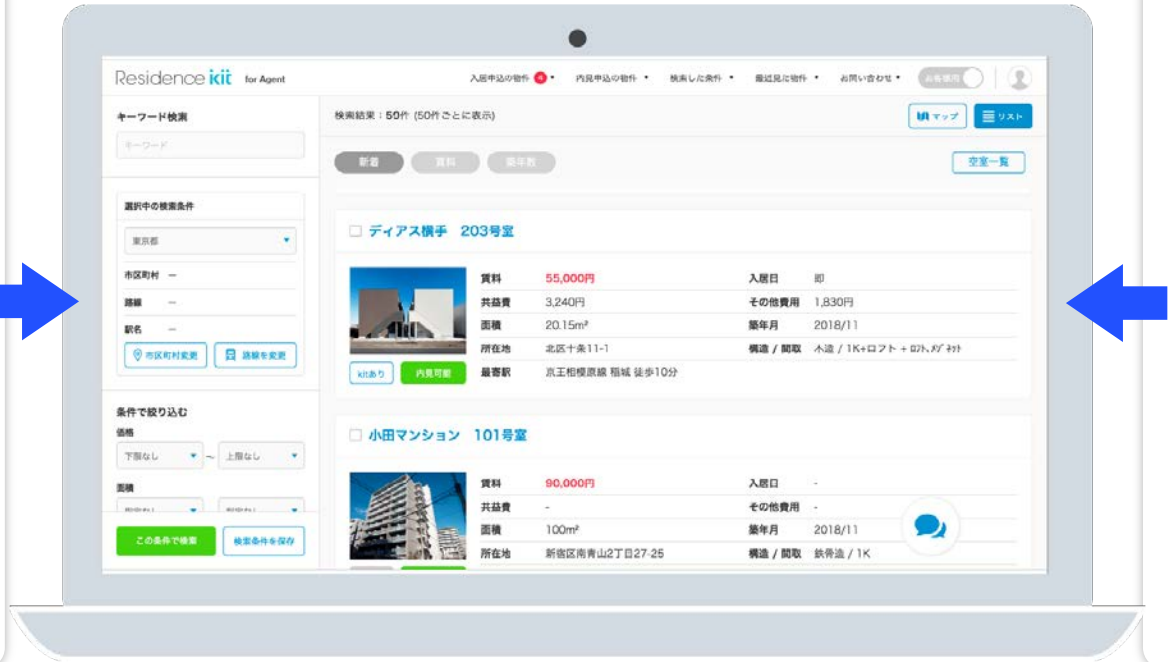
Agents can find tenants more efficiently through the vacant room sharing website

Rental property differentiated by IoT ▶ Automation of rental property management ▶ Rental management using RPA ▶ Maintenance service using an app ▶ Help filling vacancy using the vacant room sharing website

Residence kit for Agent

Management companies

Post and update latest information



Agents

See latest information

Quick search of vacant rooms on the website allows agents to find tenants more efficiently.

Number of registered agents

5,955
registered agents in

17
prefectures nationwide

(As of December 31, 2021)

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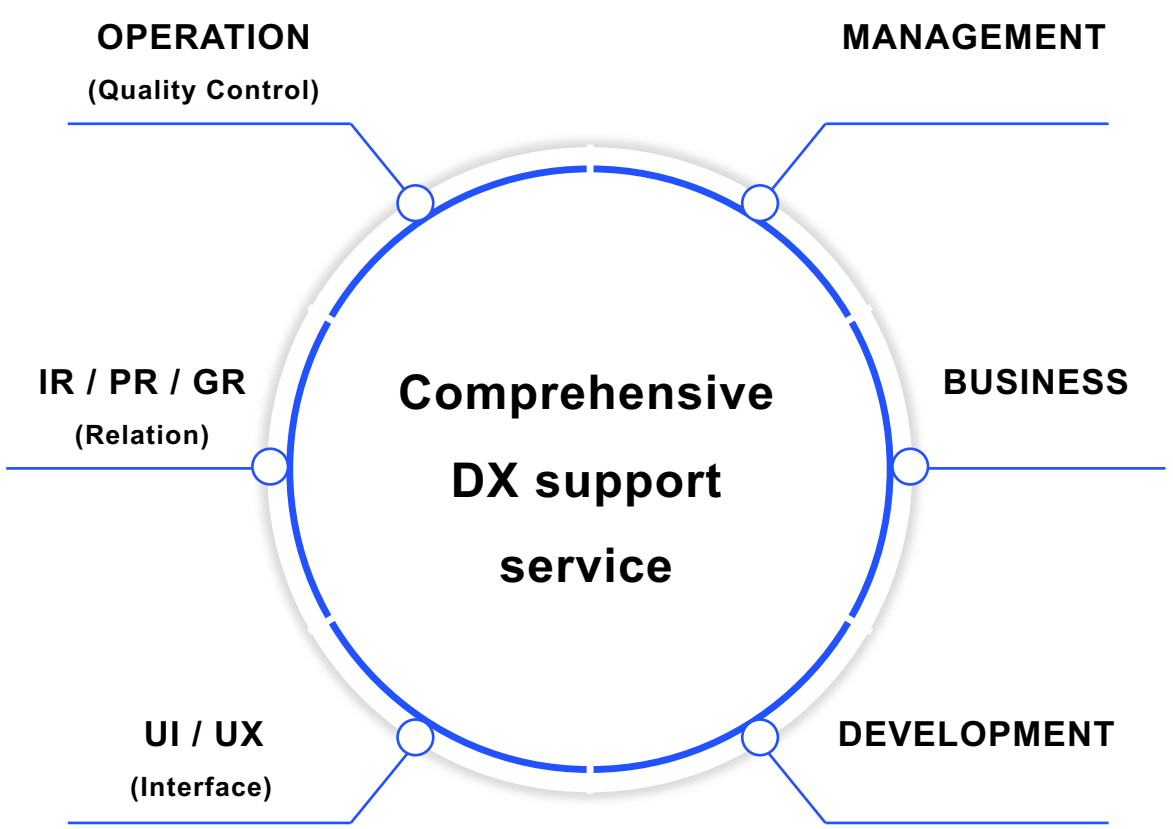
Overview of comprehensive DX support service

Launched a comprehensive DX support service drawing on our experience of developing and running various in-house products combining real estate and IT

The service will support a wide range of activities including management strategy planning, designing concepts and defining requirements for service development, IT system development, and PR activities.

ReTech Domain ▶ **DX Domain**



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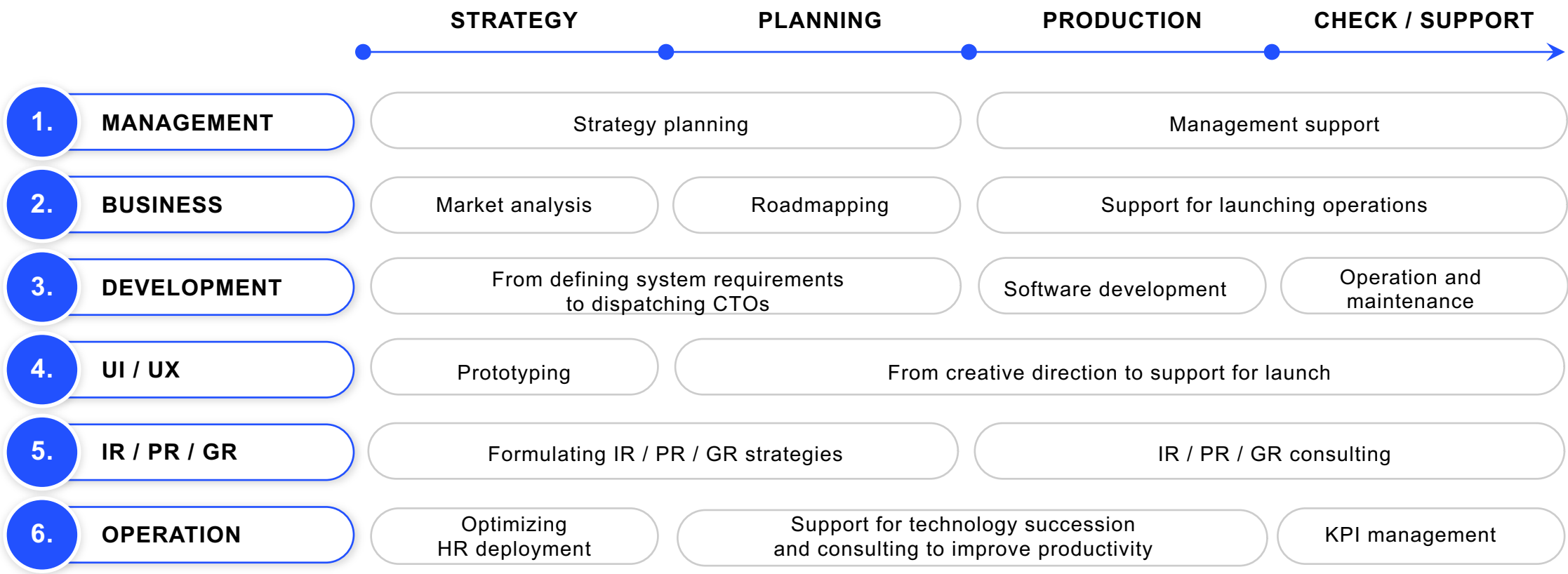
Overview of comprehensive DX support service

Six facets to support companies that need help in promoting DX.



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Current clientele of comprehensive DX support service

Current clientele: 18companies. (As of December 31, 2021)

















*Shown above are clients that gave permission to be named.

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PM platform business

Net sales

¥3,114million

Operating profit

¥1,170million

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PM business utilizing technologies including AI / IoT

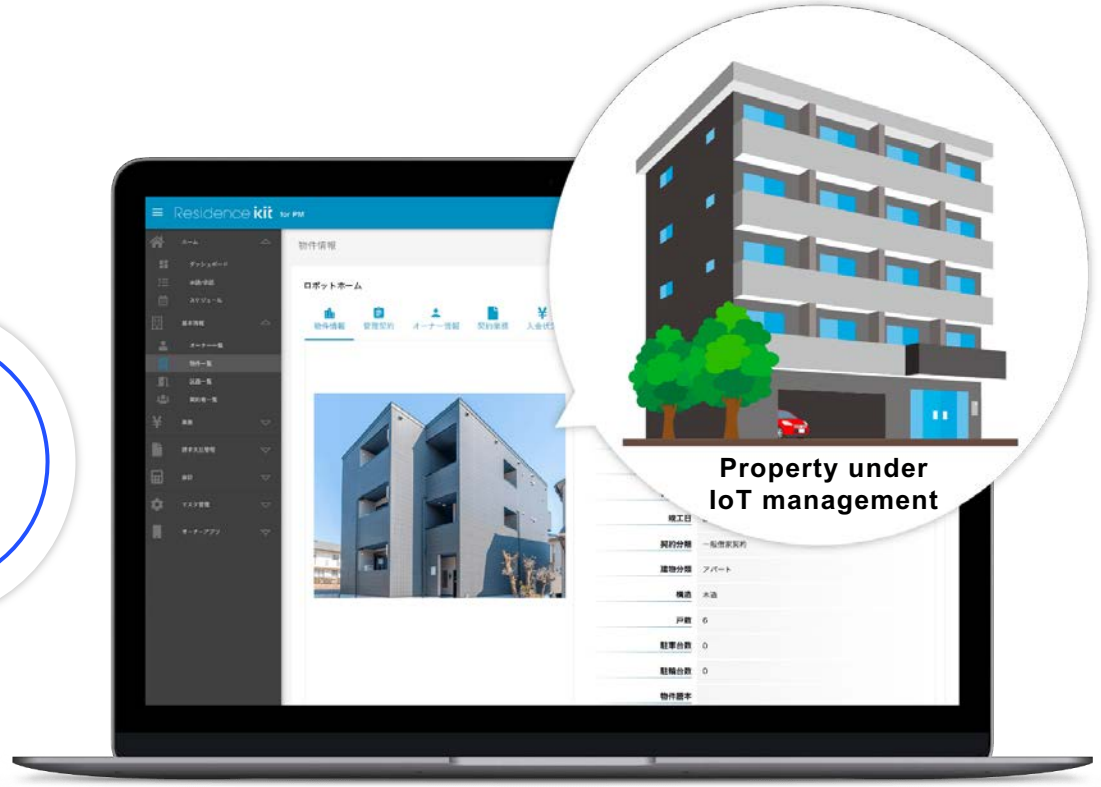


Tenants' app
（Residence kit for Customer）



Owners' app
（Residence kit for Owner）

Link



RPA tool for management companies
（Residence kit for PM）

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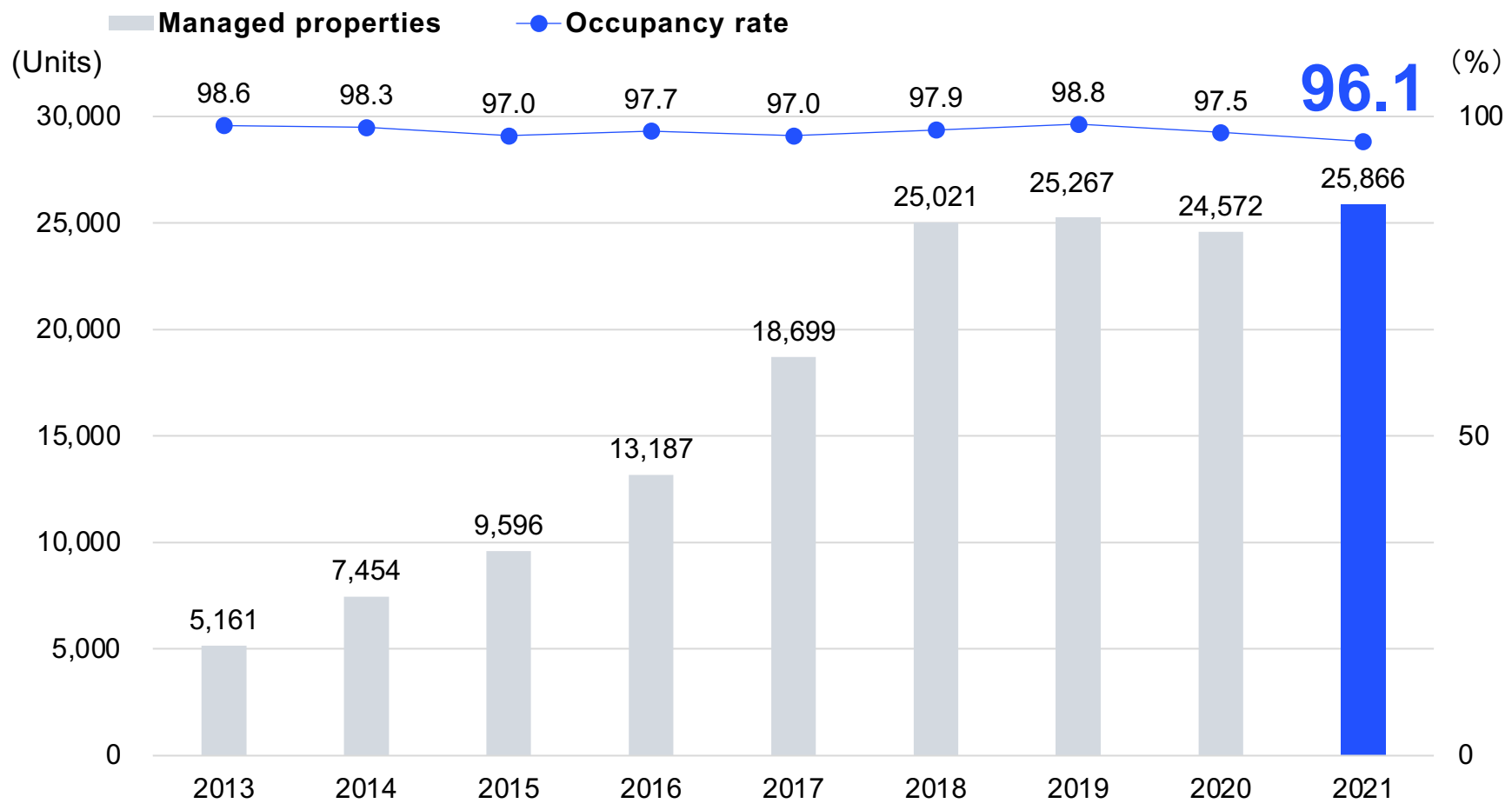
Stable recurring income that maintains high occupancy rate



*Occupancy rates for 2016 and earlier are figures for Company-managed and constructed properties only.

Occupancy rate of **96.1%.** Keep high occupancy rates

Managed properties

25,866 units

Occupancy rate

96.1 %

(As of December 31, 2021)

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Sustainable expansion of profit foundations

Measures to increase units under management

- Raise awareness through delivering advertisement
- Management contracts following proposals of IoT utilization to real estate developers
- Management contracts following sales of IoT to real estate owners
- Expansion through M&As of other management companies

Expanding Company-guaranteed share

15,306 units

25,866 units

(As of December 31, 2021)

Improvement of the profitability through a shift to in-house production in the maintenance domain

Walk-around cleaning	Fire-fighting inspection	Restoration work
52,439 times	**5,378 times**	**1,543 cases**

(As of December 31, 2021, actual results for the fiscal year)

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Real estate consulting business

- Sale and develop of revenue-generating real estate, differentiated through utilization of the IoT, for affluent clients
- Consulting business themed on combining technology with real estate development
- Launched “income club,” a marketplace for real estate investment

Net sales	Operating profit
¥580million	▲¥83million

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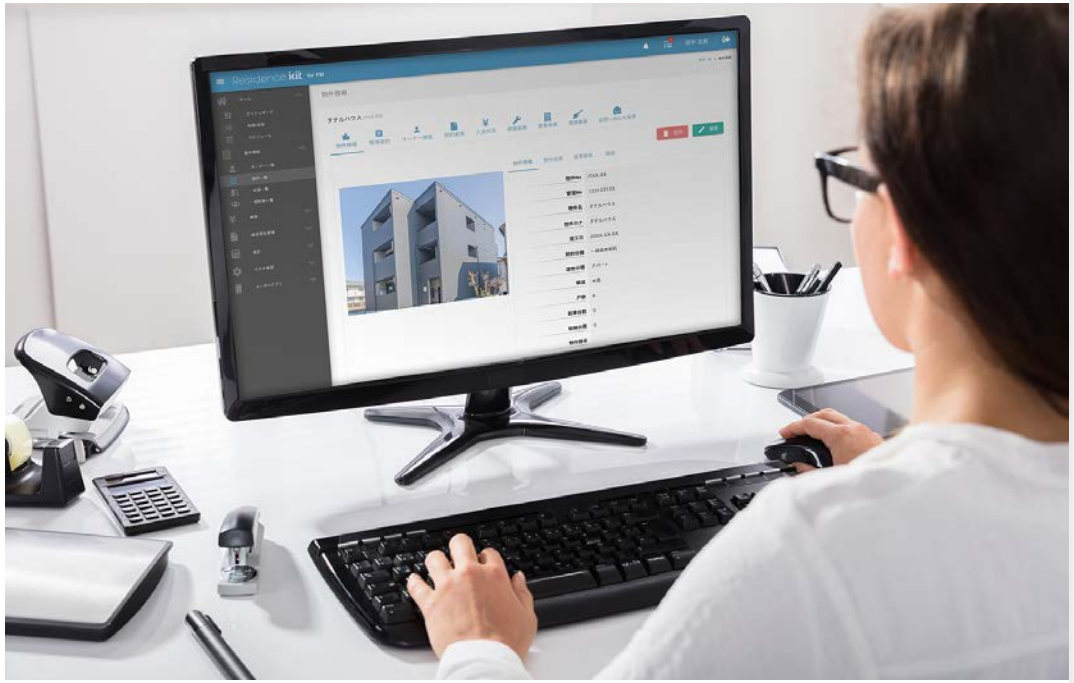
Our SDGs initiatives

Contribute to building comfortable cities through rental housing management services that take advantage of RPA and human resources



Contribute to building comfortable cities by streamlining operations with RPA and providing high-quality services. Take a tenant-first approach to enhance readiness for responding to requests by further expanding the rental housing management domain and developing a total support structure for rental management.



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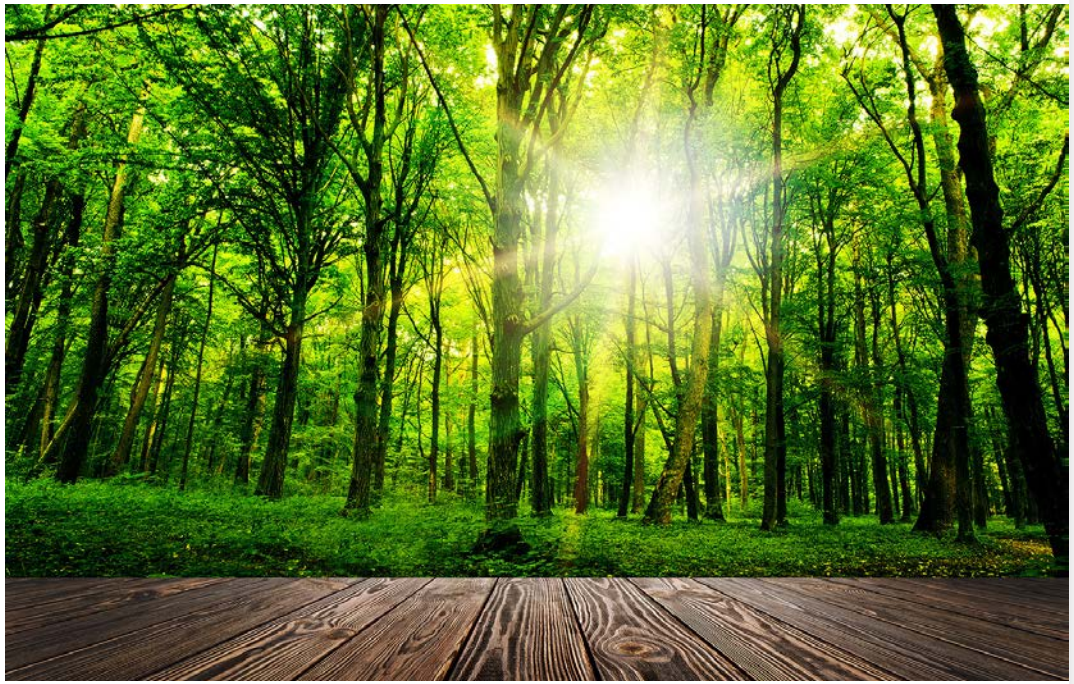
Our SDGs initiatives

Roll out regional vitalization initiatives in collaboration with local governments and development consulting in consideration of the global environment



Contribute to regional vitalization through development in multilateral collaboration with regional communities and local governments. Operate an ecology business that is considerate of the global environment through consulting that features technology combined with real estate development.



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Our SDGs initiatives

Promote diversity management that values diversity and creativity



Maintains sound diversity management: 57.0% female employees ratio, 100% parental leave taken by female employees, and 77.7% paid leave taken (as of December 31, 2021). We have employees with other jobs and those who are from other countries. We value diversity and creativity of our employees and promote the creation of workplaces where employees can work at ease while respecting their individual life plans.



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3. Appendix

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IoT product introduction

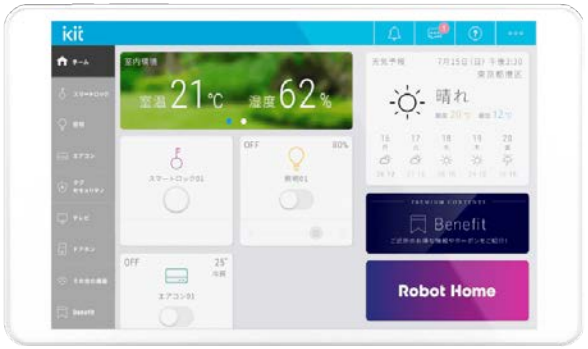
Chat concierge

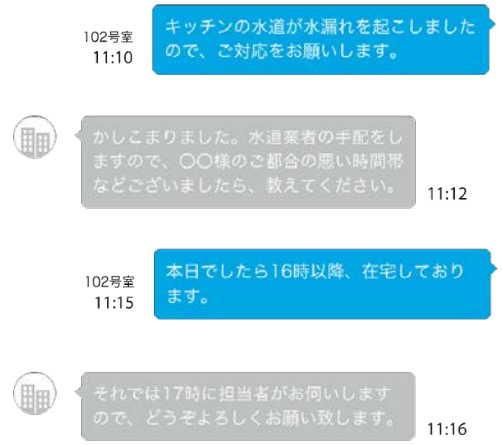
CENTRAL CONTROLLER TABLET

This tablet offers rental housing concierge services. Functioning as an IoT device gateway, it enables operation from a smartphone app.

- Chat concierge
- Responds to trouble, such as with water, gas, etc.
- Functions to provide everyday life information
- Delivers other useful lifestyle-related contents







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IoT product introduction

HOME ENTRANCE

Intercom with camera for multiple dwelling or individual entrances capable of reception from a smartphone

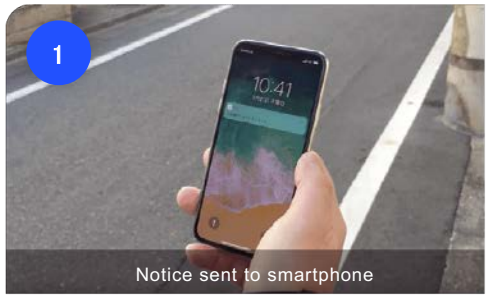


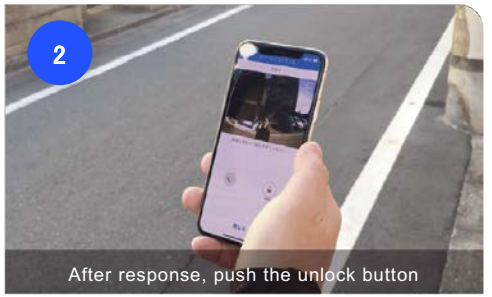


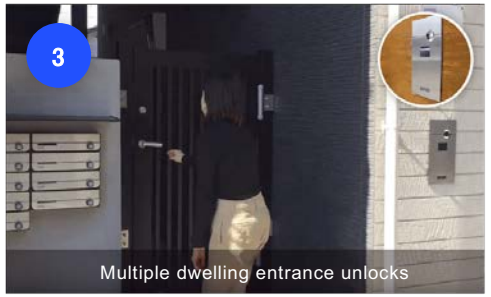
Device with camera
for individual entrance



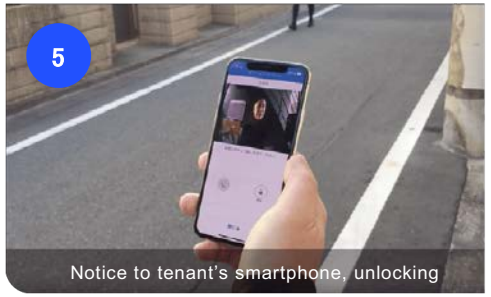
Device with camera for multiple dwelling entrance

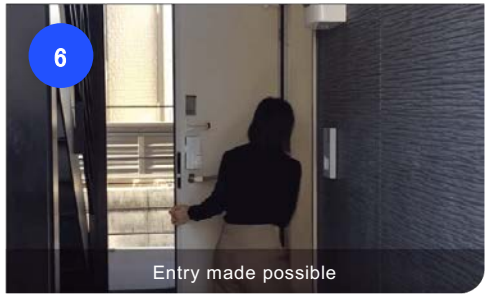












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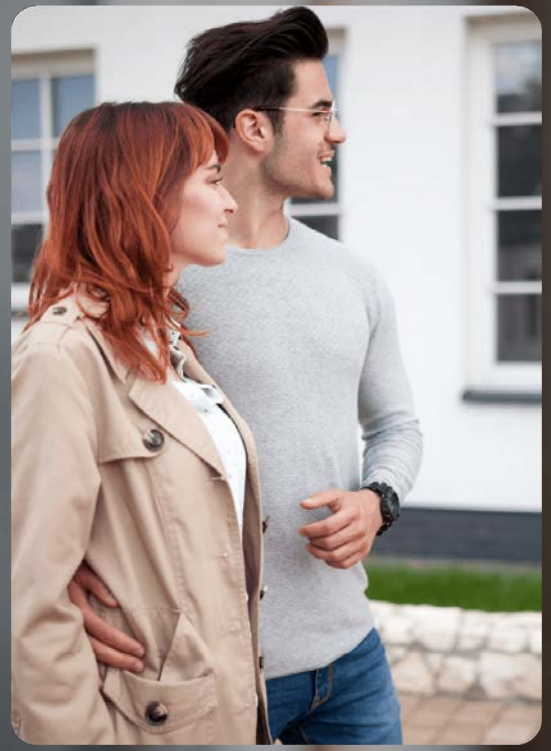
IoT product introduction

Flow of customer support using the app



Intercom for multiple dwelling entrance



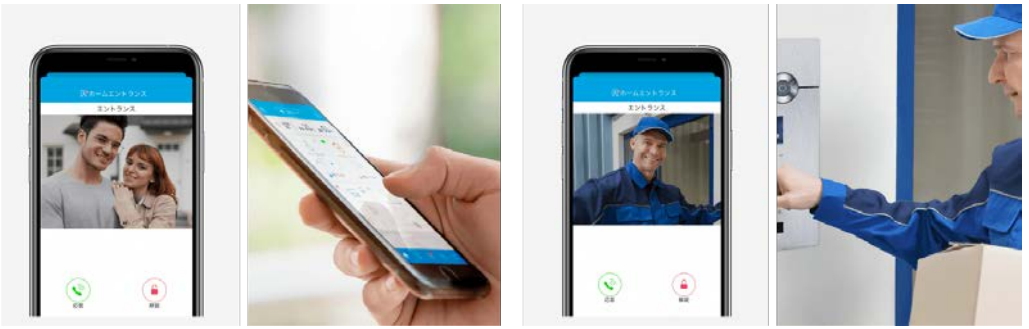
Intercom for individual entrance



Easily unlock the door with the app even when away from home

When friends or family visit
Unlock the door for them

When a courier arrives
Request package drop



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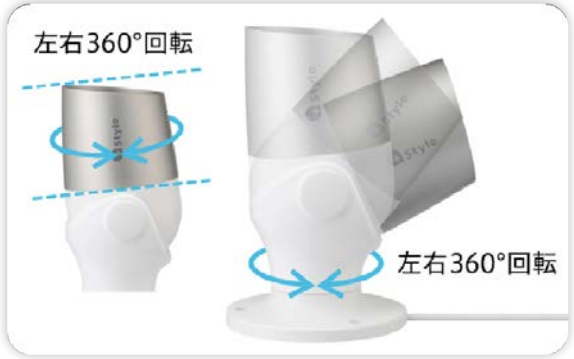
IoT product introduction

SECURITY CAMERA

- Surveillance camera for crime prevention -

Even when you cannot check in real time, such as when you are away from home or sleeping, it continues to record automatically to the app or a microSD card.





Recorded video can be submitted as evidence

- **Live check function**
- **Video saving function**
  (Can be saved for up to two weeks)
- **Snipping function**
- **Automated night-vision mode**

Day — You can clearly see the situation in the room with high-quality images.

Night — You can see clearly even in the dark with the automated night vision mode.



*The image was taken in a very dark room to see what it is like at night.

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IoT product introduction

SMART LOCK

Features special processing that does not come off or fall 4 ways to unlock

(App, ten key, IC cards for transportation or conventional keys)



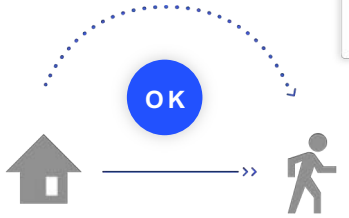


SMART LOCK is used to prevent unlocked doors and windows. If it is fraudulently unlocked, an alarm will be activated and an entry record can be checked via the app.

SENSOR

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

Automatically changes to “Outside mode” at a certain distance away from home.







SENSOR installed in the window detects opening and closing, or vibration, and enables confirmation of abnormalities in the room by using a smartphone from a remote location.

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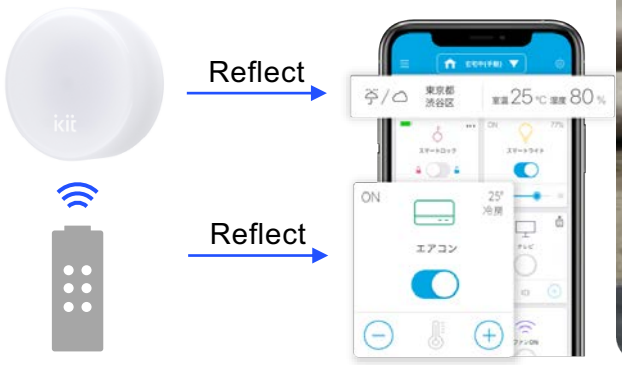
IoT product introduction

NATURE SENSOR REMOTE CONTROLLER

This remote control device can operate home appliances via a smartphone*





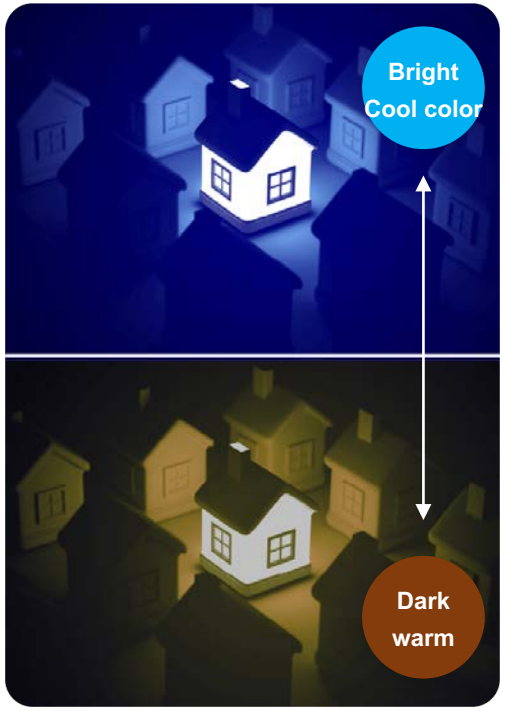
Acquires information on indoor room temperature and humidity, and enables operation of air conditioning, TV or other appliances with a single tap of your smartphone.

*Activation of all home appliances is not guaranteed.

SMART LIGHT

Turns on and off the light,
controls its color or dims freely





* Illustration

If you are away from home, and realize that you forgot to turn off a home light, you can turn it off from a remote location with a single tap on your smartphone.

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